News Release

INCJ

<u>Statement on JOLED Inc.</u>

Tokyo, March 27, 2023 — INCJ, Ltd. ("INCJ") comments as follows on the application submitted to the Tokyo District Court today by its portfolio company, JOLED Inc. ("JOLED"), under the Civil Rehabilitation Law.

"INCJ has been supporting JOLED for more than eight years, this support commencing prior to the company's establishment in 2014. INCJ has achieved certain results given the significance of its investment in the company, a large-scale start-up, which launched the world's first mass production line for OLED displays using the printing method, and has been producing and marketing high-performance, high-quality OLED displays for high-end monitors, medical monitors, and in-vehicle monitors.

"This being the case, it is with a deal of great regret that JOLED has been compelled to opt for civil rehabilitation after it became difficult to maintain its product business as the result of delays in product mass production lines, sluggish product sales, and other factors. After the court's decision to initiate rehabilitation proceedings, we will officially revoke our support decision*, and we will continue to monitor the progress of JOLED's rehabilitation plan.
As a public-private investment fund, INCJ will strive to balance the significance of investment and profitability**, and will continue its support and exit activities until the end of March 2025."

Note

*INCJ remains operating under the same framework as the former Industrial Competitiveness Enhancement Act, based on the conditions, etc., approved by the Minister of Economy, Trade and Industry even after being established by split from the former Innovation Network Corporation of Japan (INCJ).

**As of March 31 2022, accumulated principal amount invested (number of investments: 144): JPY1,286.2 billion; return on investment: 1,484.8 billion (aggregate principal investment, including JOLED, has been recovered.)

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Reference: JOLED overview / INCJ support summary

1． About JOLED

- Established: January 2015
- Headquarters: Chiyoda-ku, Tokyo
- Representative: Tadashi Ishibashi, Representative Director and President
- Business outline: Research and development of OLED displays and their components, materials, manufacturing equipment and related products

URL: https://www.j-oled.com/eng/

2． Overview of investment

- Announcement date: July 31, 2014 / June 26, 2018 / April 8, 2019 / July 20, 2021 / July 26, 2022
- Authorized investment: JPY25 billion (maximum) / JPY20 billion (maximum) / JPY20 billion (maximum) / JPY20 billion (maximum) / JPY13.4 billion (maximum)
- Amount invested： JPY25 billion / JPY19.25 billion / JPY20 billion / JPY20 billion / JPY8.5 billion
- Shareholdings：In addition to the above, JDI made an in lieu payment of JPY46.3 billion worth of shares on March 26, 2020, for a total of 1,319,625 common stock, 250,000 Class C preferred stock and 85 D preferred stock

3． Background

（1） Background of investment

JOLED was established in January 2015 by INCJ, Japan Display Inc. ("JDI"), Sony Corporation (“Sony”) and Panasonic Corporation ("Panasonic") by integrating their OLED display panel R&D functions for the purpose of accelerating mass production development and early commercialization of OLED display panels.

（2） Business progress

Since its initial investment, INCJ has provided JOLED with support including dispatching outside directors and funding for R&D and business development.

Compared to vapor deposition production, printing method OLED displays, made using the unique manufacturing technology of JOLED, can support high-mix, low-volume production, and in November 2019, the world's first mass production line for printing method OLED displays began operating at the Nomi Plant. JOLED was producing high-performance, high-quality OLED displays for high-end monitors, medical monitors, and in-vehicle applications, as well as conducting R&D for the practical application of both flexible displays and foldable displays.

As the result of continued delays experienced with mass production lines due to factory-related issues and sluggish product sales, and in addition to considering the option of operating independently, JOLED sought alliances with other companies and formed a capital and business alliance with CSOT in 2020. However, the situation did not improve and it became increasingly more difficult to continue the product business, and on March 27, 2023, JOLED filed for civil rehabilitation proceedings. If the court decides to commence rehabilitation proceedings, INCJ will revoke its decision to support JOLED in accordance with the former Industrial Competitiveness Enhancement Act (Act No. 98 of 2013).