

December 26, 2019

[English Translation]

Notice Concerning the Appointed Membership of the Third-Party Committee and Other Matters

Japan Display Inc. ("JDI") announces that it has resolved at its board of directors meeting held today to select the members of a third-party committee and to entrust this committee with an investigation into company matters.

Details appear below.

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1. Overview of the the appointment of members to a third-party committee of investigation

As previously announced, JDI received notification from a former employee of JDI's administrative division (the "Former Employee") who was dismissed after JDI discovered that this Former Employee had engaged in fraud and against whom JDI has filed a criminal complaint, in which the Former Employee alleges engaging in improper accounting of JDI's past financial results. In the notification, the Former Employee alleged that the reason for the improper accounting treatment was that the Former Employee was acting under instructions from senior management during the Former Employee's tenure at JDI. In response to this notification, JDI established a special investigation committee including external experts to conduct a fact-finding investigation of the allegation by the Former Employee of improper accounting in past financial periods (the "Allegation") and any other relevant matters. However, on December 24, 2019 we decided to transfer the investigation to an independent investigation committee composed solely of neutral and impartial outside members independent of JDI in the interest of a more fully transparent investigative process.

At a meeting held today the JDI board of directors decided on the composition of the third-party committee and the matters to be entrusted to the committee, as indicated below.

In addition, as of today the special investigation committee will be dissolved. Further, the investigative work of the special investigation committee will be turned over to the third-party committee after the third-party committee confirms that this work will not affect the neutrality or impartiality of the third-party committee.

2. Matters to be entrusted to the third-party committee

- (1) An investigation of the facts related to the Allegation.
- (2) An investigation of the presence or absence of any other matters similar to the Allegation over the

time period that extends from when JDI began as a business in April 2012 until September 2019.

- (3) If improper accounting treatment is found, assess the impact.
- (4) If improper accounting is found, an investigation of the cause(s) and propose measures to prevent recurrence.
- (5) A review of other matters that may be deemed necessary by the third-party committee.

3. Composition of the third-party committee

The members of the third-party committee are as follows:

Shiro Kuniya, chair of the third-party committee: a lawyer with Oh-Ebashi LPC & Partners

Ken Arahari: a certified public accountant with EY Japan Forensic and Integrity Services

Norihiro Sekiguchi: a lawyer with Oh-Ebashi LPC & Partners

The third-party committee will be established and operate in accordance with the “Independent Committee Guidelines for Corporate Scandals” (the “Guidelines”) formulated by the Japan Federation of Bar Associations. The members of the committee have no financial or any other interest in JDI, and there are no factors that hinder the neutrality and impartiality of the committee. Also, the third-party committee will appoint staff from Oh-Ebashi LPC & Partners and Ernst & Young ShinNihon LLC as assistants in the investigation.

In addition, the accounting firm Ernst & Young ShinNihon LLC, where Mr. Arahari concurrently serves as a partner, (a) audited the financial statements of Hitachi Displays, Ltd. and Japan Display Central Inc. for the fiscal year that ended in March 31, 2012 under the provisions of Article 436, Paragraph 2 (i) of the Companies Act, and (b) audited the securities report for the initial listing application (section I) of JDI as well as the financial statements of Japan Display Central Inc. for the fiscal year that ended in March 31, 2012 under the provisions of Article 193, Paragraph 2 (i) of the Financial Instruments and Exchange Act. However, Ernst & Young ShinNihon LLC has not audited JDI nor any of the Group companies of JDI since the fiscal year that ended March 31, 2013, when the JDI Group started its business and the consolidated financial statements for the Group were prepared with a special purpose entity formed in preparation for the planned integration of the predecessor companies and at that time was the substantive presiding company of the Group.

For this reason, JDI has determined that there is no interest between us and Mr. Arahari and Ernst & Young ShinNihon LLC, in accordance with the Guidelines.

4. Future plans

As announced on December 24, 2019, JDI will fully cooperate with the investigation by the third-party committee. The end date of the investigation by the committee has not been determined at this time, but as soon as the committee’s investigative report is received it will be promptly disclosed.

Currently, we plan to announce financial results for the third quarter of the fiscal year ending March 2020 on February 13, 2020. Any changes to this schedule that may occur will be promptly announced.

We sincerely apologize to all concerned parties for causing great concern and disruption. We will endeavor to restore trust and hope to have continued support from our stakeholders.

The information contained in the press release is as of the date of the announcement and is subject to change without prior notice. Of the information contained in this press release, our forecasts, plans and other forward-looking statements are based on our analysis and judgments subject to the information available to us as of the date of announcement, and actual results may differ materially from those expressed or implied by such forward-looking statements.