

May 14, 2021

Japan Display Inc. (Tokyo Stock Exchange, First Section 6740)

Representative: Scott Callon, Chairman, CEO, and Representative Executive Officer

Inquiries: Akihito Okochi, CFO and Representative Executive Officer

Telephone: +81-3-6732-8100

<https://www.j-display.com/english/>

Recording of Extraordinary Loss (Impairment Loss)

Japan Display Inc. (JDI) recorded an impairment loss on fixed assets as an extraordinary loss in FY21/3 Q4 (January 1, 2021 to March 31, 2021).

1. Summary of the extraordinary loss (impairment loss)

Since profitability has declined due to stagnant growth in the smartphone market and major customers have expanded their use of OLED displays, JDI has decided, based on the “Accounting Standard for Impairment of Fixed Assets,” to recognize an impairment loss on some of its manufacturing facilities (mainly, the production equipment of overseas manufacturing subsidiaries) and on goodwill recorded at the time JDI completed a merger. Accordingly, an impairment loss of JPY 13,087 million was recorded as an extraordinary loss in FY21/3 Q4.

2. Impact on business performance

The above-mentioned impairment loss is reflected in the "Financial Results for the Fiscal Year Ending March 2021 (Japanese Accounting Standards [JGAAP]) (Consolidated)" announced today.

The recording of this impairment loss reduces future risks on JDI's balance sheet. The company is aiming to achieve profitability as soon as possible through broad-based management reforms.

Provisional Translation Only

This is an English translation of the original Japanese document and provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.