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Japan Display Inc. (Tokyo Stock Exchange Prime Market, 6740)

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Conversion of Class B and Class D Preferred Shares into Common Shares & New Controlling Shareholder

Ichigo Trust, the holder of JDI's Class B Preferred Shares and Class D Preferred Shares, today executed its right to convert Class B Preferred Shares and Class D Preferred Shares into common shares.

As a result of today's conversion, Ichigo Trust has become JDI's controlling shareholder.

With the conversion, JDI is expected to fall short of the Tokyo Stock Exchange (TSE) Prime Market's listing requirement to keep its tradable share (free float) ratio over 35% at the end of FY 23/3. Under the TSE's listing rules, in principle JDI needs to comply with this requirement within one year. However, there is an exception that allows the listing to be maintained for 5 years (or a period approved by the TSE) if a third party owns the shares in order to support a company's business turnaround and the TSE determines that the company has the prospect of meeting the listing requirement within 5 years. In order to be eligible for this exception, JDI plans to announce by the end of June 2022, which is the deadline set by the TSE (i.e., within three months after a company's fiscal year-end), a specific plan for conformance with this requirement within 5 years.

1. Preferred Shares Conversion into Common Shares

Exercise Overview

(Shares)

	Class B Preferred Shares	Class D Preferred Shares
(1) Number of Preferred Shares Outstanding (Prior to Conversion)	372,000,000	500
(2) Number of Preferred Shares Converted	372,000,000	500
(3) Number of Remaining Preferred Shares (Post- Conversion)	0	0
(4) Increase in Common Shares due to the Conversion	558,000,000	100,000,000

- Note 1. The number of common shares issued per each Class B Preferred Share conversion is 1.5 and each Class D Preferred Share conversion is 200,000.
2. The Preferred Shares acquired by JDI through this conversion will become treasury shares, and JDI plans to cancel them.
3. 300,000 Class B Preferred shares had been converted to 450,000 Common Shares as of March 25, 2022. Those Class B Preferred Shares that had become JDI's treasury shares after the conversion had been canceled as of March 31, 2022.

4. Please refer to "Notice Concerning Conclusion of Capital Alliance Agreement, Issuance of Class B Preferred Shares and Stock Acquisition Rights through Third-party Allotment, and Change in the Largest Major Shareholder" on January 31, 2020 for details about the Class B Preferred Shares, and "Notice Concerning Conclusion of Capital Alliance Agreement, Issuance of Class D Preferred Shares and Stock Acquisition Rights through Third-party Allotment, and Partial Amendment of Articles of Incorporation" on July 21, 2020 for details about the Class D Preferred Shares.

Reference: JDI Common and Preferred Shares Outstanding (Shares)

Types	Pre-Conversion	Post-Conversion	Change
Common Shares	1,296,165,800	1,954,165,800	+658,000,000
Class A Preferred Shares	1,020,000,000	1,020,000,000	—
Class B Preferred Shares	372,000,000	0	-372,000,000
Class D Preferred Shares	500	0	-500
Class E Preferred Shares	5,540	5,540	—

- Note 1 Class B Preferred Shares have voting rights while Class A Preferred Shares, Class D Preferred Shares and Class E Preferred Shares do not have voting rights.
- 2 Shares outstanding are calculated on the above premise that Class B Preferred Shares and Class D Preferred Shares that had become JDI's treasury shares have been canceled.

2. New Controlling Shareholder

(1) New Controlling Shareholder Details

Name	Ichigo Trust	
Registered Address	Elgin Court, Elgin Avenue, P.O. Box 448, George Town, Grand Cayman, KY1-1106, Cayman Islands	
Representative in Japan	Not applicable as Ichigo Trust does not have an office in Japan.	
Establishment Basis	Trusts Law of Cayman Islands	
Purpose of Establishment	Investment management specializing in investments in Japanese companies	
Total Investment Amount	JPY 979,289 million (As of March 31, 2022)	
Matters Relating to a Party to Whom Ichigo Trust Entrusts a Discretionary Investment Account	Name	Ichigo Asset Management International, Pte. Ltd.
	Registered Address	1 North Bridge Road, #06-08 High Street Centre Singapore 17909
	Position and Name of Representative	Partner / CEO Navaid Ejaz Farooqi
	Business Description	Investment Management
Relationship Between JDI and Ichigo	Relationship Between JDI and Ichigo Trust	As of January 26, 2023, Ichigo Trust is JDI's largest and controlling shareholder, and owns 1,108,000,000 common shares comprising 56.70% of JDI's voting rights (ratio calculated using JDI's total voting rights as of September

		30, 2022 (16,681,253) plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI's common shares as of January 26, 2023 (2,860,000)). Ichigo Trust also owns 5,540 Class E Preferred Shares with no voting rights. In addition, JDI has borrowed JPY 28 billion from Ichigo Trust as of January 26, 2023.
	Relationship Between JDI and Ichigo Asset Management International	Scott Callon, CEO of Ichigo Asset Management, Ltd. which has entered into a discretionary investment contract with Ichigo Trust under which Ichigo Trust entrusts authority regarding investment management to Ichigo Asset Management International, Pte. Ltd., is Chairman, CEO, & Representative Executive Officer of JDI.

(2) Number of Ichigo Trust's Voting Rights and Voting Rights Ratio Before and After the Conversion

	Number of Voting Rights (Number of Shares Held)	% of Voting Rights	Major Shareholder Ranking	Shareholder Status
Pre-Conversion	8,220,000 (822,000,000 shares)	49.28%	Largest	Largest Major Shareholder
Post-Conversion	11,080,000 (1,108,000,000 shares)	56.70%	Largest	Largest Major Shareholder

- Note 1. The Number of Voting Rights and the Number of Shares Held above does not include any share dilution related to Class E Preferred Shares.
2. % of Voting Rights Post-Conversion is calculated with the number of voting rights as of September 30, 2022 (16,681,253) as the denominator.
3. % of Voting Rights Pre-Conversion is calculated with the number of voting rights as of September 30, 2022 (16,681,253) plus the number of voting rights increased through the conversion of Class B Preferred Shares and Class D Preferred Shares into JDI's common shares as of January 26, 2023 (2,860,000) (a total of 19,541,253) as the denominator.

(3) Date of New Controlling Shareholder

January 26, 2023