

[English Translation]

**(Update and Progress of a Disclosure Matter)**  
**Notice Regarding Completion of Transfer of Fixed Assets (Hakusan Plant)**

In the press release titled "Notice Concerning Transfer of Fixed Assets at the Hakusan Plant" dated March 31, 2020 and "Notice Concerning Transfer of Fixed Assets (Hakusan Plant), the Recording of Non-operating Income and Extraordinary Profit/Loss, and Discontinuation of a Plan to Convert JDI's In-House Mobile Company into a Subsidiary" dated August 28, 2020 (the "Disclosure Dated August 28, 2020"), Japan Display Inc. ("JDI") announced that it resolved at its meeting of the board of directors to transfer land, building, ancillary facilities and other assets at its Hakusan Plant to Sharp Corporation and transfer production equipment located at the Hakusan Plant to its customer (the "Customer"), and reached definitive agreements to this effect with Sharp Corporation and the Customer, respectively. JDI hereby announces that the transfer procedures have been completed and the transfer of the Hakusan Plant and its related assets to Sharp Corporation and the Customer have been concluded on October 1, 2020.

**1. Details of the assets transferred**

| Transferee               | Sharp Corporation  | The Customer (Note 1)                                  |
|--------------------------|--|--|
| Assets to be transferred | Land, building, ancillary facilities and other assets at the Hakusan Plant | LCD production equipment at the Hakusan Plant          |
| Location of the assets   | Hakusan-City, Ishikawa Prefecture  | Hakusan-City, Ishikawa Prefecture                      |
| Transfer price           | USD 390 million<br>(approx. JPY 41.1 billion) (Note 2)                     | USD 285 million<br>(approx. JPY 30.0 billion) (Note 2) |
| Book value               | JPY 50.0 billion   | JPY 230 million  |

(Note 1) The Customer, is an overseas corporation who is one of JDI's main customers. Due to a nondisclosure agreement JDI has with the Customer, details concerning the Customer are not disclosed.

(Note 2) The amount in Japanese yen is calculated based on a foreign exchange rate USD 1 = JPY 105.36 as of August 31, 2020.

Please refer to the Disclosure Dated August 28, 2020 for the reason for the transfer and details of the transferees.  
<https://ssl4.eir-parts.net/doc/6740/tdnet/1879011/00.pdf>

**2. Future Outlook**

On October 1, 2020, USD 675 million, the total amount of the transfer of the Hakusan Plant and the related assets, were applied to repay the advances received from the Customer, of which the outstanding balance was USD 702.5 million. The remaining balance of USD 27.5 million advances received will be offset by account receivable from the Customer on October 2, 2020. With this, JDI will complete the repayment and there will be no balance outstanding from the advances received from the Customer.

The table below shows the estimated extraordinary income and losses that are expected to be recorded in the third quarter of the fiscal year 2020 ending March 31, 2021, in connection with the transfer of the Hakusan Plant and the related assets. In the Disclosure Dated August 28, 2020, it was announced that the foreign exchange gain was expected to be booked as a non-operating income, but after review, it is now expected to be booked as an extraordinary income.

| Gain/Loss            | Account Item                    | Content   | Estimated amount        |
|----------------------|---------------------------------|---|-------------------------|
| Extraordinary income | Gain on sales of fixed Assets   | Difference between book value and transfer price at the time of asset transfer  | JPY 20.9 bn<br>(Note)   |
|                      | Foreign exchange gain           | Foreign exchange gains resulting from the difference in exchange rates at the time of receipt of the advances received and the offset | JPY 5.9 bn<br>(Note)    |
| Extraordinary loss   | Business restructuring expenses | Costs associated with test operations of production equipment and facilities at the Hakusan Plant.                                    | JPY 3.3 bn<br>(Maximum) |

(Note) Gain on sales of fixed assets and foreign exchange gain are calculated based on a foreign exchange rate of USD 1 = JPY 105.36 as of August 31, 2020.

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