

April 16, 2020

[English Translation]

Notice Regarding the Disclaimer of Opinion in the Audit Report on the Amended Annual Securities Report for FY 2013 (ended March 2014)

As announced by Japan Display Inc. ("JDI") in its April 14, 2020 "Notice Concerning Submission of Quarterly Securities Report for the Third Quarter of FY 2019, Amendment of Annual Securities Reports and Financial Reports for Previous Fiscal Years", on April 13 the company submitted amended previous year' annual securities reports and quarterly securities reports that still fall under public inspection. The notice also stated that due to the impact of the novel coronavirus and other factors, an amended annual securities report for fiscal year 2013 (ended March 2014) and amended quarterly securities reports for fiscal year 2014 (ended March 2015), fiscal year 2015 (ended March 2016) and fiscal year 2016 (ended March 2017), for which the public inspection period terminated, were scheduled to be submitted to the Kanto Local Finance Bureau (KLFB) on April 16, 2020. JDI today announces that it has completed the submission of these amended reports to the KLFB.

JDI also announces that it has received an audit report from the independent auditor (the "Independent Auditor") containing a disclaimer of opinion in regard to the amended consolidated financial statements and non-consolidated financial statements for fiscal year 2013 (ended March 2014). In regard to the amended quarterly consolidated financial statements for fiscal year 2014 (ended March 2015), fiscal year 2015 (ended March 2016) and fiscal year 2016 (ended March 2017), JDI received quarterly review reports accompanied by qualified opinions.

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1. The name of Independent Auditor who conducted the audit and review

KPMG AZSA LLC

2. Contents of audit report and quarterly review reports

(1) Audit report on the amended annual securities report for fiscal year 2013 (ended March 2014)

The audit report on the amended consolidated financial statements for the 12th fiscal year (ended March 2014) contains a disclaimer of opinion. The grounds for the disclaimer of opinion are described below. The grounds for a disclaimer of opinion in the audit report on the non-consolidated financial statements are the same.

In light of multiple concrete suspicions of inappropriate accounting treatments in previous year financial results, a review of financial statements was instituted for the former parent companies of JDI that were merged on April 1, 2013 and the financial statements of the sister companies and subsidiaries that existed prior to the merger. While the set of accounting books for that past time period was saved, various accounting entry documents, account balances classified by account titles and other accounting materials were not meticulously saved, and the employees who were in charge of accounting at that time have already retired. Therefore, a situation exists in which it is not possible to confirm certain accounting matters, and it is not possible to confirm whether all of the financial statements were subjected to inappropriate accounting treatment, including matters that concern accounting details and financial implications. As a result, the Independent Auditor was unable to complete sufficient audit procedures on all of the financial statements.

In addition, some of the documented evidence related to the appraisal value of finished products and work in process for fiscal year 2013 (ended March 2014) was not retained. As a result, the Independent Auditor was unable to carry out some of the audit procedures and was unable to determine whether any revisions to the consolidated financial statements were necessary.

- (2) Quarterly review reports on amended quarterly securities reports for fiscal years 2014 (ended March 2015), 2015 (ended March 2014) and 2016 (ended March 2017)

The quarterly review reports on the amended quarterly financial statements pertaining to the 13th fiscal period (ended March 2015), the 14th fiscal period (ended March 2016) and the 15th fiscal period (ended March 2017) are accompanied by qualified opinions. The grounds for the qualified opinions are as follows.

Since JDI discovered that some of the documented evidence related to the appraisal value of finished products and work in process was not retained, which means that this value cannot be verified, the Independent Auditor was unable to verify the adequacy of the appraisal value of finished products and work in process in the quarterly consolidated financial statements related to the 12th fiscal period (ended March 2014) and the 13th fiscal period (ended March 2015) as well as some of the appraisal value of finished products and work in process in each of the quarterly consolidated accounting periods in the 13th fiscal period (ended March 2015) and the 14th fiscal period (ended March 2016). Therefore, no sufficient and appropriate audit evidence can be provided for the appraisal value of finished products and work in process in the 12th fiscal period (ended March 2014) and the 13th fiscal period (ended March 2015), and for the appraisal value of finished products and work in process in each consolidated quarterly accounting period in the 13th fiscal period (ended March 2015) and the 14th fiscal period (ended March 2016). Furthermore, no sufficient and appropriate audit evidence can be provided for the resulting cost of sales in the cumulative consolidated accounting periods in the 13th fiscal period (ended March 2015) and the 14th fiscal period (ended March 2016).

Therefore, it was not possible to judge whether or not the financial amounts related to these appraisal values of finished products and work in process and the financial amounts related to the resulting cost of sales should be adjusted. However, since this only affects the relevant accounting items and does not affect other

accounting items, the impact on the financial statements as a whole is limited, and since the potential impact on the quarterly consolidated financial statements is important but not wide-ranging, the audit report are accompanied by qualified opinions.

3. Date of receipt of audit report and quarterly review reports

April 16, 2020

4. Future policies

JDI is giving special attention to the reason for the Independent Auditor's disclaimer of opinion and will take appropriate actions in the future.

The company offers its deepest apologies for causing substantial concern to its shareholders and other stakeholders in regard to this matter.

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