

JVCKENWOOD



October 28, 2022

Company	JVCKENWOOD Corporation
Representative	EGUCHI Shoichiro Representative Director of the Board, President and CEO (Code: 6632; Prime Market of the Tokyo Stock Exchange)
Contact	ENDO Isamu General Manager, Corporate Communication Department (Tel: +81-45-444-5232)

Resolution to Commence Proceedings for Voluntary Liquidation of JVCKENWOOD's Consolidated Subsidiary

Yokohama, October 28, 2022 - JVC (Philippines), Inc. ("JPL"), a dormant Philippine consolidated subsidiary of JVCKENWOOD Corporation ("JVCKENWOOD") resolved at its Board of Directors and special meeting of shareholders held on October 27, 2022 to file a petition for voluntary liquidation.

1. Background

JPL was established in August 1996 as a joint venture between Trademark Industries, Inc. ("TMI") and JVC Asia Pte. Ltd. (current JVCKENWOOD Singapore Pte. Ltd. ("JKSG")), a 100% consolidated subsidiary of JVCKENWOOD, as a sales and marketing base in the Philippines. With the subsequent purchase of all TMI shares by JKSG in October 2011, JPL is presently a 100% owned subsidiary of JKSG (not including 5 shares held by pro forma shareholders of the 20,000,000 shares issued.)

During this period, JPL ceased its business activities in January 2012 and had become dormant mainly due to the changing market environment. It has been judged that liquidating the company through voluntary liquidation is the most appropriate course of action and thus reached the resolution.

2. Total amount of liabilities

611 million PHP (approx. 1,511 million yen) *Converted at actual exchange rate as of September 30, 2022 (1 PHP=2.47 yen) (Of which, 609 million PHP (approx. 1,505 million yen) is borrowings from JVCKENWOOD and accrued interest.)

The total amount of liabilities is recorded in the balance sheet as of September 30, 2022. The amount of liabilities may change in the future as JPL will be entering a period of public notice on the commencement of liquidation proceedings hereafter.

3. Overview of the subsidiary to file a petition for liquidation (as of September 30, 2022)

(1) Company name	JVC (Philippines), Inc.		
(2) Address	22nd Floor, 139 Corporate Center, 139 Valero Street, Salcedo Village, Makati City 1227, Philippines		
(3) Name and title of representative	Kazue Salud, President		
(4) Date of establishment	August 1, 1996		
(5) Principal business	Dormant company		
(6) Capital	200,000,000 PHP		
(7) Major shareholders and shareholding ratio	JVCKENWOOD Singapore Pte. Ltd. (in Singapore) 100%		
(8) Relationship between JVCKENWOOD and the concerned company	Capital relationship	As described in (7) above	
	Personnel relationship	Two Directors are concurrently employees of JVCKENWOOD	
	Business relationship	Loan of funds and receipt of interest	
	Status of classification as related party	JPL is a consolidated subsidiary of JVCKENWOOD	
(9) Financial conditions for the past three years (in million yen)	FYE 3/2020	FYE 3/2021	FYE 3/2022
Net assets	-1,113	-1,082	-1,187
Total assets	133	128	129
Net sales	—	—	—
Profit	8	31	-104

*All figures are converted at the actual exchange rate as of September 30, 2022 (1 PHP = 2.47 yen)

4. Stock valuation of the concerned subsidiary

JKSG (shareholder of JPL) has already written down JPL shares in full, and therefore the stock valuation is 0 yen.

5. Impact on JVCKENWOOD and its consolidated performance results

While JVCKENWOOD holds loans and accrued interest as receivables from JPL, a new loss will not be incurred as an allowance for doubtful accounts has been recorded in the full amount. Furthermore, a new loss also will not be incurred in JVCKENWOOD's consolidated accounting as an allowance for doubtful accounts has been recorded in the full amount for cash and deposits held by JPL.

Accordingly, the impact of this liquidation is judged to be insignificant.