



Japan Display Inc. Group

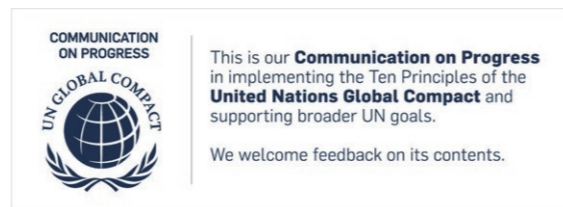
CSR Report 2021



Japan Display Inc. Group CSR Report 2021

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JDI Group signed the UN Global Compact on August 2, 2021.

Editorial Policy

We believe it is important to disclose information and appropriately communicate them to our stakeholders. The purpose of this report is to convey our efforts on how to realize a sustainable society in comprehensible terms.

In editing the report, we have included the data and details of activities taken by global manufacturing subsidiaries. We also expressed ideas by incorporating as many figures and photographs as possible, and we introduce each of our activities through their own page layout.

We also welcome people to view the English version that is available from our website (<http://www.j-display.com/Environment/report.html>). Please contact us via our website below with any comments, suggestions, and so on, so that we can use these as reference in the future. Please use the URLs below to access our website and contact us using these forms.

Inquiries about products and others >>>

<https://www.webcoms.jp/jdi/eng/form.php>

Inquiries from investors >>>

<https://www.webcoms.jp/jdi/ir/eng/form.php>

Covered Organizations This report lists a portion of the activities of the domestic sites and the global manufacturing subsidiaries of Japan Display Inc.

Target Period April 2020 – March 2021
(Some activities outside of the above period are also included.)

Guidelines referenced
Environmental Report Guidelines 2018

Initiative We Support
UN Global Compact

Publisher Japan Display Inc.
(Issued by CSR & Environment Section
Corporate Planning Department
Corporate Planning and Strategy
Division)

Month Issued August 2021

Company Outline

Company Name	Japan Display Inc.
Business Start	April 1, 2012
Business	<ol style="list-style-type: none"> 1. Research, development, manufacture and sales of small- and medium-sized display devices and related products and parts. 2. Planning, research, development, design, manufacture, sales, maintenance, rental, leasing and providing related solution services of electrical equipment, electronic devices, software, etc. 3. Information collection services, information analysis services and information provision services including biometric information measurement using electronic technology.

Headquarters

Landic 2nd Bldg., 3-7-1, Nishi-shinbashi, Minato-ku, Tokyo, 105-0003, Japan

Development and Design Sites

Ebina R&D Center
Ebina Prime Tower, 2-9-50, Chuo, Ebina-shi, Kanagawa, 243-0432, Japan

Production Lines by Plant

Mobara Plant	6th-generation LTPS
Ishikawa Plant	4.5th-generation LTPS
Higashiura Plant	3.5th-generation LTPS
Tottori Plant	4th-generation a-Si

a-Si: Amorphous silicon TFT
LTPS: Low temperature poly silicon

Manufacturing Sites



Mobara Plant



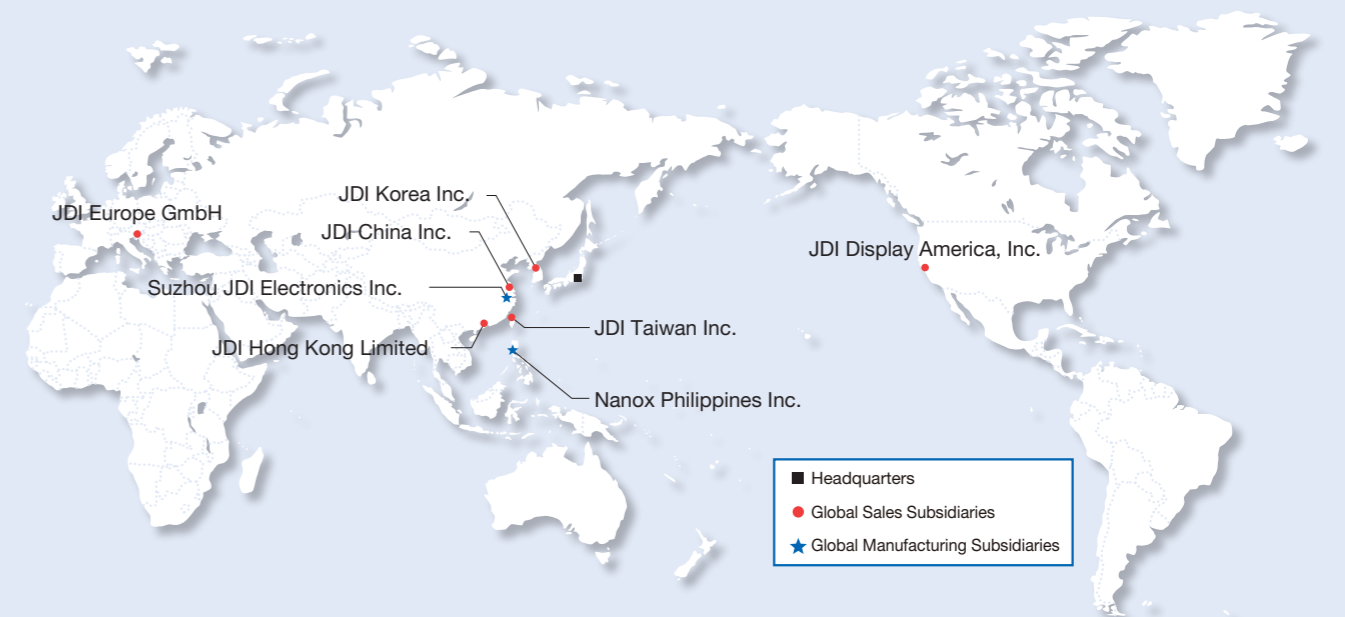
Ishikawa Plant



Higashiura Plant



Tottori Plant



Global Subsidiaries

Global Sales Subsidiaries

JDI Display America, Inc.	San Jose, CA, USA
JDI Europe GmbH	München, Germany
JDI China Inc.	Shanghai, PRC
JDI Hong Kong Limited	Kowloon, Hong Kong
JDI Taiwan Inc.	Taipei, Taiwan
JDI Korea Inc.	Seoul, Korea

Global Manufacturing Subsidiaries

Suzhou JDI Electronics Inc.	Suzhou, PRC
Nanox Philippines Inc.	Pampanga, Philippines

Management Message

Thank you very much for your continued support of Japan Display Inc.

JDI has worked to strengthen corporate governance, restructure its financial base, and solidify new sources of profit. In FY2021, we will strive to innovate our existing businesses while at the same time cultivating new businesses. As reforms to existing businesses, JDI will strengthen sales and marketing and build organization and management systems with the responsible for succeeding in restructuring these existing businesses, as well as broaden product competitiveness through diverse technologies which fully enhance earning power and reorganize low-profit products and businesses. We will also cultivate new businesses by creating new business models and commercializing high-added-value products and businesses.

Although the negative effects of the novel coronavirus crisis on our current business operations are unavoidable, I view the change in the market as a new business opportunity and will guide management aiming for our company to coexist in a post-COVID-19 society.

Building a Sustainable Corporate Base

We are a display manufacturer with advanced technological capabilities, supplying to our customers globally displays for smartphones, automobiles, consumer products, and medical and industrial equipment. We are a global leader in automotive displays due to our high reliability and functionality and long track record of secure product delivery to our customers. Our Ultra High Definition displays for VR devices and low power consumption wearable device displays are other examples of products which consistently receive high customer acclaim.

We are leveraging the display technologies amassed in our businesses thus far in devices like sensors as well as solution services to develop and commercialize technologies and expand our reach into new fields. As means to this end, JDI added new purposes of business to the Articles of Incorporation through revisions made in June 2021.

My job as Chairman and CEO is to support all of our employees globally to make full use of our capabilities - human resources, technology, products, and financial resources. I will strongly advocate the creation of unparalleled technology for the development of game-changing products as well as devices and solutions which are able to provide unparalleled consumer value with the goal of achieving reform and becoming a personal tech company.*1

*1 Our vision is to become a company that offers technologies and services that consider people's needs and enrich daily lives through not only the display business, but also through expanding into healthcare, security, and other new fields of business.

Employee Health and New Work Style

The spread of the novel coronavirus has dramatically changed all of our work styles. To protect the health of employees, JDI utilized measures to limit contact, such as the introduction of telework (work-from-home) programs, recommendations for staggered work shifts, the configuration of socially distanced workspaces, restrictions on nonessential and nonurgent business trips, and the use of web conferencing systems.

In October 2020, we also upgraded our employment structure to a hybrid work system integrating both on-site and telework as a permanent work-style reform for general office employees in anticipation of a post corona society. These reforms to conventional work styles assuming employees work on-site, the promotion of flexible work styles which do not rely on time or place, and initiatives to limit long working hours aim to both improve work productivity and enhance the quality of life.

Toward Realizing a Virtuous Cycle of Environmental Protection and Growth

JDI is continuously improving its environmental activities, paying more attention to the relationship between its business plan and management, as well as its strategic directions, which are in accord with the Environmental Management System Standard, ISO 14001 (2015 version). We are also promoting ongoing improvements by incorporating responses to survey items by a third-party assessment institution (CDP), etc.

Using the CDP company questionnaire, JDI will start calculating greenhouse gas emissions (Scope 3) throughout the entire supply chain while also continuing efforts in two fields—climate change and water security.

As the foundation of business operations, we comply with laws and regulations and respond to demands from customers and various other stakeholders regarding environmental issues. We strive to prevent production- or product-related incidents.

In product-related areas, we have established and implemented development processes aimed at providing products that meet environmental requirements, such as the management of chemical substances contained in our products and the design of environmentally conscious products, and are working to meet various regulations and customer requirements.

This illustrates how extremely important environmental initiatives are for our company. We will put forth the environmental policies shared across our group, strive to achieve environmental goals for key topics and strengthen our initiatives aimed at environmental issues, work to decrease the environmental load, and to improve our corporate value will push forward with both business activities and environmental activities.

Toward Sustainability and Decarbonization

In recent years, the SDGs adopted by the United Nations, the international Paris Agreement on climate change, and other international objectives and rules are also accelerating.

We will organize the SDGs as specific targets in order to help realize each of these goals while furthering future business ventures. JDI will then actively use these targets as an index measuring the social value generated by our businesses. We must also actively address social issues. JDI participated in the United Nations Global Compact (UNGC), which drafted the ten principles on human rights, labor, environment, and anti-corruption in August 2021 as well as joined the Global Compact Network Japan (UNGC) made up of Japanese companies and other organizations which have signed the UNGC. As a good member of society, JDI will take action to contribute to a sustainable society.

In October 2020, Japan announced its goal to become carbon neutrality by 2050. In April 2021, the government went on to announce a much more aggressive goal to reduce greenhouse gas emissions by increasing the target from 26% to 46% by fiscal 2030.

JDI will take on the challenge of reducing greenhouse gases as a critical medium- to long-term issue toward the realization of a decarbonized society.

Corporate Governance and Sound Business Base

JDI disclosed the lack of an effective internal control system related to financial reporting due to inappropriate accounting practices in the past. However, as a result of launching a Governance Enhancement Committee, strengthening internal controls via reforms and other measures put in place according to Committee debate, we have resolved all material weaknesses as of the fiscal year ended March 31, 2021. JDI will not only continue to execute initiatives undertaken thus far to prevent any recurrence of similar issues and management emphasizing stronger corporate compliance, but also improve internal communication to further strengthen internal controls, regain the trust of each and every stakeholder, and maximize corporate value.

We will always respect the human rights of our employees and contribute to local communities and society at large through our businesses and various other activities, while building a sound business foundation which can foster future growth in the hope of becoming a company trusted by society.

We appreciate your continuing support.



Chairman, CEO, & Representative Executive Officer
Scott Callon

Providing the Social Values that JDI Aims For

“With fresh perspectives and advancing technologies, we work constantly to realize a world that is inspiring and free of stress.”
Based on this corporate philosophy, JDI will help realize a convenient, safe, secure, sustainable, and comfortable society by providing products and services that connect people and things to the society.

Social Issues

- Deterioration of the Global Environment
- Lifestyle Diversification
- Decreasing Birthrate/ Aging Population
- Natural Disaster Preparation
- Threat of Virus Infection

Business Fields



Value Creation

Convenience

Safety

Security

Sustainability

Realization of a Comfortable Society

We create multisensory realities that transform into extraordinary moments.



Financial Capital

Total assets 224,998 million yen
(As of March 31, 2021)

Ethical Norms

Our Purpose

Our Behaviors

Social Capital

- Domestic sites
- Production sites: 4
 - Development and design sites: 1
- Global subsidiaries
- Production sites: 2
 - Sales sites: 7

Human Capital

- Number of employees
- Consolidated: 8,443
 - Non-consolidated: 2,967
- (As of March 31, 2021)

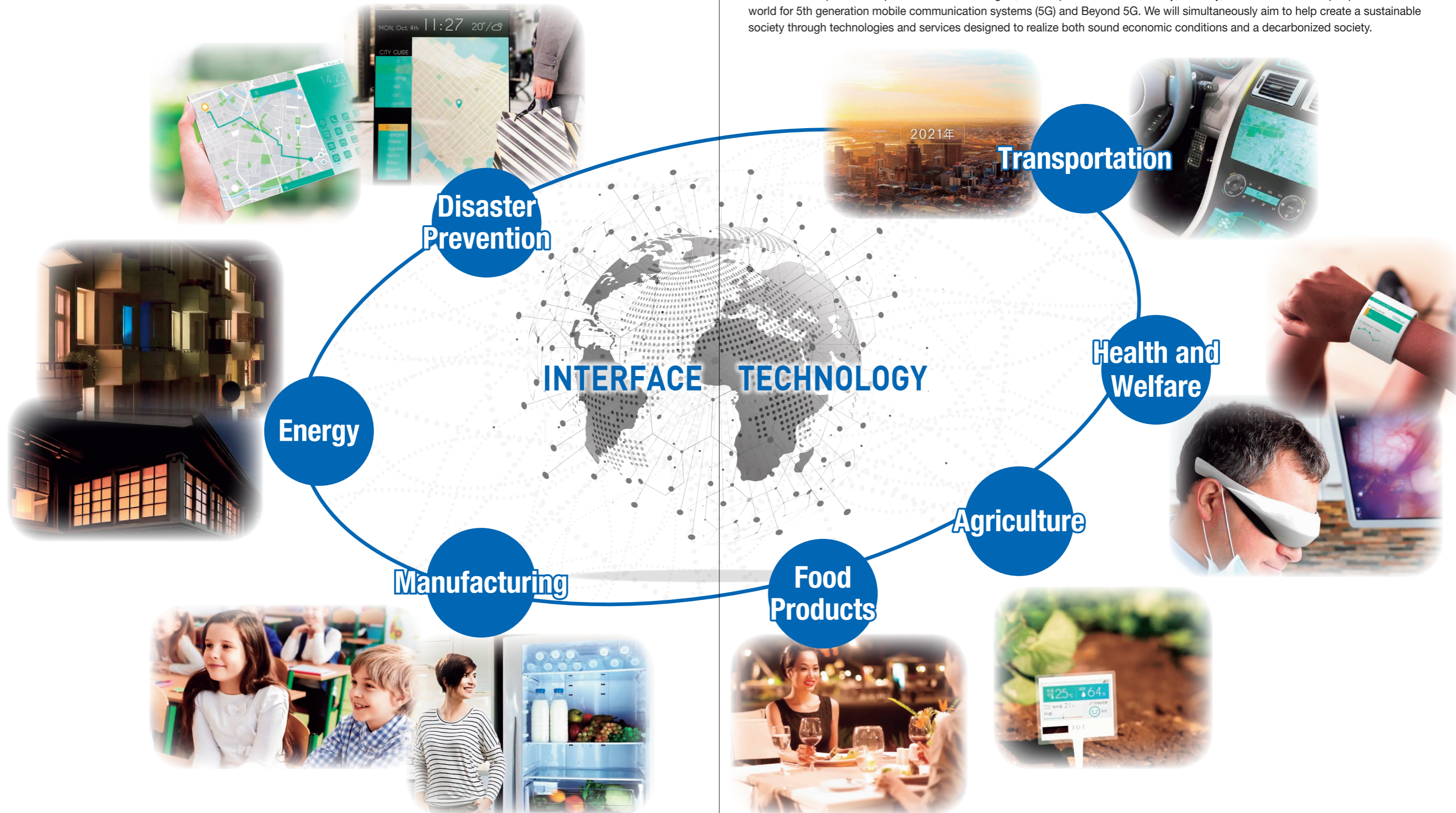
SUSTAINABLE DEVELOPMENT GOALS



JDI's Interface Technology is Being Utilized in Various Fields

The small- and medium-sized displays from Japan Display are installed in many products in a wide range of fields, such as smartphones, in-vehicle devices, medical devices, digital cameras, wearable devices, and VR (virtual reality) devices. LTPS (low temperature poly silicon) TFT technology, which is the basic technology of our products, will be further enhanced and deepened to enhance its competitiveness. At the same time, we aim to grow our business with OLED displays, which offer excellent definition, power consumption, and manufacturability. At the same time, the application of next-generation sensors and solution services beyond displays founded in the technologies amassed over many years as well as the development of new business domains is advancing JDI's commercialization of high-added-value technologies as a personal tech company creating unparalleled consumer value.

With these input and output interface technologies, we will provide comfort, safety, security, and convenience to people around the world for 5th generation mobile communication systems (5G) and Beyond 5G. We will simultaneously aim to help create a sustainable society through technologies and services designed to realize both sound economic conditions and a decarbonized society.



Relationship Between JDI's Initiatives and SDGs

Our corporate philosophy which aims to work constantly to realize a world that is inspiring and free of stress with fresh perspectives and advancing technologies coincides with the objectives of the SDGs to realize a sustainable society. Therein, JDI examined and extracted the most relevant of the 17 goals and 169 targets which embody the SDGs for each item illustrating the form in which JDI initiatives should broadly contribute to the SDGs (figure below).

In the future, we will set targets ideal for our businesses and actively strive to use these targets as an index measuring the social value generated by those businesses.

Relationship Between JDI's Activities and the SDGs

		1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
		Poverty	Hunger	Health Welfare	Education	Gender Equality	Water and Health	Energy	Employment	Infrastructure	Equality	Cities	Consumption and Production	Climate Action	Life Below Water	Life on Land	Peace and Justice	Partnerships
Governance	Organizational Governance					5.1 5.5			8.5 8.7		10.2 10.3						16.5	17.16 17.17
	Human Rights and Labor Practices				4.4	5.1 5.4 5.5			8.5 8.7		10.2 10.3							
Society	Human Resource Development				4.4	5.1 5.5			8.5									
	Safety and Health			3.4 3.a														
	Quality Assurance												12.5					17.16
	Value Chain											11.6	12.2		14.1			17.7
The Environment	Decarbonized Society							7.2 7.3		9.4				13.3				17.7
	Effective Water Use						6.3			9.4					14.1			
	Waste Management									9.4		11.6	12.5					
	Management of Chemical Substances												12.2 12.5					
	Ecosystem Conservation						6.3									15.b		
Common	Informational Disclosure												12.6					

Items	Goal	Initiatives
Organizational Governance	5	Empower all women
	8	Respect basic human rights and strive for decent work for employees
	10	Build compliance and corporate governance systems
	16	Prevent improper accounting processes and strive for a strong institution
	17	Management that consider stakeholder interests
Human Rights and Labor Practices	4	Provide education, training, and human resource development programs
	5	Empower all women
	8•10	Respect basic human rights and strive for decent work for employees
Human Resource Development	4	Provide education, training, and human resource development programs
	5	Empower all women and promote work-life balance
	8	Realize comfortable working environments
Safety and Health	3	Promote employee health, well-being and stop-smoking measures
Quality Assurance	12	Promote waste loss (spoilage expense) reductions
	17	Forge partnerships in the supply chain and with suppliers and other third-party organizations and companies
Value Chain	11	Ensure proper air quality and waste management
	12	Engage in green procurement
	14	Participate in river and coastal cleanup efforts
	17	Collaborate with various groups

Items	Goal	Initiatives
Decarbonized Society	7	Enhance energy efficiency and adopt renewable energy sources
	9	Develop environmentally conscious products
	13	Take action to combat climate change
	17	Collaborate with each company in the supply chain to take environmental action
Effective Water Use	6	Prevent water pollution
	9	Improve resource usage efficiency
Waste Management	14	Manage wastewater and participate in river and coastal cleanup efforts
	9	Improve resource usage efficiency
	11	Properly manage hazardous waste
Management of Chemical Substances	12	Properly manage input and output resources
	12	Engage in green procurement as well as manage input and output resources
Ecosystem Conservation	6	Prevent water pollution
	15	Preserve biodiversity and the ecosystem
Informational Disclosure	12	Regularly disclose data on sustainability in the CSR report

CSR Management

We act in accordance with our behavioral guidelines for the realization of our corporate philosophy and vision, and work to solve social issues and create social value.

Our Purpose

With fresh perspectives and advancing technologies, we work constantly to realize a world that is inspiring and free of stress.

Our Vision

We shape our future with every movement we make.
We create multisensory realities that transform into extraordinary moments you can see, hear, touch, smell, and taste.

Our Behaviors

- We welcome challenge, and always bring customer tasks to completion.
- We move quickly with unconventional ideas, and strive to exceed expectations.
- We adapt to, enjoy, and drive positive change.

Approach to CSR (=CSR Basic Policy)

For the purpose of not only complying with laws and regulations but also implementing management in compliance with corporate ethics, JDI has established "JDI Ethics" which serve as specific guiding principles for all officers and employees to comply with. JDI Ethics are the foundation of our CSR activities.

JDI Ethics define our basic stance for our relationship to what we've classified as "Society," "Customers and Business Partners," "Competitors," "Shareholders and Investors," "Individuals including Employees" and "Company and Company Assets" which includes: respect for human rights, maintaining and improving the workplace environment, efforts for global environmental protection, maintaining good relationships with the local community, not

conducting inappropriate acts against socially-accepted norms, acting sincerely in accordance with sound public morals, as well as complying with all applicable laws, regulations, rules, and internal regulations, etc.

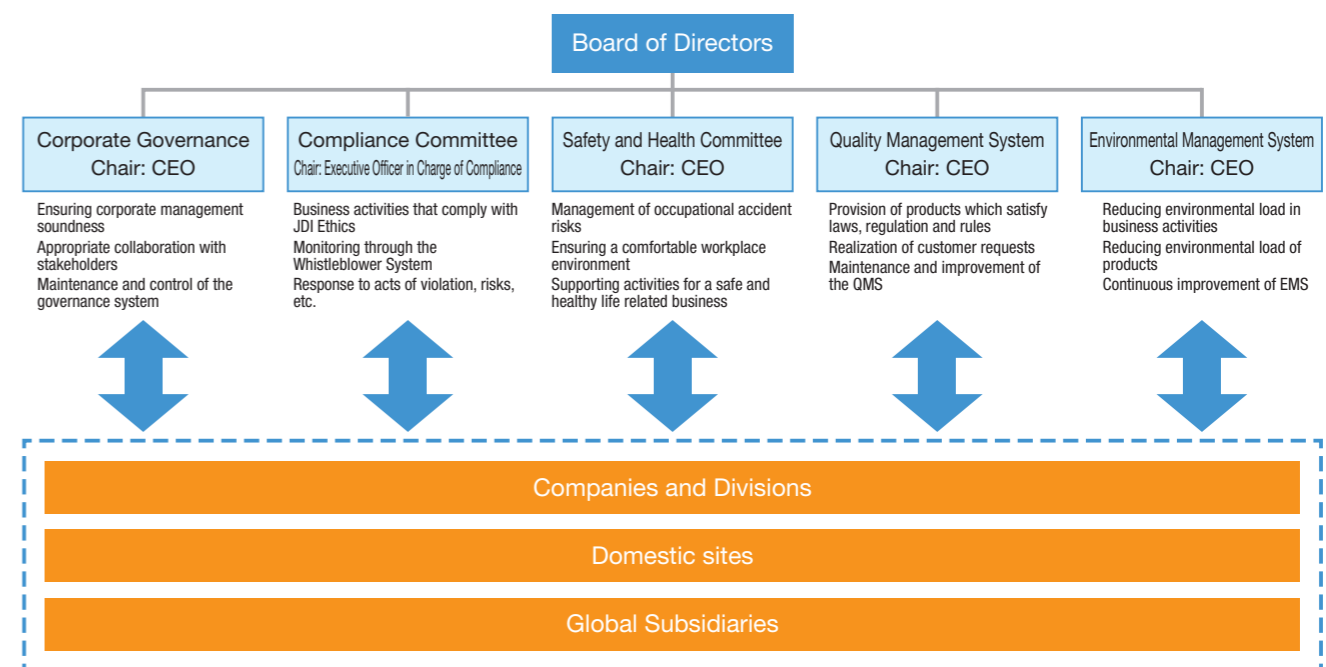
For CSR activities, the Company develops and promotes activities which serve as a guideline aligned with the "Seven Core Subjects" of ISO26000.

Based on the above policies, the Company is working on contributing to the achievement of an affluent global society, reducing the environmental load of the supply chain as a whole, and a wide range of other contributions to society including the local community, realizing efficiency and soundness through governance management, and aiming for sustainable growth as a company.

Organization and Structures for CSR

JDI's CSR activities are being promoted under the umbrella of "Five Area-Specific Activity Systems" which widely cover the ISO26000 core subjects.

Organization and Structures for CSR



ISO26000 Core subject

Activities by Field	Organizational Governance, Management System	Human Rights	Labor Practices, Safety and Health	The Environment	Fair Operating Practices, Ethics	Consumer Issues	Community Involvement and Development
Corporate Governance (Corporate Governance Policies)	●	●		●	●	●	●
Compliance Committee (Fundamental Policy for Compliance)	●	●	●	●	●	●	
Safety and Health Committee (Safety and Health Management System)	●		●				●
Quality Management System (ISO9001/IATF16949)	●					●	
Environmental Management System (ISO14001)	●			●			●

Relationships with Our Stakeholders

Our business activities are based on relationships with various stakeholders. We consider our major stakeholders to be our customers, business partners, employees, shareholders/investors, and local communities. JDI believes that it is important to establish mutual understanding and trustful relationships with our stakeholders in order to continue and develop its business.

- **Customers** We communicate closely with our customers and share our business results and business activity information with them.
- **Business Partners** We hold supplier meetings and ask for their cooperation in our business efforts.
- **Employees** We share our business results and business activity information with our employees.
- **Shareholders/Investors** We hold briefing sessions for analysts and financial institutions to explain about our corporate performance and communicate with them.
- **Local Communities** We communicate with local communities through social contribution activities, etc.

Corporate Governance

Our company believes that enhancing corporate governance will lead to improved corporate soundness, transparency, and corporate value. We are building a system and developing various systems based on the principles of Japan's Corporate Governance Code established by the Tokyo Stock Exchange.

Basic Policy View

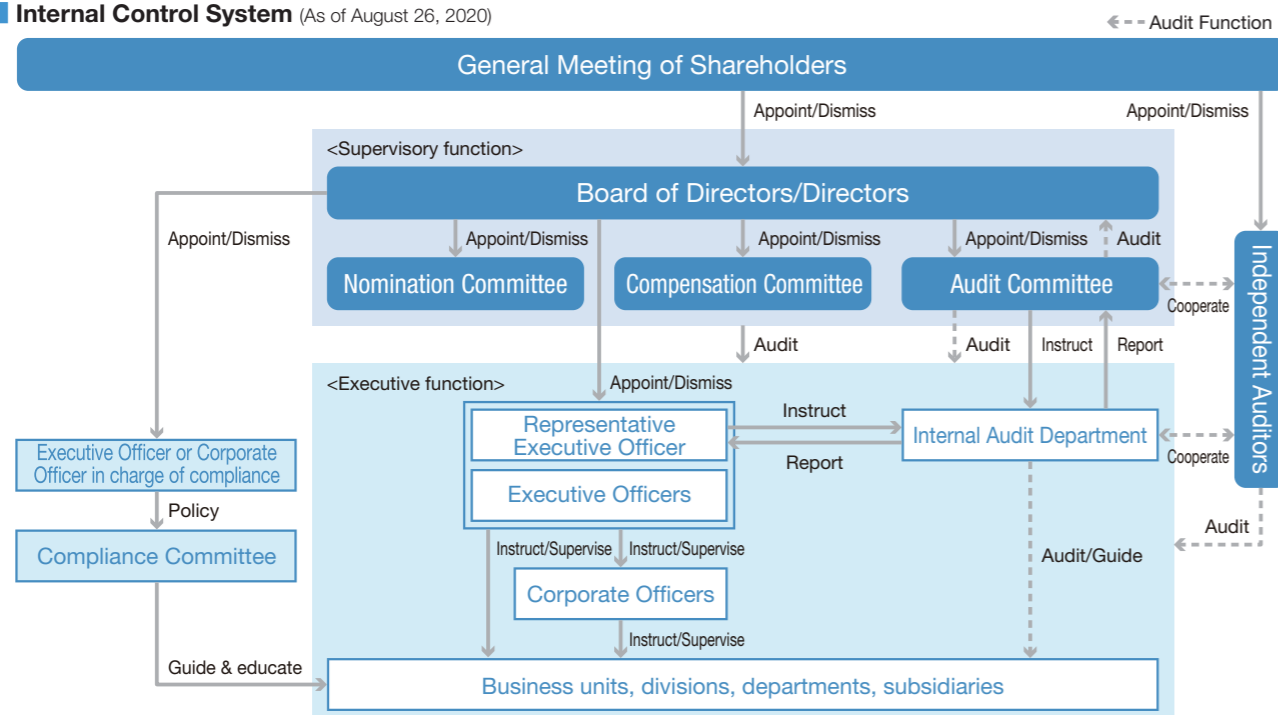
1. Japan Display Inc. (hereafter "the Company") strives to achieve the goals of sustainable growth and increasing corporate value over the medium to long term by practicing important corporate principles. In order to achieve these goals the Company has instituted a "Corporate Governance Basic Policy" that contains its basic view of corporate governance as well as a framework and set of policies based on its view of corporate governance.
2. In order to have a transparent, fair, rapid and decisive decision-making process that serves the interest of shareholders, customers, employees and local communities, the Company is continuously committed to further strengthening its Corporate Governance in accordance with the fundamental concepts listed below.
 - 1 The Company ensures shareholders rights and equality.
 - 2 The Company cooperates by all appropriate means with stakeholders.
 - 3 The Company ensures transparency through appropriate information disclosure in compliance with laws and regulations as well as the provision of other corporate information.
 - 4 As a company with a Three committees (Nomination, Compensation, Audit) governance structure, the Company separates supervision and the operation of business execution, establishes an execution system that enables swift business operations based on its fiduciary responsibility and accountability to shareholders, and ensure the effectiveness of the supervisory function by the Board of Directors, which is comprised of a majority of outside directors.
 - 5 The Company holds constructive dialogue with shareholders conducive to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term.

Corporate Governance System

JDI is a company with a Three Committees governance structure as set forth in the Companies Act of Japan. Under this structure, the functions of management supervision and business execution are separated in order to establish an operating system that enables the swift conduct of business and ensures the effectiveness of management supervision. The Board of Directors, which is comprised of a majority of outside directors, performs highly effective supervision of the management of the Company by utilizing a Nomination Committee, a Compensation

Committee and an Audit Committee, and is also responsible for creating and maintaining a highly effective system of management supervision that is robust and transparent. The Board of Directors decides on basic management policies and other important matters, and delegates the authority to execute business in regard to matters other than those stipulated by laws and regulations, the Articles of Incorporation and the rules of the Board of Directors of the Company to Executive Officers, after clarifying the scope of their responsibilities.

Internal Control System (As of August 26, 2020)



Compliance

In accordance with the Fundamental Policy for Compliance, the Company has instituted the Compliance Committee as a forum where representatives from related units deliberate and implement measures to establish and inculcate compliance promotion systems and programs. A compliance administrator is assigned to each division to ensure awareness of compliance measures among the employees of each division.

The Compliance Committee is supervised by the chairperson

appointed by the Board of Directors and consists of the representatives of divisions that prepare compliance-related policies and measures. The Committee meets once every half-year and holds extraordinary meetings as necessary. Furthermore, the Meeting of Compliance Administrators is held, which is a venue for deepening understanding of the results of deliberations by the Compliance Committee and for information sharing among compliance administrators.

Internal Control System

The Company has an Internal Control System for the purpose of ensuring appropriate business operations. The creation of this System was begun immediately following the commencement of business to achieve sound and efficient organizational management. The development of the basic policy concerning the main-

tenance and operation of the Internal Control System (Basic Policy on the Internal Control System) was completed in June 2012. Since then the Basic Policy and the Internal Control System have been in use but with partial modifications based on legal revisions and organizational changes.

Risk Management System

The JDI Group has identified eight risk categories, namely, natural disaster and accident risks, legal (litigation) risks, financial risks, economic risks, labor risks, political risks, social risks, and business activity risks, and has tasked each department of the Group to perform assessments of assumed risks in regard to their probability of occurrence and their impact if they were to occur, study and formulate countermeasures for risks which are above normal levels of concern, and implement countermeasures within the department following a Group management review. Each year the JDI Group reviews the list and content of risk assessment (setting of the degree of significance). In addition, the Group has established the necessary rules and systems to prevent risks and minimize the effects in cases of occurrence.

In general, risk factors are detected and understood through information sharing and reporting during daily execution of business, and the implementation status of measures to minimize the impact of these factors, such as prevention policies, is confirmed. When formulating an annual business plan or a medium-term business plan, JDI Group analyzes risks in the formulation process and incorporate countermeasures into the plans. Furthermore, in Business Continuity Planning (BCP), possible risk situations (natural disasters, illness, damage related to an information security mishap, accidents, etc.) that may affect customers, client suppliers or the Group's supply chain and the degree of impact if a disaster situation occurs are estimated. Proactive measures and preparations to minimize the impact of any disaster are taken to enable early recovery from the disaster.

Eight Risk Categories



Together with Our Employees

We aim to develop new businesses that “transcend the boundaries of displays.” In order to do so, we must challenge our technological capabilities to produce new items that create a better future with completely different ideas that move beyond displays. In order to continue contributing to the realization of a prosperous society, we are working on strategic and systematic human resource development.

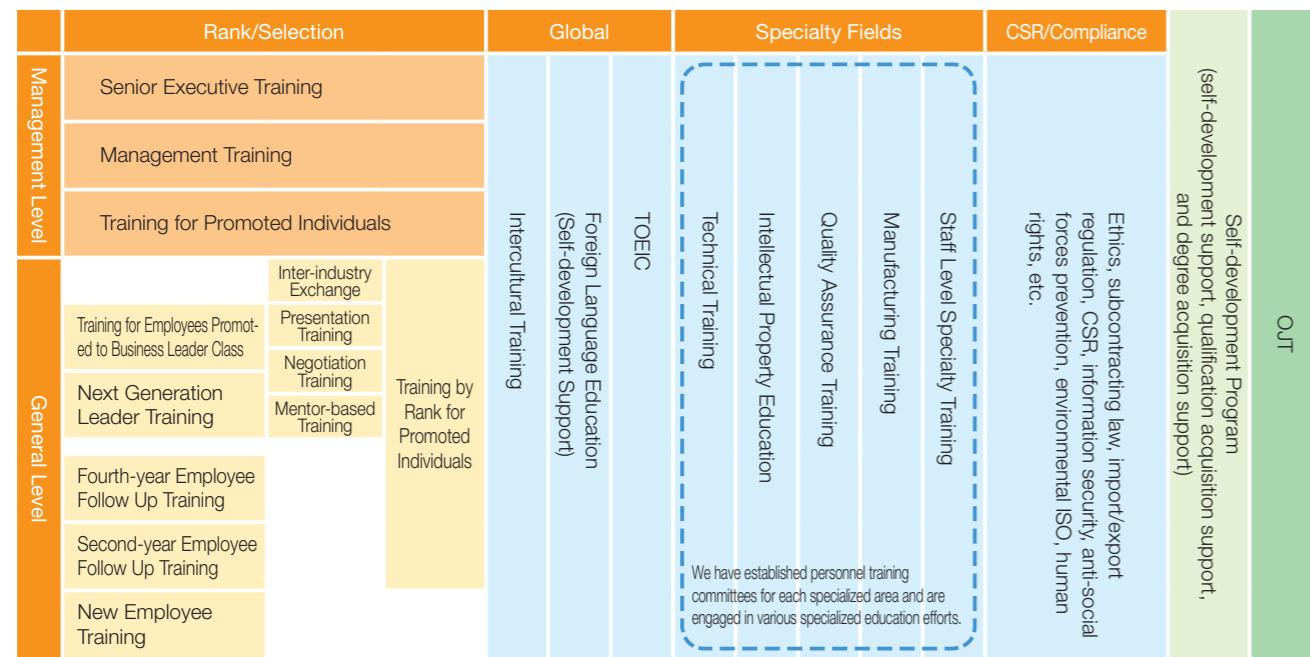
Corporate Human Resource Development

Human Resource Development System

We have established the Human Resource Development Committee, a committee that coordinates human resource development for the entire company with the purpose of promoting developing the capabilities abilities of each employee by providing education and training systematically and effectively. Under the Human Resource

Development Committee, we have established specialized subcommittees for each specialized field in order to build and work on our own educational program. The training areas are categorized into categories such as specialized fields, including rank/selection, global, compliance, and provide training opportunities according to the career and growth stages of each employee.

Human Resource Development System



Employee Career Development Support

In order for our business to continue to create a dynamic world for people, it is necessary for each individual employee to have more of awareness for taking on challenges to achieve results that exceed expectations through new ideas.

Based on the idea that the growth of each individual employee leads to the growth of the company, we support the growth of employees by providing career development support for employees from various angles.

Objective Management



Object Management System

We are implementing objective management at the individual level to improve communication with superiors, support employee capability development, and improve business execution.

Career Review System

We have a system where employees themselves report once a year about self-awareness, future hopes, satisfaction, and other career related matters, deepening the culture of thinking together about the future of our employees.

Self-development Program

We provide various self-development programs in order to actively support all employees so that they have educational opportunities and are always willing to learn. In addition to selecting and supporting employees in acquiring 160 different types of certifications, JDI has also incorporated a wide-range of programs in FY2021 to support the development of global human resources by subsidizing

some of the costs for online English language classes. We launched an academic degree acquisition support system in FY2018, and, starting in FY2020, we have been expanding the scope of support to professional degrees (MBA/MOT, etc.) and working to create highly specialized human resources who can play an active role both inside and outside the company.

Qualification Acquisition Incentive Program

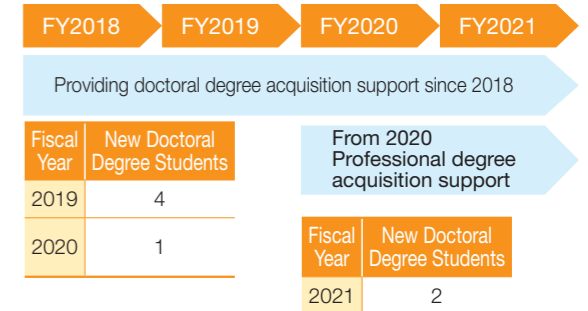
We support the acquisition of qualifications defined by the company and the Human Resources Development Committee/specialized subcommittees for the purpose of improving employee capabilities and promoting self-development.

● Newly Added Qualifications (excerpt)

G Test (General)	Japan Deep Learning Association
E Certificate (Engineer)	Japan Deep Learning Association
Japan Statistical Society Certificate 1st Grade	Japanese Association for Promoting Quality Assurance in Statistics
ISO/IEC 17025 Internal Auditor	Various certification organizations
ESD Coordinator	Reliability Center for Electronic Components of Japan
Registered Information Security Specialist	Information-technology Promotion Agency, Japan (IPA)

Degree Acquisition Support System

We aim to develop human resources, who can discuss and co-create with customer and supplier researchers on an equal footing, as well as highly specialized professionals who are effective in our business and management.



Respecting Human Rights and Diversity

Based on JDI Ethics, while respecting the human rights of each employee as well as diversity in every situation including recruitment and treatment, we promote the creation of a comfortable work environment that protects the

health of employees. We are also working to reform work styles with the aim of facilitating a variety of work styles while ensure fair, flexible treatment and evaluations so that diverse human resources can reach their full potential.

Work Style Reform Measures

Work-Life Balance and Work-At-Home System

Employees can continue to work while caring for elderly relatives, raising their children, and while receiving medical treatment.



Telecommuting (from home or satellite office)

We realize a work-life balance for employees by creating more diverse and flexible work styles for employees.



Joyful Holiday Program

We encourage employees to refresh themselves and recommend a work style that clearly separates work and private life (annual leave acquisition promotion program).



Hourly Annual Leave Program

We are realizing diverse and flexible work styles by improving work-life balance and productivity of employees.



Other Support Program

- Accumulated Annual Paid Leave Program (available for childcare, nursing care, infertility treatment, pregnancy protection/treatment during pregnancy, self-development, social contribution, community contribution, volunteer activities, etc.)
- Unlicensed Daycare Subsidy Program
- Extended Daycare Subsidy Program
- Return Entry Program (program for re-entering the company), etc.

Together with Our Customers and Society

We aim to ensure that all departments involved in our product planning, design, manufacturing, sales, and service understand what customers need, and provide products and services that satisfy their needs.

Quality Policy

1. To provide satisfying quality to customers in accordance with our corporate philosophy.
2. To be responsible for our quality, act with speed and honesty, and make further improvements.
3. To be compliant to requirements and continually improve the quality management system.

Quality Assurance

In order to provide our customers with trouble free, reliable products and services based on our Quality Policy, we have established a quality management system. All departments involved in planning, design, manufacturing, sales, and service cooperate with each other as we promote quality assurance activities.

In our quality management system, the PDCA (Plan, Do, Check, Action) cycle is implemented and continuously improved, and not only our company but also many of our business partners cooperate in quality management efforts to ensure product quality. We have also enhanced our customer support system so that customers can use our products with peace of mind. Customer feedback is always focused on and analyzed in order to make further improvement.

Continuous Improvement of Our Quality Management System



Acquisition of ISO 9001 and IATF 16949 certifications

To deliver products satisfying the needs of customers, JDI's design, development, production, and other relevant activities fulfill customer requirements in accordance with laws and regulations. We have built and continually enhance a quality management system suitable for our products and organization to ensure the proper execution of

these tasks. JDI has acquired the ISO 9001:2015 at all Group companies engaged in the design, development and production of liquid crystal displays. Six sites manufacturing in-vehicle displays and other related sites engaged in design, development and other related tasks have also acquired the IATF 16949:2016.

Quality assurance during product development and quality management and assurance during mass production

In product development, we examine the functionality and reliability necessary to fulfill customer requirements before transitioning to mass production. In mass production, we monitor the quality of components and production

process, inspect root causes using advanced analysis techniques when any defect is found, and fully implement any necessary countermeasures to secure and maintain the quality of products upon shipment.



Product reliability testing lab Product durability evaluation



Advanced analysis techniques Physical analysis



Advanced analysis techniques Optical evaluation

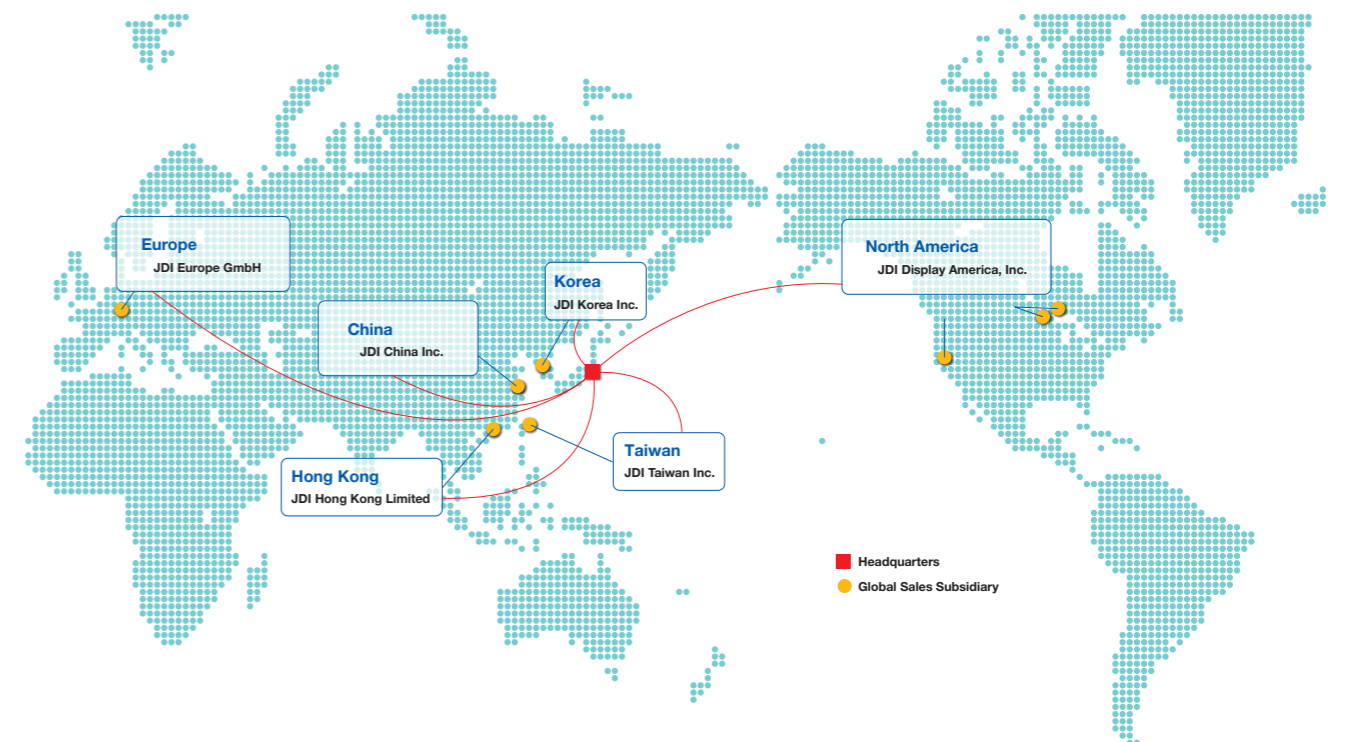


Aging inspection during the manufacturing process

Enhancing a World-wide Customer Support System

JDI deploys quality support teams even at global subsidiaries to work with sales departments as the contact point for customers. This team coordinates with quality

assurance departments and manufacturing sites to provide fast, hospitable quality assurance services which are able to respond to customer needs.



Safety and Health

JDI and its Group companies not only work to ensure safe, comfortable work environments through initiatives prioritizing safety and health above all else in every business activity but also continually engage in efforts to realize a safe and comfortable society.

Safety and Health Activities

Basic Safety and Health Policy

The Japan Display Inc. Group will, in all business activities, operate to ensure a safe and pleasant workplace environment through efforts to prioritize the assurance of safety and health, so as to continue contributing to the realization of a secure and comfortable society.

1. We will recognize the importance of occupational health and safety in our corporate social responsibility (CSR) and promote company-wide activities.
2. We will promote activities based on compliance and continuous improvement as company-wide safety and health activities.
3. We will promote initiatives aimed at eliminating occupational accidents, eradicating occupational diseases, and maintaining and promoting physical and mental health.
4. We will provide leadership in the establishment, operation, and improvement of occupational health and safety management systems (in compliance with the ISO45001), and will allocate and support management resources, including the necessary personnel, materials, and financial resources.

2020 Occupational Accident and Health Results

In 2020, JDI encountered seven occupational accidents—six including contractor accidents in Japan and one at an overseas manufacturing site. On the sites where an occupational accident happened, we immediately

sought out the cause and took action, while at the same time striving to share information across the entire Group to prevent any recurrence.

No More Occupational Accidents Month

JDI launched the Zero Occupational Accidents Month as a unique effort coinciding with the annual National Safety Week held throughout Japan. This initiative reflects on past

occupational accidents, identifies risks in the workplace, and takes preventative action to eradicate potential dangers as an effort advocating safety every July.

Chemical Liquid and Gas Leakage Drills and Safety Sensory Education

The use of chemical liquids and gases is an essential part of JDI's product manufacturing. These chemicals can be used safely by adhering to proper handling and management procedures, but any unforeseen trouble could lead to a major disaster.

As a contingency against such an incident, JDI regularly conducts drills for responding to chemical liquid and gas leaks on sites using these types of chemicals. We also provide sensory education about these chemical liquids

and gases to provide an even deeper understanding about their dangers.



Comprehensive Earthquake Evacuation Drills

JDI carries out comprehensive earthquake evacuation drills addressing the risks of a building collapse and fires caused by a large-scale earthquake at every site and office annually.

In light of the novel coronavirus crisis in FY2020, we innovated this drill taking care to avoid closed spaces, crowded places, and close-contact settings, such as the use of a video outlining how to confirm evacuation routes and respond to a large-scale earthquake. We will also continue to hold initial fire-fighting drills in case of fires as well as other training

drills to minimize damage in an emergency.



Measures to Prevent the Spread of the Novel Coronavirus Infection

JDI is taking action during the rapid spread of the coronavirus infection in Japan by establishing a telework system while advocating every department in which employees could work from home as much as possible.

On manufacturing lines and in other departments where employees need to work on-site, we focus on measures to prevent the spread of the viral infection.

Some specific efforts include distributing disaster prevention supplies to cities where masks are difficult

to find as well as revising and dramatically increasing locations for hand sanitizing alcohol.

In addition, everyone is playing their part to prevent the spread of the virus. Employees take their temperature and monitor their health before coming to work. Reception desks help take the temperature and strictly enforce mask and hand sanitation rules when a visit is necessary as we drastically restrict the number of visitors coming to our office.

Health Management Initiatives

Health Declaration

As a company which “work constantly to realize a world that is inspiring and free of stress with fresh perspectives and advancing technologies”, Japan Display group regards “Health” as a foundation for all business activities, support proactively employee’s health promotion, address an improvement of an active and pleasant working environment and contribute to realize a safe and comfortable society.

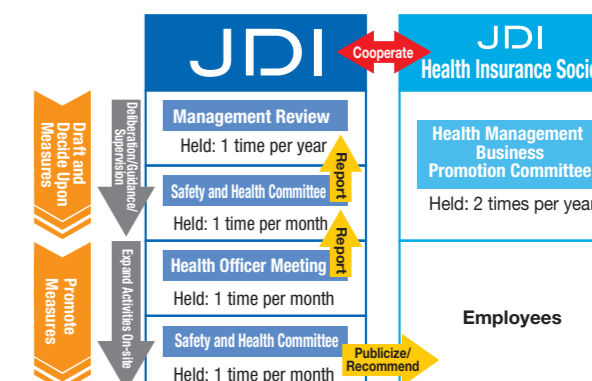
Purpose of Health Management

JDI has set a goal to support independent employee health management in an effort to enhance the work environment with the hope of fostering enthusiasm in each and every employee.



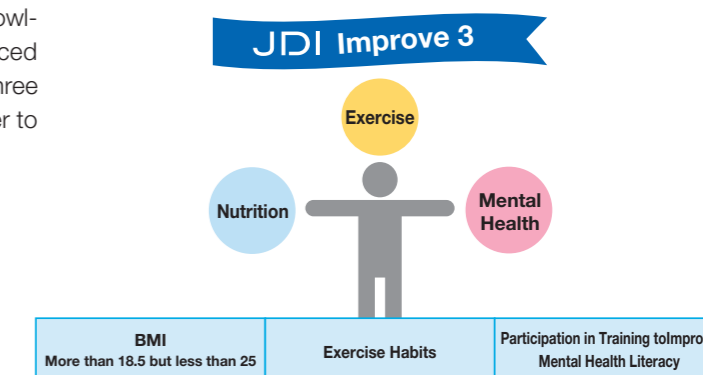
Health Management System

The health management system comes into play as a material sustainability issue by positioning health as the core foundation to all JDI business activities aiming to actively support the independent health promotion of our employees.



Health Promotion

“Improve” means to better oneself by acquiring knowledge and other skills in a way that illustrates enhanced value (ability). Everyone who works at JDI has set three goals aiming to reduce health risks in the future in order to better themselves and their life.



Value Chain and Social Contributions

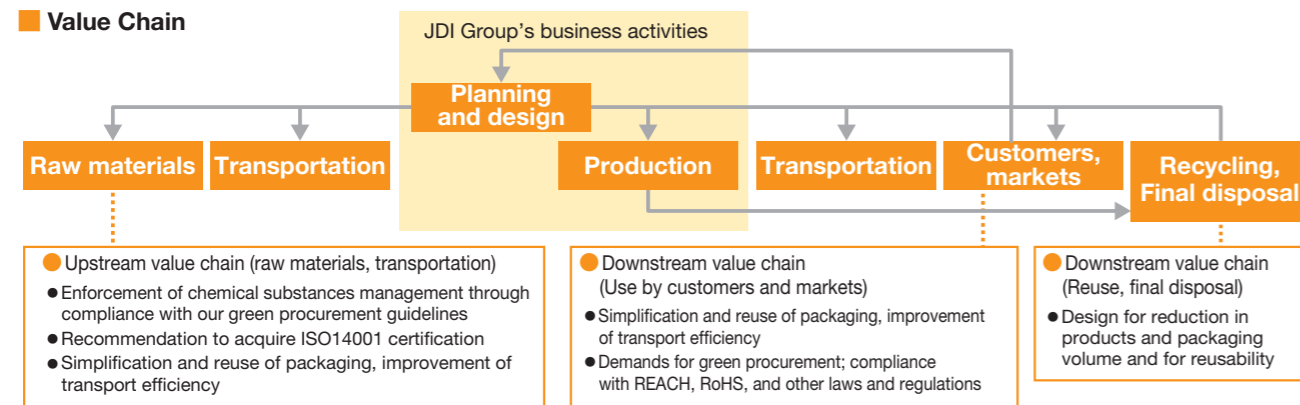
We are committed to our environmental initiatives, which is not limited to our own activities but extended to the value chain of the entire product life cycle.

We are actively engaged in social contribution activities such as the contributions to local communities made by each of our domestic and overseas sites. In addition to our business activities, we will continue to contribute to local communities and society through various activities.

Our Value Chain and Efforts to Minimize Environmental Risks

In order to minimize the risks of the environmental pollution and the destruction of ecosystems, JDI continually implements water quality management and air quality management efforts. Throughout the value chain of our products, from Raw materials procurement, Transportation, Production, Use by customers and markets, until Final disposal, we engage in environmentally considerate business activities. In cooperation with our business

partners, we implement thorough chemical substances management and use Eco-friendly materials. In response to the demands of customers and markets, we provide products and services that contribute to the reduction of environmental burdens, through means such as thin, light, and compact design and low power consumption.



JDI's business activities

- Efforts to prevent air pollution** We operate smoke and soot emitting facilities and volatile organic compound emitting facilities under the Air Pollution Control Law. Regular measurements and on-the-spot inspections by authorities in FY2020 found no exceeding of regulatory values for all measured items. We will continue to work toward management of atmospheric emission standards and improvement of related facilities.
- Efforts to prevent water pollution** In accordance with the Water Pollution Control Law, we have established voluntary standards that are more than 20% stricter than regulated values for water discharged into rivers and sewage systems for 15 items related to the living environment and 28 hazardous substances, which are agreed upon with local government agencies that have jurisdiction over each of our plants, and we conduct measurement control based on these standards. Regular measurements and on-the-spot inspections by authorities in FY2020 found no exceeding of regulatory values for all measured items. We will continue to work toward management of discharged water quality and improvement of related facilities.
- Chemical substances management** We control the use of chemical substances used in manufacturing and other processes, under internal rules categorized in accordance with legal regulations. We manage the use of chemical substances contained in products in accordance with the RoHS Directive, REACH, and other laws and regulations, as well as through

green procurement. The same style of management is also used at global subsidiaries to prevent environmental contamination, respond to statutory requirements, and reduce the environmental load.

- Proper disposal of wastes** In our Environmental Policy, we approach to wastes reduction and promote 3Rs (Reduce, Reuse, and Recycle) activities. Moreover, in accordance with the Waste Management and Public Cleansing Act, we separate specially-controlled industrial wastes, industrial wastes, and general wastes, and perform the risk management for each. We comply with the proper disposal of wastes and also work to reduce the risk of illegal dumping.
- Noise and vibration management** In accordance with the Noise Regulation Act, the Vibration Regulation Act, and other related regulations, we are operating the specified facilities (compressors, blowers, etc.) We perform measurements of noise and vibration at the boundaries of our plants grounds every year to confirm that these are within regulatory values. In FY2020, no items exceeded regulatory values.
- Conservation of biodiversity** In accordance with the Basic Act on Biodiversity, we work toward the conservation of ecosystems through greening activities at our plants and nature restoration activities in surrounding areas. Within the area of our Mobarra plant, an artificial "Hotaru-gawa" creek and a "Koi-carp" pond were setup. Furthermore, the Ishikawa plant is home to the Sozo-no-Mori forest.

Green Procurement Efforts

The entire JDI Group works to manage the chemical substances contained in its products so that it conforms to legal regulations such as the RoHS Directive and REACH Regulations, and is responsive to its customers' demands.

1. Enactment of Green Procurement Guideline

We enacted our Green Procurement Guideline to reflect both legal restrictions in various countries and regions on the chemicals contained in products and our customers' demands. We ask our suppliers to comply with the guidelines. The Green Procurement Guidelines are reviewed annually and are disclosed on our website.

We continuously comply with laws and regulations and make every effort to control chemical substances con-

tained in our products.

2. Managing Suppliers' Management Systems for the Chemical Substances in Products

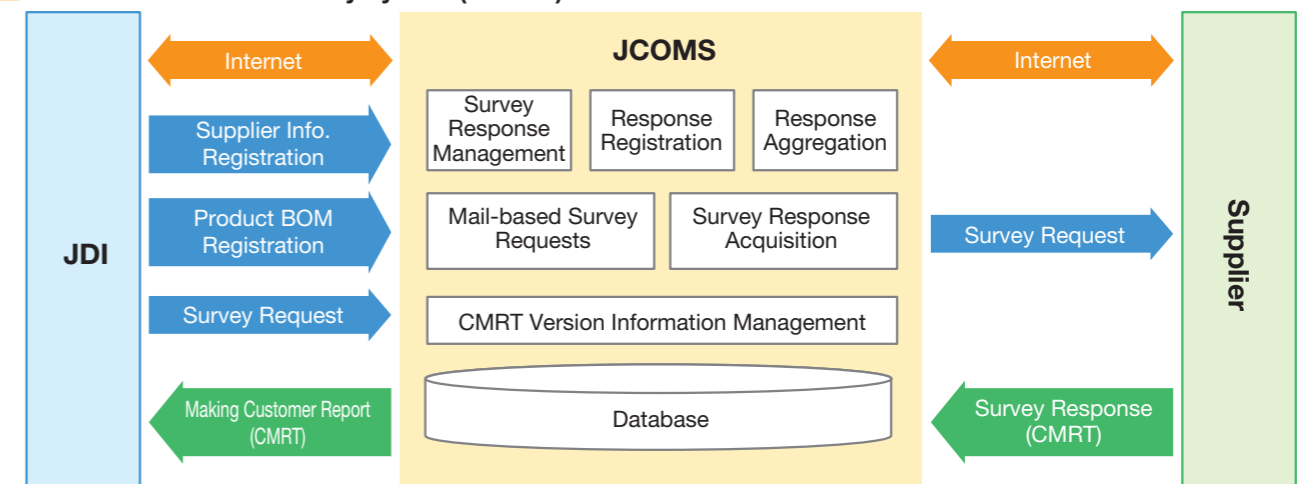
We ask our suppliers to establish a management system for the chemical substances contained in raw materials and other procured items that follow the Guidelines for the Management of Chemical Substances in Products set by the Joint Article Management Promotion-consortium (JAMP). Using the system that links suppliers with JDI (jDesc Survey Site), we confirm whether a management system has been established. Suppliers that do not meet JDI's standards are asked to correct and improve their management systems.

Responsible Sourcing of Minerals

JDI implements a survey on the use situations of conflict minerals and the identification of refiners upon survey requests from customers. Also, in our supply chain, we are requesting our business partners to work on the non-

use of conflict minerals based on the survey results. JDI will promote the non-use of conflict minerals with our business partners and fulfill our social responsibilities from a humanitarian perspective.

JDI Conflict Minerals Survey System (JCOMS)



Social Contribution Activities

By establishing and complying with JDI Ethics regarding our relationship with society, we aim to be a company trusted by society as a "Good Corporate Citizen". In addition to

our business activities, we will continue to contribute to local communities and society through various activities.



Higashiura Plant
Higashiura Natural Learning Forest (Rice Planting/Harvesting)



Ishikawa Plant
Local Kindergarten Cleanup Volunteer Initiative



Tottori Plant
Mass Cleaning at the Tottori Sand Dunes



Mobarra Plant
Plant Neighborhood Cleanup Effort

Environmental Management Activities

We have established an environmental management system, and are working to make continuous improvements based on the activity plans determined in the environmental management review and the environmental goals corresponding with our Environmental Policy. In FY2020, we implemented all activities as planned and achieved all environmental targets.

Environmental Policy

Recognizing that global environment conservation is one of the most important challenges for humanity, Japan Display Inc. Group aim to be a company that respects people and the environment, and contributes to a sustainable society.

Basic policy

- We will continually improve its environmental management system and, taking the life cycles of our display products into account, will work to reduce environmental burdens.
- We will comply with domestic and overseas legal requirements and other voluntarily accepted requirements.
- We will set environmental targets and other objectives concerning the following priority themes, and will promote activities for their achievement for their achievement in order to conserve the environment.

Priority themes

1. We will work to reduce the environmental burden of our business activities.
We will: 1-1) Promote global warming countermeasures, energy conservation, and the effective use of water;
1-2) Thoroughly manage chemical substances and promote their reduction and substitution;
1-3) Promote the 3Rs (Reduce, Reuse, Recycle) to address waste.
2. We will reduce the environmental burden of our products.
We will: 2-1) Promote the development of environmentally conscious products;
2-2) Thoroughly manage chemical substances contained in our products;
2-3) Promote green procurement.
3. We will work on activities for the conservation of biodiversity and environmental activities in local communities.

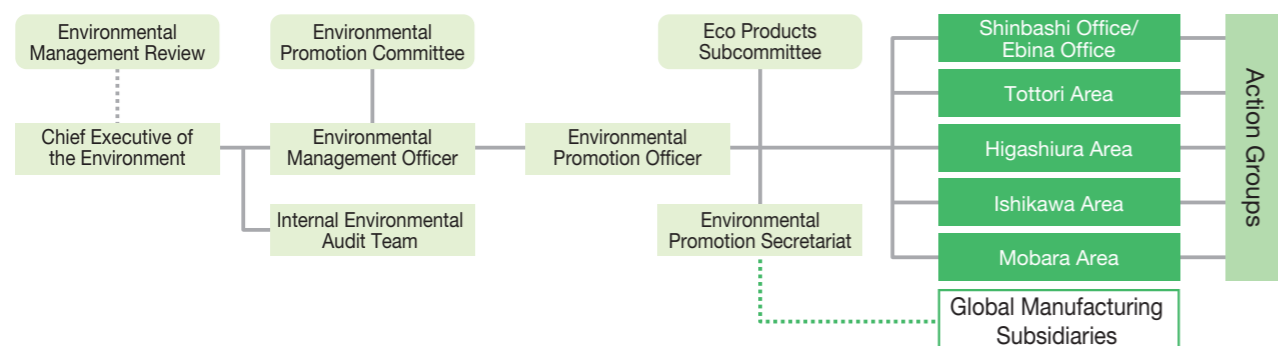
Environmental Management System

JDI's environmental management system in Japan, with the Representative Executive Officer/CEO as the Chief Executive of the Environment, consists of the Environmental Management Officer and Environmental Promotion Officer, the Shinbashi and Ebina Offices, and manufacturing sites to promote continuous environmental management activities. The JDI Group's global manufacturing sites, too,

have set up environmental management systems to promote environmental activities. To secure the consistency of environmental activities across the JDI Group, we are making efforts to strengthen governance at our global manufacturing subsidiaries through means such as periodic liaison conferences.

Environmental Management System

(Coordination between the domestic management system and the global manufacturing subsidiaries)



Activity Plans and Results

In accordance with activity plans approved through Environmental Management Reviews, we operate a PDCA cycle to implement continuous improvement activities.

Fiscal Year 2020 Activities and the Results

Items	Category	1st Quarter (April - June)	2nd Quarter (July - September)	3rd Quarter (October - December)	4th Quarter (January - March)
Environmental Management Review	Plan				○Environmental Management Review (Mar)
	Result				●Environmental Management Review (Mar 31)
Environmental Promotion Committee	Plan			○Environment Promotion Committee (Oct)	○Environment Promotion Committee (Mar)
	Result			●Environment Promotion Committee (Oct 13)	●Environment Promotion Committee (Mar 16)
Internal / external audits	Plan		○Internal audits (Jul-Aug)	○External assessment (Nov)	
	Result		●Internal audits (Jul-Aug)	●External assessment (Dec 14-17)	
Management Message	Plan	○Environment Month Message (Jun)			○Energy Conservation Month Message (Feb)
	Result	●Environment Month Message (Jun 1)			●Energy Conservation Month Message (Feb 1)
Confirm legal compliance/target progress	Plan	○FY2019 result (April)	○1st Quarter result (Jul)	○2nd Quarter result (Oct)	○3rd Quarter result (Jan)
	Result	●Achieved all topics with no issues in compliance activities	●Achieved all topics with no issues in compliance activities	●Achieved all topics with one issue in compliance activities ¹	●Achieved all topics with no issues in compliance activities
Environmental education	Plan	○General environmental education (Jun) ○Auditor training (Apr-Jun) ○Auditor BU training (Jun-Jul)	○Product-related environmental education (Sept-Oct)		
	Result	●General environmental education (Jun-Jul) ●Auditor training (May-Jun) ●Auditor BU training (Jun-Aug)		●Product-related environmental education (Oct-Dec)	
External communication	Plan	○Update of environmental website (Apr)	○Publication of Environmental Report (Aug)	○Update of environmental website (Oct - Nov)	
	Result	●Update of Management Message (Jun 1)	●Publication of Environmental Report (Completed Aug 31; Published Sep 7)	●Update of environment promotion system, etc. (Oct 30)	
Strengthening of governance at locations including global manufacturing subsidiaries	Plan	○Business liaison meeting (Apr)	○Product liaison meeting (Sep-Oct) ○Inspection (business environment)	○Business liaison meeting (Oct)	○Business liaison meeting (Jan) ○Product liaison meeting (Feb-Mar) ○Inspection (business environment)
	Result	●Business liaison meeting ² NXP (Apr 23), SE/KOE (Apr 24)	●Business liaison meeting NXP (Jul 31), SE/KOE (Jul 31) ●Product liaison meeting SE (Sept 10), KOE (Sept 15), NXP (Sept 16) ●Inspection stopped (handled online)	●Business liaison meeting NXP (Oct 29), SE/KOE (Oct 27)	●Business liaison meeting NXP (Feb 5), KOE (Feb 5) ●Product liaison meeting SE (Feb 25), KOE (Mar 3), NXP (Mar 4) ●Inspection stopped (handled online)
Develop annual plan for next year	Plan				○Development of plan (Feb-Mar)
	Result				●Development of plan (Mar 31)

¹: Irregular water quality of plant wastewater in Tottori: sewage water discharge exceeded the standard BOD value (TOC value conversion). Measures completed in equipment causing the irregularity and prevent recurrence.
²: NXP: Nanox Philippines Inc. SE: Suzhou JDI Electronics Inc. KOE: Kaohsiung Opto-Electronics Inc. (KOE is to be sold within FY2021)

FY2020 Environmental Plans and Results and FY2021 Environmental Plans

No.	Action Items	FY2020 Targets and Results				FY2021 Targets and Results		
		Indicator	Target value	Actual value	Evaluation ⁴	Overall Evaluation ⁵	Indicator	Target value
①	Reduction of emissions of energy-derived CO ₂ ¹	Reduction amount (t-CO ₂)	5,350 or more	6,874	○	○	Reduction amount (t-CO ₂)	2,508 or more
		Absolute amount (t-CO ₂)	430,169 or less	411,477	○		Absolute amount (t-CO ₂)	428,041 or less
②	Reduction of the total amount of water used ²	Reduction amount (thousand m ³)	14 or more	16	○	○	Reduction amount (thousand m ³)	31 or more
		Absolute amount (thousand m ³)	19,896 or less	17,894	○		Absolute amount (thousand m ³)	18,628 or less
③	Reduction of discharge amount of waste ³ , etc.	Reduction amount (t)	20 or more	34	○	○	Reduction amount (t)	10 or more
		Absolute amount (t)	18,672 or less	15,369	○		Absolute amount (t)	14,992 or less
④	Thorough management of chemical substances and promotion of their reduction and substitution	No misapplication of chemical substances		Appropriate management	○	○	No misapplication of chemical substances	
⑤	Implementation of biodiversity conservation activities and environment-related activities in the local community	Implemented as planned		Implemented as planned	○	○	Implemented as planned	
⑥	Develop Eco-products with the product life-cycle taken into consideration	Promotion of the development of Eco-products		Suitable	○	○	Promotion of the development of Eco-products	
⑦	Confirmation of chemical substances contained in products in the development process	Appropriate management of judgment on contained chemical substances		Suitable	○	○	Appropriate management of judgment on contained chemical substances	
⑧	Promotion of the environmentally conscious procurement activities	Discussion of Green Procurement Guideline revision in light of legal and other considerations		Suitable	○	○	Discussion of Green Procurement Guideline revision in light of legal and other considerations	

¹: CO₂ emissions factor from electrical power are based on 0.476 t-CO₂/MWh (the receiving-end CO₂ emissions basic unit for FY2011 released by the Federation of Electric Power Companies of Japan). The other conversion factors are from the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. ²: Total amount of water used = amount of water received + amount of water recovered and recycled (= total amount supplied under optimum balance of water received and water recovered and recycled) ³: Waste, etc. = General waste + Industrial waste + Valuables ⁴: "○" indicates that target was achieved. ⁵: The reduction amount is the main topic, the absolute amount is the sub topic, and the achievement of the main topic is indicated with "○".

FY2020 Activity Results of Global Subsidiaries

Initiative	Domestic sites	Global Manufacturing Subsidiaries
Environmental Targets	Targets are achieved in all topics.	KOE and NXP achieved targets in all topics. SE did not achieve the target in one topic ² .
Compliance activities	One irregular water quality of plant wastewater in Tottori ¹ .	No non-conformance in conformance evaluation.
Internal audits	Measures for all 14 findings at all sites have been completed.	Measures against findings at all sites have been completed.
External examinations	Measures for all 6 findings have been completed (Headquarters, Ebina Plant, Ishikawa Plant, and Higashiura Plant)	Measures against findings at all sites have been completed (certifications are ongoing at all companies).

¹: Refer to the FY2020 Activities and the Results in the table above. ²: SE progressed with CO₂ emission reductions as planned but the actual results were 23% against the target due to external factors.

Energy Conservation Activities/Waste Management

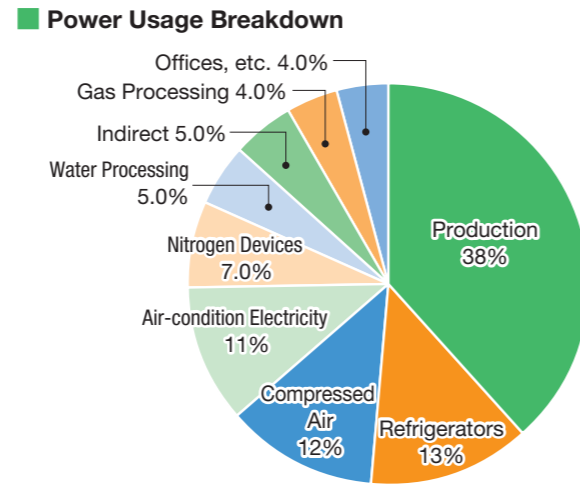
In its Environmental Policy, JDI takes an approach to reduce (control generation), reuse, and recycle wastes, and is committed to a variety of activities.

JDI is especially committed to promoting energy conservation activities to realize a decarbonized society through improving energy efficiency and reducing greenhouse gas emissions.

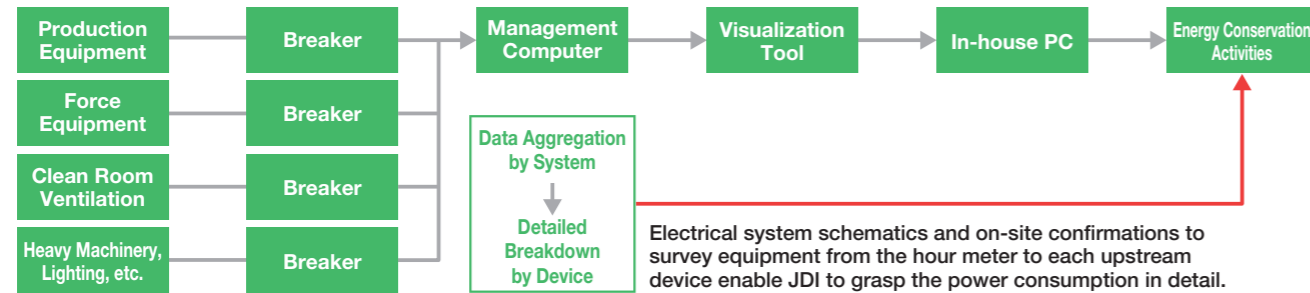
Energy Conservation Activities

Tottori Plant Tottori Plant Energy Visualization

The Tottori Plant is striving to visualize energy to accelerate its energy conservation activities. Conventionally, a person in charge of the infrastructure department verified energy consumption, which only accounted for large segments of energy consumption data and left detailed device data unknown. This initiative innovated methods to collect data and enabled the last three years of data to be visualized by day, month and year. Manufacturing sites will use the data obtained to examine energy consumption with more interest than ever before to find hints in energy conservation activities for low-load devices and to visualize the results of actual energy-saving activities. We would like to expand these efforts in-house and accelerate energy conservation activities throughout the entire Group.



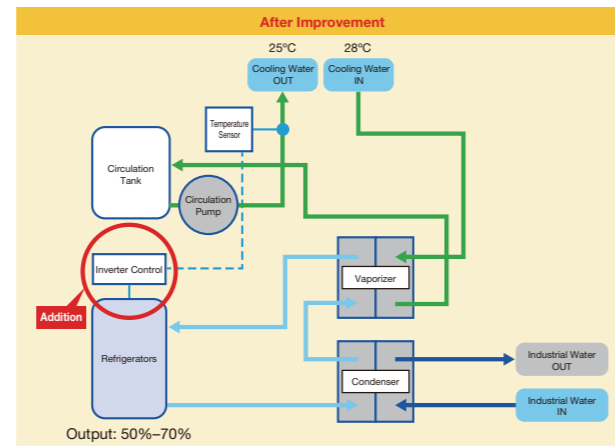
Energy Data Ingestion and Visualization



Tottori Plant Shift to Inverter-type Chillers for Production Equipment

The Tottori Plant is using chillers to cool production equipment. Previously, the control of chillers always operated at 100% output causing wasteful power consumption when chillers were not running or running at low load because there was no interlink with the work load. The addition of inverter-type control of chillers allows the refrigerator to run while adapting to the work load, which reduces the power consumption.

Content of Improvement



Renewable Energy Activities

The popularization and spread of renewable energies throughout society is becoming important from the perspectives of global warming countermeasures and energy

source diversification. Our company is introducing solar power generation systems to promote renewable energy.

Tottori Plant Renewable energy activity

As a part of our efforts to prevent global warming, the Tottori Plant introduced a plant rooftop solar power generation system in 2001.

The system was installed and launched jointly with The New Energy and Industrial Technology Development Organization (NEDO), to expand the adoption of solar power generation. Its maximum power output is 150 kW (with a total of 900 solar power generating panels). The system generated 120 MWh of electricity in FY2020, contributing to the reduction of approximately 57 t-CO₂.



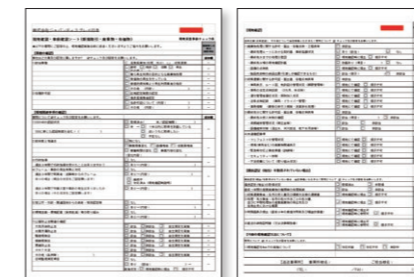
Solar panels

Efforts for Reducing Indirect Risks from Wastes

To verify proper disposal of waste, JDI uses a check sheet that specifies legal requirements and our voluntary standards to conduct regular on-site checks of business partners (collection and transport operators, intermediate treatment operators), and uses the results to make judgments on the continuation of contracts. However, we had to revert back to traditional methods because of the declaration of a state of emergency due to the FY2020 COVID-19 pandemic.

Changes to Observation Points

- ① Check the state of industrial waste via the web
 - ② Utilize data from W.M.F. Industrial waste website
 - ③ Prepare and execute measure to prevent the spread of the virus when conducting on-site inspections
- In FY2020, JDI verifies the proper disposal of industrial waste by gathering information without relying only on conventional confirmation methods though the above changes.



Industrial Waste Inspection Checklist



Visual Inspection for the Status of Waste Storage Processing

PCB waste treatment

Businesses that store Polychlorinated biphenyls (PCBs) must report on the storage status and dispose of the waste by the mandated date in accordance with the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes. The Mobarra Plant has been disposing of PCB waste by category in stages up until now but plans to make the final dispose of small-sized waste materials which have a high PCB concentration by the mandated date in March 2023.



PCB waste storage

Management of Chemical Substances/Environmental Load

At JDI, we perform chemical substance management by broadly classifying these into the chemical substances used in our manufacturing processes, as well as the chemical substances contained in our products. We are also engaged in environmental improvement activities with an understanding about the environmental load caused by chemical substances.

Our global manufacturing subsidiaries also perform similar operations.

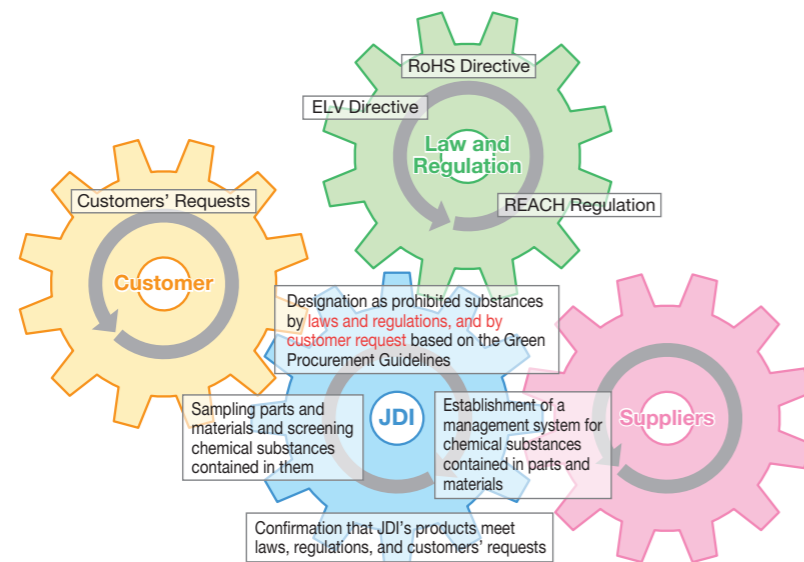
Management of Chemical Substances Contained in Products

JDI has established the Green Procurement Guideline based on laws and regulations, including the RoHS Directive, ELV Directive, and REACH regulations, and requests from our customers.

With the understanding and cooperation of our suppliers, we manage chemical substances contained in procured items such as parts and materials. JDI takes into

consideration the risks of chemical transfer to products from materials which come in direct contact with our products during manufacturing, defines systems to manage those risks, and verifies no restricted substances are used.

Before shipping them for our customers, we examine chemical substances contained in our products.



Management of Chemical Substances

In regards, to chemical substance management, JDI complies with laws and regulations, conducts green procurement, collects data on chemical substances and measures chemical substances.

Compliance with laws and regulations

JDI complies with laws and regulations concerning chemical substances used and contained in the products. The major laws and regulations concerning chemical substances include the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof, RoHS Directive, ELV Directive, and REACH Regulations.

Green procurement

JDI has established the Green Procurement Guideline based on laws, regulations, and requests from our customers, and promotes green procurement. We provide the Green Procurement Guideline to our suppliers and

other stakeholders. And we disclose the Green Procurement Guideline on our website.

Collection data on chemical substances

Cooperating with our suppliers, JDI collects data on the chemical substances used and contained in the parts and materials composing the products. We monitor the use of chemical substances in accordance with laws, regulations, and requests from our customers.

Measurement of chemical substances

JDI regularly measures the chemical substances contained in its atmospheric emissions and wastewater discharged. We sample the products and measures the chemical substances contained in them.

JDI monitors the use of the chemical substances and promote the reduction of discharged amounts of the chemical substances to respect for biological diversity and to contribute to conservation of the environment and a sustainable society.

Environmental Load

Our business activities consist of inputting energy and resources for product production, which are accompanied by outputs such as CO₂, wastes, and so on.

An overview of this is shown in the figure below (covering all domestic plants + global manufacturing subsidiar-

ies in FY2020). The basis of our environmental improvement activities lies in reducing the amount of inputs and outputs, and we work to address such activities by determining each of these items for every area in a detailed manner.

INPUT		FY2020		OUTPUT		FY2020	
Items		Japan	Global	Items		Japan	Global
Electricity (purchased power)	MWh	877,586	83,001	Energy-derived CO ₂ ²	thousand t-CO ₂	463	42
Electricity (solar power)	MWh	120	0	Greenhouse gases ³	thousand t-CO ₂	40	0
City gas	million m ³	12,481	0.087	Wastewater	million m ³	10,057	0.65
Heavy fuel oil	KL	3,470	0	Amount of priority controlled chemical substances ⁴ emitted	t	149	10 ⁴
LPG	t	3,289	14	Amount of industrial materials, etc. emitted (including valuables)	t	16,407	2,253
LNG	t	214	0	Industrial waste	t	10,662	430
Diesel oil	KL	0	7	Valuables	t	5,657	841
Amount of water received	million m ³	11,202	0.762	General waste	t	87	982
Amount of priority controlled chemical substances ¹ emitted	t	14,422	65				

*1: The priority controlled chemical substances refer to 38 substances selected as being subject to priority control efforts.

*2: The CO₂ emissions coefficient for electricity in Japan is 0.476 t-CO₂/MWh (the receiving-end CO₂ emissions basic unit for FY2011 released by the Federation of Electric Power Companies of Japan). The other conversion factors are from the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. Local emissions coefficients for China, Taiwan, and the Philippines were used for the CO₂ emissions coefficients from electricity globally.

*3: Among substance covered in the Act on Promotion of Global Warming Countermeasures, we use the term "greenhouse gases" to refer to these seven substances: PFC (CF₄, c-C₄F₈), HFC (CHF₃, C₂H₆F₂), SF₆, NF₃ and N₂O. Emission factors of AR4 are used.

*4: Within Japan, this refers only to emissions of the 38 priority controlled chemical substances designated by JDI, and global refers only to emissions of VOC.

Ecosystem Conservation Activities

Japanese elm and cherry trees distinct to the local area grow in SOZO-no-Mori on the grounds of the Ishikawa Plant for all to enjoy the changing seasons throughout the year. Some of the trees which have been growing for more than 15 years have tree trunks multiplied in size. We also plant new trees in an effort to transition from a group of trees to a sustainable forest. JDI has set up nesting boxes around its plants as well, which will attract many different birds and contribute to the conservation of biodiversity.



SOZO-no-Mori (Ishikawa Plant)

"Hotaru-gawa" Creek and "Koi-carp" Pond are two artificial bodies of water created on the grounds of the Mobarra Plant. Fireflies live around Hotaru-gawa Creek, and flights by dozens of fireflies can be seen in late May of every year. Dozens of golden carp can be seen swimming elegantly in the "Koi-carp" Pond.



Hotaru-gawa Creek and Koi Pond (Mobarra Plant)

We will continue to engage in environmental conservation activities from neighborhood cleanup to water quality management in order to maintain the ecosystem now and into the future.

Global Subsidiary Initiatives

Initiatives at Global Manufacturing Subsidiaries

We have two global manufacturing subsidiaries which mainly assemble LCD modules and produce liquid crystal parts. Each company has acquired the ISO 14001 certification and promotes ongoing improvements from environmental perspectives. The environmental impact of these operations is mainly the electricity and water used for production and the waste byproduct.

All of these companies strive to promote the reduction of environmental burdens and undertake measures to prevent global warming (reducing CO₂). Regular meetings at each of these companies also build communication and clarify progress.

In this report, we will introduce Nanox Philippines Inc. (NXP) initiatives.

Nanox Philippines Inc. (NXP) Initiatives

Company Overview

Company name	Nanox Philippines, Inc.
Address	Clark Civil Aviation Complex, SCTEX-Clark South Interchange, Clark Freeport Zone, Clarkfield, Pampanga 2023, Philippines
Business Start	June 15, 1999
Representative	Toshimitsu Yoshifuku
Business	Manufacture of LCD displays
Number of employees	2,061 (as of April 2021)



Plant Exterior

Example of Environmental Initiatives

Reduction of CO₂ Emissions

NXP switched its power supply to an energy retailer that uses water power plants as an energy source in 2017, dramatically reducing CO₂ emissions.

The emission coefficient for this energy retailer is 0.0000003 t-CO₂/kWh.

Maximizing Energy Efficiency

The project driving the environmental group at this plant is gradually transitioning to LED lighting, setting efficient temperatures for air conditioners, managing compressed air leaks, and switching off devices when in low demand. Announcements on energy-saving reforms also aim to transform the office culture.



Example of Energy-Saving Improvements: Shift to LED Lighting

Improving the Recycling Rate

The collection rate of rare metals and other such materials from sorting of waste from reject panels which began in 2019 is approximately 20% each year.

This has also been adopted to recycle paper and packaging materials as well as reclaim valuables from waste.

Other Initiatives

NXP handles chemical substances by limiting its use to only specific processes to reduce the volume of use as well as help save water in kitchens and comfortable rooms.

We were unable to engage in environmental and social activities outside of the plant due to the pandemic.

As one environmental activity inside of the plant, NXP conducted greenification program in November 2020 and held a Christmas decoration contest using recycled materials in December 2020.



December 2020 Christmas Decoration Contest (Contest held between departments using recycled materials run by the HR department)



November 2020 Greening Programs (Employees from each department participated, totaling 20 participants)

Third-party Opinion



Representative, Sustainability Consulting
Part-Time Instructor at Seikei University
JRCA Lead Auditor, Environment (EMS-A20004)

Masatoshi Ikari

The following is a third-party opinion regarding Japan Display Group's CSR Report 2021 (hereinafter "Report"). I have verified the clear progress JDI has made in its initiatives toward realizing a sustainable society.

1 Securing employee health and new work styles

Many companies have reaffirmed the importance of securing employee health and safety due to the spread of the COVID-19 in terms of business continuity. The Report provides comprehensive information on occupational employee health and safety, health management, and new work style initiatives.

2 Realizing a decarbonized society

In light of Japan's 2050 Carbon Neutrality Declaration, the CEO has committed to reduce greenhouse gases (GHG) as one of JDI's major challenges in its medium- to long-term plan. JDI has started calculating greenhouse gas emissions (Scope 3) this fiscal year throughout the entire supply chain in accordance with all of the survey items in the CDP company questionnaire, which is a survey JDI has been conducting for some time. JDI is continuing to strive in water security initiatives as well.

3 Organizing JDI initiatives to coincide with the SDGs and participation in the United Nations Global Compact (UNGC)

The Report includes a new table organizing the relevance of JDI initiatives with not only the 17 Sustainable Development Goals adopted by the United Nations but also its more detailed 169 targets. JDI made its clear future direction to set targets ideal for its businesses and actively strive to use those targets as an index measuring the social value generated by its businesses. By joining the UNGC in August 2021, JDI expanded its sustainability efforts in accordance with international standards as well as raised its profile according to the ten UNGC principles on human rights, labor, the environment, and anti-corruption it advocates as social issues requiring attention.

4 Initiatives to reduce the risk of waste during the COVID-19 pandemic

I commend JDI for its online verification of industrial waste processing, utilization of data from Japan Industrial Waste Management Foundation, and other such measures which will ensure proper processing of waste through data collection as good as, if not better than, conventional methods. The company has shown ingenuity in these respects during the COVID-19 pandemic.

5 Toward the next fiscal year

I hope JDI will push forward into more advanced stages of its initiatives in the next fiscal year driven by its progress thus far.

5-1 Establishing a relationship between a personal tech company and sustainability

JDI has announced itself as a new personal tech company (see footnote on page 4). I had an impression that JDI can position its personal tech company initiative as an important strategic element to realize a sustainable society and to achieve the SDGs. JDI should consider first clarifying the relationship between its personal tech company initiative and sustainability, and then explain its concrete strategies and initiatives to stakeholders in an easy-to-understand manner.

5-2 Identifying material sustainability issues and disclosing targets, indicators and corporate data

The Report would also benefit from identifying environmental and social issues JDI considers vital (material) to disclose information centered upon targets, indicators and company data. Some potential environmental and social issues which could be considered material include environmental issues such as medium- to long-term targets for the reduction of greenhouse gases, as well as social issues such as occupational employee health and safety (e.g.: occupational accident index), health management (e.g.: employee health checkup rate), and work style reform measures. If it is difficult to disclose such data in the Report due to space constraints, JDI could even provide a separate data sheet or post the information on its homepage.

5-3 Advancing value chain initiatives

I think JDI should also disclose more information about its value chain by expanding the information to include not only environmental risks but also human rights and other social risks beyond conflict minerals, such as human right issues. I would also like to ask JDI to link its value chain initiatives with its Business Continuity Plan (BCP) which prepares the company for the pandemic and more frequent natural and other disasters.



Japan Display Inc.

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