

JVCKENWOOD



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Company	JVCKENWOOD Corporation
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Impact on Consolidated Earnings from the Outbreak of the Novel Coronavirus

We would like to express our deepest condolences to those who passed away due to the novel coronavirus disease (COVID-19) and our heartfelt sympathy to those who contracted the disease. JVCKENWOOD Corporation (JVCKENWOOD) revised the full-year consolidated earnings for the fiscal year ended March 2020 in light of the impact of the novel coronavirus epidemic as outlined below.

Automotive Sector

In the Aftermarket Business, revenue remained robust in the domestic market but declined mainly in the European and the U.S. markets, due to stagnant shipments of new products after a string of closures of distributors in the U.S. In the OEM Business, revenue decreased, reflecting sluggish sales of automobiles around the world as automobile manufacturers in various countries suspended plant operations. In addition, our production activities were also impacted adversely by plant shutdowns and delays in the supply of parts in China.

Public Service Sector

In the Communications Systems Business, sales in the public safety market, such as police and fire departments and emergency medical services, at the Company's communication systems subsidiary in the U.S. remained strong. However, we observed a negative impact on projects including airports for which contracts had been awarded, such as postponement of delivery of certain products to April or thereafter. In Malaysia, where one of the Company's main plants is located, the government introduced a movement control order. As a result, our Malaysia Plant has been shut down, and this has adversely impacted the production and sales of radio communication systems. In the Professional Systems Business, sales at JVCKENWOOD Public & Industrial Systems Corporation were roughly in line with the period-start projections. In the Healthcare Business, meanwhile, sales to domestic and overseas hospitals declined.

Media Service Sector

In the Media Business, sales of devices for communication systems remained robust in the Imaging Device Business. Sales of professional projectors in the flight simulator market were impacted only slightly. But sales in the BtoC market declined overall, as a result of closures of distributors due to

restrictions on going out implemented by governments around the world. Regarding professional video cameras, both production and sales activities were impacted, due to stagnant supply of parts produced in China. In the Entertainment Business, on the other hand, our business performance remained robust, despite the impact of cancellation, etc. of events including live performance events.

Others

Sales of telematics solutions in the DX Business remained strong and achieved robust growth in revenue while achieving an improvement in profit and loss compared to the previous year.

As a result of the impact of the novel coronavirus epidemic, revenue and operating profit in the full-year consolidated earnings for the fiscal year ended March 2020 are expected to decrease approx. 6,000 million yen and 3,000 million yen, respectively, compared with the period-start projections.

As a result of the above, JVCKENWOOD, at its Board of Directors meeting held today, resolved to revise the consolidated earnings and dividend forecasts for the fiscal year ended March 2020 announced on April 26, 2019. For further information, please refer to “Revision of the consolidated earnings and dividend forecasts for the fiscal year ended March 2020, and voluntary return of executive compensation” announced today.