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August 1, 2023

## Consolidated Financial Results for the First Three Months Ending March 31, 2024 (Under IFRS)

Company name: JVCKENWOOD Corporation  
 Listing: Prime Market of the Tokyo Stock Exchange  
 Securities code: 6632  
 URL: <https://www.jvckenwood.com/en.html>  
 Representative: EGUCHI Shoichiro, Representative Director of the Board, President and CEO  
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 Scheduled date to file quarterly securities report: August 9, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the first three months ending March 31, 2024 (from April 1, 2023 to June 30, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Core operating income*		Operating profit		Profit before tax		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 of FYE3/24	85,598	18.9	5,039	-	5,012	871.3	4,873	802.7	3,477	-
Q1 of FYE3/23	72,000	11.6	442	19.4	516	-82.0	539	-80.7	-246	-

\*Core operating income is calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are primarily due to one-time factors.

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Q1 of FYE3/24	12,388	23.5	21.84	21.77
Q1 of FYE3/23	10,035	516.9	-1.51	-1.51

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
Q1 of FYE3/24	307,063	110,011	104,311	34.0
FYE3/23	299,355	103,731	98,807	33.0

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	12.00	12.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		0.00	—	8.00	8.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. FYE3/24 full-year earnings forecast (April 1, 2023 – March 31, 2024)

(% indicate year-on-year changes)

	Revenue		Core operating income*		Operating profit		Profit before tax		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Full year	350,000	3.9	14,800	-6.5	13,400	-38.1	12,400	-41.4	8,000	-50.7

\*Core operating income is calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are primarily due to one-time factors.

Note: Revisions to the forecast of earnings most recently announced: None

### Note

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly included: — companies

Excluded: — companies

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

First three months ending March 31, 2024	164,000,201 shares
As of March 31, 2023	164,000,201 shares

(ii) Number of treasury shares at the end of the period

First three months ending March 31, 2024	9,559,267 shares
As of March 31, 2023	516,992 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

First three months ending March 31, 2024	159,235,882 shares
First three months ended March 31, 2023	163,484,960 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

## 1. Qualitative Information on Q1 Financial Results

### (1) Description of Operating Results

#### Overview of the First Quarter of the Fiscal Year Under Review

On April 1, 2023, JVCKENWOOD Corporation changed business sector names from “Public Service” to “Safety & Security” and from “Media Service” to “Entertainment Solutions” in order to clarify the business strategy the Corporation pursues in transforming its business portfolio into a more profitable market where the Company’s strengths can be leveraged to maximize corporate value.

Revenue of JVCKENWOOD Corporation and its consolidated subsidiaries for the first three months of the fiscal year under review increased significantly from the same period a year earlier because sales in the Communications Systems Business in the Safety & Security Sector remained very brisk as in the previous fiscal year. Operating profit of the JVCKENWOOD Group also rose significantly from a year earlier as a result of the effect of increased revenue.

A summary of consolidated operating results for the first three months of the fiscal year under review is as follows.

(Million yen)

	Q1 of FYE3/23	Q1 of FYE3/24	Year-on-year comparison	Change
Revenue	72,000	85,598	+13,598	+18.9%
Core operating income*	442	5,039	+4,597	+1,037.9%
Operating profit	516	5,012	+4,496	+871.3%
Profit before income taxes	539	4,873	+4,333	+802.7%
Profit attributable to owners of the parent company (loss)	-246	3,477	+3,724	-

\*Core operating income is calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are primarily due to one-time factors.

Profit-and-loss exchange rates used when preparing the financial statements for the first three months of the fiscal year under review are as follows.

		Q1
Profit-and-loss exchange rate	U.S. dollar	Approx. 137 yen
	Euro	Approx. 150 yen
FY2022 (for reference)	U.S. dollar	Approx. 130 yen
	Euro	Approx. 138 yen

#### **Revenue**

Revenue of JVCKENWOOD Corporation and its consolidated subsidiaries for the first three months of the fiscal year under review soared approximately 13,600 million yen, or 18.9%, from a year earlier to 85,598 million yen. This was because sales in the Communications Systems Business in the Safety & Security Sector remained very brisk as in the previous fiscal year and because sales in the OEM Business in the Mobility & Telematics Services Sector and in the Media Business and Entertainment Business in the Entertainment Solutions Sector remained strong.

#### **Core operating income**

JVCKENWOOD Corporation defines core operating income as revenue less cost of sales and selling, general and administrative expenses.

Core operating income for the first three months of the fiscal year under review significantly increased approximately 4,600 million yen, or 1,037.9%, from a year earlier to 5,039 million yen, reflecting the significant increase in revenue as described above.

#### **Operating profit**

Operating profit for the first three months of the fiscal year under review significantly increased approximately 4,500 million yen, or 871.3%, from a year earlier to 5,012 million yen, mainly due to a significant increase in core operating income.

### **Profit before income taxes**

Profit before income taxes for the first three months of the fiscal year under review significantly increased approximately 4,300 million yen, or 802.7%, from a year earlier to 4,873 million yen, mainly due to a large rise in operating profit.

### **Profit attributable to owners of the parent company**

Profit attributable to owners of the parent company for the first three months of the fiscal year under review significantly increased approximately 3,700 million yen from a year earlier to 3,477 million yen, returning to the black, mainly due to a large rise in profit before income taxes.

### **Revenue and Profit (Loss) by Business Segment**

Revenue and core operating income (loss) by business segment are as follows.

First three months of the fiscal year ending March 2024 (April 1, 2023 to June 30, 2023)

(Million yen)

Segment		Q1 of FYE3/23	Q1 of FYE3/24	Year-on-year comparison
Mobility & Telematics Services Sector	Revenue	43,864	47,329	+3,464
	Core operating income	-268	418	+686
Safety & Security Sector	Revenue	13,959	22,015	+8,056
	Core operating income	722	4,138	+3,416
Entertainment Solutions Sector	Revenue	12,860	14,021	+1,160
	Core operating income	-67	509	+577
Others	Revenue	1,316	2,233	+917
	Core operating income	55	-27	-83
Total	Revenue	72,000	85,598	+13,598
	Core operating income	442	5,039	+4,597

### **Mobility & Telematics Services Sector**

Revenue of the Mobility & Telematics Services Sector for the first three months of the fiscal year under review increased approximately 3,500 million yen, or 7.9%, from a year earlier to 47,329 million yen. Core operating income grew approximately 700 million yen from a year earlier to 418 million yen, returning to the black.

#### ➤ Revenue

Revenue of the OEM Business was up from a year earlier. This was mainly because the sales of dealer-installed products in Japan recovered from the impact of reduced production at our Shanghai factory resulting from the lockdown in Shanghai that occurred a year earlier and because sales of ASK Industries S.p.A., our subsidiary in Europe, remained brisk as in the previous fiscal year.

Revenue of the Aftermarket Business decreased from a year earlier mainly due to the impact of a sales decline resulting from inventory adjustment at home and abroad.

Revenue of the Telematics Service Business fell from a year earlier due to a decline in sales of telematics solution-related products including dashcams with communication capabilities for insurance companies.

#### ➤ Core operating income

Core operating income of the entire Mobility & Telematics Services Sector increased from a year earlier, returning to the black. This was because profit of the OEM Business was up from a year earlier thanks to the revenue-increase effect, returning to the black, although profit of

the Aftermarket Business and the Telematics Service Business dropped from a year earlier due to the impact of revenue decrease.

### **Safety & Security Sector**

Revenue of the Safety & Security Sector for the first three months of the fiscal year under review rose approximately 8,100 million yen, or 57.7%, from a year earlier to 22,015 million yen. Core operating income increased approximately 3,400 million yen from a year earlier to 4,138 million yen.

#### ➤ Revenue

Revenue of the Communications Systems Business significantly grew approximately 7,600 million yen from a year earlier mainly because sales in the United States and other overseas markets remained very brisk as in the previous fiscal year.

Revenue of the Professional Systems Business increased approximately 400 million yen from a year earlier mainly because JVCKENWOOD Public & Industrial Systems Corporation tended to recover in the social infrastructure market including railways.

#### ➤ Core operating income

The Safety & Security Sector as a whole reported a sharp increase in profit from a year earlier because the Communications Systems Business registered a large rise in profit thanks to substantial revenue growth, and the Professional Systems Business improved its losses because of revenue growth.

### **Entertainment Solutions Sector**

Revenue of the Entertainment Solutions Sector for the first three months of the fiscal year under review grew approximately 1,200 million yen, or 9.0%, from a year earlier to 14,021 million yen. Core operating income increased approximately 600 million yen from a year earlier to 509 million yen and returned to the black.

#### ➤ Revenue

Revenue of the Media Business was up approximately 400 million yen from a year earlier mainly due to a recovery in projector sales from the impact of reduced production resulting from a transfer of production implemented a year earlier.

Revenue of the Entertainment Business increased approximately 800 million yen from a year earlier mainly because sales in the content business remained strong.

#### ➤ Core operating income

The Entertainment Solutions Sector as a whole reported higher profit from a year earlier because of an increase in revenue of both the Media Business and the Entertainment Business.

## **(2) Description of Financial Position**

### **Analysis of Assets, Liabilities, Equity, Etc.**

#### **Assets**

Total assets grew approximately 7,700 million yen from the end of the previous fiscal year to 307,063 million yen. This was due to increases in trade and other receivables, and current assets such as inventories, although cash and cash equivalents decreased.

#### **Liabilities**

Total liabilities were up approximately 1,400 million yen from the end of the previous fiscal year to 197,052 million yen. This was due to an increase in trade and other payables.

#### **Equity**

Total equity rose approximately 6,300 million yen from the end of the previous fiscal year to 110,011 million yen. This was due to an increase of approximately 1,500 million yen in retained earnings as well as an increase in other components of equity caused by the depreciation of the yen against major currencies, although there was a decrease due to purchase of treasury shares.

The ratio of equity attributable to owners of the parent company increased 1.0 percentage point from the end of the previous fiscal year to 34.0%. This was due to an increase in total equity attributable to owners of the parent company.

## **Cash Flow Analysis**

### **Cash Flow from Operating Activities**

Net cash provided by operating activities for the first three months of the fiscal year under review was 152 million yen, which is a decrease of approximately 2,800 million yen from the same period of the previous fiscal year. This was mainly due to an increase in quarterly profit before income taxes and an increase in working capital such as trade and other receivables.

### **Cash Flow from Investing Activities**

Net cash used in investing activities for the first three months of the fiscal year under review was 4,484 million yen, which is an increase of approximately 100 million yen from the same period of the previous fiscal year. This was mainly due to an increase in purchase of investments accounted for using the equity method, despite a decrease in purchase of property, plant and equipment.

### **Cash Flow from Financing Activities**

Net cash used in financing activities for the first three months of the fiscal year under review was 8,172 million yen, which is an increase of approximately 4,800 million yen from the same period of the previous fiscal year. This was mainly due to the purchase of treasury shares and repayment of long-term borrowings.

Cash and cash equivalents at the end of the first three months of the fiscal year under review fell approximately 600 million yen from the same period of the previous fiscal year to 46,243 million yen.

## **(3) Description of Forward-Looking Information Such as Consolidated Earnings Forecast**

### **Earnings Forecast for FYE3/24**

For the first three months of the fiscal year under review, results exceeded the initial forecast for the JVCKENWOOD Group. This was partly because sales in the Communications Systems Business in the Safety & Security Sector remained very brisk in the United States and other overseas markets as in the previous fiscal year.

At present, the consolidated earnings forecast for the fiscal year ending March 2024 announced on April 27, 2023, will not be revised although healthy sales are expected to continue from the second quarter of the fiscal year under review.

	(Million yen)		
	Consolidated earnings for the FYE March 2023	Consolidated earnings forecast for the FYE 2024	Year-on-year comparison
Revenue	336,910	350,000	+13,090
Core operating income*	15,836	14,800	-1,036
Operating profit	21,634	13,400	-8,234
Profit before income taxes	21,161	12,400	-8,761
Profit attributable to owners of the parent company	16,229	8,000	-8,229

\* Core operating income is calculated by deducting cost of sales, selling and general administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange gains and losses, which are primarily due to one-time factors.

Profit-and-loss exchange rates used as assumptions in the aforementioned earnings forecast are: USD 1 = JPY 133 and EUR 1 = JPY 144.

The aforementioned earning forecast was prepared by the JVCKENWOOD Corporation based on information available at the time of releasing this document. Actual business results may differ from the forecast values due to various factors.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	56,186	46,243
Trade and other receivables	58,157	62,550
Contract assets	2,996	3,440
Other financial assets	3,552	5,471
Inventories	67,830	72,871
Right to recover products	261	254
Income taxes receivable	976	888
Other current assets	6,231	7,719
Subtotal	196,191	199,440
Assets classified as held for sale	995	1,132
Total current assets	197,187	200,573
Non-current assets		
Property, plant and equipment	54,721	56,548
Goodwill	2,379	2,572
Intangible assets	18,065	18,557
Net defined benefit assets	1,933	1,863
Investment property	3,817	4,005
Investments accounted for using the equity method	4,983	5,964
Other financial assets	9,758	10,438
Deferred tax assets	6,128	6,164
Other non-current assets	380	374
Total non-current assets	102,167	106,490
Total assets	299,355	307,063

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	52,868	54,916
Contract liabilities	4,088	3,683
Refund liabilities	5,084	5,045
Short-term borrowings	26,292	28,557
Other financial liabilities	4,643	5,964
Income taxes payable	2,995	1,870
Provisions	1,814	1,816
Other current liabilities	26,062	24,407
Total current liabilities	123,849	126,261
Non-current liabilities		
Long-term borrowings	36,190	33,861
Other financial liabilities	11,999	12,683
Net defined benefit liabilities	18,459	18,354
Provisions	1,252	1,264
Deferred tax liabilities	2,981	3,644
Other non-current liabilities	890	982
Total non-current liabilities	71,774	70,790
Total liabilities	195,624	197,052
Equity		
Capital stock	13,645	13,645
Capital surplus	42,029	42,076
Retained earnings	28,811	30,327
Treasury stock	-140	-4,640
Other components of equity	14,461	22,902
Equity attributable to owners of the parent company	98,807	104,311
Non-controlling interests	4,923	5,699
Total equity	103,731	110,011
Total liabilities and equity	299,355	307,063



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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	72,000	85,598
Cost of sales	53,161	59,384
Gross profit	18,839	26,214
Selling, general and administrative expenses	18,396	21,174
Other income	655	462
Other expenses	246	443
Foreign exchange gains (losses)	-335	-46
Operating profit	516	5,012
Finance income	98	251
Finance expenses	277	326
Share of profit (loss) of investments accounted for using the equity method	202	-64
Profit before income taxes	539	4,873
Income tax expenses	621	1,260
Profit (loss)	-81	3,612
Profit (loss) attributable to:		
Owners of the parent company	-246	3,477
Non-controlling interests	165	135
Profit (loss)	-81	3,612
Earnings (loss) per share		
Basic earnings (loss) per share	-1.51 yen	21.84 yen
Diluted earnings (loss) per share	-1.51 yen	21.77 yen

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	-81	3,612
Other comprehensive income (“OCI”)		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through OCI	-158	21
Share of OCI of investments accounted for using the equity method	2	0
Total of items that will not be reclassified subsequently to profit or loss	-156	21
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	7,797	7,666
Cash flow hedges	2,572	926
Share of OCI of investments accounted for using the equity method	-96	160
Total of items that may be reclassified subsequently to profit or loss	10,272	8,754
OCI, net of income tax	10,116	8,775
Comprehensive income	10,035	12,388
Total comprehensive income attributable to:		
Owners of the parent company	9,437	11,919
Non-controlling interests	597	469
Comprehensive income	10,035	12,388

## (3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	539	4,873
Depreciation and amortization	4,225	4,434
Increase (decrease) in net defined benefit liabilities	-431	-287
Decrease (increase) in net defined benefit assets	99	69
Finance income	-98	-251
Finance expenses	277	326
Loss (gain) on valuation of financial assets measured at fair value through profit or loss	-361	217
Loss on disposal of property, plant and equipment	16	12
Decrease (increase) in trade and other receivables	10,156	-1,160
Decrease (increase) in inventories	-7,515	-1,220
Increase (decrease) in trade and other payables	57	-299
Increase (decrease) in accrued expenses	-3,142	-4,140
Increase (decrease) in other current liabilities	1,326	1,017
Other, net	-1,423	-1,875
Subtotal	3,727	1,717
Interest received	40	197
Dividend received	45	50
Interest paid	-249	-295
Income taxes paid	-611	-1,548
Net cash provided by operating activities	2,951	122
Cash flows from investing activities		
Purchases of property, plant and equipment	-2,156	-1,252
Proceeds from sales of property, plant and equipment	119	47
Purchases of intangible assets	-2,289	-2,032
Purchases of investments accounted for using the equity method	—	-888
Other, net	-46	-328
Net cash used in investing activities	-4,373	-4,454
Cash flows from financing activities		
Proceeds from short-term borrowings	3,658	1,798
Repayment of short-term borrowings	-1,233	-279
Repayment of long-term borrowings	-3,702	-2,354
Repayment of lease liabilities	-964	-909
Purchases of treasury stock	-0	-4,500
Cash dividends paid	-980	-1,961
Other, net	-153	35
Net cash used in financing activities	-3,375	-8,172
Effect of exchange rate changes on cash and cash equivalents	2,938	2,561
Net increase (decrease) in cash and cash equivalents	-1,858	-9,942
Cash and cash equivalents at beginning of year	48,707	56,186
Cash and cash equivalents at end of quarter	46,848	46,243