



JVCKENWOOD

June 22, 2018

Company JVCKENWOOD Corporation
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 Representative Director of the Board,
 Chairman & CEO
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Summary of Accounting Report for the Fiscal Year Ended March 2018(IFRS) (April 1, 2017 – March 31, 2018)

Consolidated Financial Highlights for the Fiscal Year Ended March 2018
 (April 1, 2017 – March 31, 2018)

Operating Results (JPY in Million, except Basic net income per share)

	FYE 3/2017 April 1, 2016 to March 31, 2017	FYE 3/2018 April 1, 2017 to March 31, 2018
Revenue	297,890	300,687
Operating income	-128	6,942
Profit before tax	-1,259	5,946
Profit attributable to owners of parent	-3,114	2,393
Comprehensive income	-2,757	11,676
Basic net income per share	-22.42 yen	17.23 yen

FYE: Fiscal year ended / ending

Revenue and Core Operating Income by Customer industry sectors (JPY in Million)

	FYE 3/2017	FYE 3/2018	Year-on-year comparison	
Automotive Sector	Revenue	148,123	171,435	+23,312
	Core Operating income	1,914	7,601	+5,687
Public Service Sector	Revenue	73,382	65,035	-8,347
	Core Operating income	1,829	-1,514	-3,343
Media Service Sector	Revenue	71,397	58,972	-12,425
	Core Operating income	2,599	374	-2,225
Others	Revenue	4,986	5,243	+257
	Core Operating income	17	-145	-162
Total	Revenue	297,890	300,687	+2,797
	Core Operating income	6,360	6,316	-44
	Operating income	-128	6,942	+7,070
	Profit before tax	-1,259	5,946	+7,205
	Profit attributable to owners of parent	-3,114	2,393	+5,507

TRANSLATION - FOR REFERENCE ONLY -

Consolidated Financial Statements

(1) Consolidated statement of financial position

(JPY in Million)

	Note	Date of transition to IFRS (As of April 1, 2016)	Previous Fiscal Year (as of Mar. 31, 2017)	Current Fiscal Year (as of Mar. 31, 2018)
Assets				
Current assets				
Cash and cash equivalents		41,682	40,798	37,162
Trade and other receivables		57,262	56,854	59,160
Contract assets		1,084	1,365	1,930
Other current financial assets		1,677	2,004	861
Inventories		38,311	39,227	44,120
Right of getting return goods		530	692	536
Income taxes receivable		1,175	1,479	847
Other current assets		5,447	5,498	5,762
Subtotal		147,171	147,920	150,381
Assets held for sale		1,044	1,535	—
Total current assets		148,216	149,456	150,381
Non-current assets				
Property, plant and equipment		44,587	42,741	43,999
Goodwill		5,260	1,357	2,192
Intangible assets		21,338	19,357	18,688
Net defined benefit asset		10,124	6,545	4,120
Investment property		2,064	2,071	2,055
Investments accounted for using equity method		1,279	1,197	1,157
Other non-current financial assets		7,360	10,415	10,649
Deferred tax assets		7,980	7,609	5,417
Other non-current assets		1,256	943	1,215
Total non-current assets		101,250	92,239	89,496
Total assets		249,467	241,696	239,877

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(JPY in Million)

	Note	Date of transition to IFRS (As of April 1, 2016)	Previous Fiscal Year (as of Mar. 31, 2017)	Current Fiscal Year (as of Mar. 31, 2018)
Liabilities and equity				
Liabilities				
Current liabilities				
Trade and other payables		42,975	41,559	47,035
Contract liabilities		3,602	3,078	3,643
Liabilities for sales return and customer bonus		3,866	4,133	4,673
Short-term loans payable		26,175	16,185	29,642
Other current financial liabilities		2,606	1,536	1,993
Income taxes payable		2,444	1,968	1,667
Reserves-current		1,366	3,344	2,143
Other current liabilities		21,819	23,926	23,622
Subtotal		104,856	95,731	114,422
Liabilities associated with assets held for sales		—	62	—
Total current liabilities		104,856	95,794	114,422
Non-current liabilities				
Long-term loans payable		45,849	54,811	38,204
Other non-current financial liabilities		830	771	995
Net defined benefit liability		40,962	39,512	28,239
Reserves-noncurrent		1,934	1,782	1,695
Deferred tax liabilities		5,177	2,979	1,563
Other non-current liabilities		733	807	964
Total non-current liabilities		95,487	100,665	71,663
Total liabilities		200,344	196,460	186,085
Equity				
Capital stock		10,000	10,000	10,000
Capital surplus		45,628	45,628	38,466
Retained earnings		-12,285	-16,611	2,917
Treasury stock		-36	-37	-38
Accumulated other comprehensive income		369	571	-707
Equity attributable to owners of the parent		43,675	39,551	50,638
Non-controlling interests		5,447	5,685	3,153
Total equity		49,123	45,236	53,792
Total liabilities and equity		249,467	241,696	239,877

TRANSLATION - FOR REFERENCE ONLY -

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statement of Income)

(JPY in Million)

	Note	Previous Fiscal Year (Apr.1, 2016 - Mar.31, 2017)	Current Fiscal Year (Apr.1, 2017 - Mar.31, 2018)
Revenue		297,890	300,687
Cost of sales		216,975	218,845
Gross profit		80,914	81,842
Selling, general and administrative expenses		74,553	75,526
Other income		5,107	3,325
Other expenses		10,839	2,388
Foreign exchange loss		757	310
Operating income		-128	6,942
Finance income		263	249
Finance expenses		1,432	1,346
Investment income by equity method		38	100
Income before income taxes		-1,259	5,946
Income tax expenses		1,114	2,754
Net income		-2,374	3,192
Net income attributable to:			
Owners of the parent		-3,114	2,393
Non-controlling interests		740	798
Net income		-2,374	3,192
Net income per share (attributable to owners of the parent)			
Basic net income per share		-22.42 yen	17.23 yen
Diluted net income per share		— yen	— yen

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(Consolidated Statement of Comprehensive Income)

(JPY in Million)

	Note	Previous Fiscal Year (Apr.1, 2016 - Mar.31, 2017)	Current Fiscal Year (Apr.1, 2017 - Mar.31, 2018)
Net income		-2,374	3,192
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		-516	9,853
Total of items that will not be reclassified subsequently to profit or loss		-516	9,853
Items that may be reclassified subsequently to profit or loss			
Fair value gain on financial assets available for sale		642	384
Exchange differences arising on translation of foreign operations		-2,072	-725
Cash flow hedges		1,563	-1,028
Share of other comprehensive income of unconsolidated subsidiaries and associated companies accounted for by the equity method		0	-0
Total of items that may be reclassified subsequently to profit or loss		133	-1,369
Total other comprehensive income		-382	8,484
Comprehensive income		-2,757	11,676
Total comprehensive income attributable to:			
Owners of the parent		-3,428	10,967
Non-controlling interests		671	708
Comprehensive income		-2,757	11,676

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(3) Consolidated Statement of Cash Flows

(JPY in Million)

	Note	Previous Fiscal Year (Apr.1, 2016 - Mar.31, 2017)	Current Fiscal Year (Apr.1, 2017 - Mar.31, 2018)
Cash flows from operating activities			
Income before income taxes		-1,259	5,946
Depreciation		15,417	16,856
Loss on impairment of long-lived assets		6,909	1,553
Gain on reversal of loss on impairment of long-lived assets		—	-404
Increase in net defined benefit liability		725	236
Decrease in net defined benefit asset		621	355
Finance income		-263	-249
Finance expenses		1,432	1,346
Gain on sales of financial assets available for sale		-50	-708
Gain on investments in partnership		—	-197
Gain on sales of subsidiaries		-560	—
Loss on liquidation of subsidiaries		158	—
Gain on sales of property, plant and equipment		-200	-735
Loss on disposal of property, plant and equipment		1,575	136
Gain on transfer of business		-3,677	—
Gain on revision of retirement benefit plan		—	-429
Increase in trade and other receivables		-798	-2,251
Increase in inventories		-1,876	-4,544
Increase in trade and other payables		2,538	4,587
Other, net		2,717	-20
Sub-total		23,409	21,477
Interest received		201	173
Dividend received		61	75
Interest paid		-1,213	-915
Income taxes paid		-2,834	-2,431
Net cash provided by operating activities		19,624	18,379
Cash flows from investing activities			
Placement of time deposit with original maturity of over three months		-509	-106
Withdrawal of time deposit with original maturity of over three months		477	943
Purchases of property, plant and equipment		-9,801	-7,846
Purchases of property, plant and equipment		1,192	2,715
Purchase of intangible assets		-10,610	-10,183

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(JPY in Million)

	Note	Previous Fiscal Year (Apr.1, 2016 - Mar.31, 2017)	Current Fiscal Year (Apr.1, 2017 - Mar.31, 2018)
Purchases of financial assets available for sale		-1,956	-338
Proceeds from sales of financial assets available for sale		140	818
Proceeds from transfer of business		2,958	—
Purchase of subsidiaries resulting in change in scope of consolidation		—	-1,147
Proceeds from sales of subsidiaries resulting in change of scope of consolidation		476	—
Other, net		-56	311
Net cash used in investing activities		-17,690	-14,835
Cash flows from financing activities			
Proceeds from short-term loans payable		4,764	11,200
Repayment of short-term loans payable		-11,338	-13,800
Proceeds from long-term loans payable		19,637	10,371
Repayment of long-term loans payable		-13,662	-11,489
Cash dividends paid		-694	-694
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation		—	-1,770
Other, net		-758	-859
Net cash used in financing activities		-2,052	-7,043
Net decrease in cash and cash equivalents		-883	-3,636
Cash and cash equivalents at beginning of year		41,682	40,798
Effect of exchange rate changes on cash and cash equivalents		-765	-137
Cash and cash equivalents at end of year		40,798	37,162