

**Notice Concerning Conclusion of Basic Agreement
regarding Fund Procurement from Ichigo Asset Group**

Japan Display Inc. ("JDI") hereby announces that (i) it has resolved at its board of directors meeting held today to hold future discussions about details regarding a fund procurement of JPY 80 billion to JPY 90 billion by JDI from Ichigo Trust Pte. Ltd. ("Ichigo Trust"), an investment management company specializing in long term investments in Japanese companies, and (ii) it has entered into a basic agreement concerning the fund procurement with Ichigo Trust (the "Basic Agreement").

1. Background and Purpose of Fund Procurement

In the market for smartphone displays, which is the core business of JDI, due to an economic slowdown in China, a prolonged purchase replacement cycle for smartphones, and other factors, the growth of the smartphone market has stagnated globally. Furthermore, the competitive environment has intensified due to the widespread adoption of OLED displays by smartphone makers, which are JDI's customers, and an expansion in production by Chinese competitive display manufacturers. Given these factors, a rapid change in the business environment has occurred. Under the influence of such rapid change, JDI recorded a significant impairment loss, a significant loss in operating income, and a quarterly net loss attributable to owners of a parent company for the consolidated cumulative 2nd quarter of the fiscal year ending March 31, 2020. As a result, regarding total net assets at the end of the consolidated 2nd quarter of the fiscal year ending March 31, 2020, JDI's debts have exceeded its assets by JPY 101,612 million.

Given this situation, JDI considers that it needs a large-scale and swift injection of capital funds in order to recover its eroded capital and to ensure an appropriate net asset level as a listed company. Therefore, JDI continues to hold discussions and negotiations with Suwa Investment Holdings, LLC ("Suwa") and expected Suwa investors so that JDI can obtain the investment pursuant to the AMENDED AND RESTATED CAPITAL AND BUSINESS ALLIANCE AGREEMENT entered into with Suwa on August 7, 2019. However, today, JDI entered into the Basic Agreement with Ichigo Trust in case the investment from Suwa cannot be completed by December 31, 2019.

2. Details of Basic Agreement

JDI and Ichigo Trust have agreed to proceed with discussions toward concluding a definitive agreement in which JDI and Ichigo Trust agree that JDI will procure funds of JPY 80 billion to JPY 90 billion from Ichigo Trust in case the investment from Suwa cannot be completed by December 31, 2019. The specific details and terms of the definitive agreement will be determined through future discussions between JDI and Ichigo Trust.

Also, JDI and Ichigo Trust have agreed to escrow JPY 20 billion (out of funds to be procured) to a bank account of a third party independent from JDI and Ichigo Trust to the extent practically possible during the period from the execution of the definitive agreement to the completion of the above-mentioned fund procurement.

3. Outline of the Party to Procure Funds

(1)	Name	Ichigo Trust Pte. Ltd.	
(2)	Registered address	1 North Bridge Road, #06-08 High Street Centre Singapore 179094	
(3)	Basis for establishment, etc.	Companies Act of Singapore	
(4)	Purpose of establishment	Investment management specializing in investments in Japanese companies	
(5)	Date of establishment	March 26, 2010	
(6)	Total amount of investment	JPY 681,096 million (As of September 30, 2019)	
(7)	Investors, investment ratio, outline of investors	Mainly university endowments, foundations, and pension funds located in Europe and North America. However, the details cannot be disclosed as they have not been provided.	
(8)	Outline of operating partner	Name	N/A
		Registered address	N/A
		Position and name of representative	N/A
		Description of business	N/A
		Capital	N/A
(9)	Outline of local agent	Name	N/A
		Registered address	N/A
		Position and name of representative	N/A
		Description of business	N/A
		Capital	N/A
(10)	Relationship between the listed company and the fund	Relationship between the listed company and the fund	N/A
		Relationship between the listed company and the operating partner	N/A
		Relationship between the listed company and the local agent	N/A

4. Schedule

JDI and Ichigo Trust will proceed with mutual discussions pursuant to the Basic Agreement. Where the above-mentioned investment from Suwa cannot be completed by December 31, 2019, JDI aims to enter into the definitive agreement within January 2020 and to complete the fund procurement in February to March 2020.

5. Future Outlook

If JDI and Ichigo Trust enter into the definitive agreement concerning the fund procurement as a result of discussions in accordance with the Basic Agreement, and complete the fund procurement based on the definitive agreement, JDI believes that this will contribute to the expansion of JDI's cash reserves and to the restoration and reinforcement of its financial condition, which will lead to the stable growth of JDI's business and the improvement of the share value from a medium to long term perspective, although the impact of this fund procurement on JDI's consolidated financial results for the fiscal year ending March 31, 2020 has not been determined yet.

In addition, JDI has been informed by INCJ, Ltd. ("INCJ") that, even if JDI procures funds from Ichigo Asset Group, the refinancing framework (in which INCJ will switch an existing loan to a long-term loan and subscribe for JDI's preferred shares) which has already been announced in JDI's previous notices will not be changed. Also, INCJ has notified JDI that, if JDI enters into the definitive agreement concerning the fund procurement with Ichigo Asset Group and completes the fund procurement pursuant to the definitive agreement, INCJ will consider extending the repayment due dates of the short term loans totaling JPY 40 billion executed in August and September 2019 which JDI has previously announced.

In addition, as previously announced, JDI received a letter from its customer stating that upon satisfaction of conditions precedent, such as JDI completing a fund procurement of USD 450 million, including the investment by the customer, by the end of December 2019, (i) the customer will alleviate payment terms for transactions with JDI, and (ii) if Harvest Tech Investment Management Co., Ltd., which is an expected investor in Suwa, does not directly or indirectly invest in JDI, the customer intends to provide JDI with funds of USD 200 million through Suwa or by other means. Today, JDI agreed with the customer to hold discussions toward concluding a definitive agreement in which JDI and the customer agree that upon satisfaction of conditions precedent, such as the closing of the investment by Ichigo Asset Group in JDI of at least JPY 40 billion, (i) the customer will alleviate payment terms for transactions with JDI, and (ii) the customer will make a capital investment of USD 200 million in JDI (this capital investment may be implemented through the customer purchasing production equipment located in JDI's Hakusan plant). The specific details and terms of the definitive agreement will be determined through future discussions between JDI and the customer.

Further, JDI announced that another operating company which is one of JDI's business partners had notified JDI that it intends to make an investment of USD 50 million in JDI. Today, JDI received a notice from the operating company stating that, even if JDI procures funds from Ichigo Asset Group, it intends to (i) provide JDI with business and financial support, the aggregate amount of which is approximately USD 50 million, including financial support, the acquisition of assets owned by JDI, and payment term extensions, and (ii) form a strategic alliance with JDI in the automotive display business and the display business, and cooperate with JDI in supply chain management. The specific details and terms of the above will be determined through future discussions between JDI and the operating company.

If matters that should be disclosed arise, JDI will promptly disclose them.

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