

Actions to Implement Management Conscious of Cost of Capital and Stock Price

JVCKENWOOD Corporation

28 June 2024



*All figures in this document are prepared in accordance with International Financial Reporting Standards (IFRS).
*Percentages and value differences shown in this document were computed in yen and any single-digit value was rounded off to the nearest two-digit value.

Basic Strategy of the Medium-Term Management Plan "VISION 2025"

- The medium-term management plan "VISION 2025" formulated in April 2023 positions **business strategy, financial strategy, and sustainability strategy** as the three drivers of corporate value enhancement.

Maximizing corporate value

Further evolve Change for Growth to enhance sustainable corporate and shareholder

Target ROE of 10% and aiming for early realization of P/B ratio of over 1.0 x.

Change for Growth

Business strategy

Maximize corporate value by optimizing the business portfolio

Financial strategy

Optimize capital allocation

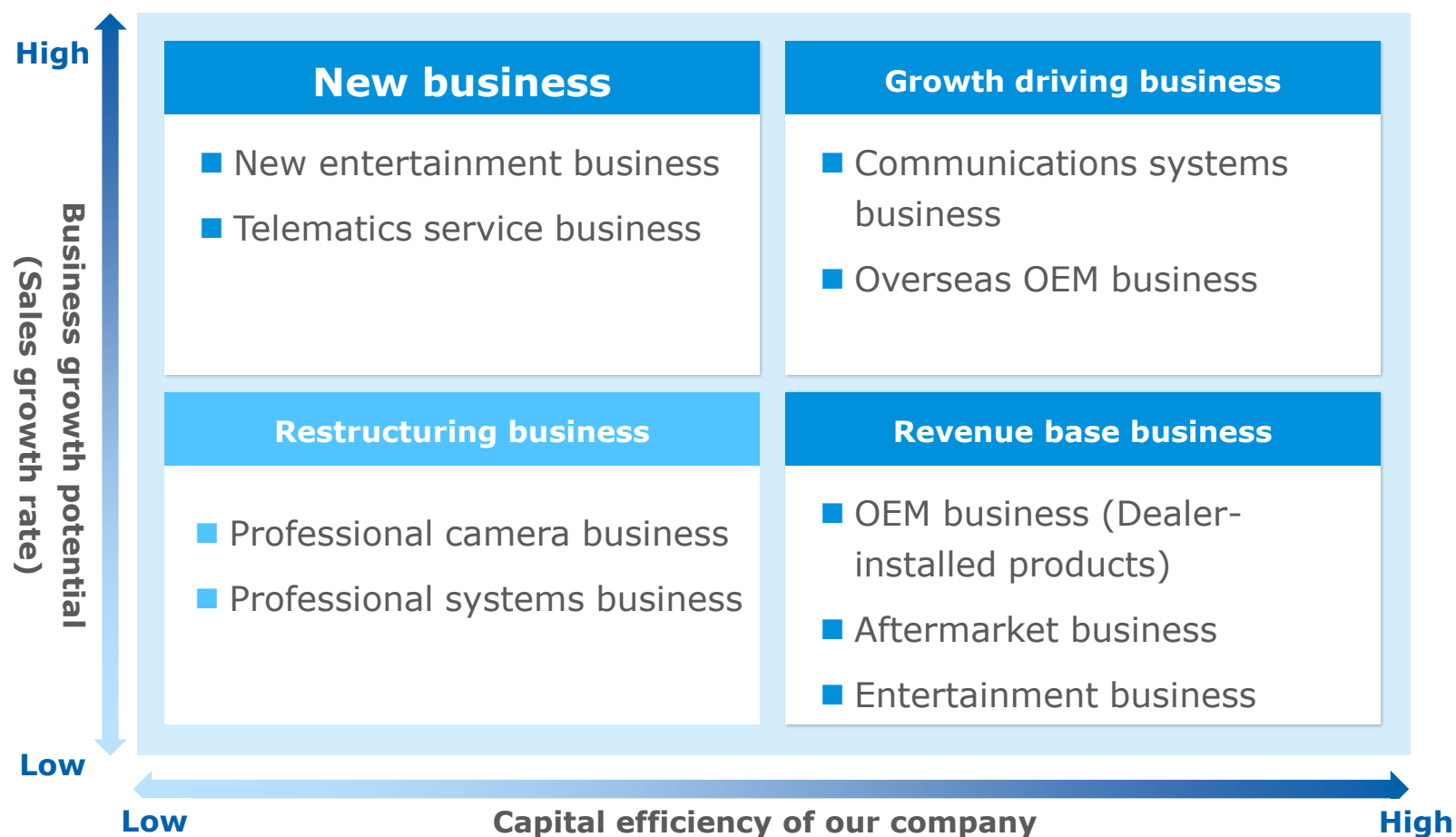
Sustainable Strategy

Promote sustainable management

base

Redefine and Optimize Business Portfolio Toward FY2025

- Maximize corporate value by promoting optimization of the business portfolio in consideration of medium-term business growth potential* and capital efficiency of the company, aiming for early realization of P/B ratio of over 1.0x.
- Consider profit improvement or withdrawal/downsizing of restructured business through a fundamental review of strategy.



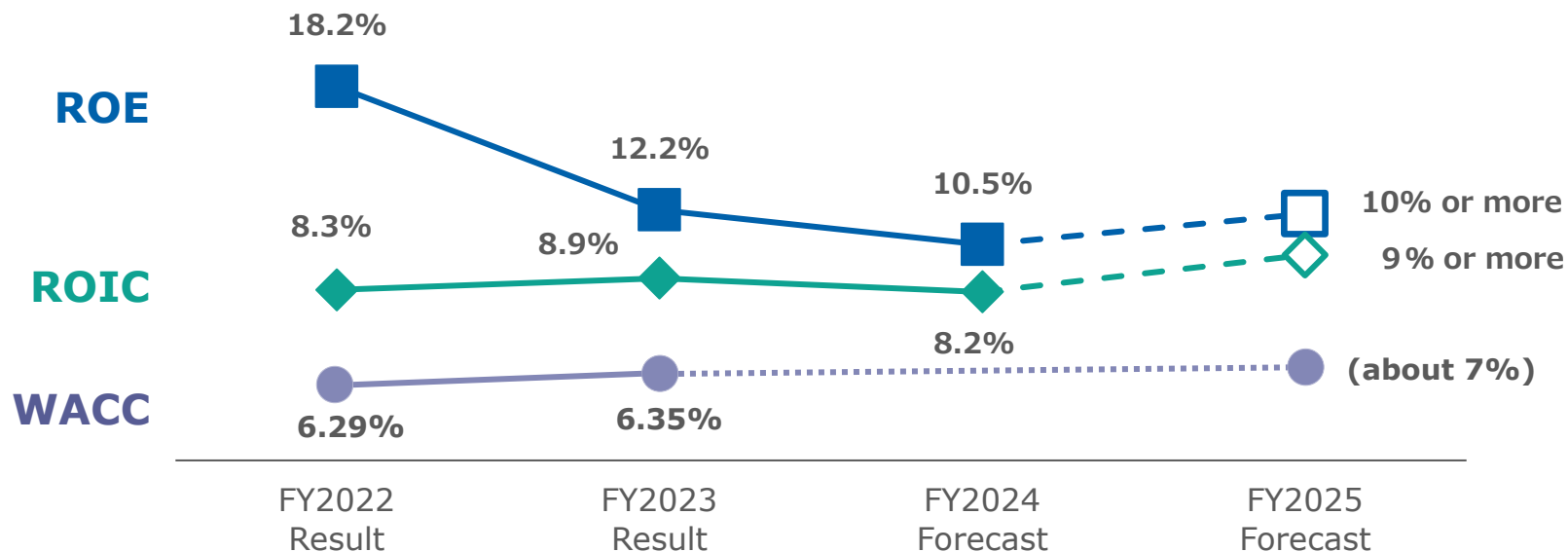
*Business growth potential: Sales growth rate over three years from FY2023 to FY2025

Changes in Capital Efficiency Indicators

- Return on Invested Capital (ROIC) in FY2022 and FY2023 exceeded weighted average cost of capital.
- Forecasts and projected ROIC for FY2025 are also expected to exceed weighted average cost of capital.

	FY2022 Result	FY2023 Result	FY2024 Forecast	FY2025t Forecast
ROE	18.2%	12.2%	10.5%	10% or more
ROIC	8.3%	8.9%	8.2%	9% or more
WACC	6.29%	6.35%	(6.35%)	(about 7%)

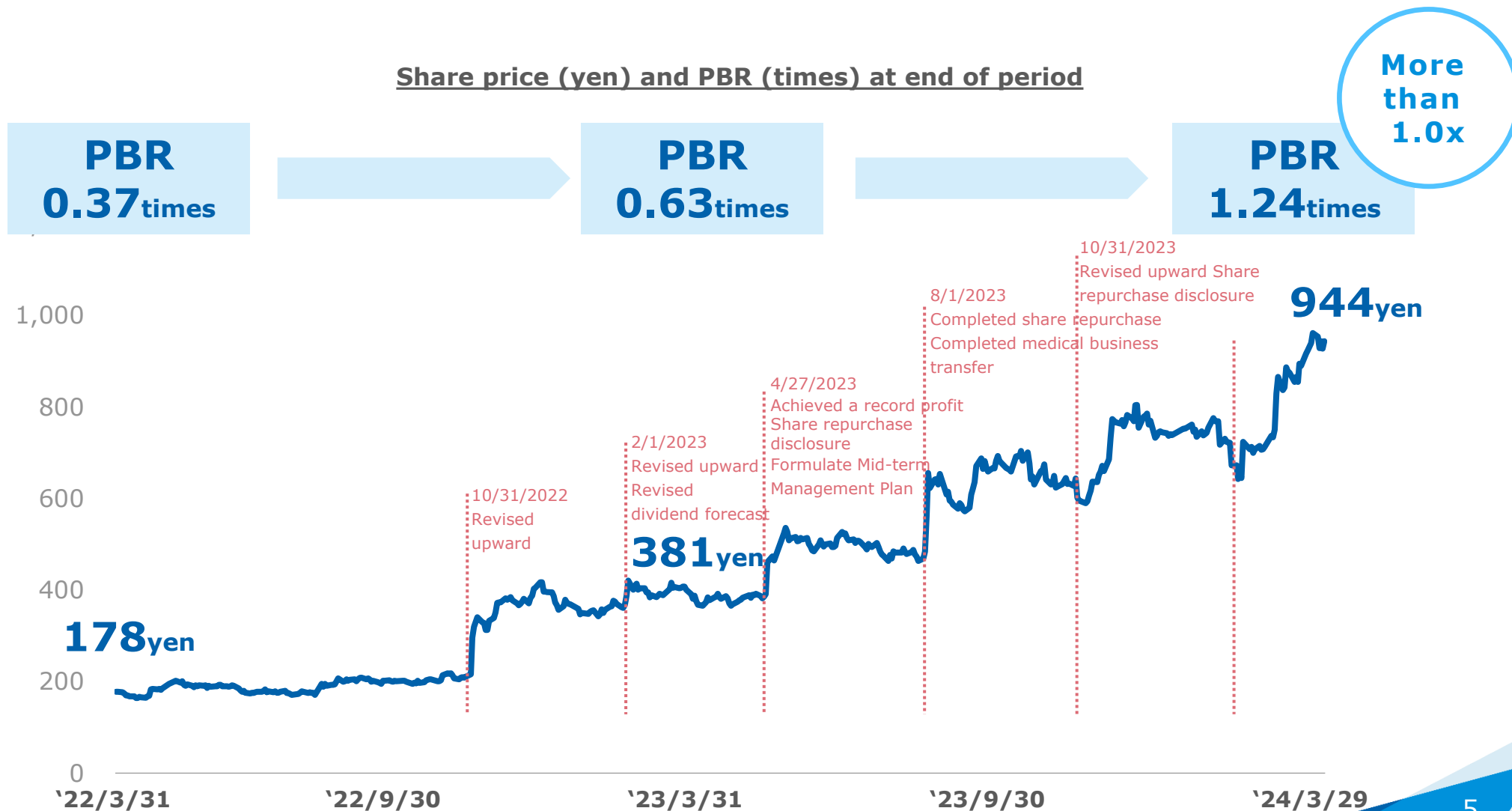
Use as a hurdle rate



Progress Toward the Quantitative Targets of "VISION 2025"

- Price book value ratio (PBR) at 1.24x as of the end of FY2023.
- Achieved medium-term targets for ROE and PBR in FY2023 ahead of schedule.

Share price (yen) and PBR (times) at end of period



Medium-Term Business Growth

- FY2023 results exceeded the targets for the first year of "VISION 2025."
 - ✓ Business profit and ROE targets for the final year were also achieved ahead of schedule.
- Continue to take actions to realize management conscious of cost of capital and stock price, and aim for growth that exceeds the targets of VISION 2025.

