

# JVCKENWOOD



April 26, 2019

Company Representative	JVCKENWOOD Corporation Shoichiro Eguchi Representative Director of the Board, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
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## Notice Regarding Recognition of Impairment Loss

JVCKENWOOD Corporation (JVCKENWOOD) resolved at a Board of Directors Meeting held today to recognize an impairment loss of 1,012 million yen for the consolidated fiscal year ended March 2019 for the following reasons.

### 1. Details of Recognition of Impairment Loss and Background of Impairment Loss

The Company identified signs of an impairment loss on property, plant and equipment, intangible assets, and other non-current assets (hereinafter referred to as the “assets subject to impairment loss”) of the Professional Systems Business and the Healthcare Business in the Public Service Sector, a part of the OEM business in the Automotive Sector, and the OEM Business of the Entertainment Business and video camera business of the Media Business in the Media Service Sector, and carefully compared book value with recoverable value based on future cash flows. As a result, we have decided to recognize an impairment loss of the said assets subject to impairment loss.

Most of the impairment loss recognized is associated with the Professional Systems Business, which is promoting a turnaround by accelerating a shift to high value-added models and the high-end market and reviewing production and sales systems. We will recognize the impairment loss for the business to reduce its future cost burden and solidify its revenue base, in an effort to facilitate an early recovery of business. Similarly, we will also work toward achieving an early turnaround in the performance of other businesses.

The main assets subject to the impairment loss are intangible assets and machinery and equipment, and the total amount of the impairment loss recognized on the said assets is 1,012 million yen.

### 2. Impact on Earnings

The above-mentioned impairment loss has been reflected in “1. Consolidated Operating Results for the Fiscal Year Ended March 2019 (April 1, 2018 to March 31, 2019)” in the Accounting Report for the Fiscal Year Ended March 2019 [IFRS] (hereinafter referred to as the “Accounting Report”). The aforementioned recognition of the impairment loss will result in a decrease in depreciation in subsequent periods, and the impacts of the decrease in depreciation have been reflected in “3. Consolidated Earnings Forecast for the Fiscal Year Ending March 2020 (April 1, 2019 to March 31, 2020)” in the Accounting Report.