

# JVCKENWOOD

## Results and Forecast Briefing

### Fiscal Year Ended March 2023 (IFRS)

April 27, 2023

JVCKENWOOD Corporation



- \* 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.

# Financial Results for FYE3/'23: Highlights

\* M&T : Mobility & Telematics Services Sector  
PS : Public Service Sector  
MS : Media Service Sector

## ■ Results of FYE3/'23

- ✓ Revenue and income showed significant growth for the full year. This was due to a large increase in revenue as a result of the normalization of M&T production and sales as well as better-than-expected performance of PS Communications Systems Business and a gain on transfer of fixed assets (approximately 9.7 billion yen) recorded in Q3.
- ✓ Record-high income levels since management integration for core operating income and below

## ■ Full-year earnings forecast for FYE3/'24

- ✓ We expect the revenue to increase due to solid sales in each sector. However, we expect core operating income\* to decrease due to the negative impact of currency hedging (approximately 3.4 billion yen), strategic investments for achieving the medium-term management plan, and plans to increase production facilities.
- ✓ Levels of income for core operating income and below are expected to decrease, including a decrease in the gain on transfer of fixed assets (about 9.7 billion yen) recorded in FYE3/'23.

\*Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

**1. Overview of Financial Results for  
FYE3/'23**

**2. Full-year Earnings Forecast for  
FYE3/'24**

**3. Topics**

**<Reference material>**

**1. Overview of Financial Results for  
FYE3/'23**

2. Full-year Earnings Forecast for  
FYE3/'24

3. Topics

<Reference material>

# Financial Results for FYE3/'23

(Billion yen)

	FYE3/'21	FYE3/'22	FYE3/'23	YoY	
<b>Revenue</b>	<b>273.6</b>	<b>282.1</b>	<b>336.9</b>	<b>+ 54.8</b>	<b>+19.4%</b>
Cost of sales	199.0	206.3	241.7	+ 35.4	+17.2%
Gross profit	74.6	75.8	95.2	+ 19.4	+25.6%
Profit margin	27.3%	26.9%	28.3%		
<b>Core operating income<sup>*1</sup></b>	<b>7.5</b>	<b>7.14</b>	<b>15.8</b>	<b>+ 8.7</b>	<b>+121.6%</b>
Profit margin	2.7%	2.5%	4.7%		
Other Income, Other Expenses, Foreign Exchange Loss, etc.	-2.6	1.9	5.8	+ 3.9	+203.6%
<b>Operating profit</b>	<b>4.9</b>	<b>9.1</b>	<b>21.6</b>	<b>+ 12.6</b>	<b>+138.9%</b>
Profit margin	1.8%	3.2%	6.4%		
<b>Profit before income taxes</b>	<b>4.5</b>	<b>8.5</b>	<b>21.2</b>	<b>+ 12.6</b>	<b>+148.5%</b>
<b>Profit attributable to owners of the parent company</b>	<b>2.2</b>	<b>5.9</b>	<b>16.2</b>	<b>+ 10.4</b>	<b>176.3%</b>
<b>EBITDA<sup>*2</sup></b>	<b>27.6</b>	<b>27.5</b>	<b>42.3</b>	<b>+ 14.8</b>	<b>+53.7%</b>
EBITDA margin	10.1%	9.7%	12.5%		

\*1 Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

\*2: Calculated as income before taxes + interest expenses + depreciation + impairment losses

		FYE3/'21					FYE3/'22					FYE3/'23				
		Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year
Profit-And-Loss	U.S. dollar	108	106	105	106	106	110	110	114	116	112	130	138	141	132	135
Exchange Rates	Euro	119	124	125	128	124	132	130	130	130	131	138	139	144	142	141

(Yen)

# Financial Results for FYE3/'23: Results by Sector

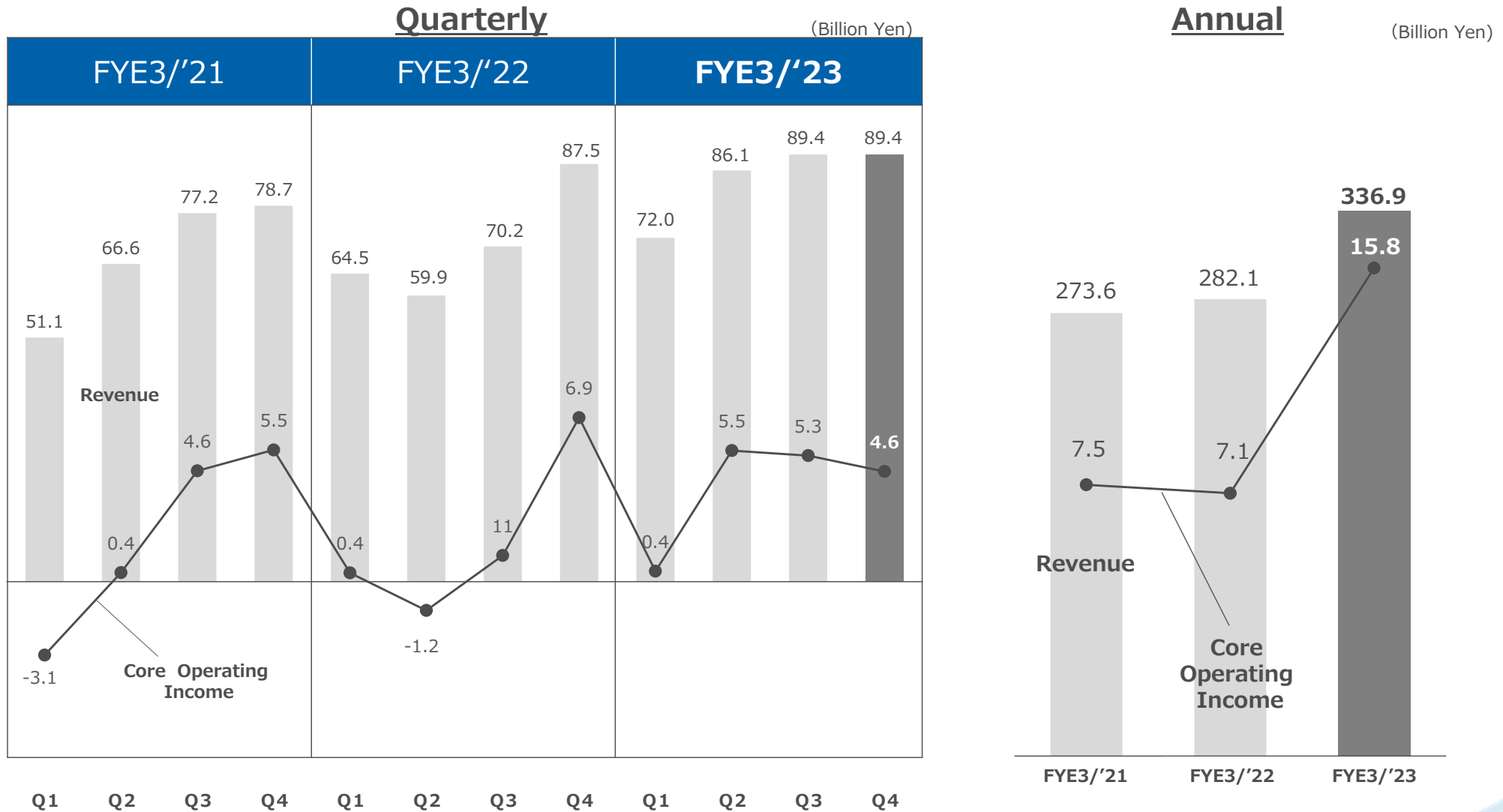
		(Billion yen)				
		FYE3/'21*	FYE3/'22	FYE3/'23	YoY	
<b>M&amp;T</b>	Revenue	157.1	164.3	<b>197.6</b>	+ 33.3	+20.3%
	Core Operating Income	5.6	2.2	<b>4.4</b>	+ 2.1	+95.7%
<b>PS</b>	Revenue	60.9	58.1	<b>74.7</b>	+ 16.6	+28.5%
	Core Operating Income	1.9	2.5	<b>10.7</b>	+ 8.2	332.6%
<b>MS</b>	Revenue	50.1	53.4	<b>57.3</b>	+ 3.8	+7.2%
	Core Operating Income	0.5	2.7	<b>0.8</b>	-1.9	-70.5%
<b>Others</b>	Revenue	5.5	6.3	<b>7.4</b>	+ 1.1	+17.6%
	Core Operating Income	-0.5	-0.3	<b>-0.0</b>	+ 0.2	-87.6%
<b>Total</b>	Revenue	273.6	282.1	<b>336.9</b>	+ 54.8	+19.4%
	Core Operating Income	7.5	7.14	<b>15.8</b>	+ 8.7	+121.6%

\* Financial Results for FYE3/'21 at M&T sector include the telematics services business, which was incorporated thereto in FYE3/'22.

<b>M&amp;T</b>	Both revenue and income from OEMs showed growth due to an increase in sales of speakers, amplifiers, and cables, as well as to higher revenue of dealer-installed products due to the resolved shortages of components. In the Aftermarket, both revenue and income increased due to the elimination of component shortages and strong sales. Income of Telematics Services fell despite higher revenue due to soaring component prices.
<b>PS</b>	Revenue and income from Communications Systems increased significantly due to the growing momentum for crisis management worldwide, robust demand in the public safety market in the United States, and the effect of introducing new tri-band products. Revenue of Professional Systems increased, but income declined due to soaring component prices.
<b>MS</b>	Media's income declined due to the impact of higher purchase prices for headphones, earphones, and other products, despite the growth of revenue from a recovery in projector sales. Both revenue and income increased in the Entertainment as the Content Business remained strong throughout the year.

# Trends in Quarterly Results

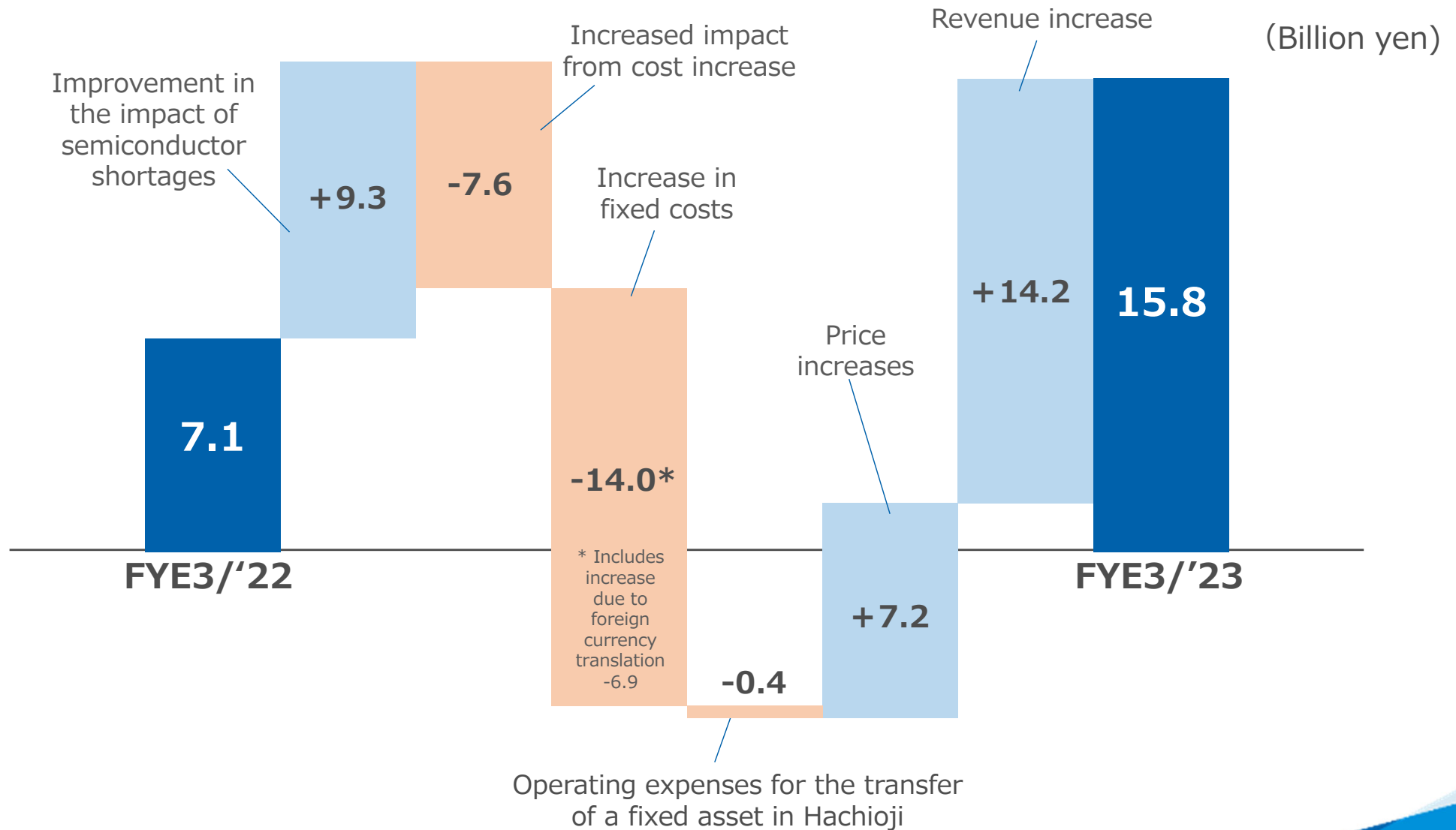
- In 4Q (January-March), M&T posted lower revenue and income due to Aftermarket inventory adjustments and lower revenue of OEM equipment, but this was covered by strong sales of PS Communications Systems, and the full-year results exceeded previous expectations.



# Financial Results for FYE3/'23:

## Factors for Changes in Core Operating Income

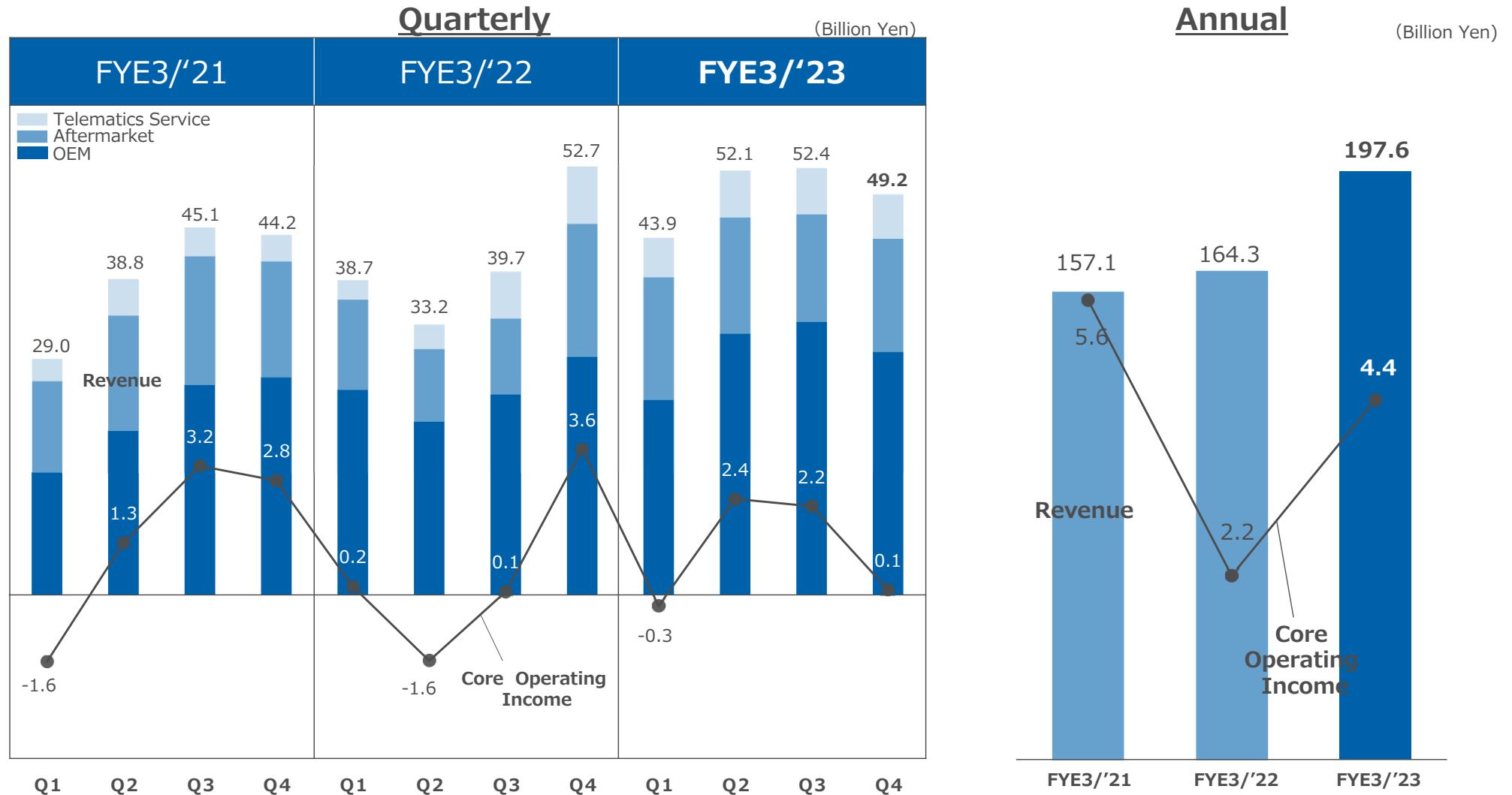
- Core operating income showed significant growth year-on-year as higher costs and increased fixed costs were covered by an improvement in the shortage of components such as semiconductors, as well as price adjustments and growing revenue.





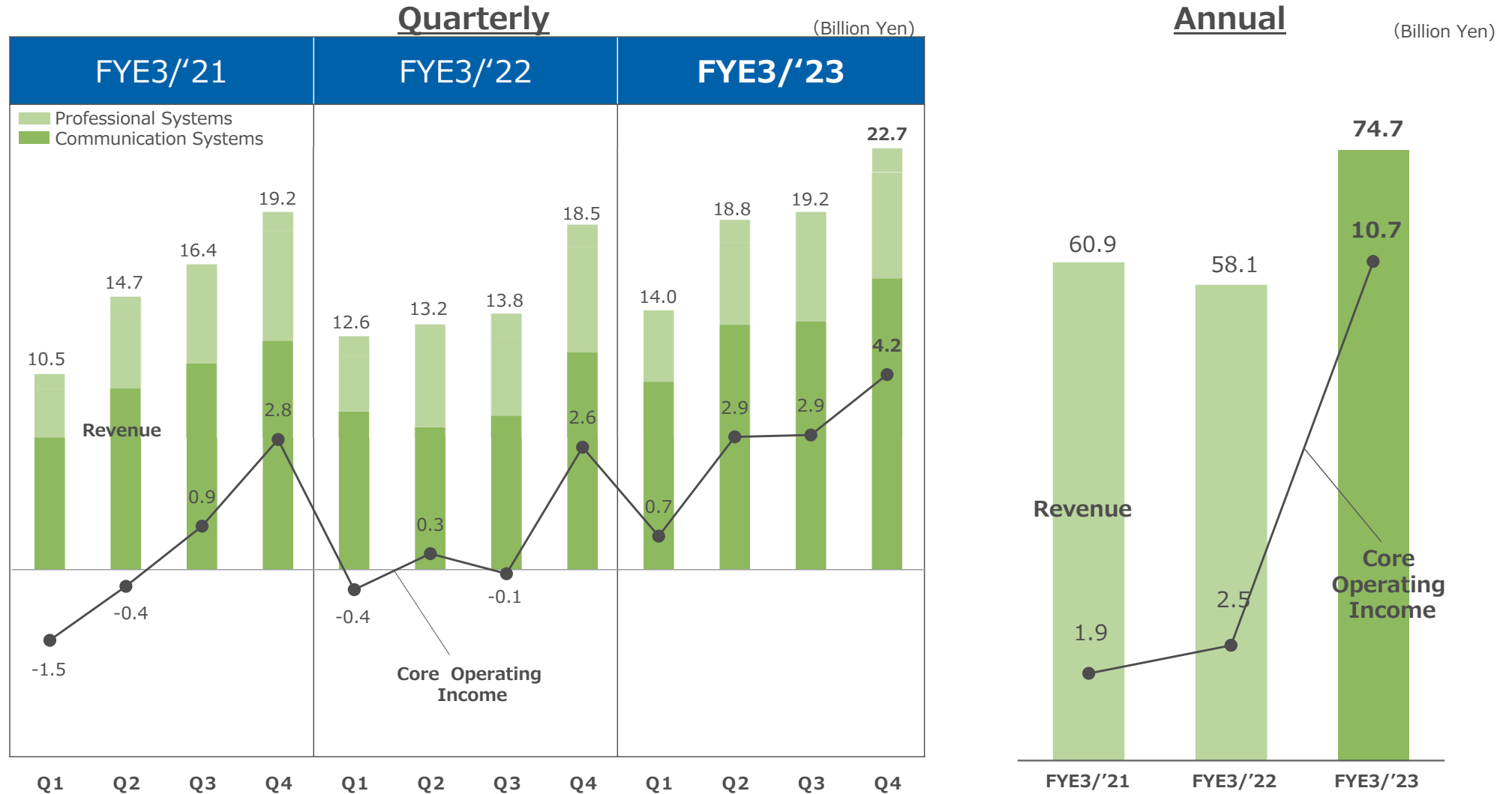
# M&T Sector: Trends in Revenue and Core Operating Income

- In 4Q (January-March), sales expanded for in-vehicle speakers, amplifiers, and cables in OEM, but overall revenue and income decreased from the previous fiscal year due to Aftermarket inventory adjustments.



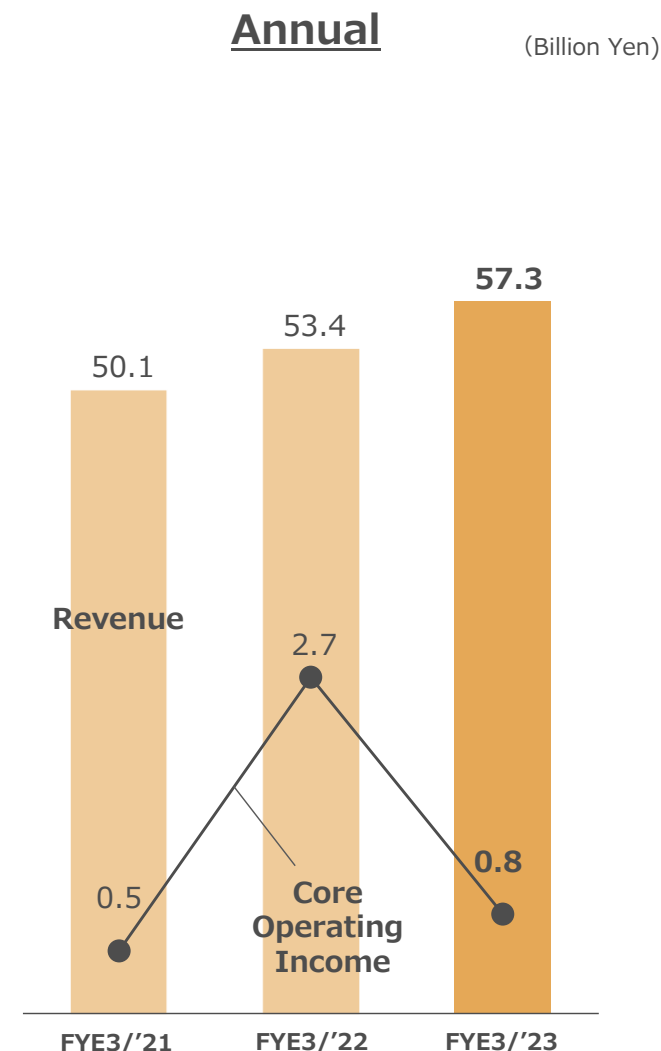
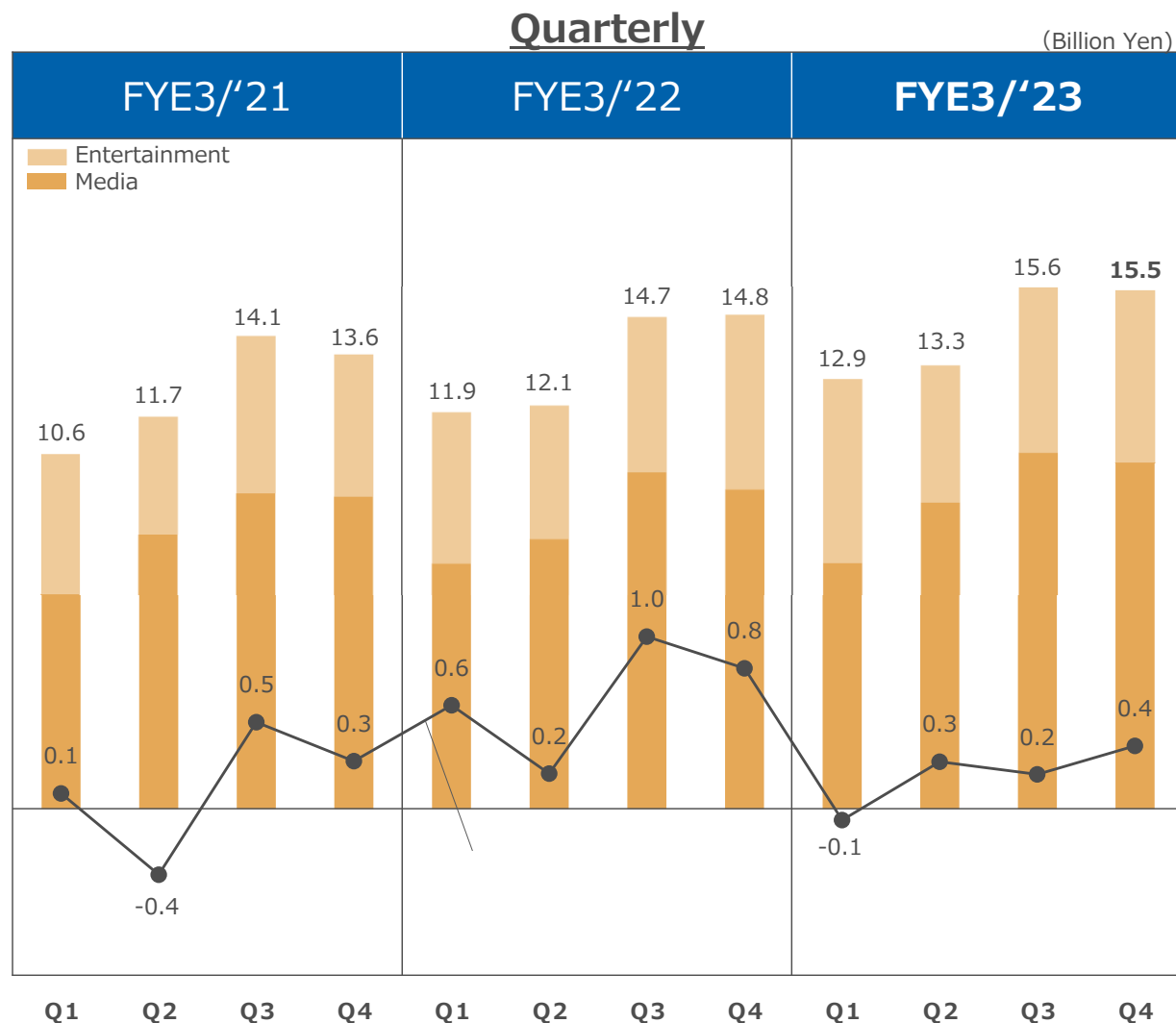
# PS Sector: Trends in Revenue and Core Operating Income

- In 4Q (January-March), both revenue and income increased significantly from the previous fiscal year due to the continued strong performance in the U.S. public safety and private markets in the Communications Systems.



# MS Sector: Trends in Revenue and Core Operating Income

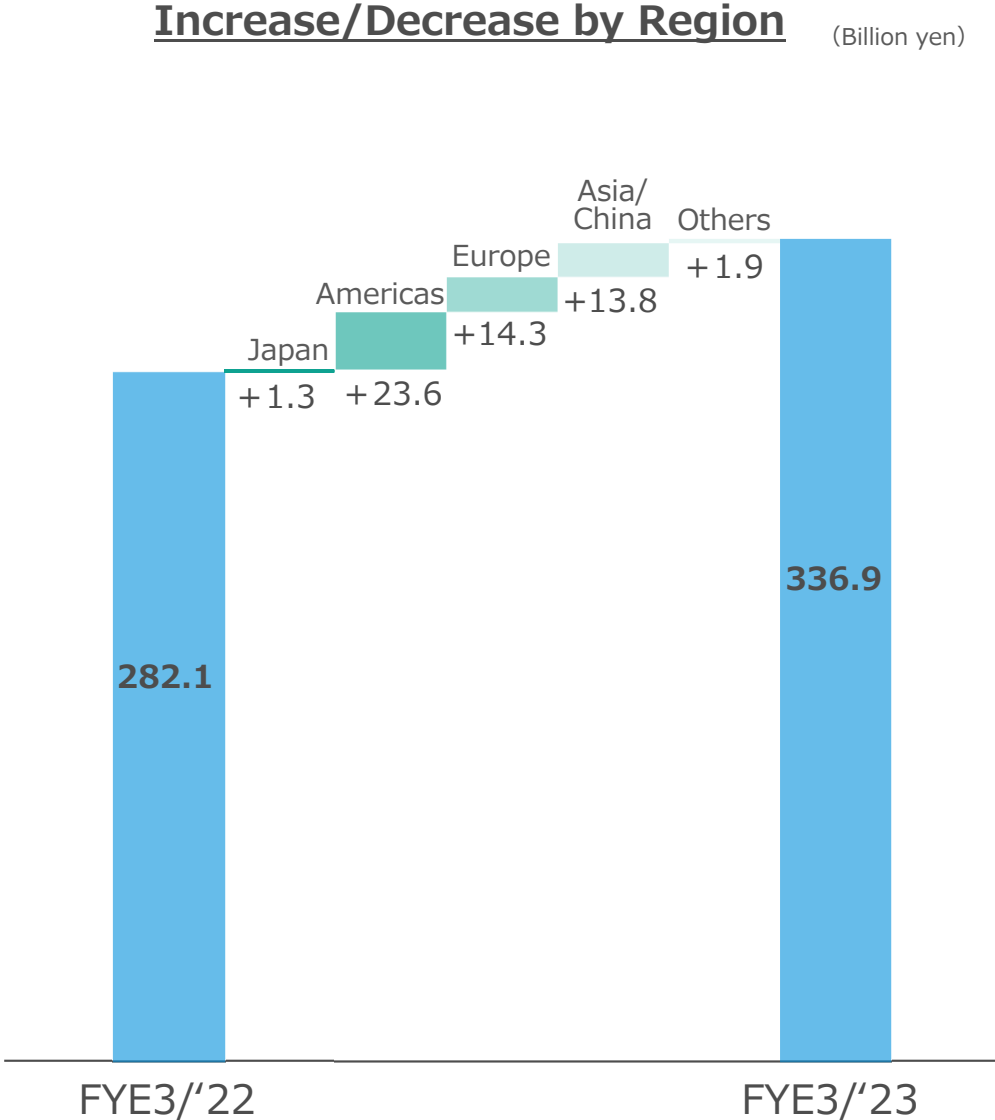
- In 4Q (January-March), revenue increased but the income decreased as a whole from the previous fiscal year due to the impact of higher purchase prices in the Media despite continued strong sales in the Entertainment.



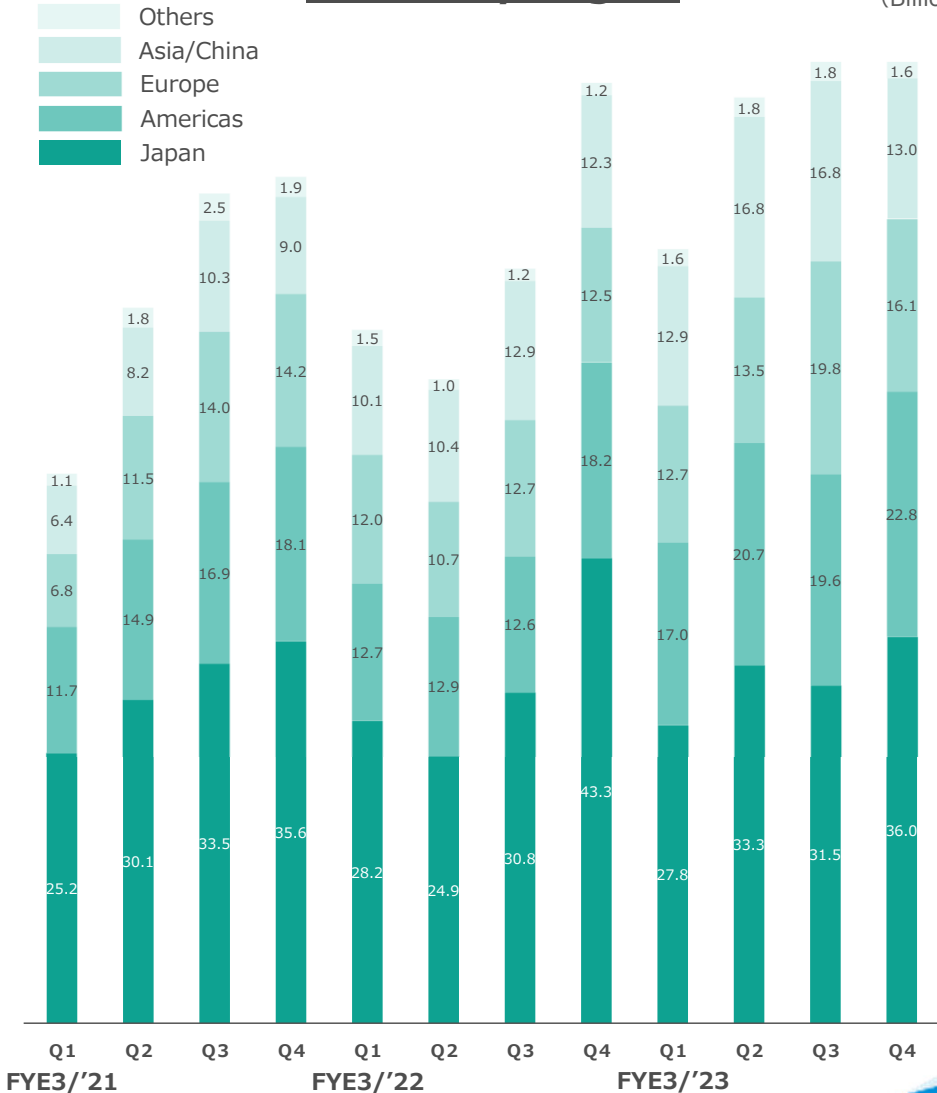
# Financial Results for FYE3/'23: Consolidated Revenue by Region

- For the full year, both revenue and income grew in all regions.

**Increase/Decrease by Region** (Billion yen)



**Trends by Region** (Billion yen)



# Financial Results for FYE3/'23: Consolidated Profit/Loss Summary

- Despite an increase in income tax expense due to higher core operating income and a gain on the transfer of fixed assets, all levels of income increased substantially.

(Billion yen)

	FYE3/'21	FYE3/'22	FYE3/'23	YoY
<b>Core Operating Income</b>	7.47	7.14	<b>15.84</b>	+ 8.69
Other Income, Other Expenses, Foreign Exchange Loss, etc.	-2.58	1.91	<b>5.80</b>	+ 3.89
<b>Operating Profit</b>	4.89	9.05	<b>21.63</b>	+ 12.58
Finance Income, Finance Expenses, etc.	-0.36	-0.54	<b>-0.47</b>	+ 0.07
<b>Profit Before Income Taxes</b>	4.53	8.52	<b>21.16</b>	+ 12.65
Income Tax Expenses	1.83	2.15	<b>4.32</b>	+ 2.17
Non-Controlling Interests	0.55	0.50	<b>0.62</b>	+ 0.12
<b>Profit Attributable to Owners of the Parent Company</b>	2.15	5.87	<b>16.23</b>	+ 10.36

# Financial Results for FYE3/'23: Financial Position Summary

- Net debt was 6.3 billion yen, down 14.8 billion yen from the end of the previous fiscal year due to revenue from a gain on the transfer of a fixed asset, and cash and deposits fell to 56.2 billion yen, an increase of 7.5 billion yen from the end of the previous fiscal year.
- Equity attributable to owners of the parent company was up 19.3 billion yen from the end of the previous fiscal year to 98.8 billion yen mainly due to an increase in retained earnings.

(Billion yen)

	FYE3/'21	FYE3/'22	FYE3/'23	YoY
<b>Total Assets</b>	264.3	280.8	<b>299.4</b>	+ 18.5
<b>Total Liabilities</b>	195.8	196.8	<b>195.6</b>	-1.2
<b>Total Equity</b>	68.5	84.0	<b>103.7</b>	+ 19.8
<b>Interest-Bearing Debts</b>	75.6	69.8	<b>62.5</b>	-7.4
<b>Net Debt</b>	15.9	21.1	<b>6.3</b>	-14.8
<b>Net Debt/Equity Ratio (Times)</b>	0.25	0.27	<b>0.06</b>	-0.21
<b>Equity Attributable to Owners of the Parent Company</b>	64.6	79.5	<b>98.8</b>	+ 19.3
<b>Stockholder's Equity Ratio (%)</b>	24.5	28.3	<b>33.0</b>	+ 4.7

# Financial Results for FYE3/'23: Cash Flow Summary

- Operating cash flow grew due to higher income before tax and improved working capital.
- Net cash used in investing activities fell due to revenue from the transfer of a fixed asset.
- As a result, free cash flow improved significantly.
- Net cash used in financing activities increased due to proceeding with the repayment of interest-bearing liabilities.

(Billion yen)

	FYE3/'21	FYE3/'22	FYE3/'23	YoY
<b>Cash Flow from Operating Activities</b>	35.8	7.1	<b>26.6</b>	+ 19.5
<b>Cash Flow from Investing Activities</b>	-11.8	-9.8	<b>-7.3</b>	+ 2.5
<b>Free cash flow</b> <small>* Free cash flow: Cash flow from operating activities + Cash flow from investing activities</small>	24.0	-2.7	<b>19.3</b>	+ 22.0
<b>Cash Flow from Financing Activities</b>	-5.3	-11.3	<b>-14.0</b>	-2.8
<b>Total</b>	18.7	-14.0	<b>5.2</b>	+ 19.3

1. Overview of Financial Results for  
FYE3/'23

**2. Full-year Earnings Forecast for  
FYE3/'24**

3. Topics

<Reference material>



# Full-year Earnings Forecast for FYE3/'24

- We expect the revenue to increase due to solid sales in each sector. However, we expect core operating income\* to decrease due to the negative impact of currency hedging (approximately 3.4 billion yen), strategic investments for achieving the medium-term management plan, and plans to increase production facilities.
- Levels of income for core operating income and below are expected to decrease, including a decrease in the gain on transfer of fixed assets (about 9.7 billion yen) recorded in FYE3/'23.

(Billion Yen)

	Results for FYE3/'21	Results for FYE3/'22	Results for FYE3/'23	Forecasts for FYE3/'24	YoY	
<b>Revenue</b>	273.6	282.1	336.9	350.0	+ 13.1	+3.9%
<b>Core Operating Income*</b>	7.5	7.1	15.8	14.8	-1.0	-6.5%
<b>Operating Profit</b>	4.9	9.1	21.6	13.4	-8.2	-38.1%
<b>Profit Before Income Taxes</b>	4.5	8.5	21.2	12.4	-8.8	-41.4%
<b>Profit Attributable to Owners of the Parent Company</b>	2.2	5.9	16.2	8.0	-8.2	-50.7%
<b>ROE (%)</b>	3.6	8.1	18.2	8.0	-10.2	-

\*Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

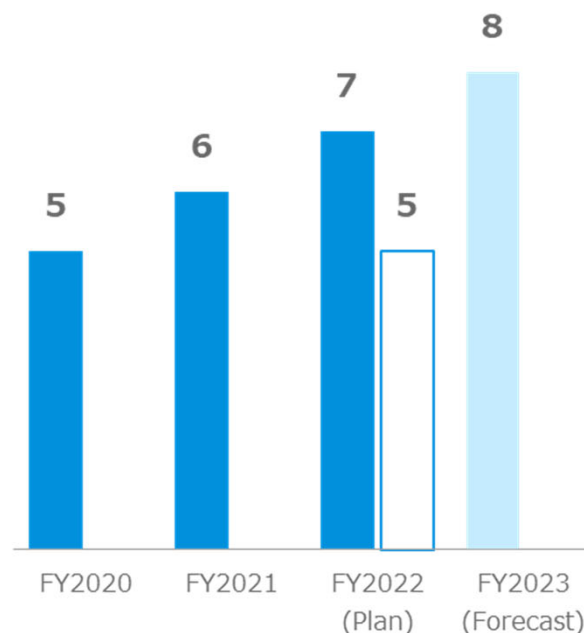
(Yen)

		Result for FYE3/'21	Result for FYE3/'22	Result for FYE3/'23	Assumption for FYE3/'24
<b>Profit-And-Loss Exchange Rate</b>	U.S. dollar	106	112	135	133
	Euro	124	131	141	144

# Year-end Dividend Forecast and Acquisition of Treasury Shares for FYE3/'24

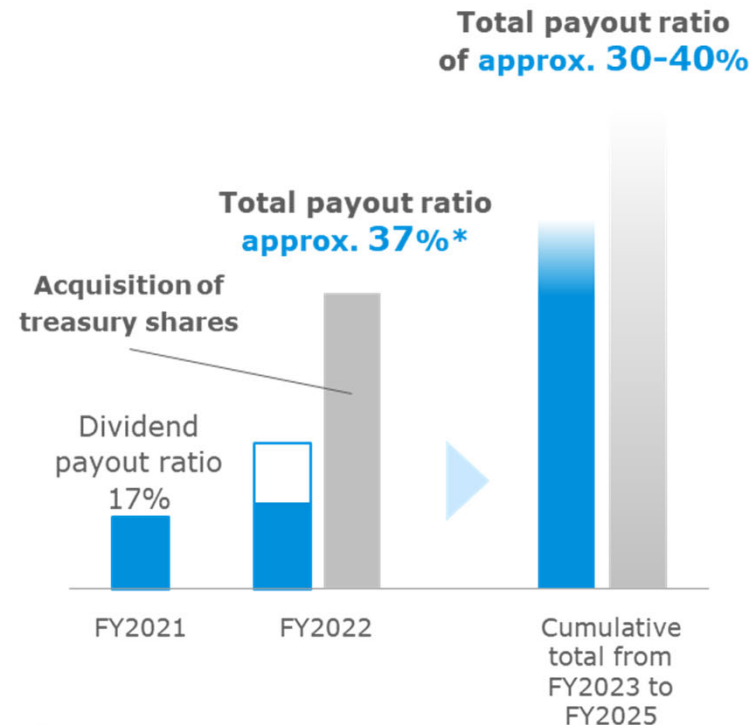
- For the next fiscal year (FYE3/'24), we will strive to improve our business performance and financial position, and set the annual dividend forecast at an year-end dividend of 8 yen per share (regular dividend).
- The total return ratio is set at around 30–40%, and based on this, the company decided to purchase up to 4 billion yen of treasury shares in order to increase shareholder returns and capital efficiency.

▶ **Changes in dividend per share (yen)**



■ Ordinary dividend   □ Special dividend

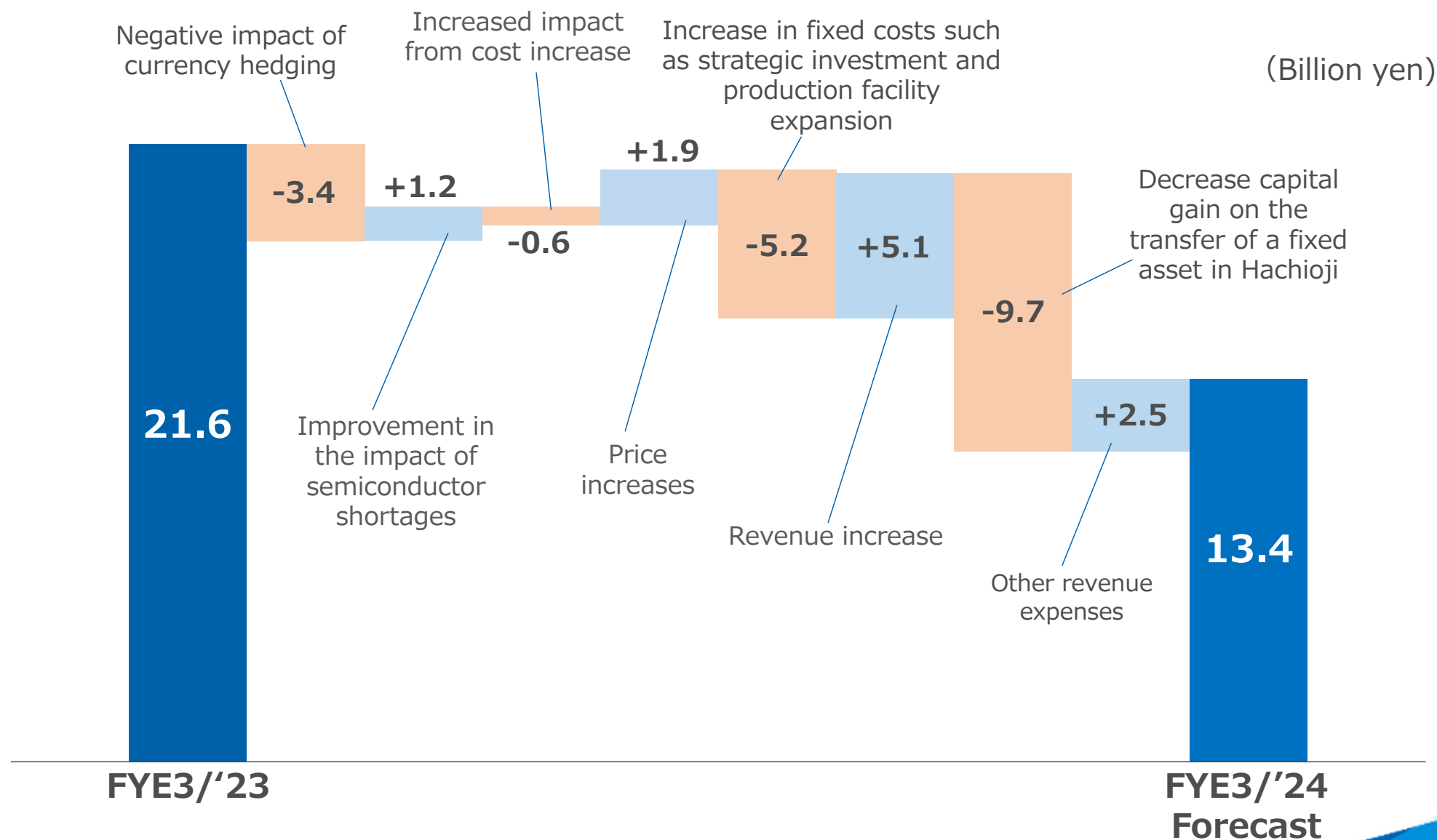
▶ **Dividend payout ratio and total payout ratio (%)**



\* Total return ratio for the net income attributable to owners of the parent company for FYE3/'23

# Full-year Earnings Forecast for FYE3/'24: Factors Behind Changes in Operating Income

- Expecting to make investments for growth to achieve the goals of the new medium-term management plan, VISION 2025, and expecting to reduce the gain on sale of the fixed asset in Hachioji



# Partial Changes in Sector Names

- Public service sector and media service sector were renamed on April 1 to transform the business portfolio to maximize corporate value

FY2022	New sector name (from April 1, 2023)
Mobility & Telematics Services Sector (M&T Sector)	Mobility & Telematics Services Sector (M&T Sector)
Public Service Sector (PS Sector)	<b>Safety &amp; Security Sector</b> (S&S Sector)
Media Service Sector (MS Sector)	<b>Entertainment Solutions Sector</b> (ES Sector)

**Business sectors were renamed to clarify our business strategies**

# Full-year Earnings Forecast for FYE3/'24 by Sector

- M&T: Revenue will increase but income will decrease due to the negative impact of currency hedging, even though new dealer-installed products are scheduled to start shipping.
- S&S: Despite higher revenue from continued strength in the Communications Systems Business, income will remain at the same level as the previous fiscal year due to plans to make strategic investments to achieve the goals of the medium-term management plan.
- ES: Both revenue and income are expected to increase because of a solid sales forecast in the Media and Entertainment Business.

(Billion Yen)

		Results for FYE3/'21 <sup>*2</sup>	Results for FYE3/'22	Results for FYE3/'23	Forecasts for FYE3/'24	YoY
<b>M&amp;T</b>	<b>Revenue</b>	157.1	164.3	197.6	<b>210.0</b>	+ 12.4
	Core Operating Income <sup>*1</sup>	5.6	2.2	4.4	<b>3.8</b>	-0.6
<b>S&amp;S</b>	<b>Revenue</b>	60.9	58.1	74.7	<b>76.0</b>	+ 1.3
	Core Operating Income	1.9	2.5	10.7	<b>10.7</b>	+ 0.0
<b>ES</b>	<b>Revenue</b>	50.1	53.4	57.3	<b>58.0</b>	+ 0.7
	Core Operating Income	0.5	2.7	0.8	<b>1.0</b>	+ 0.2
<b>Others</b>	<b>Revenue</b>	5.5	6.3	7.4	<b>6.0</b>	-1.4
	Core Operating Income	-0.5	-0.3	0.0	<b>-0.7</b>	-0.7
<b>Total</b>	<b>Revenue</b>	273.6	282.1	336.9	<b>350.0</b>	+ 13.1
	Core Operating Income	7.5	7.1	15.8	<b>14.8</b>	-1.0

\*1: Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

\*2: Financial Results for FYE3/'21 at M&T sector include the telematics services business, which was incorporated thereto in FYE3/'22.

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# Expansion of OEM Business in M&T Sector

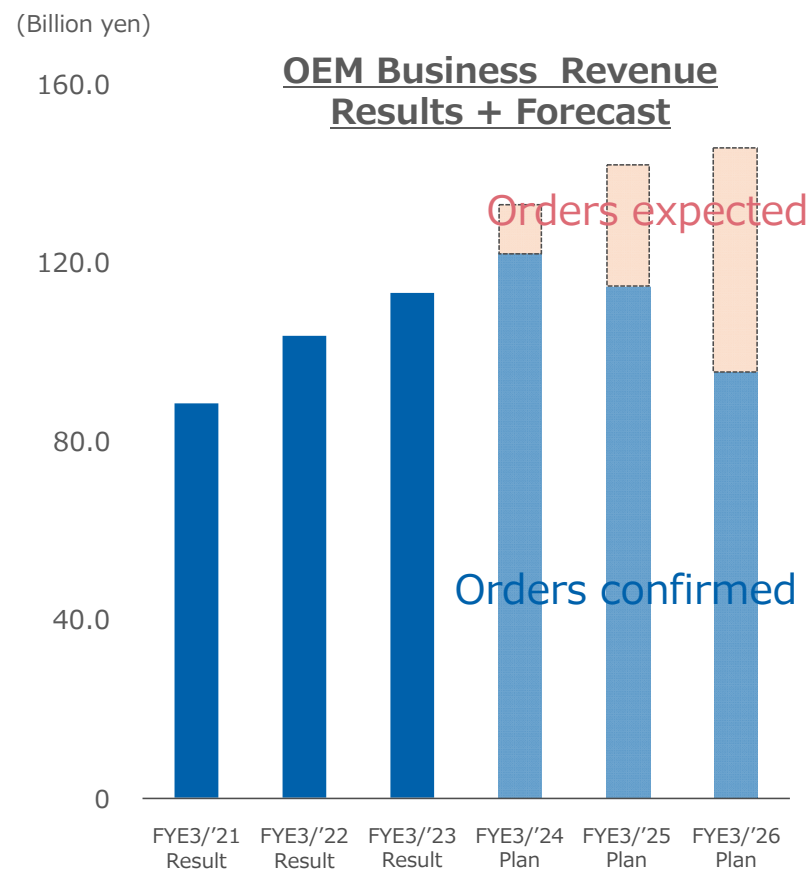
## ■ Expansion of overseas OEM business

- Increased orders for in-vehicle speakers, amplifiers, antennas, and cables (Europe, China)
- Acquired orders due to horizontal expansion of overseas display and audio products (Southeast Asia, Americas)

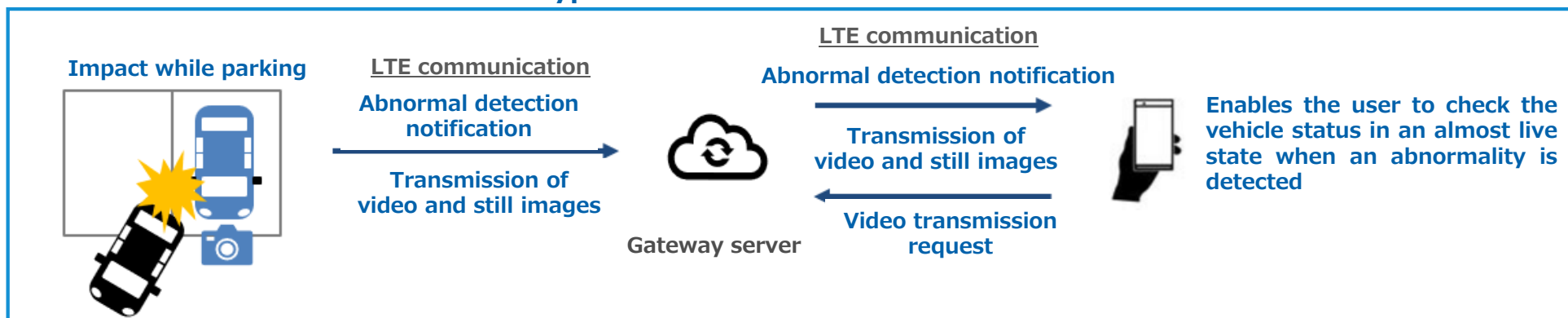
## ■ Expansion of domestic dealer-installed products business

- First in the industry, the connected-type dashcams will begin shipping in May as a genuine OEM product\*.

\*As of April 2023, according to research by JVCKENWOOD Corporation



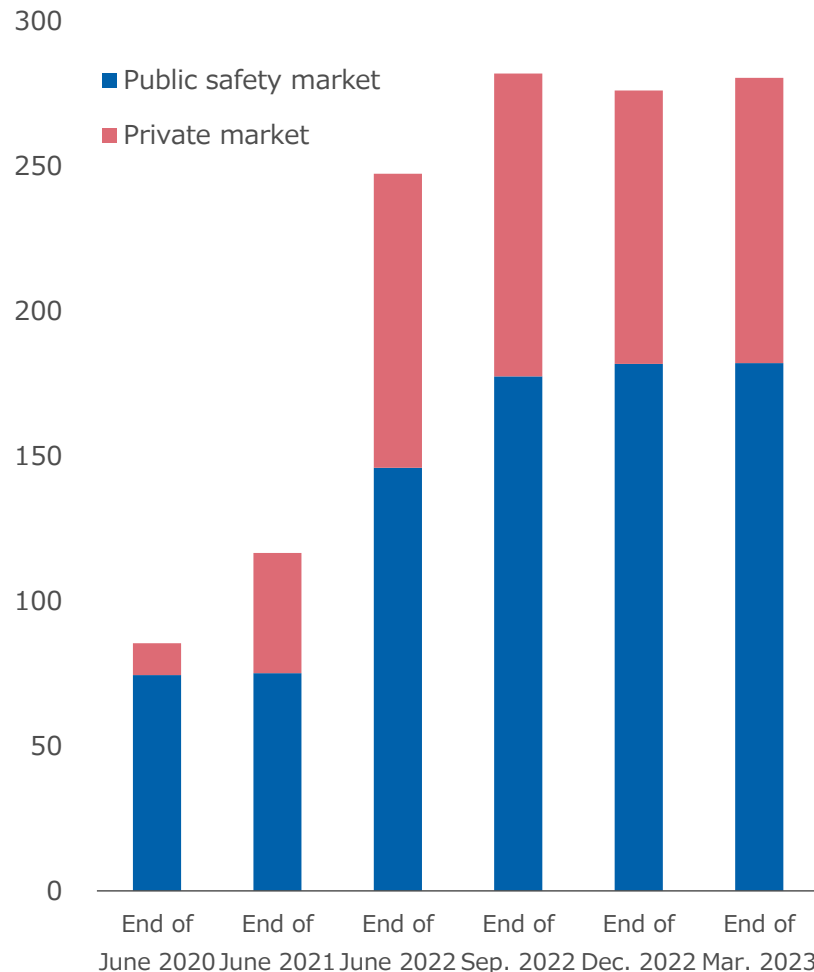
## Service flow of communication type dashcams



# S&S Sector: Communications Systems Business Will Continue to Be Strong

- Continued high-level order backlog to drive medium-term income generation

(Millions of USD) **Trends in backlogs of orders for communications systems (North American market)**



- Establishing a system to increase production to meet growing demand

- Expansion of production line at a plant in Malaysia for NX-1000 wireless devices for private markets
  - FY'22: Up 30% (unit count basis, year over year)
  - FY'23: Up 50% (unit count basis, year over year)
- Starting full-scale production of VP8000 wireless devices at a plant in Yamagata for the public safety market  
Received more orders than originally planned



VP8000 tri-band-compatible professional digital radio equipment



- Workforce expansion for the future

- Increasing staff at a U.S. wireless communications systems subsidiary to increase system orders



# Progress in the Monozukuri (Manufacturing) Reform: Optimized our production and development bases

As part of the “Monozukuri (Manufacturing) Reform,” the sizes of our production bases will be modified for integration in a manner commensurate with the total production volume and total labor-hours. We will do this by focusing on promoting automation, returning to domestic production, and constructing supplier ecosystems. We aim to complete this effort in FY’23.

- Promoted transferring production to Japan in order to address geopolitical risk and foreign exchange fluctuations
- Set up the SCM\*<sup>1</sup> Innovation Department in order to monitor and to strengthen the overall SCM strategy and management system
- Established the Value Creation Square (tentative) in order to strengthen technological development and promote further work style reforms, sold the land of Hachioji Business Center
- Close JKTS\*<sup>2</sup>, a development base in Singapore, and transferred M&T field development functions to Japan
- Operations in production base (SKE \*<sup>3</sup>) in China (Shanghai) are planned to be closed.

Timing	Description	Address geopolitical risk	Foreign exchange measures	SCM optimization	Strengthen security	Return to Japan	Efficiency enhancement and automation	SDGs/ ESG
February 2022	Transferred production of aftermarket car navigation systems for the domestic market (from Indonesia to Nagano)	●	●	●	●	●	●	●
March 2022	Transferred production of projectors (from JKET* <sup>4</sup> in Thailand to Yokosuka)	●	●	●	●	●	●	●
March 2022	Transferred production of professional cameras (from JKET in Thailand to JKOT* <sup>5</sup> in Thailand) and sold JKET	●	●	●			●	●
April 2022	Set up the SCM Innovation Department	●	●	●			●	
October 2022	Announced a plan to establish the Value Creation Square (tentative) and sell the land of Hachioji Business Center						●	●
November 2022	Transferred production of dealer-installed car navigation systems for the domestic market (from Shanghai to Nagano)	●	●	●	●	●	●	●
March 2023	Transferred M&T field development functions and close JKTS in Singapore					●	●	
<b>September 2023</b>	<b>End of operations at China (Shanghai) production base (SKE)</b>	●	●	●	●	●	●	●

\*1: Supply Chain Management

\*2: JVCKENWOOD Technologies Singapore Pte. Ltd.

\*3: Shanghai Kenwood Electronics co., Ltd.

\*4: JVCKENWOOD Electronics Thailand Co., Ltd.

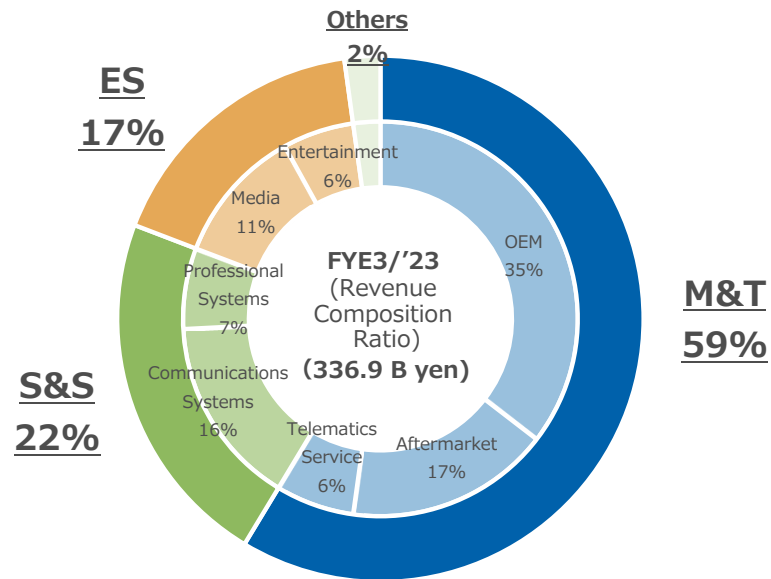
\*5: JVCKENWOOD Optical Electronics (Thailand) Co., Ltd.

**JVCKENWOOD**

**<Reference material>**

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# Business Areas



## Safety & Security Sector (S&S)

### Communications

Professional radio system

Low power transceiver

### Professional

Security system

Professional broadcasting system

Medical image display monitor

## Mobility & Telematics Services Sector (M&T)

### OEM

In-vehicle amplifier/Antenna/ Speaker

Portable power station using recycled batteries from electric vehicles

### After Market

Car navigation system

Car audio system

Alcohol detector

Sterilization and deodorization device

### Telematics service

Dashcam

## Entertainment Software Sector (ES)

### Media

Headphones/Earphones

Audio system

Projector

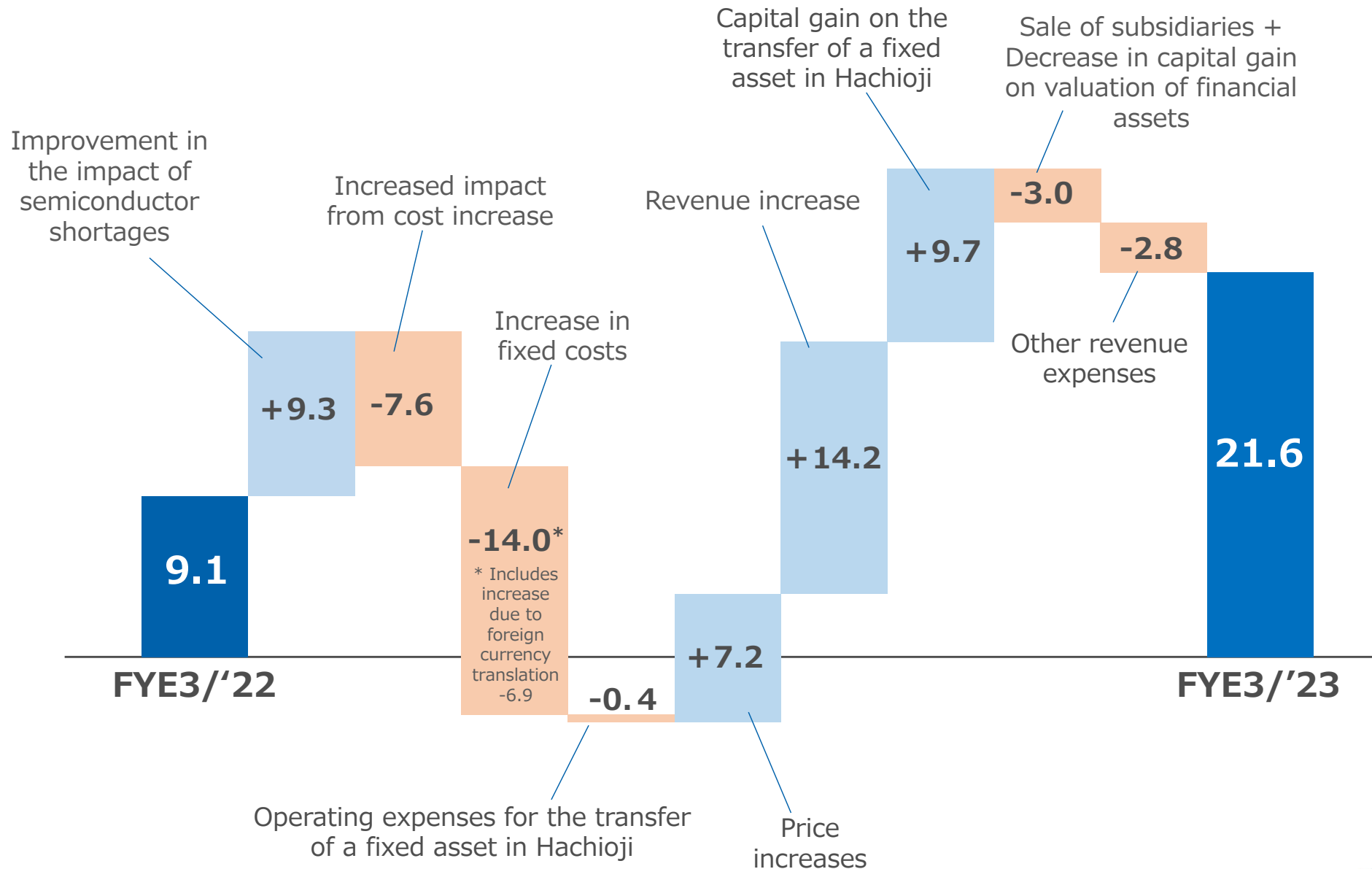
Portable power station

### Entertainment

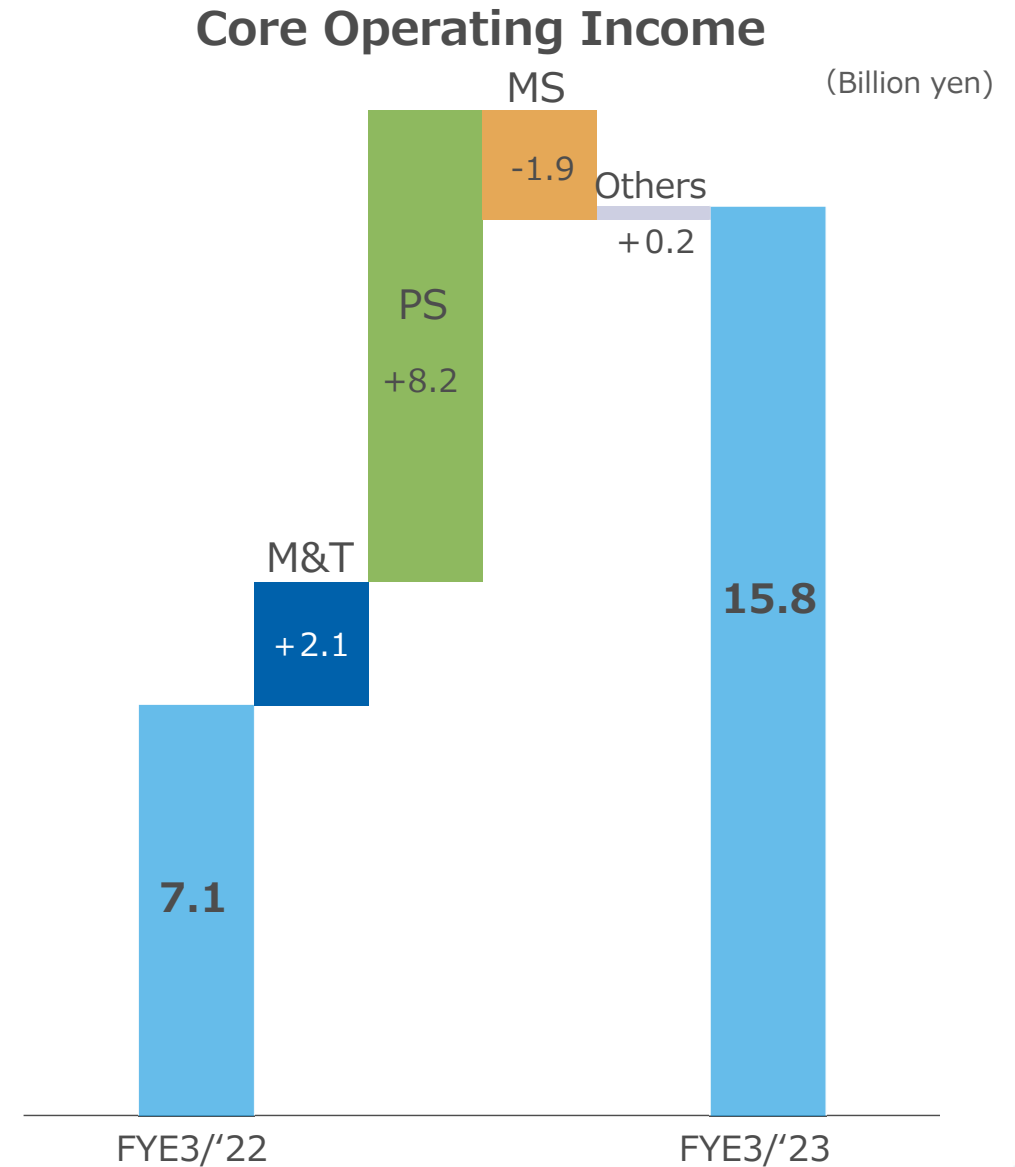
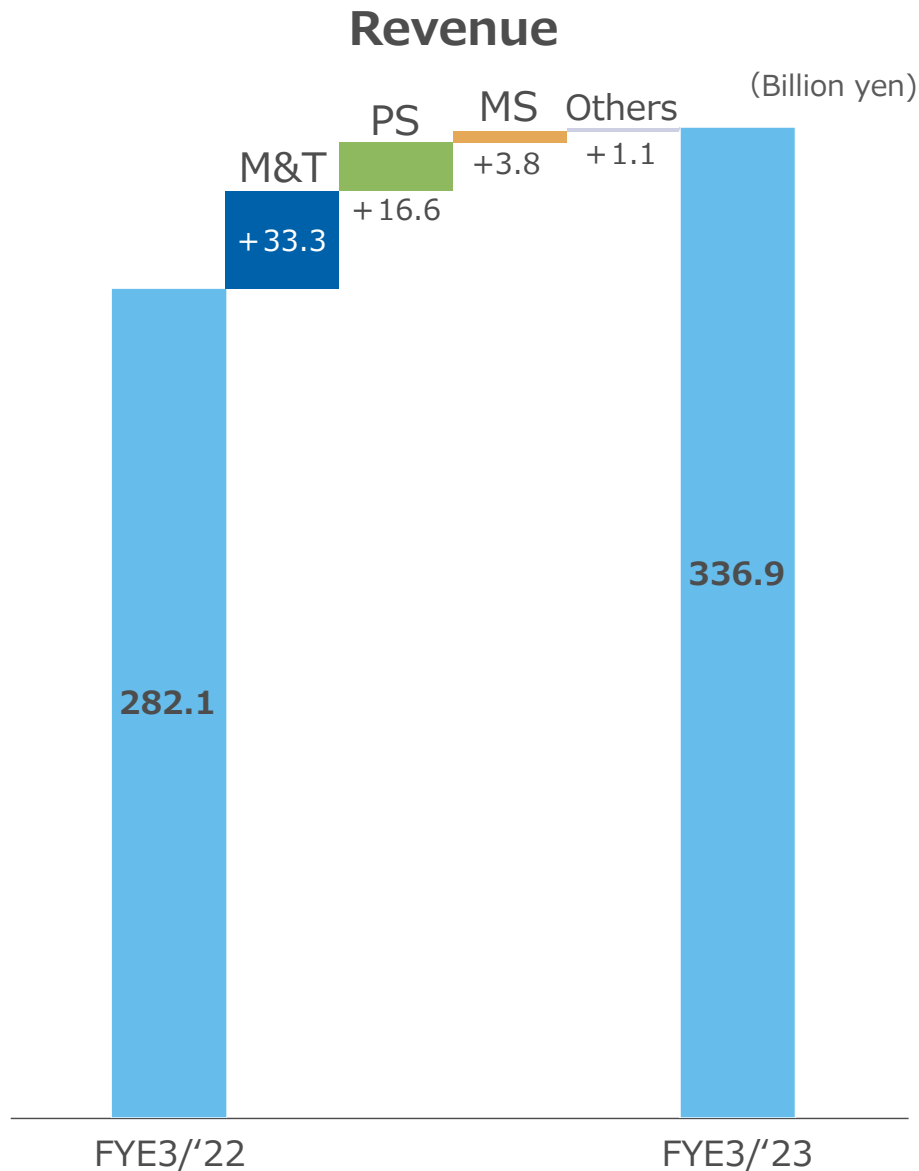
Music and video content

# Financial Results for FYE3/'23: Factors for Changes in Operating Profit

(Billion yen)



# Financial results for FYE3/'23: Consolidated Revenue & Core Operating Income by Sector



# Changes in Management Indices

## Trends in Capital investment, Depreciation, and R&D expenses

(Billion yen)

	FYE3/'21					FYE3/'22					FYE3/'23				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Capital investment*</b> (Property, plant and equipment & Intangible fixed assets )	3.9	3.3	8.1	4.3	19.5	4.4	7.6	5.5	4.8	22.3	5.4	5.3	4.5	4.5	19.7
Property, plant and equipment	1.7	0.9	5.7	1.9	10.3	2.2	5.2	3.0	2.0	12.4	3.3	3.0	2.8	2.3	11.4
Intangible fixed assets	2.1	2.4	2.3	2.4	9.3	2.2	2.4	2.6	2.8	10.0	2.1	2.3	1.7	2.1	8.3
<b>Depreciation</b>	4.7	4.9	4.9	4.9	19.3	4.6	4.3	4.1	4.1	17.1	4.2	4.4	4.4	4.6	17.6
<b>R&amp;D expenses</b>	4.0	4.0	3.8	4.0	15.7	4.0	3.9	3.8	4.1	15.9	4.0	4.1	4.3	5.1	17.4

\* Calculated based on (Profit before income taxes) + (Interest expense) + (Depreciation expense) + (Impairment loss)

## Trends of Consolidated Revenue by Region

(Billion yen)

	FYE3/'21					FYE3/'22					FYE3/'23				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Japan</b>	25.2	30.1	33.5	35.6	124.4	28.2	24.9	30.8	43.3	127.2	27.8	33.3	31.5	36.0	128.6
<b>Americas</b>	11.7	14.9	16.9	18.1	61.5	12.7	12.9	12.6	18.2	56.4	17.0	20.7	19.6	22.8	80.0
<b>Europe</b>	6.8	11.5	14.0	14.2	46.4	12.0	10.7	12.7	12.5	47.8	12.7	13.5	19.8	16.1	62.1
<b>Asia&amp;China</b>	6.4	8.2	10.3	9.0	33.9	10.1	10.4	12.9	12.3	45.7	12.9	16.8	16.8	13.0	59.5
<b>Others</b>	1.1	1.8	2.5	1.9	7.4	1.5	1.0	1.2	1.2	4.8	1.6	1.8	1.8	1.6	6.7
<b>Total</b>	51.1	66.6	77.2	78.7	273.6	64.5	59.9	70.2	87.5	282.1	72.0	86.1	89.4	89.4	336.9

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The expressions contained in this presentation referring to the Company's future plans, intentions and expectations are categorized as future forecast statements. Such statements reflect management expectations of future events, and accordingly, are inherently susceptible to risk, uncertainty and other factors, whether known or unknown, and may be significantly different from future performance. These statements represent management's targets as of the time of issuance of these presentation materials, and the Company is under no obligation, and expressly disclaims any such obligation, to update, alter or publicize its future forecast statements in the event there are changes in the economic climate and market conditions affecting the performance of the Company. Risk factors and other uncertainty which may affect the Company's actual performance include: (1) violent fluctuations in economic circumstances and supply and demand systems in major markets (Japan, the U.S, the EU and Asia); (2) restrictions including trade regulations applicable to major markets including Japan and other foreign countries; (3) sharp fluctuations in the exchange rate of the U.S. dollar, euro, and such like against the yen; (4) market price fluctuations in capital markets; and (5) changes in social infrastructure due to short-term changes in technology and such like. Please note, however, that the above is not a comprehensive list of all the factors that may exert a significant influence on the Company's performance.