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Notice Regarding the Decision of the Financial Services Agency to Order Payment of an Administrative Monetary Penalty

As announced by Japan Display Inc. ("JDI") on December 22, 2020*, Japan's Securities and Exchange Surveillance Commission made a recommendation to the Prime Minister of Japan and the Commissioner of Japan's Financial Services Agency (the "FSA") that an administrative monetary penalty (the "Penalty") payment order of JPY 2,163,334,996 be imposed on JDI in regard to amendments made by the company to securities reports and other reports from previous fiscal years to address improper accounting treatment. Later, on January 14, 2021** JDI announced its resolve to submit a written answer to the Administrative Law Judge of the FSA to the effect that it acknowledges both the facts listed in Article 178 (1)(ii) and (iv) of Japan's Financial Instruments and Exchange Act as concerns the Penalty and the amount of the Penalty to be paid, and submitted its answer on the same day.

* "Notice Concerning an Administrative Monetary Penalty Payment Order Recommended by the Securities and Exchange Surveillance Commission," December 22, 2020.

** "Notice Concerning the Submission of a Reply to the Ruling for Commencement of a Hearing Procedure Related to an Administrative Monetary Penalty," January 14, 2021.

Today, JDI hereby announces that an official decision was made by the Commissioner of the FSA that the amount of the Penalty will be JPY 2,163,334,996 and that this amount is to be paid by April 26, 2021. JDI, in accordance with the decision to order the payment of the Penalty and a written payment notice received from the FSA, will pay the Penalty to Japan's national treasury.

In regard to the Penalty payment, in FY20/3 Q4 JDI booked an extraordinary loss under "other" of JPY 2,200 million as an estimated amount for part of the costs related to improper accounting treatment. Accordingly, the impact of the Penalty payment on JDI's financial performance in FY21/3 is minimal.

Henceforth, JDI will continue to improve governance and strengthen internal controls, strive for sustainable growth and increase corporate value over the medium to long term, as well as work to restore the trust of all concerned parties.

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