May 13, 2015

Japan Display Inc.

Consolidated Financial Results for Fiscal Year 2014 (Japanese GAAP)

(This is an English translation of an original Japanese-language document.)

Company name:	Japan Display Inc. (“JDI”)
Security code:	6740
Listing:	Tokyo Stock Exchange (First Section)
Website:	http://www.j-display.com/english/
Representative:	Shuichi Otsuka, President and Chief Executive Officer
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Annual general meeting of shareholders:	June 23, 2015
Filing of FY 2014 securities report:	June 23, 2015
Commencement of dividend payments:	-
Supplementary materials for the FY 2014 earnings results:	Available
Briefing for FY 2014 results:	May 13, 2015

(Figures in this earnings report are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the FY 2014 (April 1, 2014 to March 31, 2015)

(1) Results of operations

(Millions of yen, except per share amounts)

	FY 2014	YoY Chg.	FY 2013	YoY Chg.
Net sales	769,304	25.2%	614,567	272.1%
Operating income	5,147	(81.4%)	27,624	173.4%
Ordinary income	1,864	(90.2%)	19,072	123.1%
Net income	(12,270)	-	33,918	853.9%
Net income per share				
-Basic (yen)	(20.42)	-	135.09	-
-Diluted (yen)	-	-	133.19	-
Return on equity (%)	(3.0%)	-	16.9%	-
Ordinary income to total assets (%)	0.2%	-	4.4%	-
Operating income to net sales (%)	0.7%	-	4.5%	-
Comprehensive income	(1,211)	-	38,267	284.8%
Equity in net income of affiliates	-	-	-	-

Note: JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company’s calculation of the number of common shares outstanding is based on the assumption that the stock split was implemented at the beginning of FY 2013.

(2) Financial position

(Millions of yen, except per share amounts)

	Mar 31, 2015	Mar 31, 2014
Total assets	831,622	758,975
Net assets	402,626	405,144
Shareholders' equity ratio (%)	48.2%	53.3%
Net assets per share	666.92	673.28
(Reference) Shareholders' equity	400,982	404,489

(3) Cash Flow

(Millions of yen)

	Mar 31, 2015	Mar 31, 2014
Net cash provided by operating activities	73,320	39,707
Net cash used in investing activities	(96,346)	(122,915)
Net cash used in financing activities	(24,971)	151,990
Cash and cash equivalents at end of year	94,643	141,390

2. Dividends

(yen)

	June 30	Sep 30	Dec 31	FY-end	Total	Dividend ratio (consolidated)	% of dividends to net assets (consolidated)
FY 2013	-	0.00	-	0.00	0.00	-	--
FY 2014	-	0.00	-	0.00	0.00	-	-
FY 2015 (forecast)	-	0.00	-	-		-	-

Note: Under JDI's articles of incorporation September 30 and the final day of the fiscal year are stipulated as the dates of record for dividends. However, at present the amount of the fiscal year-end dividend is not yet determined.

3. Earnings forecast for the FY 2015

(Millions of yen)

	1Q-FY2015	YoY Chg.	1Q-FY 2014	YoY Chg.
Net sales	240,000	91.7%	125,163	(13.9%)
Operating income	2,000	-	(12,696)	-

Notes:

(1) Changes to scope of consolidation: None

(2) Accounting changes in consolidated financial statements.

a) Changes in accounting policy in accordance with amendments to accounting standards: Yes
b) Changes in accounting policy other than (a) above: None
c) Changes in accounting estimates: None
d) Retrospective restatement: None

(3) Number of shares outstanding (common shares)

	Mar 31, 2015	Mar 31, 2014
Number of shares outstanding (incl. treasury shares)	601,387,900	601,387,900
Number of treasury shares	140,600	609,500
Average number of shares outstanding	600,987,061	251,078,550

Note: JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company's calculation of the number of common shares outstanding is based on the assumption that the stock split was implemented at the beginning of FY 2013.

(Reference) Overview of the Non-consolidated Financial Results

1. Non-Consolidated Financial Results for the FY 2014 (April 1, 2014 to March 31, 2015)

(1) Results of operations (Millions of yen, except per share amounts)

	FY 2014	YoY Chg.	FY 2013	YoY Chg.
Net sales	750,983	27.1%	590,880	442.6%
Operating income	(7,563)	-	13,913	228.4%
Ordinary income	(5,023)	-	7,565	62.9%
Net income	(14,238)	-	30,395	-
Net income per share				
-Basic (yen)	(23.69)	-	121.06	-
-Diluted (yen)	-	-	119.36	-

Note: JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company's calculation of the number of common shares outstanding is based on the assumption that the stock split was implemented at the beginning of FY 2013.

(2) Financial position (Millions of yen, except per share amounts)

	Mar 31, 2015	Mar 31, 2014
Total assets	773,807	704,890
Net assets	336,687	352,401
Shareholders' equity ratio (%)	43.5%	50.0%
Net assets per share	559.98	586.57
(Reference) Shareholders' equity	336,687	352,401

Note: JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company's calculation of the number of common shares outstanding is based on the assumption that the stock split was implemented at the beginning of FY 2013.

* Disclosure related to implementation of quarterly review procedures

This earnings report is exempt from the consolidated financial statements review procedures set forth in Japan's Financial Instruments and Exchange Law. However, at the time of this earnings report, consolidated financial statements review procedures pursuant to the Financial Instruments and Exchange Law had not been completed.

Proper use of earnings forecasts and other matters warranting special mention

Forward-looking information such as earnings forecasts in this document is based on information available to the company at the time the document was prepared and management's reasonable assumptions. Such information should not be interpreted as a guarantee of future performance or results. Furthermore, forward-looking information is necessarily subject to a number of factors that may cause actual results to differ materially from those results implied by the expectations suggested by such information.

Attachments

1. Fiscal Year Financial Results and Financial Position

(1) Fiscal year financial results information

(i) Overview of Fiscal Year Financial Results

Consolidated Financial Results for FY 2014 (April 1, 2014 to March 31, 2015)

(Units: million yen except per share amounts, %)

Fiscal year	FY 2013		FY 2014		
Category	Amount	% of net sales	Amount	% of net sales	YoY (%)
Mobile device category	476,616	77.6	615,052	79.9	29.0
Automotive electronics, C&I and other category	137,951	22.4	154,252	20.1	11.8
Net sales	614,567	100.0	769,304	100.0	25.2
Operating income	27,624	4.5	5,147	0.7	(81.4)
Ordinary income	19,072	3.1	1,864	0.2	(90.2)
Net income	33,918	5.5	(12,270)	-	-
Net income (loss) per share	135.09	-	(20.42)	-	-
EBITDA	90,279	14.7	75,708	9.8	(16.1)

Notes: 1. EBITDA = Operating profit + depreciation (operating costs) + amortization of goodwill
EBITDA is not one of the subjects audited pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.
2. JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company's calculation of the above net income per share and net loss per share is based on the assumption that the share split was implemented at the beginning of FY2013.

Quarterly Results

Consolidated Results for FY 2014 (April 1, 2014 to March 31, 2015) by quarter

(Units: million yen)

	1Q	2Q	3Q	4Q	FY 2014
Mobile device category	90,322	120,210	211,842	192,678	615,052
Automotive electronics, C&I and other category	34,841	40,201	39,298	39,912	154,252
Net sales	125,163	160,411	251,141	232,589	769,304
Gross profit	(882)	4,815	26,723	25,061	55,717
Operating income	(12,696)	(7,575)	14,711	10,707	5,147
Ordinary income	(16,916)	(5,561)	18,320	6,021	1,864
Income before income taxes and minority interests	(16,916)	(7,693)	19,393	(3,051)	(8,267)
Net income	(16,834)	(10,957)	19,162	(3,641)	(12,270)

In FY 2014 the small-medium display market expanded owing mainly to increased global shipments of smartphones. The key market driver was the September 2014 sales launch of a new model of Apple Inc.'s globally popular iPhone, a smartphone with a low-temperature poly-silicon (LTPS) display that was larger and offered higher resolution compared with previous iPhone models. Also, the smartphone market continued to grow in China. While low-price range smartphones are gaining in popularity in China, the progressive development of China's communications network is boosting the need for smartphones that accommodate large-size high-resolution displays, pushing up demand for LTPS displays.

While JDI's display shipments to Chinese smartphone makers increased, its overall sales slowed in the first half of the fiscal year due mainly to shipment delays to its major customer as well as lower demand from global smartphone makers. However, from the third quarter onward shipments to the above mentioned major customer increased as did shipments of high-end Full-HD display modules to Chinese smartphone makers. Consequently, full-term net sales were higher compared with FY 2013.

In response to continuously rising demand for high-end displays monthly production capacity at the Mobara Plant G6 LTPS LCD fab (glass size: 1,500mm x 1,850mm) has been increased to 50,000 sheets and a decision was made to build a new G6 fab in Hakusan City, Ishikawa Prefecture in March 2015.

JDI managed to make up for operating and ordinary losses recorded in the first half of FY 2014 due to a V-shaped recovery emerged in the second half. However, lower sales in the first half and a decline in display prices in the market resulted in lower YoY full-term profits. Extraordinary items included an extraordinary profit of 13.5 billion yen in subsidy income and an extraordinary loss of 11.9 billion yen on a reduction of non-current assets related to this subsidy income. Also, a 2.1 billion yen provision for doubtful accounts related to a customer that underwent corporate reorganization in the second quarter and business structure improvement expenses of 9.5 billion yen in the fourth quarter for the purpose of increasing competitiveness (a decision was made to close the Fukaya Plant, which housed an older generation G3 LTPS LCD line (glass size: 550mm x 670mm)) resulted in a net loss for the fiscal year.

As a result in FY 2014 JDI had net sales of 769,304 million yen (up 25.2% compared with FY 2013), operating profit of 5,147 million yen (down 81.4%), ordinary profit of 1,864 million yen (down 90.2%) and a net loss of 12,270 million yen (versus a net profit of 33,918 million yen in FY 2013).

Below are JDI's sales by product application category.

Mobile Device Category

The mobile device category includes display modules for smartphones, tablets and conventional mobile phones. FY 2014 consolidated sales in this category were 615,052 million yen, accounting for 79.9% of total sales.

In FY 2014 sales of core LTPS LCDs significantly expanded due to growth in the smartphone market. In particular, sales of Pixel Eyes™, which integrates touch panel functionality into the display panels, increased considerably in the fourth quarter. Also in the fourth quarter, volume production of Pixel Eyes™ with high-resolution WQHD (1,440 x 2,560 pixels) displays started.

Automotive Electronics, C&I and Other Category

The automotive electronics, C&I and other category includes display modules for automotive electronics, consumer electronics devices such as digital cameras and game consoles and industrial equipment such as medical devices. Also included is income from patents. FY 2014 consolidated sales in this category were 154,252 million yen, accounting for 20.1% of total sales.

In FY 2014 strong automobile sales in the U.S. and China supported steadily solid sales of automotive electronics displays. Game console sales were also favorable. Because sales of automotive electronics displays are expected to increase, JDI opened a satellite office of JDI Display America, Inc., a U.S. sales subsidiary, in the Detroit metropolitan area. JDI also adopted a plan to strengthen the module assembly capacity at Kaohsiung Opto-Electronics Inc., a JDI subsidiary operating in Taiwan.

(ii) Financial Results Forecast

Financial Results Forecast for FY 2015 First Quarter (April 1, 2015 to June 30, 2015)

(Units: million yen)

	Net sales	YoY Chg. (%)	Operating income	YoY Chg. (%)
First quarter - FY 2015	240,000	91.7	2,000	-
First quarter - FY 2014 (actual)	125,163	(13.9)	(12,696)	-

JDI does business in the small-medium display industry, an industry having a highly volatile business climate. Due to the difficulty of making accurate business forecasts for a full 12-month fiscal period, JDI instead provides sales and operating profit forecasts from quarter to quarter. Moreover, because the large gap that can exist between monetary assets and liabilities denominated in foreign currencies and their value based on the foreign exchange rate at the end of a quarter can preclude accurate predictions of foreign exchange gains/losses under other income/expenses items, JDI does not provide financial forecasts of quarterly ordinary profit and net profit.

In JDI's main business area, the small-medium display market, the company expects the global spread of smartphone usage to back continued market growth. The polarization of the smartphone display market should continue, with fully customized high-end displays that conform to the high-spec demands of customers at one end and middle-range or lower displays at the other end. Given this situation, JDI is leveraging its technology capabilities to capture a larger share of the market for smartphones with high-end displays.

Normally, the April-June first quarter is a period of lower demand due to seasonal factors. However, in the first quarter of FY 2015 demand for high-end displays is running strong and is likely to result in a high level of net sales. First-quarter profitability is expected to show improvement compared with the large first-quarter loss of a year ago but be lower quarter on quarter due to higher sales of lower-margin products.

JDI's current consolidated financial forecast for the first quarter of FY 2015 is shown above. The forecast is based on foreign exchange rate of US$1=115 yen.

(2) Financial Position

(i) Assets, liabilities and net assets

At the end of FY 2014 (ended March 31, 2015) total assets were 831,622 million yen, an increase of 72,647 million yen compared to the end of FY 2013 (ended March 31, 2014). The key factors, under current assets, were increases of 46,940 million yen in notes and accounts receivable and 39,361 million yen in other receivables due to higher sales and a decline of 46,747 million yen in cash and deposits. Under fixed assets, investments and other assets increased by 11,283 million yen.

Liabilities at the end of FY 2014 were 428,995 million yen, an increase of 75,165 million yen compared with the end of FY 2013. The key factors were 95,521 million yen growth in accounts payable owing to increased production and declines of 8,483 million yen in long-term borrowings and 9,567 million yen in lease obligations (excluding the current portion).

As a result net assets at the end of FY 2014 were 402,626 million yen, a decrease of 2,518 million yen compared with the end of the FY 2013.

(ii) Cash flow

At the end of FY 2014 JDI had cash and cash equivalents of 94,643 million yen, a decrease of 46,747 million yen compared with the end of FY 2013. A breakdown of cash flow results is presented below.

Cash flow from operating activities

In FY 2014 net cash provided by operating activities was 73,320 million yen (versus net cash of 39,707 million yen in FY 2013). Along with 8,267 million yen in losses before income taxes were increases of 37,014 million yen in accounts receivable, 39,831 million yen in other accounts receivable, 16,235 million yen increase in inventories and other minus factors. Among the plus factors were a 91,606 million yen increase in accounts payable and depreciation and amortization of 68,637 million yen.

Cash flow from investing activities

In FY 2014 net cash used in investing activities was 96,346 million yen (versus 122,915 million yen used in FY 2013). Key factors were 108,429 million yen used for acquisitions of property and equipment to expand and upgrade production capacity and 13,475 million yen in received subsidy income.

Cash flow from financing activities

In FY 2014 net cash used in financing activities was 24,971 million yen. Included were 9,789 million yen in repayment of long-term borrowings and 24,969 million yen in payment of lease obligations, as well as sale and leaseback income of 18,871 million yen.

Cash flow ratios

	FY 2013	FY 2014
Shareholders' equity ratio (%)	53.3	48.2
Market value equity ratio (%)	57.1	31.2
Ratio of cash flow to interest-bearing debt (years)	2.6	1.1
Interest coverage ratio (times)	14.1	27.3

Shareholders' equity ratio = Shareholders' equity / Total assets
Market value equity ratio = Market capitalization / Total assets
Ratio of cash flow to interest-bearing debt = Interest-bearing debt / Cash flow
Interest coverage ratio = Cash flow / Interest paid

Notes: 1. All values are calculated based on consolidated financial data.
2. The market capitalization calculation is based on the number of shares outstanding less treasury stock.
3. Cash flow refers to operating cash flow.
4. Interest-bearing debt is liabilities on the consolidated balance sheet on which interest is being paid.

(3) Basic dividend policy and dividends for the FY 2014 and FY2015

JDI's basic management policy gives priority to returning value to shareholders. However, in regard to FY 2014 (ended March 31, 2015) the company has decided not to pay a dividend due to the recording of a net loss for the year.

Because JDI expects free cash flow to improve in FY 2015 (ending March 31, 2016) the company is proposing an end-fiscal year dividend payment. The amount of this dividend will be announced at a later time in accordance with financial performance. The company's future goal for returning value to shareholders is a total return ratio of 30% based on the combination of dividend payouts and share buybacks.

(4) Business risks

The following events may influence JDI's business results, financial condition, share price performance or other matters related to the company:

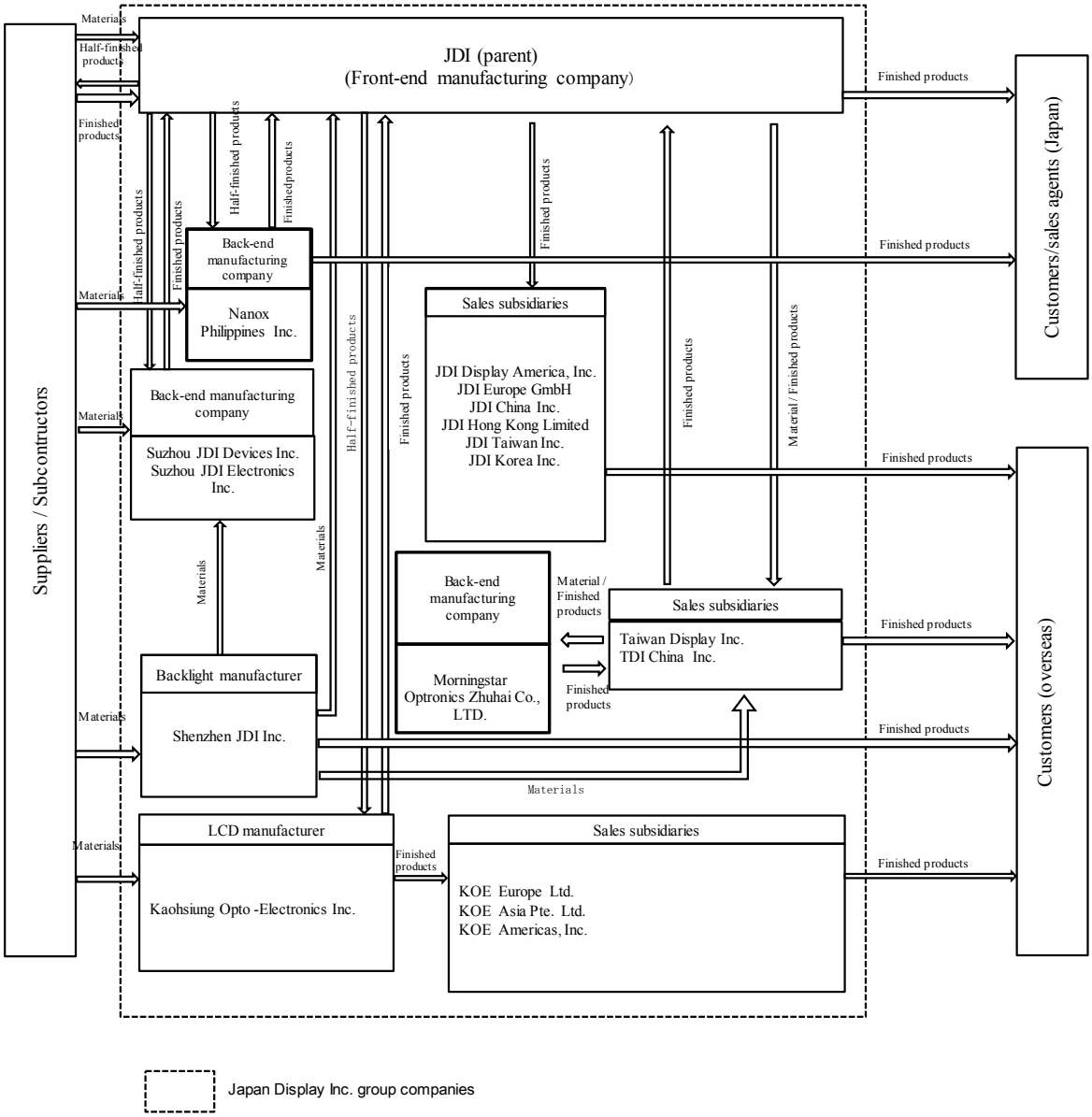
- Economic conditions
- Trends in the small-medium display market
- Adverse conditions in the competitive environment
- Product sales price declines
- Market conditions or seasonal factors
- Rapid changes in technology
- Changes in consumer preferences
- Possible failed investments in research and development
- The impact of the manufacturing line capacity utilization rate, yields or product quality
- The impact of building new manufacturing lines
- Dependence on specific product types or customers
- Possible failed business alliances, strategic partnerships or company acquisitions
- Lawsuits or other legal actions
- Changes in intentions or condition of Innovation Network Corporation of Japan (INCJ), JDI's primary shareholder
- Foreign currency exchange trends
- Delays in acquiring, denial of access to, a decline in quality or price hikes of raw materials & parts (subcontracted products), along with a steep rise in energy costs
- Manufacturing or sales, important to overseas business development, are hindered by the local legal or business environment
- Events that might have adverse consequences for the procurement of financing
- Unavoidable fixed asset impairment losses or business structure improvement expenses
  Difficulties hiring highly skilled employees or management personnel
- Malfunctions in internal management controls that affect financial reporting
- Unauthorized disclosure of private or other confidential information
- Issues affecting intellectual property rights
- Changes in environmental or other legal regulations
- A determination that deferred tax assets cannot be recovered
- Accidents or disasters

2. Group companies

The JDI group of companies primarily engages in the development, manufacture and sale of small-medium displays. Group operations consist of the JDI parent and 24 consolidated subsidiaries.

In Japan, the JDI parent handles technology intensive front-end manufacturing[1]. The group's labor-intensive back-end manufacturing[2] are mainly handled by six overseas manufacturing subsidiaries and by subcontracting manufacturers. The JDI parent and 18 overseas subsidiaries are responsible for sales.

Below is a diagram of JDI group company operations (current as of March 31, 2015).



[1] Front-end manufacturing: Liquid crystal material is dropped on TFT (thin-film transistor) substrates processed on a mother glass and fitted with color-filter substrates.

[2] Back-end manufacturing: The sandwiched substrate produced in front-end manufacturing is cut into individual product segments, fitted with polarize film and then mounted with LCD driver ICs, back-light units and other components.

3. Management policies

(1) Basic Management Policies

JDI's goal is to position itself as a leading global company in the small-medium display industry fortified by superior capabilities in both technology and supply.

Management goals are described below.

Management goals

(i) Greater advances in display technology: JDI is leveraging both Japan's existing rich resources of small-medium display technology and cutting-edge display technology developments.

(ii) Large-scale manufacturing capacity: JDI has one of the largest manufacturing capacities in the global small-medium display industry. This large capacity is able to respond to global customer demand for high-end displays.

(iii) Reducing costs to achieve a global-level cost structure: JDI continues to engage in systemic cost reductions. The company is focused on achieving a cost structure that outperforms global competitors to provide high-quality small-medium displays at attractive prices to customers.

(2) Goals and management indicators

JDI uses the following goals and management indicators to help increase corporate value through expanding the scope of its business and its earnings in the growing small-medium display market:

(i) Management indicators to achieve over the medium term

- Operating profit margin: 10%
- EBITDA margin[1]: 20%
- ROE[2]: 10% or higher

1. EBITDA margin = (operating profit + depreciation [operating] + amortization of goodwill) ÷ sales
2. ROE = Net profit ÷ shareholders' equity

(ii) Sustainability management indicators

- Net cash
- Shareholders’ equity ratio: 50%

(3) Medium-long term company management strategy

JDI is working to strengthen its market position through expanding the application of its core Pixel Eye™ and LTPS LCDs and by growing the size of the market for its products. The company aims to expand its share of the fast- growing smartphone display market. In addition, it is also focused on developing non-mobile business such as automotive electronics, a market that promises steady growth, and is tapping into new business in reflective LCDs.

In addition, JDI is engaged in strong research and development efforts to raise the company's technological capabilities to a higher level and create high value-added technology that will support next-generation display applications. It aims to be a company that can lead the industry through its innovative technology.

At the same time, JDI is seeking to build the industry's largest LTPS LCD manufacturing capacity aligned to customer demand. The company also aims to create an environment where JDI and other top-ranked LTPS LCD makers can leverage their overwhelming advantages in the growing LTPS market.

(4) Issues to be addressed

In the small-medium display market, which is a growth market, preserving competitive advantage, sustaining growth and increasing earnings requires JDI to address the following matters of importance:

(i) Expanding market share

In the small-medium display market, smartphone displays, especially high-resolution displays, are experiencing extremely strong growth. JDI's goals are to further expand its share of the display market. Higher market share itself is vital to quickly recovering investments in development and capital equipment and then reinvesting to achieve sustainable corporate growth.

By proposing advanced technology based on IPS and LTPS to customers ahead of the competition and creating a manufacturing base that can leverage this technology, JDI is focused on capturing a larger share of the smartphone display market. The company is aggressively providing advanced displays such as high-resolution WQHD (1,440 x 2,560 pixels) display modules, Pixel Eyes™ (products using in-cell touch panel technology) and high-contrast/high-quality IPS-NEO™ to its global customers. This in turn is helping to broaden design-in and achieve high levels of customer satisfaction.

Aside from smartphones, JDI is deepening its involvement in automotive electronics, a promising growth market given the rising number of displays installed per vehicle. The company has started volume production of irregular-shape LCD modules for instrument panels and is better positioning itself to support automobile makers in North America, such as by the June 2014 opening of a business office in the Detroit metropolitan area in Michigan. In addition, JDI has started to work on the development of new business areas such as ultra-low power Memory In-Pixel (MIP) reflective-type color LCD modules for wristwatch-type wearable devices (such as smart watches) and for digital signage.

(ii) Investment in advanced manufacturing facilities

Within the expanding small-medium display market, effective responses to customer demand as well as sustaining and increasing earnings requires investing in high productivity manufacturing lines that apply advanced technologies.

In this connection, JDI started mass-production operations at its Nomi Plant (located inside the company's Ishikawa site) in June 2012 and on a new line of the Mobara Plant in June 2013. The productive capacity of these manufacturing operations was strengthened in FY 2014. The Nomi Plant now has a monthly capacity of 25,500 sheets versus 21,500 sheets when mass production originally started, while the Mobara Plant's new line has a monthly capacity of 50,000 sheets versus 24,000 sheets originally.

As a result, both currently and since the Mobara Plant new line began operations, JDI has the world's largest LTPS LCD panel manufacturing capacity. As an LTPS line, the new Mobara line uses G6 mother glass (glass size: 1,500mm x 1,850mm) to achieve high productivity. G6 mother glass has an area approximately four times the size of G4.5 mother glass used on the existing line of the Mobara Plant. Accordingly, the considerably higher number of LCD panels yielded per sheet of glass enables lower costs per glass substrate. Furthermore, the introduction of advanced manufacturing equipment in the new Mobara line enables lower costs through higher

yields, shorter cycle times and other improvements, along with realizing newer manufacturing technology techniques and achieving higher product quality.

Furthermore, in response to growing demand for advanced small-medium displays, JDI announced a larger production capacity in March 2015 based on plans to build a G6 LCD line in Hakusan City, Ishikawa Prefecture. Like the Mobara's new line, the new line in Hakusan will use G6 mother glass, and have a monthly production capacity of 25,000 sheets. When fab operations begin as scheduled in 2016 JDI's overall LCD panel production capacity will increase by more than 20%. The cost of construction of the new line is expected to be covered by company cash flow and other receipts. This will help capital spending to avoid shouldering a large burden. Also, JDI is considering expanding its module assembly capacity to complement the increase in panel production at Hakusan.

For the future, JDI is focused on achieving timely market introductions of new highly competitive products by moving faster than the competition to invest in advanced manufacturing facilities.

(iii) Continuous investment in research and development

In the small-medium display industry, as electronic devices become more sophisticated demand is rising for display products that combine a high degree of complexity, namely, high-resolution and low power consumption wrapped by a thin form factor. The evolution of new materials and manufacturing engineering taking place today makes possible the development of such display products. Given this environment, display makers must continuously concentrate on maintaining and improving their technologies and technology innovation. Accomplishing this means that investment in research and development plays an increasingly important role.

JDI's fundamental R&D policy is the continuous development of its core LTPS LCD technology and the pursuit for pioneering technologies that open new horizons. The center of the company's development activities is its Research and Development Division. R&D expenditures are focused on carefully chosen development themes directly connected to near-term earnings potential and on development themes that can lock-in future earnings, and on hiring qualified R&D personnel. Specifically, JDI continues to aggressively invest in development of LTPS LCD technology, which has advantages in achieving high-resolution, low power consumption and narrow boarders, to differentiate it from other display panel technologies. In view of the possibilities for advancing organic light-emitting diode (OLED) display and oxide semiconductor display technologies, JDI is at the same time investing in R&D for these technologies. In particular, a goal of R&D for OLED is to support development of thin, light sheet-type displays.

In addition, on January 5, 2015 JDI established, along with Innovation Network Corporation of Japan (INCJ), Sony Corporation and Panasonic Co., JOLED Co., Ltd., a company dedicated to accelerating the mass production development and early commercialization of OLED display panels. JOLED incorporates global state-of-the-art OLED technology and resources. By creating a strong working relationship with JOLED, JDI will explore opportunities for development of applications that will lead to greater lightness and thinness for medium-sized displays for such products as notebook PCs. Also, JDI believes that its existing internal OLED R&D program can create synergies with JOLED.

(iv) Enhancing competitiveness through lowering costs

In the small-medium display industry, the financial strength of industry members, the industrial policies of manufacturing countries, country foreign exchange rates and other factors affect the global competitive environment. It is important for JDI to be cost competitive even with companies that have manufacturing sites in countries with low labor or infrastructural costs and to maintain competitive superiority in the global market. In addition, since displays used in mobile devices and other consumer products are subject to large fluctuations in demand, lowering the break-even operating rate for manufacturing lines is one more important issue.

JDI undertakes company-wide cost-reduction initiatives. As part of this, the company monitors per product material costs and processing costs and the management itself leads on encouraging cost-reduction. As for fixed costs unaffected by the level of production, efforts to promote cost-cutting efficiency to cut costs are constantly underway. Additionally, because Pixel Eyes™ integrates touch panel functionality into display panels it helps reduce the number of components, thus contributing to lower costs (in conventional display modules touch panels are attached as discrete components).

JDI will continue to push forward with improving panel yields, productivity improvements, in-house production of component materials and automating back-end production to make manufacturing costs more competitive. As a part of the plan to reduce manufacturing costs, in FY 2012 JDI partially closed an amorphous silicon line at the Mobara factory and in FY 2013 closed the amorphous silicon production line at its Ishikawa site. In FY 2015 the Fukaya Plant, which houses a G3 (glass size: 550mm x 670mm) LTPS line, is scheduled to close.

4. Basic views on selection of accounting standards

JDI currently applies Japanese accounting standards (JGAAP) to its consolidated financial statements for the purpose of making possible comparisons of consolidated financial statements across fiscal years.

When appropriate the company will consider applying International Financial Reporting Standards (IFRS) depending on international data comparability conditions and other factors.

5. Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets:		
Cash and deposits	141,390	94,643
Notes and accounts receivable	97,146	144,087
Allowance for doubtful accounts	(177)	(200)
Merchandise and finished goods	25,340	30,730
Work in process	48,340	53,863
Raw materials and supplies	16,903	28,815
Other receivables	23,403	62,764
Deferred tax assets	20,211	13,587
Other current assets	5,925	8,399
Total current assets	378,484	436,691
Property, plant and equipment:		
Land	11,091	10,899
Building and structures	171,564	172,732
Machinery, equipment and vehicles	407,926	440,546
Lease assets	93,414	110,622
Construction in progress	36,724	29,108
Production supplies, tools and others	58,599	60,156
	779,318	824,066
Less: accumulated depreciation	(435,538)	(475,179)
Property, plant and equipment, net	343,780	348,886
Intangible assets:		
Goodwill, net	22,115	20,917
Other intangible assets, net	12,843	12,092
Intangible assets, net	34,958	33,010
Investments and other assets	1,751	13,034
Total assets	758,975	831,622

Consolidated Balance Sheet

(Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities:		
Notes and accounts payable	101,581	197,103
Short-term debt	4,524	—
Current portion of long-term debt	8,552	8,647
Current portion of lease obligations	23,454	26,928
Income tax payable and others	709	1,515
Accrued bonuses	5,212	5,923
Advance receipts	66,780	65,272
Other current liabilities	44,087	43,294
Total current liabilities	254,902	348,684
Long-term debt, excluding current portion	17,354	8,870
Net defined benefit liability	31,232	31,654
Lease obligations, excluding current portion	48,635	39,068
Other liabilities	1,704	718
Total noncurrent liabilities	98,927	80,311
Total liabilities	353,830	428,995
Net assets		
Shareholders' equity		
Common stock	96,857	96,857
Capital surplus	257,053	257,044
Retained earnings	49,192	35,220
Treasury stock	(304)	(70)
Total shareholders' equity	402,798	389,051
Accumulated other comprehensive income	1,690	11,930
Noncontrolling interest	655	1,643
Total net assets	405,144	402,626
Total liabilities and net assets	758,975	831,622

Consolidated Statement of Income

(Millions of Yen)

	FY 2013	FY 2014
Sales, net	614,567	769,304
Cost of sales	543,282	713,587
Gross profit	71,285	55,717
Selling, general and administrative expenses	43,660	50,570
Operating income	27,624	5,147
Other income		
Interest income	104	217
Foreign exchange profit, net	—	2,143
Subsidy income	1,015	14,912
Rent income	469	531
Operations consignment fee	753	699
Other income	636	726
Total other income	2,979	19,231
Other expenses		
Interest expense	2,815	2,686
Foreign exchange loss, net	1,939	—
Loss on retirement of non-current assets	938	1,099
Loss from inventory revaluation	2,330	—
Provision of allowance for doubtful accounts	—	2,132
Loss on reduction of non-current assets	—	11,926
Business structure improvement expenses	—	9,548
Other expenses	5,838	5,253
Total other expenses	13,862	32,645
Income before income taxes	16,742	(8,267)
Income tax expense-current	2,938	3,669
Income tax benefit-deferred	(20,466)	(441)
Total income taxes	(17,527)	3,228
Net income	34,269	(11,495)
Less: net income attributable to noncontrolling interest	(351)	(775)
Net income attributable to Japan Display Inc.	33,918	(12,270)

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	FY 2013	FY 2014
Net income	34,269	(11,495)
Other comprehensive income – foreign currency translation adjustments	3,997	9,316
Remeasurements of defined benefit plans, net of tax	—	967
Total Comprehensive income	38,267	(1,211)
Comprehensive income attributable to noncontrolling interest	364	819
Comprehensive income attributable to Japan Display Inc.	37,903	(2,031)

Consolidated Statement of Changes in Net Assets

(Millions of Yen)

	FY 2013	FY 2014
Common stock		
Beginning balance	35,274	96,857
Cumulative effects of changes in accounting policies	—	—
Restated balance	35,274	96,857
Changes during the year		
Issuance of common stock	61,582	—
Total changes during the year	61,582	—
Ending balance	96,857	96,857
Capital surplus		
Beginning balance	62,258	257,053
Cumulative effects of changes in accounting policies	—	—
Restated balance	62,258	257,053
Changes during the year		
Issuance of common stock	61,582	—
Increase by merger	133,160	—
Disposal of treasury stock	51	(8)
Total changes during the year	194,794	(8)
Ending balance	257,053	257,044
Retained earnings		
Beginning balance	(104,990)	49,192
Cumulative effects of changes in accounting policies	—	(1,701)
Restated balance	(104,990)	47,491
Changes during the year		
Increase by merger	120,264	—
Net income	33,918	(12,270)
Net change during the year	154,183	(12,270)
Ending balance	49,192	35,220

Consolidated Statement of Changes in Net Assets

(Millions of Yen)

	FY 2013	FY 2014
Treasury stock		
Beginning balance	—	(304)
Cumulative effects of changes in accounting policies	—	—
Restated balance	—	(304)
Changes during the year		
Increase by merger	(548)	—
Disposal of treasury stock	243	234
Total changes during the year	(304)	234
Ending balance	(304)	(70)
Total change in shareholders' equity		
Beginning balance	(7,457)	402,798
Cumulative effects of changes in accounting policies	—	(1,701)
Restated balance	(7,457)	401,096
Changes during the year		
Issuance of common stock	123,165	—
Increase by merger	252,877	—
Net income	33,918	(12,270)
Disposal of treasury stock	294	225
Total changes during the year	410,255	(12,045)
Ending balance	402,798	389,051
Accumulated other comprehensive income		
Beginning balance	3,862	1,690
Cumulative effects of changes in accounting policies	—	—
Restated balance	3,862	1,690
Changes during the year	(2,171)	10,239
Ending balance	1,690	11,930

Consolidated Statement of Changes in Net Assets

(Millions of Yen)

	FY 2013	FY 2014
Noncontrolling interest		
Beginning balance	113	655
Cumulative effects of changes in accounting policies	—	—
Restated balance	113	655
Total changes during the year	542	988
Ending balance	655	1,643
Total net assets		
Beginning balance	(3,481)	405,144
Cumulative effects of changes in accounting policies	—	(1,701)
Restated balance	(3,481)	403,443
Changes during the year		
Issuance of common stock	123,165	—
Increase by merger	252,877	—
Net income	33,918	(12,270)
Disposal of treasury stock	294	225
Net change in other comprehensive income and noncontrolling interest	(1,629)	11,228
Total changes during the year	408,626	(816)
Ending balance	405,144	402,626

Consolidated Statement of Cash Flows

(Millions of Yen)

	FY 2013	FY 2014
Cash flow from operating activities		
Income (loss) before income taxes	16,742	(8,267)
Adjustment to reconcile income before income taxes to net cash used in operating activities;		
Depreciation expenses	62,126	68,637
Amortization of goodwill	2,067	2,217
Increase (decrease) in allowance for doubtful accounts	—	1,955
Loss from inventory revaluation	2,330	—
Subsidy income	—	(13,475)
Loss on reduction of non-current assets	—	11,926
Business structure improvement expenses	—	9,548
Interest expense	2,815	2,686
Foreign exchange gain, net	(9,343)	(12,468)
Decrease in retirement benefit obligations	(22,541)	—
Increase in net defined benefit liability	22,236	(116)
Decrease in notes and accounts receivable	7,000	(37,014)
Increase in inventories	(22,797)	(16,235)
Decrease in notes and accounts payable	(22,007)	91,606
Decrease in other accounts receivable	21,999	(39,831)
Decrease in other accounts payable	(7,549)	7,070
Decrease in accrued expenses	(4,326)	5,543
Decrease in consumption taxes refund	12,718	8,589
Decrease in advances receipts	(19,883)	(1,546)
Other, net	6,541	(962)
Dividends and interest received	97	212
Interest paid	(2,809)	(2,689)
Income and other taxes paid	(4,466)	(4,889)
Income and other taxes refund	837	824
Settlement amount paid for litigation	(2,083)	—
Net cash used in operating activities	39,707	73,320

Consolidated Statement of Cash Flows

(Millions of Yen)

	FY 2013	FY 2014
Cash flow from investing activities		
Acquisitions of property and equipment	(121,477)	(108,429)
Purchase of investment securities	—	(2,700)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,101)	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	76
Proceeds from subsidy income	—	13,475
Other, net	(336)	1,230
Net cash used in investing activities	(122,915)	(96,346)
Cash flow from financing activities		
Net increase in short-term debt	4,254	(4,757)
Repayment of long-term debt	(8,834)	(9,789)
Repayment of lease obligations	(19,609)	(24,969)
Proceeds from sale and leaseback of machinery and equipment	57,713	18,871
Proceeds from issuance of common stock	122,733	—
Proceed from sales of treasury stock	288	225
Other, net	(4,556)	(4,552)
Net cash provided by financing activities	151,990	(24,971)
Foreign currency exchange effect on cash and cash equivalents	2,752	1,249
Net increase in cash and cash equivalents	71,534	(46,747)
Beginning balance, cash and cash equivalents	23,524	141,390
Increase in cash and cash equivalents resulting from merger	46,331	—
Ending balance, cash and cash equivalents	141,390	94,643

(5) Notes pertaining to the consolidated financial statements

Note regarding ability to continue as going concern

Not applicable.

Changes in accounting policies

(Application of accounting standards to retirement benefits)

Effective from consolidated fiscal year 2014, JDI has adopted "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 26 issued May 17, 2012, hereafter "Accounting Standard for Retirement Benefits") and "Implementation Guidance on Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan Statement No. 25 issued May 17, 2012, hereafter "Guidance on Accounting Standard for Retirement Benefits") with regard to provisions set forth in the text of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Under the new standard, the method for calculating retirement benefit obligation and service cost has been revised. The Company has changed from using a discount rate based on estimated average remaining years of service of the eligible employees to using a discount rate that is a single weighted average reflecting the projected benefit period and the projected payment per period..

The Retirement Benefits Accounting Standard is being applied transitionally as determined in Paragraph 37 of the standard. At March 31, 2015, the effect of changing the method for calculating retirement benefit obligation and service cost is stated as an increase of a decrease in retained earnings.

As a result, at the beginning of consolidated FY 2014 the net defined benefit liability increased by 1,701 million yen and retained earnings decreased by the same amount. Also, in FY 2014 operating income and ordinary income each increased by 57 million yen whereas losses before income taxes and minority interests decreased by the same amount.

(Application of Practical Solution Regarding Transactions for Delivering the Company’s Own Stock to Employees etc. through Trusts)

Effective as of FY 2014 the company has adopted "Practical Solution on Transaction of Delivering the company's Own Stock to Employees etc. through Trusts" (Accounting Standards Board of Japan, Practical Issue Trask Force No. 30 issued December 25, 2013).

However, the company has continued to apply previously agreed accounting policy to pre-existing trust contracts. Consequently, the application of Practical Issue Trask Force No. 30 will not have any impact on consolidated financial statements.

Accounting Standards Not Yet Adopted

"Accounting Standard for Business Combinations" (Accounting Standards Board of Japan [hereafter, "ASBJ"] Statement No. 21 issued September 13, 2013),

"Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued September 13, 2013),

"Accounting Standard for Business Divestiture" (ASBJ Statement No. 7 issued September 13, 2013)

"Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 2 issued September 13, 2013)

"Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestiture" (ASBJ Guidance No. 10 issued September 13, 2013)

"Revised Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4 issued September 13, 2013)

(1) Overview
These accounting standards have been revised in relation to the acquisition of additional shares of a subsidiary. The revisions pertain to treatment of changes in the parent company's ownership interest in a subsidiary when the parent company retains control over the subsidiary, the treatment of acquisition costs, the presentation of net income, the change in presentation from minority interests to non-controlling interests, the process for the treatments of provisional accounting other changes related to the acquisition of additional shares of a subsidiary.

(2) Scheduled date of application
Application became effective at the beginning of FY 2015.
The Company expects to apply the revised accounting standards from the fiscal year beginning on April 1, 2015. The revised standards for provisional accounting treatment are effective for a business combination which will occur on or after April 1, 2015.

(3) Effect of the adoption of accounting standards
The Company is currently in the process of determining the impact of the "Accounting Standard for Business Combinations" and other accounting standard revisions noted above on the company's consolidated financial statements.

Additional information

(1) Overview of transactions

Employees who are enrolled in the JDI's Employee Stock Ownership Committee (the "Committee") and who meet certain conditions are beneficiaries of the "JDI's Employee Stock Ownership Association Trust" (the "Trust"). The Trust is managed by a trust bank. Starting in March 2013 the Trust has been relying on borrowings to acquire over a two-year period a third-party placement of the number of JDI shares expected to be acquired by the Committee. At a later date the Trust will sell its holding of JDI shares to the Committee. The Trust will use the proceeds of the sale to fund repayment of borrowing principal and interest. At the end of the term of the trust, if the trust account managed by the Trust records a profit due to an increase in the share price, this profit shall be distributed to the beneficiaries in proportion to their individual contributions. If the trust account records a loss due to lower share prices and debt is incurred on trust assets, no financial burden will be imposed on the beneficiaries as JDI will assume repayment of the borrowing in accordance with the warranty of the borrowing agreement.

(2) JDI has adopted the "Practical Solution on Transaction of Delivering the company's Own Stock to Employees etc. through Trusts" (Practical Issue Trask Force No. 30 issued December 25, 2013). However, previously used accounting methods are being applied to trust-related accounting procedures.

(3) JDI's own company stock remaining in the trust

(i) Trust book value
Consolidated FY 2013: 304 million yen; FY 2014: 70 million yen

(ii) Regarding whether JDI company shares held in the trust account are recognized as treasury stock in equity
The JDI company shares held in the trust account are recognized as treasury stock in equity.

(iii) Number of shares at the end of the business term and average number of shares during the business term
Number of end-term shares: 609,500 shares at the end of FY 2013; 140,600 shares at the end of FY 2014
Average number of shares during the term: 884,692 shares during FY 2013; 400,839 shares during FY 2014

(iv) Regarding whether the number of shares in (iii) are/are not included in the treasury stock excluded from calculations of per share information
The numbers shown in (iii) are included in the treasury stock excluded from calculations of per share information.

Notes to the consolidated statement of income

(1) Subsidy income

FY 2013 (April 1, 2013 to March 31, 2014)
Not applicable.

FY 2014 (April 1, 2014 to March 31, 2015)
A business expense subsidy was received from the Japan Ministry of Economy, Trade and Industry's program to support the expansion of manufacturing facilities. The subsidy was for the promotion of investment in advanced equipment.

(2) Inventory write-down

FY 2013 (April 1, 2013 to March 31, 2014)
A valuation write-down of inferior inventory arising from sizeable yield deterioration during the manufacturing process.

FY 2014 (April 1, 2014 to March 31, 2015)
Not applicable.

(3) Provision for doubtful accounts

FY 2013 (April 1, 2013 to March 31, 2014)
Not applicable.

FY 2014 (April 1, 2014 to March 31, 2015)
In October 2014 Wintek Corporation, a Taiwanese subcontractor, filed a petition to begin corporate reorganization proceedings with a district court in Taiwan. Accordingly, JDI estimated possible unrecoverable accounts receivable and established a provision to cover doubtful collections.

(4) Loss on reduction of non-current assets

FY 2013 (April 1, 2013 to March 31, 2014)
Not applicable.

FY 2014 (April 1, 2014 to March 31, 2015)
Amount of reduction related to the subsidy income received as described above in (1).

(5) Business restructuring charges

FY 2013 (April 1, 2013 to March 31, 2014)
Not applicable.

FY 2014 (April 1, 2014 to March 31, 2015)
The decision to close the Fukaya Plant, which operated an older G3 (glass size: 550mm x 670mm) LTPS LCD line, was a measure taken to maximize earnings through boosting productivity and strengthen business competitiveness. Restructuring charges related to this closure are as follows:

Impairment losses on non-current assets*	7,349	million yen
Early retirement support program employee costs	1,146	
Other	1,052	
Total	9,548	

*The company recognized loss on impairment for a group of assets as follows:

Purpose	Type	Location	Impairment losses (million yen)
Small-medium display manufacturing facilities	Buildings and structures, machinery and delivery equipment, leased assets, construction in progress, other property, plant and equipment, other intangible non-current assets	Fukaya Plant Fukaya City, Saitama Prefecture	7,349
Total			7,349

In general, assets are grouped into business-use assets and rent assets. However, idle assets are placed in a separate group to present a cash flow unconnected to other asset groups.

As a result, the book value of the asset group (idle assets) that relates to the Fukaya Plant production line has been revised downward to the recoverable amount. This downward revision amount of 5,969 million yen (of which 3,132 million yen pertains to buildings and structures) and a removal cost of 1,380 million yen were recorded as extraordinary losses.

Also, the recoverable amount is measured by the use-value. The discount rate has been disregarded because the short period to asset retirement results in little financial impact.

Segment information

a. Segment information
FY2 013 (April 1, 2013 to March 31, 2014)
Since JDI's small-medium display business is a single segment other segment information is not stated.

FY 2014 (April 1, 2014 to March 31, 2015)
Since JDI's small-medium display business is a single segment other segment information is not stated.

Per share information

	FY 2013 (April 1, 2013 to March 31, 2014)	FY 2014 (April 1, 2014 to March 31, 2015)
Net assets per share (yen)	673.28	666.92
Net profit (loss) per share (yen)	135.09	(20.42)
Diluted net income per share (yen)	133.19	―

Note 1: Net assets per share were calculated on the following basis:

	FY 2013 (as of March 31, 2014)	FY 2014 (as of March 31, 2015)
Total net assets (million yen)	405,144	402,626
Amount deducted from total net assets (million yen)	655	1,643
(of which minority interests) (million yen)	(655)	(1,643)
Term-end net assets related to common stock (million yen)	404,489	400,982
Number of end-term common stock used to calculate net income per share (shares)	600,778,400	601,247,300

2. Net income per share and diluted net income per share were calculated on the following basis:

	FY 2013 (April 1, 2013 to March 31, 2014)	FY 2014 (April 1, 2014 to March 31, 2015)
Net income (loss) per share (yen)		
Net income (loss) (million yen)	33,918	(12,270)
Amount not attributable to common stockholder equity (million yen)	-	-
Net income (loss) attributable to common stock (million yen)	33,918	(12,270)
Average number of shares outstanding during the period (shares)	251,078,550	600,987,061
Diluted net income per share		
Increase in the number of common stock (shares)	3,580,390	-
(of which share subscription rights) (shares)	(3,580,390)	(-)

	FY 2013 (April 1, 2013 to March 31, 2014)	FY 2014 (April 1, 2014 to March 31, 2015)
Overview of potential stock not included in calculation of diluted net income per share because the stock have no dilution effect	-	1st stock option Number of stock options 85,250 Class and number of shares to be delivered upon exercise of the stock acquisition rights 8,525,000 2nd stock option Number of stock options 13,400 Class and number of shares to be delivered upon exercise of the stock acquisition rights 1,340,000 3rd stock option Number of stock options 3,200 Class and number of shares to be delivered upon exercise of the stock acquisition rights 320,000 4th stock option Number of stock options 750 Class and number of shares to be delivered upon exercise of the stock acquisition rights 75,000 5th stock option Number of stock options 5,600 Class and number of shares to be delivered upon exercise of the stock acquisition rights 560,000 6th stock option Number of stock options 25,960 Class and number of shares to be delivered upon exercise of the stock acquisition rights 2,596,000 7th stock option Number of stock options 340 Class and number of shares to be delivered upon exercise of the stock acquisition rights 34,000

3. Regarding the calculation of net income (loss) per share, the number of JDI shares held by the Japan Display Employee Stock Ownership Association Trust is included in the treasury stock deducted from the calculation of the average number of shares outstanding during the period (FY 2014: 884,692 shares; FY 2013: 400,839 shares).

4. JDI implemented a stock split on January 28, 2014 in which each share was split into 100 shares. However, the company's calculations of the above net assets per share, net income per share and diluted net income per share are based on the assumption that the share split was implemented at the beginning of FY 2013.

5. On March 19, 2014 JDI was listed on the First Section of the Tokyo Stock Exchange. As a result, diluted net income per share is calculated on the assumption that the average share price during the period from the date of the listing until the end of FY 2014 is the average share price for FY 2014.

6. Diluted net income per share is not presented because a net loss per share was posted for the period despite the existence of diluted shares.

7. As explained in "Changes in Accounting Policies" the application of the accounting standards to retirement benefits was done in accordance with the transitional provisions set forth in paragraph 37 of the Accounting Standard for Retirement Benefits. Hence, FY 2014 net assets per share increased by 0.10 yen and the net loss per share declined by 0.09 yen.

Significant subsequent events

Not applicable.

6. Other

(1) Change in corporate officials

(i) Change in the Representative Director

Candidates for appointment to Representative Director

Mitsuru Homma
Representative Director, Chairman
and Chief Executive Officer

Shuji Aruga (currently, Board of Directors member and Chief Operating Officer)
Representative Director, President
and Chief Operating Officer

Representative Director scheduled to retire

Shuichi Otsuka
Representative Director, President
and Chief Executive Officer

(ii) Change in other Directors

Candidate for appointment to the Board of Directors

Hajime Sawabe
Director
Note: Mr. Sawabe is a candidate for Outside Director

(iii) Effective date: June 23, 2015

(2) Executive officers (effective from July 1, 2015)

Mitsuru Homma	(Newly-appointed, candidate for Board of Directors)
Shuji Aruga	(Candidate for Board of Directors)
Hiroyuki Ohshima	
Ting-Chen "Jeff" Hsu	(Newly-appointed)
Hideya Sakaida	
Yoshiyuki Tsukizaki	
Kazutaka Nagaoka	
Yasuhiro Nishi	
Sadahiro Numazawa	
Isao Fukui	
Takao Yasuda	
Ken Yanase	(Newly-appointed)
Tomiaki Yamamoto	(Newly-appointed)

Note: A separate announcement regarding each executive officer's job title will be made later.