August 3, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

Company name: JVCKENWOOD Corporation
Listing: Prime Market of the Tokyo Stock Exchange
Securities code: 6632
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Preparation of supplementary material on financial results: Yes
Holding of 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 Three Months Ended June 30, 2026 (from April 1, 2026 to June 30, 2026)**

(1) Consolidated Operating Results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Core operating income*		Operating profit		Profit before tax	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	88,799	10.7	2,007	(34.2)	1,526	(65.0)	1,823	(62.7)
June 30, 2025	80,197	(8.6)	3,052	(48.9)	4,356	(27.7)	4,891	(29.6)

*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 nonrecurring items that mainly occur temporarily.

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2026	989	(71.3)	3,538	41.8	7.00	6.80
June 30, 2025	3,446	(37.4)	2,495	(80.5)	23.38	23.19

(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
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2026	348,022	151,562	145,622	41.8
March 31, 2026	347,605	149,698	143,834	41.4

2. 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, 2026	-	6.00	-	12.00	18.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		10.00	-	10.00	20.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(% indicate year-on-year changes)

	Revenue		Core operating income		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	364,000	2.0	23,400	12.1	20,600	0.3	21,000	(3.0)	15,000	(10.6)	106.13

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

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

(i) Changes in accounting policies required by IFRS: None

(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)

As of June 30, 2026	161,564,801 shares
As of March 31, 2026	161,564,801 shares

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

As of June 30, 2026	20,216,384 shares
As of March 31, 2026	20,232,589 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2026	141,346,517 shares
Three months ended June 30, 2025	147,393,341 shares

Note: Treasury shares include shares held by the trust under the share-based compensation plan.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* A cautionary note on forward-looking statements

This report contains forward-looking statements, including statements regarding the future performance of JVCKENWOOD Corporation (the "Company"). These statements are based on information currently available to the Company and certain assumptions that the Company deems reasonable. They are not intended as guarantees that such future performance will be achieved. Actual results may differ materially from those expressed or implied by these forward-looking statements due to various factors. For the assumptions underlying the earnings forecasts and cautionary notes regarding their use, please refer to "1. Overview of Business Performance, (3) Future Forecast Information and Consolidated Earnings Forecast" in the accompanying materials.

Access to Supplementary Financial Materials and Earnings Presentations

The Company plans to hold an online earnings results presentation for analysts and institutional investors on Tuesday, August 4, 2026. The presentation materials to be used on that day will be available for download from the Company's website on Monday, August 3, 2026.

* The following abbreviations are used in this document:

S&S: Safety & Security Sector
M&T: Mobility & Telematics Services Sector
ES: Entertainment Solutions Sector

(Appendix)

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1. Overview of Business Performance

(1) Operating Results

Overview of the First Quarter of the Fiscal Year ending March 31, 2027

Revenue of JVCKENWOOD Corporation (the "Company") and its consolidated subsidiaries (the "Group") for the first three months of the fiscal year ending March 31, 2027 increased from the same period a year earlier due to an increase in sales in the domestic dealer-installed option business in the Mobility & Telematics Services (M&T) Sector and strong sales of the Entertainment Business in the Entertainment Solutions (ES) Sector, as well as the depreciation of the yen.

However, core operating income decreased from the same period a year earlier, despite the revenue increase. This was due to a surge in memory prices beyond the levels anticipated at the beginning of the fiscal year, and the lingering impact of the U.S. federal government shutdown on the Communications Systems Business in the Safety & Security (S&S) Sector, as well as the Group's increased fixed costs, such as personnel costs.

As a result of the decrease in core operating income, profits at each level from operating profit to profit attributable to owners of the parent also decreased from the same period a year earlier.

Although the Group has received a portion of refunds related to the U.S. IEEPA tariffs, it did not recognize them as revenue in the first three months of the fiscal year ending March 31, 2027, as the details are currently under review.

A summary of consolidated operating results for the first three months of the fiscal year ending March 31, 2027 is as follows.

(Million yen)

	Q1 of FYE3/'26	Q1 of FYE3/'27	Year-on-year change	
			Amount	Percentage
Revenue	80,197	88,799	＋8,602	＋10.7%
Core operating income*	3,052	2,007	(1,045)	(34.2%)
Operating profit	4,356	1,526	(2,830)	(65.0%)
Profit before income taxes	4,891	1,823	(3,067)	(62.7%)
Profit attributable to owners of the parent	3,446	989	(2,456)	(71.3%)

* Core operating income is calculated by deducting cost of sales and selling, general and administrative expenses from revenue, and does not include other income, other expenses, and foreign exchange losses (gains), which are primarily due to one-time factors. The evaluation of business sector performance is explained using core operating income.

The exchange rates used for financial reporting purposes for the first three months of the fiscal year ending March 31, 2027 are as follows.

		Q1
FYE3/'27	U.S. dollar	Approx. 160 yen
	Euro	Approx. 185 yen
FYE3/'26 (for reference)	U.S. dollar	Approx. 145 yen
	Euro	Approx. 164 yen

Revenue

Revenue of the Group for the first three months of the fiscal year ending March 31, 2027 increased approximately 8,600 million yen, or 10.7%, from the same period a year earlier to 88,799 million yen. This was mainly because of an increase in sales in the domestic dealer-installed option business in the M&T Sector and strong sales of the Entertainment Business in the ES Sector, as well as the depreciation of the yen.

Core Operating Income

The Company 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 ending March 31, 2027 decreased approximately 1,000 million yen, or 34.2%, from a year earlier to 2,007 million yen. This was mainly because of a higher-than-anticipated surge in memory prices and the impact of the U.S. federal government shutdown in the Communications Systems Business, as well as the Group's increased fixed costs, such as personnel expenses, despite increases in both revenue and income in the domestic dealer-installed option business and the Entertainment Business.

Operating Profit

Operating profit for the first three months of the fiscal year ending March 31, 2027 decreased approximately 2,800 million yen, or 65.0%, from a year earlier to 1,526 million yen, mainly due to a decrease in core operating income and the recording of restructuring expenses such as headcount reductions at production sites, as well as the absence of a gain on the sale of property, plant and equipment recognized in the same period a year earlier.

Profit before Income Taxes

Profit before income taxes for the first three months of the fiscal year ending March 31, 2027 decreased approximately 3,100 million yen, or 62.7%, from a year earlier to 1,823 million yen, mainly due to a decrease in operating profit and an increase in finance expenses.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent for the first three months of the fiscal year ending March 31, 2027 decreased approximately 2,500 million yen, or 71.3%, from a year earlier to 989 million yen, mainly due to a decrease in profit before income taxes.

Revenue and Profit (Loss) by Business Sector

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

Three months ended June 30, 2026 (April 1, 2026, to June 30, 2026)

(Million yen)

Business Sector		Q1 of FYE3/'26	Q1 of FYE3/'27	Year-on-year change
Safety & Security (S&S) Sector	Revenue	18,279	18,488	＋209
	Core operating income	900	69	(830)
Mobility & Telematics (M&T) Services Sector	Revenue	46,580	53,468	＋6,888
	Core operating income	1,650	622	(1,028)
Entertainment Solutions (ES) Sector	Revenue	13,234	14,446	＋1,212
	Core operating income	422	1,304	＋881
Others	Revenue	2,103	2,395	＋292
	Core operating income	78	11	(67)
Total	Revenue	80,197	88,799	＋8,602
	Core operating income	3,052	2,007	(1,045)

Safety & Security (S&S) Sector

Revenue of the S&S Sector for the first three months of the fiscal year ending March 31, 2027 increased approximately 200 million yen, or 1.1%, from a year earlier to 18,488 million yen. Core operating income decreased approximately 800 million yen, or 92.3%, from a year earlier to 69 million yen.

Revenue

Revenue of the Communications Systems Business increased approximately 1,200 million yen from a year earlier. This was mainly due to a recovery in production and sales for enterprise markets, supported by the easing of insufficient supply of components, and the depreciation of the yen.

Revenue of the Professional Systems Business decreased approximately 1,000 million yen from a year earlier due to lower sales following the withdrawal from the Healthcare Business.

Core Operating Income

Core operating income of the S&S Sector as a whole reported a decrease from a year earlier. This was mainly due to a decrease in sales of professional radios for the public safety market in the Communications Systems Business—resulting from the postponement of anticipated projects and stagnant new orders caused by the U.S. federal government shutdown.

Mobility & Telematics Services (M&T) Sector

Revenue of the M&T Sector for the first three months of the fiscal year ending March 31, 2027 increased approximately 6,900 million yen, or 14.8%, from a year earlier to 53,468 million yen. Core operating income decreased approximately 1,000 million yen, or 62.3%, from a year earlier to 622 million yen.

Revenue

Revenue of the OEM Business increased from a year earlier mainly due to strong sales in the domestic dealer-installed option business, primarily in products introduced since the end of the previous fiscal year, as well as the depreciation of the yen.

Revenue of the Aftermarket Business increased from a year earlier mainly due to the effect of introducing new car navigation systems for the domestic market, as well as price revisions implemented in response to the surge in prices of components such as memory in Japan, the U.S., and Europe.

Revenue of the Telematics Service Business increased from a year earlier, mainly due to an increase in sales of the connected-type dashcams for auto insurance companies, as well as price revisions implemented in response to the surge in prices of components such as memory.

Core Operating Income

Core operating income of the entire M&T Sector decreased from a year earlier, despite increases in both revenue and income in the domestic dealer-installed option business. This was mainly due to a surge in the prices of components such as memory beyond the levels anticipated at the beginning of the fiscal year, as well as the impact of a decline in sales of products for high-end automobiles at ASK Industries S.p.A. which handles in-vehicle audio and transmission components, owing to the slowdown in the Chinese economy.

Entertainment Solutions (ES) Sector

Revenue of the Entertainment Solutions Sector for the first three months of the fiscal year ending March 31, 2027 increased approximately 1,200 million yen, or 9.2%, from a year earlier to 14,446 million yen. Core operating income increased approximately 900 million yen, or 208.6%, from a year earlier to 1,304 million yen.

Revenue

Revenue of the Media Business decreased approximately 600 million yen from a year earlier mainly due to a decline in sales of projectors, despite a recovery in sales of headphones and earphones supported by responses to the U.S. tariff measures.

Revenue of the Entertainment Business increased approximately 1,800 million yen from a year earlier mainly due to strong sales in the Content Business.

Core Operating Income

The ES Sector as a whole reported an increase in core operating income from a year earlier due to a significant increase in core operating income in the Entertainment Business owing to the effect of higher revenue.

(2) Financial Position

Analysis of Assets, Liabilities, Equity, Etc.

Assets

Total assets increased approximately 400 million yen from the end of the previous fiscal year to 348,022 million yen. This was mainly due to increases in cash and cash equivalents and inventories, despite a decrease in trade and other receivables, among others.

Liabilities

Total liabilities were down approximately 1,400 million yen from the end of the previous fiscal year to 196,459 million yen. This was mainly due to repayment of borrowings, despite an increase in trade and other payables.

Equity

Total equity increased approximately 1,900 million yen from the end of the previous fiscal year to 151,562 million yen. This was mainly because other components of equity increased due to the depreciation of the yen against major currencies from the previous fiscal year-end.

The ratio of equity attributable to owners of the parent to total assets increased 0.4 percentage points from the end of the previous fiscal year to 41.8%.

Cash Flow Analysis

Cash Flows from Operating Activities

Net cash provided by operating activities for the first three months of the fiscal year ending March 31, 2027 was 11,892 million yen, an increase of approximately 4,300 million yen from the same period of the previous fiscal year. This was mainly due to the receipt of refunds related to U.S. tariffs, as well as an increase in other current liabilities.

Cash Flows from Investing Activities

Net cash used in investing activities for the first three months of the fiscal year ending March 31, 2027 was 3,713 million yen, a decrease of approximately 300 million yen from the same period of the previous fiscal year. This was mainly due to decreases in purchases of property, plant and equipment and purchases of intangible assets.

Cash Flows from Financing Activities

Net cash used in financing activities for the first three months of the fiscal year ending March 31, 2027 was 5,351 million yen, an increase of approximately 2,500 million yen from the same period of the previous fiscal year. This was mainly due to repayment of bank borrowings, although there was no acquisition of treasury stock.

Cash and cash equivalents at the end of the first quarter of the fiscal year ending March 31, 2027 increased approximately 19,900 million yen from the same period of the previous fiscal year to 69,203 million yen.

(3) Future Forecast Information and Consolidated Earnings Forecast

Earnings Forecast for the Fiscal Year Ending March 31, 2027

Revenue for the first three months of the fiscal year ending March 31, 2027 exceeded expectations, mainly due to strong sales in the domestic dealer-installed option business in the M&T Sector and the Entertainment Business in the ES Sector. However, core operating income fell short of expectations, mainly due to a decline in sales of professional radios for the public safety market in the Communications Systems Business and a higher-than-anticipated surge in the prices of components such as memory.

From the second quarter of the fiscal year ending March 31, 2027 onward, the Group expects a recovery in sales in the Communications Systems Business and continued solid performance in the domestic dealer-installed option business and the Entertainment Business. The Group will also continue to implement price revisions in response to the surge in memory prices.

Accordingly, the Company has not revised the consolidated earnings forecast for the fiscal year ending March 31, 2027, announced on May 1, 2026.

(Million yen)

	Consolidated earnings for the fiscal year ended March 31, 2026	Consolidated earnings forecast for the fiscal year ending March 31, 2027	Year-on-year change
Revenue	356,865	364,000	＋7,134
Core operating income*	20,880	23,400	＋2,519
Operating profit	20,540	20,600	＋59
Profit before income taxes	21,660	21,000	(660)
Profit attributable to owners of the parent	16,787	15,000	(1,787)

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

The exchange rates used as assumptions in the earnings forecast are: USD 1 = JPY155 and EUR 1 = JPY180.
The earnings forecast was prepared by the Company 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. Consolidated Financial Statements
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	65,716	69,203
Trade and other receivables	73,919	67,314
Contract assets	5,349	4,482
Other financial assets	2,504	2,598
Inventories	61,044	64,852
Right to recover products	351	283
Income taxes receivable	924	1,127
Other current assets	7,834	7,989
Total current assets	217,647	217,851
Non-current assets		
Property, plant and equipment	64,901	63,726
Goodwill	1,002	1,013
Intangible assets	28,157	28,468
Net defined benefit assets	115	101
Investment property	4,136	4,173
Investments accounted for using the equity method	9,954	10,490
Other financial assets	12,048	11,817
Deferred tax assets	6,424	6,844
Other non-current assets	3,218	3,534
Total non-current assets	129,958	130,170
Total assets	347,605	348,022

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	52,212	53,350
Contract liabilities	3,905	3,799
Refund liabilities	3,745	3,457
Short-term borrowings	18,589	16,824
Other financial liabilities	5,039	4,573
Income taxes payable	1,345	1,360
Provisions	2,446	2,508
Other current liabilities	29,880	30,927
Total current liabilities	117,165	116,802
Non-current liabilities		
Bonds and long-term borrowings	50,009	49,892
Other financial liabilities	10,669	10,231
Net defined benefit liabilities	14,493	13,805
Provisions	1,239	1,203
Deferred tax liabilities	2,453	2,491
Other non-current liabilities	1,875	2,033
Total non-current liabilities	80,741	79,657
Total liabilities	197,906	196,459
Equity		
Capital stock	13,645	13,645
Capital surplus	41,074	41,165
Retained earnings	72,782	72,094
Treasury stock	(18,866)	(18,853)
Other components of equity	35,199	37,570
Equity attributable to owners of the parent	143,834	145,622
Non-controlling interests	5,864	5,939
Total equity	149,698	151,562
Total liabilities and equity	347,605	348,022

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

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	80,197	88,799
Cost of sales	55,661	63,846
Gross profit	24,536	24,953
Selling, general and administrative expenses	21,484	22,945
Other income	1,446	229
Other expenses	215	700
Foreign exchange gains (losses)	72	(10)
Operating profit	4,356	1,526
Finance income	293	281
Finance expenses	328	477
Share of profit (loss) of investments accounted for using the equity method	569	493
Profit before income taxes	4,891	1,823
Income tax expenses	1,325	793
Profit	3,566	1,030
Profit attributable to:		
Owners of the parent	3,446	989
Non-controlling interests	120	40
Profit	3,566	1,030
Earnings per share		
Basic earnings per share	23.38 yen	7.00 yen
Diluted earnings per share	23.19 yen	6.80 yen

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	3,566	1,030
Other comprehensive income ("OCI")		
Items that will not be reclassified subsequently to profit or loss		
Financial assets measured at fair value through OCI	481	(409)
Total items that will not be reclassified subsequently to profit or loss	481	(409)
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(1,074)	2,220
Cash flow hedges	(719)	640
Share of OCI of investments accounted for using the equity method	240	57
Total items that may be reclassified subsequently to profit or loss	(1,552)	2,917
OCI, net of income tax	(1,071)	2,507
Comprehensive income	2,495	3,538
Total comprehensive income attributable to:		
Owners of the parent	2,563	3,379
Non-controlling interests	(68)	159
Comprehensive income	2,495	3,538

(3) Consolidated Statement of Changes in Equity

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Equity attributable to owners of the parent						
					Other components of equity		
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Remeasurement of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations
Balance as of April 1, 2025	13,645	42,357	58,086	(11,589)	–	909	20,529
Profit			3,446				
Other comprehensive income						481	(784)
Comprehensive income	–	–	3,446	–	–	481	(784)
Acquisition of treasury stock		(1)		(2,000)			
Disposal of treasury stock				0			
Cancellation of treasury stock							
Share-based payment transactions		56		42			
Dividends paid			(1,480)				
Changes in ownership interests in subsidiaries		(88)					
Transfer from other components of equity to retained earnings							
Total transactions with the owner	–	(33)	(1,480)	(1,957)	–	–	–
Balance as of June 30, 2025	13,645	42,324	60,052	(13,546)	–	1,391	19,745

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Cash flow hedges	Fair value of investment property	Total			
Balance as of April 1, 2025	772	391	22,602	125,103	6,295	131,399
Profit			–	3,446	120	3,566
Other comprehensive income	(580)		(882)	(882)	(188)	(1,071)
Comprehensive income	(580)	–	(882)	2,563	(68)	2,495
Acquisition of treasury stock			–	(2,002)		(2,002)
Disposal of treasury stock			–	0		0
Cancellation of treasury stock			–	–		–
Share-based payment transactions			–	99		99
Dividends paid			–	(1,480)	(2)	(1,482)
Changes in ownership interests in subsidiaries			–	(88)	(427)	(515)
Transfer from other components of equity to retained earnings			–	–		–
Total transactions with the owner	–	–	–	(3,471)	(429)	(3,900)
Balance as of June 30, 2025	192	391	21,719	124,195	5,797	129,993

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Equity attributable to owners of the parent						
					Other components of equity		
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Remeasure-ment of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences arising on translation of foreign operations
Balance as of April 1, 2026	13,645	41,074	72,782	(18,866)	—	2,287	31,111
Profit			989				
Other comprehensive income						(409)	2,192
Comprehensive income	—	—	989	—	—	(409)	2,192
Acquisition of treasury stock				(0)			
Disposal of treasury stock							
Cancellation of treasury stock		(9)		9			
Share-based payment transactions		101		4			
Dividends paid			(1,695)				
Changes in ownership interest in subsidiaries							
Transfer from other components of equity to retained earnings			18			(18)	
Total transactions with the owner	—	91	(1,677)	13	—	(18)	—
Balance as of June 30, 2026	13,645	41,165	72,094	(18,853)	—	1,859	33,304

(Millions of yen)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Cash flow hedges	Fair value of investment property	Total			
Balance as of April 1, 2026	1,408	391	35,199	143,834	5,864	149,698
Profit			—	989	40	1,030
Other comprehensive income	607		2,389	2,389	118	2,507
Comprehensive income	607	—	2,389	3,379	159	3,538
Acquisition of treasury stock			—	(0)		(0)
Disposal of treasury stock			—	—		—
Cancellation of treasury stock			—	—		—
Share-based payment transactions			—	105		105
Dividends paid			—	(1,695)	(83)	(1,779)
Changes in ownership interest in subsidiaries			—	—		—
Transfer from other components of equity to retained earnings			(18)	—		—
Total transactions with the owner	—	—	(18)	(1,590)	(83)	(1,674)
Balance as of June 30, 2026	2,015	391	37,570	145,622	5,939	151,562

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before income taxes	4,891	1,823
Depreciation and amortization	4,239	5,115
Increase (decrease) in net defined benefit liabilities	(146)	(717)
Decrease (increase) in net defined benefit assets	31	13
Finance income	(293)	(281)
Finance expenses	328	477
Loss (gain) on valuation of financial assets measured at fair value through profit or loss	51	2
Loss (gain) on sales of property, plant and equipment	(1,222)	(2)
Loss on disposal of property, plant and equipment	16	0
Share of loss (profit) of investments accounted for using the equity method	(569)	(493)
Decrease (increase) in trade and other receivables	12,254	6,794
Decrease (increase) in inventories	(2,667)	(3,139)
Increase (decrease) in trade and other payables	(688)	1,307
Increase (decrease) in accrued expenses	(6,790)	(4,427)
Increase (decrease) in other current liabilities	1,814	5,231
Other, net	(2,089)	1,375
Subtotal	9,160	13,082
Interest received	208	218
Dividend received	83	62
Interest paid	(298)	(318)
Income taxes paid	(1,513)	(1,153)
Net cash provided by operating activities	7,640	11,892
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,866)	(913)
Proceeds from sales of property, plant and equipment	1,325	18
Purchases of intangible assets	(3,283)	(2,408)
Payments for acquisition of long-term prepaid expenses	(214)	(431)
Other, net	(21)	22
Net cash used in investing activities	(4,060)	(3,713)
Cash flows from financing activities		
Proceeds from short-term borrowings	23,812	1,067
Repayment of short-term borrowings	(18,451)	(2,324)
Proceeds from long-term borrowings	1,143	2,308
Repayment of long-term borrowings	(3,737)	(3,261)
Repayment of lease liabilities	(942)	(908)
Acquisition of treasury stock	(2,000)	(0)
Cash dividends paid	(1,480)	(1,695)
Cash dividends paid to non-controlling interests	(715)	(536)
Other, net	(515)	—
Net cash used in financing activities	(2,885)	(5,351)
Effect of exchange rate changes on cash and cash equivalents	26	660
Net increase (decrease) in cash and cash equivalents	720	3,487
Cash and cash equivalents at beginning of year	48,597	65,716
Cash and cash equivalents at end of year	49,318	69,203

(5) Notes to Consolidated Financial Statements

(Assumption for Going Concern): None

(Segment Information)

(1) Outline of reportable segments

Reportable segments are the Company's constituent business units for which separate financial information can be obtained and those which are periodically examined by the Board of Directors for the purposes of determining the allocation of resources and evaluating results of operations.

The Group appoints a chief operating officer ("COO") in each sector to formulate comprehensive strategies and engage in business activities for their products and services and conducts their worldwide operations.

The Group is taking a step forward and going from being a traditional manufacturing and sales company to being one that creates customer value by providing solutions to their problems and operates three business segments: the Safety & Security(S&S) Sector, the Mobility & Telematics Services(M&T) Sector, and the Entertainment Solutions (ES) Sector. The Group's reportable segments are consistent with these business segments.

The major products, services, and business details of each segment are as follows:

Safety & Security (S&S) Sector	Manufacture and sales of professional wireless communications devices, communications devices for general consumers, professional video surveillance equipment, professional audio equipment, medical image display systems, etc.
Mobility & Telematics Services (M&T) Sector	Manufacture and sales of car AV systems, car navigation systems, dashcams; in-vehicle speakers, amplifiers, antennas, and cables; in-vehicle devices, etc., and telematics solutions
Entertainment Solutions (ES) Sector	Manufacture and sales of projectors, headphones, home audio equipment, portable power supplies, etc.; entrusted business of CDs and DVDs (packaged software), etc.; manufacture of CDs and DVDs (packaged software); content business of audio and video software, content distribution, etc.
Others	Service parts, etc.

(2) Revenue, profit or loss for each reportable segment

Revenue, profit or loss of each segment are as follows:

For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segments				Other	Total	Reconciliations	Consolidated financial statements
	Safety & Security (S&S) Sector	Mobility & Telematics Service (M&T) Sector	Entertainment Solutions (ES) Sector	Total				
Revenue								
Revenue from customers	18,279	46,580	13,234	78,093	2,103	80,197	—	80,197
Intersegment revenue or transfers	—	—	—	—	—	—	—	—
Total	18,279	46,580	13,234	78,093	2,103	80,197	—	80,197
Segment profit (Note)	900	1,650	422	2,973	78	3,052	—	3,052
Other income								1,446
Other expenses								215
Foreign exchange gains (losses)								72
Operating profit								4,356
Finance income								293
Finance expenses								328
Share of profit (loss) of investments accounted for using the equity method								569
Profit before income taxes								4,891

Note: Segment profit is indicated with core operating income and calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

For the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Reportable segments				Other	Total	Reconciliations	Consolidated financial statements
	Safety & Security (S&S) Sector	Mobility & Telematics Service (M&T) Sector	Entertainment Solutions (ES) Sector	Total				
Revenue								
Revenue from customers	18,488	53,468	14,446	86,404	2,395	88,799	—	88,799
Intersegment revenue or transfers	—	—	—	—	—	—	—	—
Total	18,488	53,468	14,446	86,404	2,395	88,799	—	88,799
Segment profit (Note)	69	622	1,304	1,995	11	2,007	—	2,007
Other income								229
Other expenses								700
Foreign exchange gains (losses)								(10)
Operating profit								1,526
Finance income								281
Finance expenses								477
Share of profit (loss) of investments accounted for using the equity method								493
Profit before income taxes								1,823

Note: Segment profit is indicated with core operating income and calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

(Subsequent events)

(Matters pertaining to the acquisition of treasury stocks)

At the Board of Directors' meeting held on August 3, 2026, the Company resolved matters concerning the acquisition of treasury stocks as follows:

(1) Reason for the acquisition of treasury stocks

The Company's basic shareholder return policy is to maintain stable dividends while implementing the acquisition of treasury stocks in a flexible manner within its target of a total return ratio, taking into account its financial condition and future growth investments. Under its medium-term management plan "VISION 2030", which commenced in the fiscal year ending March 31, 2027, the Company intends to provide a target of a total return ratio of 30% to 45%.

In accordance with this policy, the Company has resolved to acquire its treasury stocks to improve shareholder returns and to enhance capital efficiency, after comprehensively considering its current financial condition, business environment, and recent share price levels. The Company plans to cancel the treasury stocks scheduled to be acquired but the number of shares to be cancelled and the timing of such cancellation have not yet been determined.

(2) Details of the acquisition of treasury stocks

(i) Types of shares to be acquired: Common stocks of the Company

(ii) Total number of shares to be acquired: 3 million shares (maximum)

(Ratio to the total number of outstanding shares (excluding treasury stocks): 2.12%)

(iii) Total amount of shares to be acquired: 3 billion yen (maximum)

(iv) Period of share acquisition: From August 4 to October 30, 2026

(v) Method of share acquisition: Open-market purchase on the Tokyo Stock Exchange