

Support for fundamental financial structure improvement at Japan Display Inc.

Tokyo, February 10, 2023 — INCJ, Ltd. (“INCJ”), responding to a proposal from Ichigo Trust, the largest shareholder in Japan Display Inc. (“JDI”), regarding measures to fundamentally improve JDI's financial structure, has announced that it has decided the following regarding the transfer of debt and part of its shares in JDI.

<Decision items>

- INCJ will transfer a total of JPY53.68 billion in loan claims against JDI to Ichigo Trust.
- INCJ will transfer all of its class A preferred shares (1,020,000,000 shares) to JDI without compensation.

As the result of these decisions, INCJ expects a drastic improvement in JDI's financial structure. Although INCJ will no longer be a major shareholder (a shareholder with more than 10% of voting rights), as the second largest shareholder it will continue to support JDI together with Ichigo Trust, the largest shareholder.

The short-term loan (JPY20 billion) to JDI will be repaid by JDI in accordance with the terms and conditions of the agreement with INCJ, using a new JPY20 billion loan from Ichigo Trust as the source of funds.

<Reference>

About Japan Display Inc.

- Established : April 2012
- Headquarters : Minato-ku, Tokyo
- Representative : Scott Callon, Chairman, CEO, & Representative Executive Officer
- Business outline : Development, design, manufacture and sales of small- and medium-sized display devices and related products, etc.

Overview of investment

- Announcement date :
August 31, 2011 / December 21, 2016 / August 9, 2017 / June 26, 2018 / April 18, 2019 /
August 7, 2019 / September 2, 2019
- Authorized investment :
JPY200 billion (maximum) / JPY75 Billion (maximum) / JPY107 billion (maximum) /

JPY20 billion (maximum) / JPY20 billion (maximum) / JPY20 billion (maximum) /
JPY20 billion (maximum)

- Amount invested :

JPY200 billion / JPY75 billion / JPY107 billion / JPY20 billion /
JPY20 billion / JPY20 billion / JPY20 billion

- INCJ / JDI press releases regarding investment :

(INCJ) Four companies sign memorandum of understanding regarding integration of
small- and medium-sized display businesses

https://www.incj.co.jp/english/newsroom/upload/docs/e_20110831.pdf

(INCJ) INCJ to make additional investment in Japan Display Inc.

https://www.incj.co.jp/english/newsroom/upload/docs/e_20161226.pdf

(JDI) Execution of Commitment Line Agreement and Revision of Terms and Conditions of
1st Series Unsecured Subordinated Convertible Bonds with Stock Acquisition
Rights and Existing Subordinated Loan

<https://ssl4.eir-parts.net/doc/6740/tdnet/1506166/00.pdf>

(JDI) Notice Concerning the Partial Redemption of 1st Series Unsecured Convertible
Bonds with Stock Acquisition Rights (Subordinated) and the Loan Procurement
in Connection with the Transfer of Nomi Plant and Related Assets, and Conclusion
of Basic Agreement on Capital and Business Tie-Up with JOLED Inc.

<https://ssl4.eir-parts.net/doc/6740/tdnet/1604207/00.pdf>

(JDI) Notice Concerning the Borrowing of Funds

<https://ssl4.eir-parts.net/doc/6740/tdnet/1693320/00.pdf>

(JDI) Notice Concerning the Borrowing of Funds

<https://ssl4.eir-parts.net/doc/6740/tdnet/1741063/00.pdf>

(JDI) Notice Concerning the Borrowing of Funds

<https://ssl4.eir-parts.net/doc/6740/tdnet/1748949/00.pdf>

1. **Background of investment**

JDI was established in April 2012 by INCJ, Sony Corporation (“Sony”), Toshiba Corporation (“Toshiba”), and Hitachi, Ltd. (“Hitachi”) by integrating the small- and medium-sized display businesses operated by subsidiaries of Sony, Toshiba, and Hitachi. INCJ decided to invest in JDI in order to support technological innovation in liquid crystal and OLED displays, as well as the development of Japan's display-related industry, which has a broad base, and

to innovate the industrial structure.

2. Business progress

In 2014, JDI was listed on the First Section of the Tokyo Stock Exchange. Subsequently, as the business environment surrounding JDI became increasingly severe due to the shift to high-end OLEDs in the smartphone market, the rise of overseas competitors, and intensifying price competition, INCJ dispatched outside directors and provided financial support. In 2020, JDI strengthened its financial position through a capital tie-up with Ichigo Trust, and has focused on developing technologies that will revolutionize displays, such as the next-generation OLED "eLEAP" and high-mobility oxide semiconductor "HMO" backplanes.

3. Proposal from Ichigo Trust

INCJ received from Ichigo Trust the following proposal for drastically improving JDI's financial position. INCJ agreed with the intent of the proposal and decided to comply with the request based on its overall assessment, including economic rationality.

- 1) Regarding INCJ claims against JDI amounting to JPY73.68 billion, Ichigo Trust will provide funds to repay JPY20 billion through a short-term loan to JDI, and Ichigo Trust will assume the obligations for JPY50 billion in senior loans and JPY3.68 billion in subordinated loans on an indemnity basis.
- 2) JDI will acquire all of the Class A Preferred Shares (1,020,000,000 shares) held by INCJ without consideration pursuant to the provisions of Article 155, Item 13 of the Companies Act and Article 27, Item 1 of the Enforcement Regulations of the Companies Act.

INCJ, as the second largest shareholder, will continue to support JDI together with Ichigo Trust, the largest shareholder.

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in "Value Up" initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

Press Contacts

Japan Investment Corporation

Corporate Planning, Communications Group: Okumura, Nonomiya

Tokyo Toranomom Global Square 9F,

1-3-1 Toranomom, Minato-ku, Tokyo 105-0001

Tel. (03) 5532-7086