

# JVCKENWOOD



April 27, 2022

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## Recording of the Impairment Loss

JVCKENWOOD Corporation (“the Company”) hereby announces that it has recorded an impairment loss of 948 million yen in the consolidated financial results for the fiscal year ended March 31, 2022 (IFRS) due to the following reasons.

### 1. Details and background of the impairment loss

#### (1) Impairment loss on assets to be disposed

The Company resolved at its executive board meeting, held on April 8, 2022, to demolish and rebuild the Building No. 1 in the Head Office & Yokohama Business Center. Accordingly, the entire book value of the property, plant, and equipment subject to demolition was recorded as an impairment loss.

The subject assets are mainly buildings and structures, and the total amount of the impairment loss recorded for these assets is 276 million yen.

#### (2) Impairment loss due to business discontinuation

At a meeting of the Board of Directors held on October 29, 2021, the Company resolved to commence liquidation proceedings (dissolution) of the consolidated subsidiary, JVCKENWOOD Electronics (Thailand) Co., Ltd. In line with the resolution, the Company has proceeded with the liquidation of the current assets and has recorded an impairment loss on the entire book value of the property, plant and equipment that were no longer expected to be utilized in the future as a result of the termination of production activities. The Company owns the land and building real estates, which it plans to sell in the future. However, the Company recorded an impairment loss on the land and building real estates as the available-for-sale value was expected to be less than the book value. The available-for-sale value is based on an objective appraisal by a third party.

The subject assets consist mainly of land and the total amount of impairment loss recorded for these assets was 102 million yen.

#### (3) Impairment loss on business assets

The Company has recognized signs of the impairment loss on the property, plant and equipment, intangible assets, and other non-current assets (“subject assets”) of the Company and the consolidated subsidiaries in the certain business in the Public Service and the Media Service sectors. For this

reason, the Company carefully compared the book value and the recoverable amount based on future cash flows, and as a result, an impairment loss was recorded for the subject assets.

The impairment loss was mainly recorded for assets for development and production of medical image displays of the Healthcare Business, and assets for development and production of the Professional Systems Business in the Public Service Sector; and contract manufacturing assets for package media of the Media Business in the Media Service Sector. The Company will write down these assets to reduce future costs while facilitating a quick recovery of the business.

The subject assets are mainly intangible assets and machinery, equipment and vehicles, and the total amount of impairment loss recorded for these assets is 569 million yen.

**2. Effects on business results**

The above impairment losses are included in the consolidated financial results (IFRS) and non-consolidated financial results (JGAAP) for the fiscal year ended March 31, 2022, in the "Summary of Accounting Report for the Fiscal Year Ended March 31, 2022 (IFRS) (Consolidated)" announced on April 27, 2022.