

JVCKENWOOD



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Recording of Impairment Loss

JVCKENWOOD Corporation ("the Company") hereby announces that it has recorded an impairment loss of 2,767 million yen in the consolidated financial results for the fiscal year ended March 31, 2021 (IFRS) due to the following reasons.

1. Details and Background of the Impairment Loss

In some businesses in the Media Service Sector and Public Service Sector, the Company and its consolidated subsidiaries showed a sign of impairment loss on property, plant and equipment, intangible assets and other non-current assets ("the subject assets"). Therefore, as a result of a careful comparison between the carrying amount and the collectable amount based on future cash flows, the Company recorded an impairment loss on the subject assets.

The impairment loss was recognized due to the fact that the impact of COVID-19 was expected to remain in some businesses in the fiscal year ending March 31, 2022, and due to a review of business policies in the course of studying the new medium-term management plan. In the Media Services Sector, the impairment loss of 2,256 million yen was recorded mainly for development and production assets for projectors and professional video cameras in the Media Business and development software assets for smartphone games in the Entertainment Business. In the Public Service Sector, the impairment loss of 511 million yen were recorded due to development and production assets of the Professional Systems Business. The Company will promote the early recovery of the business while reducing the burden of future expenses by booking the impairment loss.

The subject assets were mainly intangible assets and molds, and the amount of impairment loss recorded was 2,767 million yen on a consolidated basis.

2. Effects on the Business results

The impairment loss mentioned above will be included in the consolidated financial results (IFRS) and non-consolidated financial results (JGAAP) for the fiscal year ended March 31, 2021 in the "Summary of Accounting Report for the Fiscal Year Ended March 2021 (IFRS) (Consolidated)" to be separately announced today.