

**Notice Concerning the Partial Redemption of 1st Series Unsecured Convertible Bonds with Stock Acquisition Rights (Subordinated) and the Loan Procurement in Connection with the Transfer of Nomi Plant and Related Assets, and Conclusion of Basic Agreement on Capital and Business Tie-Up with JOLED Inc.**

Japan Display Inc. ("JDI") announced that its Board of Directors decided at a meeting as of today to transfer its Nomi Plant and the related assets (plant operations were discontinued in December 2017) to Innovation Network Corporation of Japan ("INCJ") on June 29 in exchange for 20 billion yen, redeem 1st Series Unsecured Convertible Bonds with Stock Acquisition Rights (subordinated) (hereafter, "Convertible Bonds with Stock Acquisition Rights") issued to INCJ for the face value of 20 billion yen and procure 20 billion yen in loans from INCJ. Details are discussed below.

Also today, JDI entered into a Basic Agreement on a capital and business tie-up (hereafter, "Basic Agreement") with its equity-method affiliate JOLED Inc. ("JOLED"), a developer, maker and seller of organic light-emitting diode (OLED) displays using printing technology (hereafter, "printing OLED").

**1. Transfer of Nomi Plant and related assets to INCJ, partial redemption of Convertible Bonds with Stock Acquisition Rights and loan procurement**

As stated in the March 30, 2018 announcement concerning the third-party allocation of newly issued shares, JDI planned to receive approximately 20 billion yen from INCJ in exchange for the transfer of Nomi Plant and related assets. As a result of later extensive negotiations with INCJ and to maintain consistency with the use of the funds procured through the third-party allotment, JDI reached agreement with INCJ to (1) transfer Nomi Plant and related assets which will be used for printing OLED mass manufacturing, (2) partially redeem Convertible Bonds with Stock Acquisition Rights that were issued on January 11, 2017 to INCJ for the purpose of providing capital that will be used for printing OLED and (3) receive capital financing of 20 billion yen as a loan from INCJ to be used as working capital for increasing shipments of FULL ACTIVE™ displays. These three transactions are scheduled to be completed on June 29, 2018.

**Overview of INCJ (as of June 26, 2018)**

(1) Company name	Innovation Network Corporation of Japan
(2) Head office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Name and title of representative	Toshiyuki Shiga, Chairman and CEO Mikihide Katsumata, President and COO
(4) Business description	Taking special business support business measures based on Japan's Industrial Competitiveness Enhancement Act.
(5) Capital	150,005 million yen
(6) Date of incorporation	July 17, 2009

**2. Conclusion of Basic Agreement with JOLED and future business relationship**

JDI has entered into a Basic Agreement with JOLED regarding the conversion of its current entire holding of JOLED class shares to common shares (conversion date: June 29, 2018), the partnership with JOLED in the area of research and development, management of intellectual property rights, production and technology support at the Nomi Plant and other objectives. Based on the share conversion and JOLED's planned capital procurement, JDI expects that its voting interest percentage in JOLED will rise from 15% to the range of 20-30%. However, as stated in JDI's March 30, 2018 "Notice Concerning Change to the Policy on Acquisition of Shares (Subsidiarization) of JOLED Inc.," JDI does not plan to make

JOLED a consolidated subsidiary by increasing its voting interest to 51%.

JDI has provided JOLED with financial support and has created supportive and cooperative arrangements with the OLED display manufacturer with respect to development and manufacturing. The conclusion of the Basic Agreement will further strengthen the business synergies between the two companies including sales activities by leveraging an existing distributor agreement.

**Overview of JOLED (as of June 26, 2018)**

(7) Company name	JOLED Inc.		
(8) Head office	MetLife Bldg. 10F 3-23 Kandanishiki-cho, Chiyoda-ku, Tokyo		
(9) Name and title of representative	Tadashi Ishibashi, President and Representative Director		
(10) Business description	Research, development, manufacture and sales of organic light-emitting diode display panels as well as related components, materials, and manufacturing equipment and related products		
(11) Capital	26,975 million yen		
(12) Date of incorporation	January 5, 2015		
(13) Major shareholders and their shareholding ratio	Innovation Network Corporation of Japan: 75%, Japan Display Inc.: 15%, Sony Corporation: 5%, Panasonic Corporation: 5%		
(14) Relationship with the concerned company			
Capital relationship	See "2. Conclusion of Basic Agreement with JOLED and future business relationship"		
Personnel relationship	Nobuhiro Higashiiriki, Chairman and Representative Director of JDI, also serves as the Chairman and Board Director of JOLED. In addition JDI's Managing Executive Officer Isao Fukui and Executive Officer Tomiaki Yamamoto also serve as Outside Director and Executive Officer, respectively, at JOLED.		
Business relationship	JDI conducts development, manufacturing and sales business transactions with JOLED.		
Relevant facts concerning related parties	JOLED is an equity-method affiliate of JDI, and therefore a Related Party of JDI.		
(14) Operating performance and financial condition of the concerned company for the latest three fiscal years			
Fiscal year	FY ended March 31, 2016	FY ended March 31, 2017	FY ended March 31, 2018
Net assets	17,743	35,028	26,789
Total assets	24,166	38,030	30,183
Net sales	-	-	56
Net loss	2,664	13,964	14,818

**3. Outlook**

The above "1. Transfer of Nomi Plant and related assets to INCJ, partial redemption of Convertible Bonds with Stock Acquisition Rights and Procurement by loan procurement" transactions and Basic Agreement with JOLED are expected to have little effect on JDI's FY 2018 financial results.

Regarding its stake in JOLED, JDI's voting interest in JOLED will increase. However, it expects a decline in equity in losses of affiliates because of the conversion of its holding of JOLED preferred shares to common shares. When the timing of and other details regarding the impact of these matters on financial results become clear JDI will make an announcement.

In regard to these transactions, INCJ, which is JDI's largest shareholder, has indicated that it will support an increase in JDI's corporate value and continue to work closely with JDI to help realize additional business growth.

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