JDI Japan Display Inc.

October 1, 2020

[English Translation]

Notice Regarding Lawsuit for Compensatory Damages Against JDI and Its Former and Current Board Directors

Japan Display Inc. ("JDI") announces that a lawsuit for compensatory damages was filed against JDI and a total of its ten former and current board directors on July 16, 2020, and it has received the complaint on September 30, 2020.

1. Background to the lawsuit

On November 26, 2019, JDI received notification from a former employee who had been a high-level manager in the administrative division (the "Former Employee") and who was dismissed for reasons of fraud discovered by JDI and against whom JDI has filed a criminal complaint. The notification stated that the Former Employee had engaged in inappropriate accounting treatment of JDI's past financial results. In the notification, the Former Employee alleged that the reason for the inappropriate accounting treatment was that the Former Employee was acting under instructions from senior management during the Former Employee's tenure at JDI. In response to this notification, JDI established a Special Investigation Committee on December 12, 2019, including external experts to conduct a fact-finding investigation of the allegation by the Former Employee of inappropriate accounting treatment in past financial periods (the "Suspected Misconduct") and any other relevant matters. Later, JDI was notified by the Special Investigation Committee that specific suspicious has been uncovered in regard to the Suspected Misconduct. In response, JDI made a transition as of December 26, 2019 to an investigative framework that was based on an investigation by a third-party committee consisting only of neutral and fair external members independent of JDI. That committee then conducted its investigation.

As a result of the investigation, inappropriate accounting treatment were discovered to have taken place in previous accounting periods as announced in the press release dated April 13, 2020, titled "Notice Regarding Receipt of the Investigation Report from the Third-Party Committee." Given the result, JDI submitted amended annual securities reports and quarterly securities reports of previous fiscal years and has amended the previous fiscal years' financial reports and quarterly financial reports. JDI also amended the annual securities reports and quarterly securities reports for which the inspection period has terminated.

One individual shareholder of JDI and two domestic corporate shareholders for which the individual shareholder serves as the representative director filed a lawsuit against JDI and ten of JDI's former directors and current directors seeking damages caused by the above-mentioned improper accounting treatments conducted at JDI in the past fiscal years. The plaintiffs allege the damages amount to JPY 3,858,700,959. The complaint was sent to JDI on September 30, 2020.

2. The court in which the lawsuit was filed and the date of filing

(1) Court: Tokyo District Court

(2) Date of filing: July 16, 2020

(3) Date the complaint was delivered： September 30, 2020

3. Initiator of the filing (Plaintiff, Shareholder)

	Name	Address	Name and title of representative
(1)	Haneda Turtle Service Co., Ltd.	Skyplaza Office, 5-3-1 Haneda, Ota-ku, Tokyo	Mr. Akio Utsumi, President CEO
(2)	Utsumi Seiwa Planning Co., Ltd.	Skyplaza Office, 5-3-1 Haneda, Ota-ku, Tokyo	Mr. Akio Utsumi President CEO
(3)	Mr. Akio Utsumi	Ota-ku, Tokyo	―

4. Content of the lawsuit

(1) Content of the complaint:

Claims for damages based on the Financial Instruments and Exchange Act and attorney's fees

(2) Amount of the claim

(i) The amount claimed by Haneda Turtle Services Co., Ltd. to JDI: JPY 1,630,837,915

(ii) The amount claimed by Utsumi Seiwa Planning Co., Ltd. to JDI： JPY 817,315,812

(iii) The amount claimed by Mr. Akio Utsumi to JDI : JPY 1,410,547,232

5. Future Outlook

JDI will fully take the plaintiffs' claims in the lawsuit into account and respond appropriately.

The impact of this lawsuit on JDI's future financial performance is currently not yet determined. JDI will promptly announce any matters related to this lawsuit that require disclosure.

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