



*[Provisional Translation Only]*

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March 29, 2022

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## **Lawsuit Result**

As announced in "Notice on Filing Lawsuit" on May 21, 2021, Japan Display Inc. (JDI) filed a lawsuit in Kanazawa District Court against Hakusan-city, Ishikawa Prefecture, for a confirmatory judgment to the effect that it does not owe any obligation to the city to return a plant construction subsidy (the "Lawsuit"). Today Kanazawa District Court rendered a judgement on the Lawsuit (the "Judgment"), as follows.

### 1. Court and Date of Judgement

- (1) Court: Kanazawa District Court
- (2) Date of the Judgment: March 29, 2022

### 2. Background to Filing of Lawsuit<sup>1</sup>

In April 2015 JDI constructed a plant to manufacture LCD displays in Hakusan-city, Ishikawa Prefecture ("Hakusan Plant"), and JDI received a subsidy of JPY 1,000,000,000 (the "Subsidy") in order to "create jobs and promote industry" in the city (Article 1 of Hakusan-city Ordinance in relation to Promoting Plant Construction (Hakusan-city Ordinance No. 169, 2005.2.1)). JDI used the Subsidy in accordance with its purpose to create jobs and promote industry in Hakusan-city through the construction and operation of the Hakusan Plant. However, due to the divestiture of Hakusan Plant and its assets to Sharp Corporation and a JDI customer on October 1, 2021, Hakusan-city requested JDI to return all of the Subsidy of JPY 1,000,000,000.

JDI sincerely tried to resolve the dispute amicably through negotiation with Hakusan-city, including offering a compromise. However, as Hakusan-city sent a notice to JDI to terminate all forward discussions, JDI felt it had no choice but to file the Lawsuit.

### 3. Summary of Judgment

- (1) Deny the claim by the Plaintiff (JDI)
- (2) Plaintiff (JDI) shall bear the Lawsuit expense

### 4. Earnings Impact

The Judgement's impact on JDI's earnings is immaterial.

JDI will carefully review the content of the Judgment and consult with external counsel with respect to possible next steps, and will promptly disclose the details if matters requiring further disclosure arise.

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<sup>1</sup> For further detail, please refer to "Notice on Filing Lawsuit" on May 21, 2021.