

JVCKENWOOD



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Company	JVCKENWOOD Corporation
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Recording of Impairment Loss

We hereby announce that JVCKENWOOD (hereinafter referred to as the “Company”) has passed a resolution at a meeting of the Board of Directors held today to record an impairment loss of 1,425 million yen in the consolidated financial statements for the year ended March 2020 due to the following reason.

1. Details of and Background to the Recording of Impairment Loss

Part of property, plant and equipment, intangible assets and other non-current assets of the Company and its consolidated subsidiary in the Media Service Sector (hereinafter referred to as the “assets subject to impairment”) showed a sign of impairment. Therefore, the Company determined to record an impairment loss to reduce the carrying amount of the assets subject to impairment to the collectable amount, as a result of carefully comparing and reviewing the carrying amount and the collectable amount by the future cash flows. The future cash flows factored in a decline in future profitability due to the pandemic of the novel coronavirus. The Company calculated the effect in the year ending March 2021 under the assumption that a gradual recovery will start in the second quarter, and that the economy will fully recover in the third quarter.

The impairment loss arose mainly from assets for development and production of the professional video camera business in the Media Business and assets for development of the subsidiary. The Company will facilitate the swift recovery of the business while reducing the future cost burden by writing off the impaired assets.

Development costs of intangible assets account for a majority of the assets subject to impairment, and the total impairment loss amounted to 1,425 million yen.

2. Effects on the Business Results

The Company included the impairment loss mentioned above in the consolidated operating results of the “Accounting Report for the Fiscal Year Ended March 2020 (IFRS)” announced today.