

JVC KENWOOD Group's Results and Forecast Briefing

First Quarter of Fiscal Year Ending March 2013

JVC KENWOOD Corporation

[Abbreviations]

CE: Car Electronics (Business)

PS: Professional Systems (Business)

COM: Communications Equipment (Segment)

BS: Business Solutions (Segment)

HM: Home & Mobile Electronics (Business)

Sound: Sound & Acoustic Equipment (Business)

Imaging: Imaging Equipment (Business)

SE: Entertainment (Business)

Financial Results Overview for 1Q of Fiscal Year Ending March 2013

Satoshi Fujita, Director and CFO

Financial Results for 1Q FYE3/'13- Summary

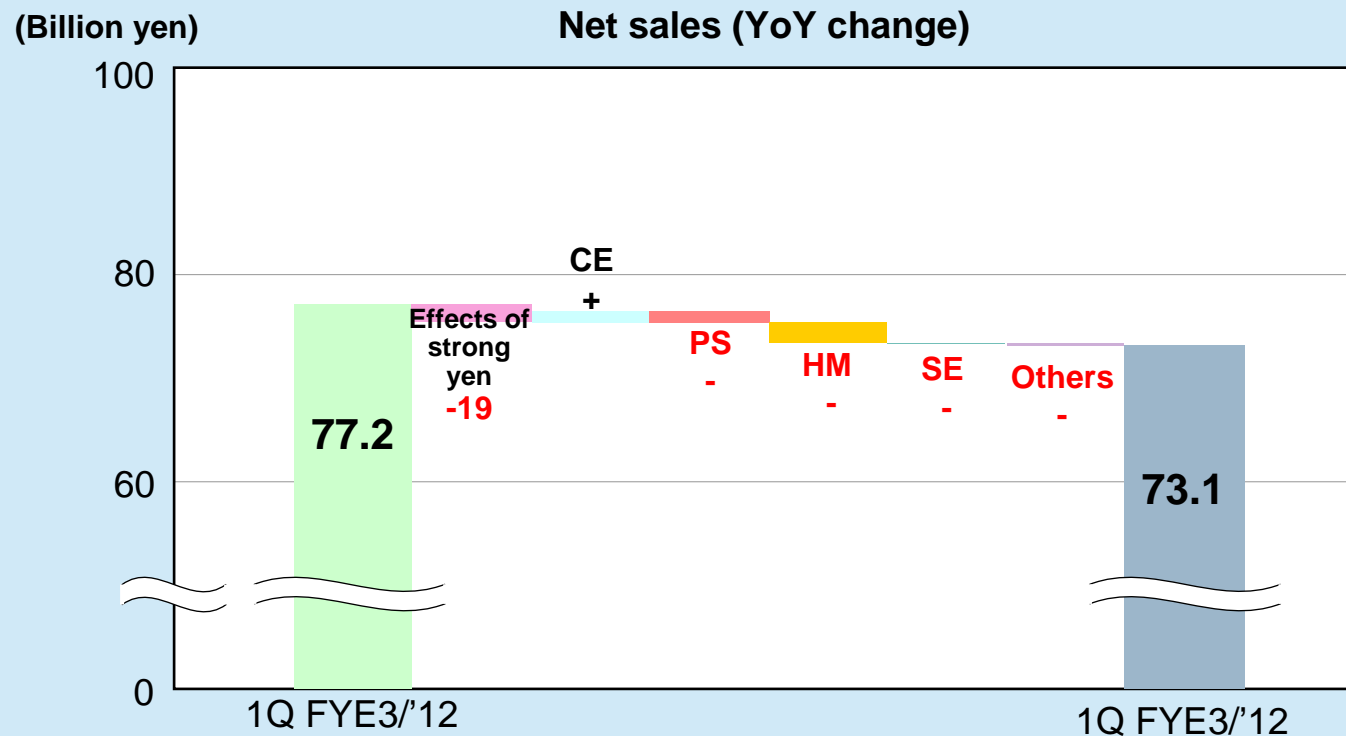
- * CE and COM remained strong, primarily in Japan and North America.
- * Net sales declined, mainly due to the effects of the strong yen and deteriorating economic conditions in Europe.
- * Profits declined, due to a temporary increase in costs caused by floods in Thailand.
- * Financial soundness further improved, as reflected by reduced interest-bearing debt and higher ratio of long-term loans compared to the end of the previous fiscal year.

(Billion yen)

		Net sales	Operating profit	Ordinary income	Net income	Exchange rate
1 Q	FYE3/'13	73.1	2.0	1.6	0.9	USD: JPY80 Euro: JPY103
	FYE3/'12	77.2	3.0	2.7	1.5	USD: JPY82 Euro: JPY117
	YoY change	-4.1	-1.0	-1.1	-0.7	

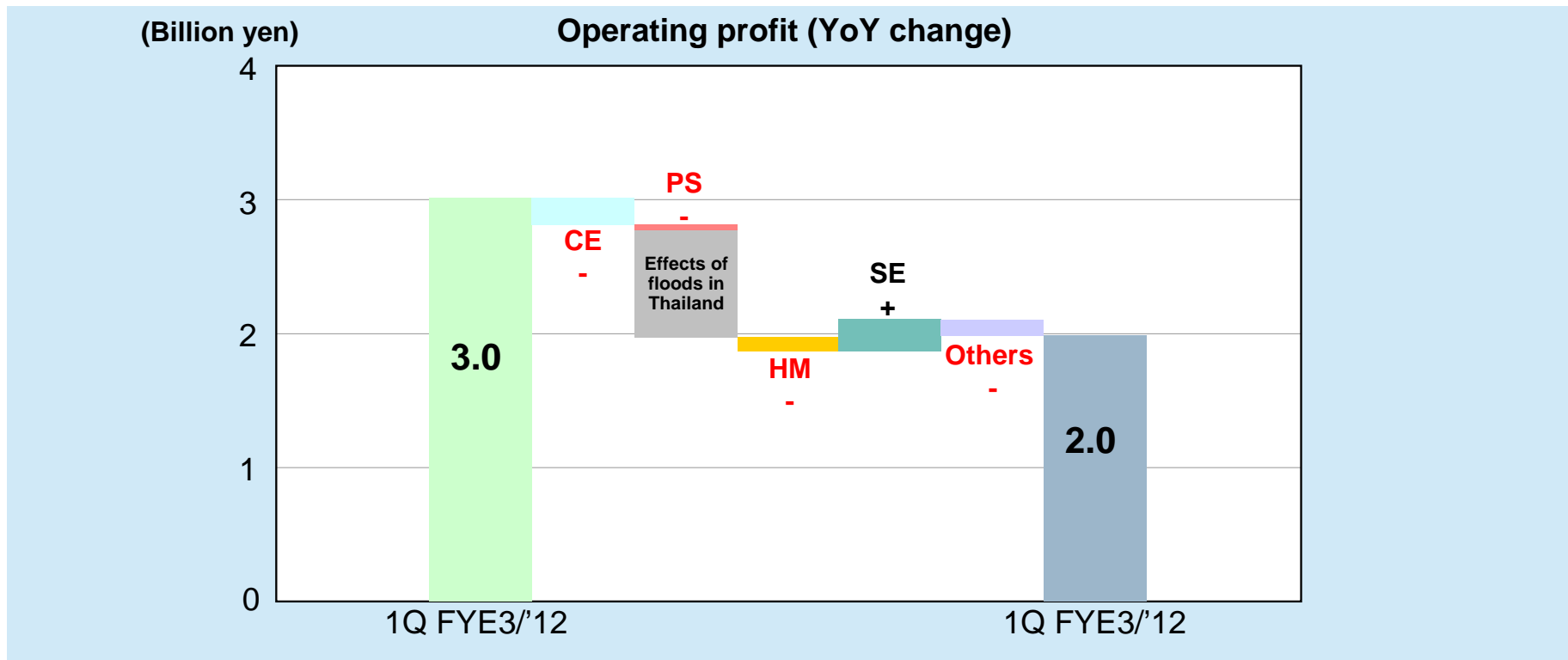
1Q FYE3/'13 results: JPY 73.1 B (down 5.3% YoY)

- * Net sales declined due to the strong yen and the effects a deteriorating European economy, primarily for HM.
- * CE expanded earnings, due to strong OEM and domestic sales, which absorbed the effects of the strong yen.
- * COM continued to perform well, focusing mainly on professional wireless equipment for North America for which earnings increased on a local currency basis.



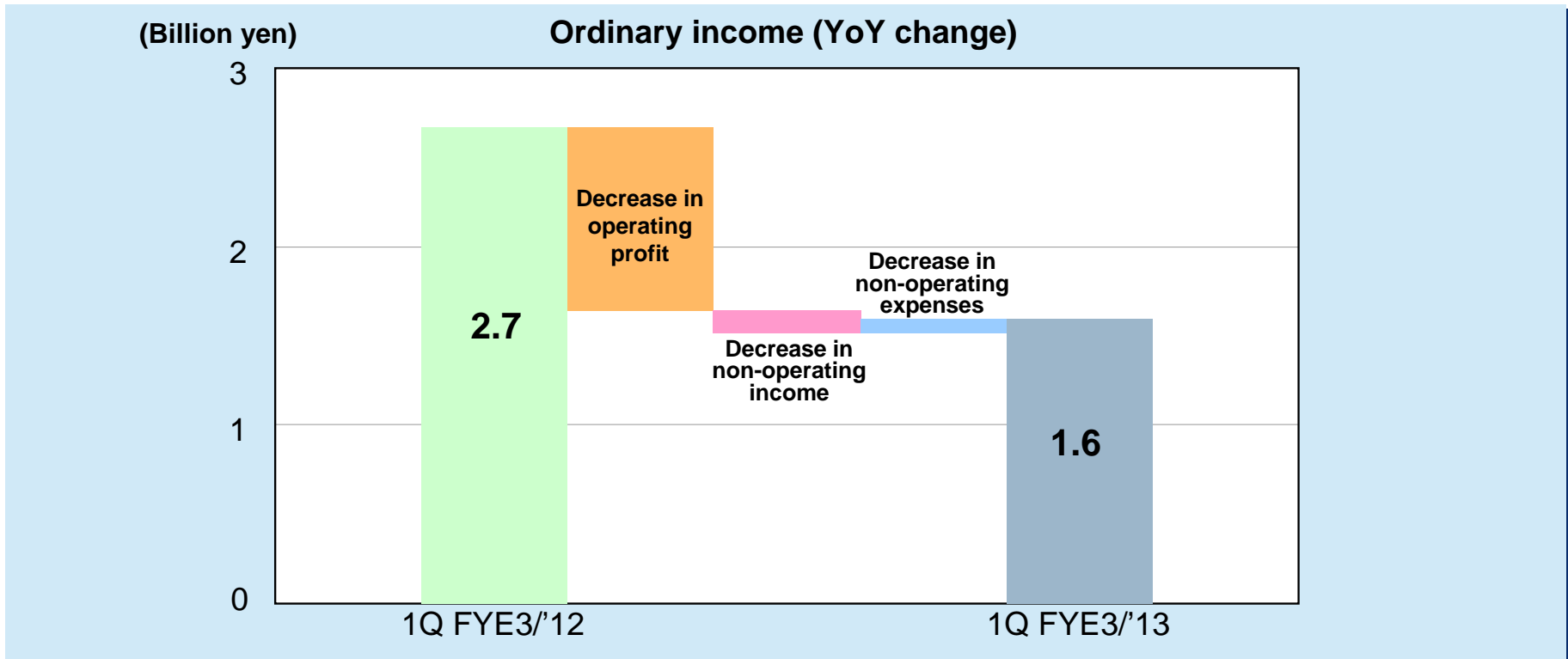
1Q FYE3/'13 Results: JPY 2.0 B (Down 34.2% YoY)

- * Profits declined, mainly due to temporary cost increase for BS (profit down JPY 800 M) caused by floods in Thailand.
- * Operating profit attained a better-than-expected level because reinforced profitability of CE and COM, increased earnings of SE, and stable operating profitability of HM absorbed the effects of the strong yen mainly against Euro (profit down JPY 1.1 B), decreased patent revenues, and increased personnel expenses.



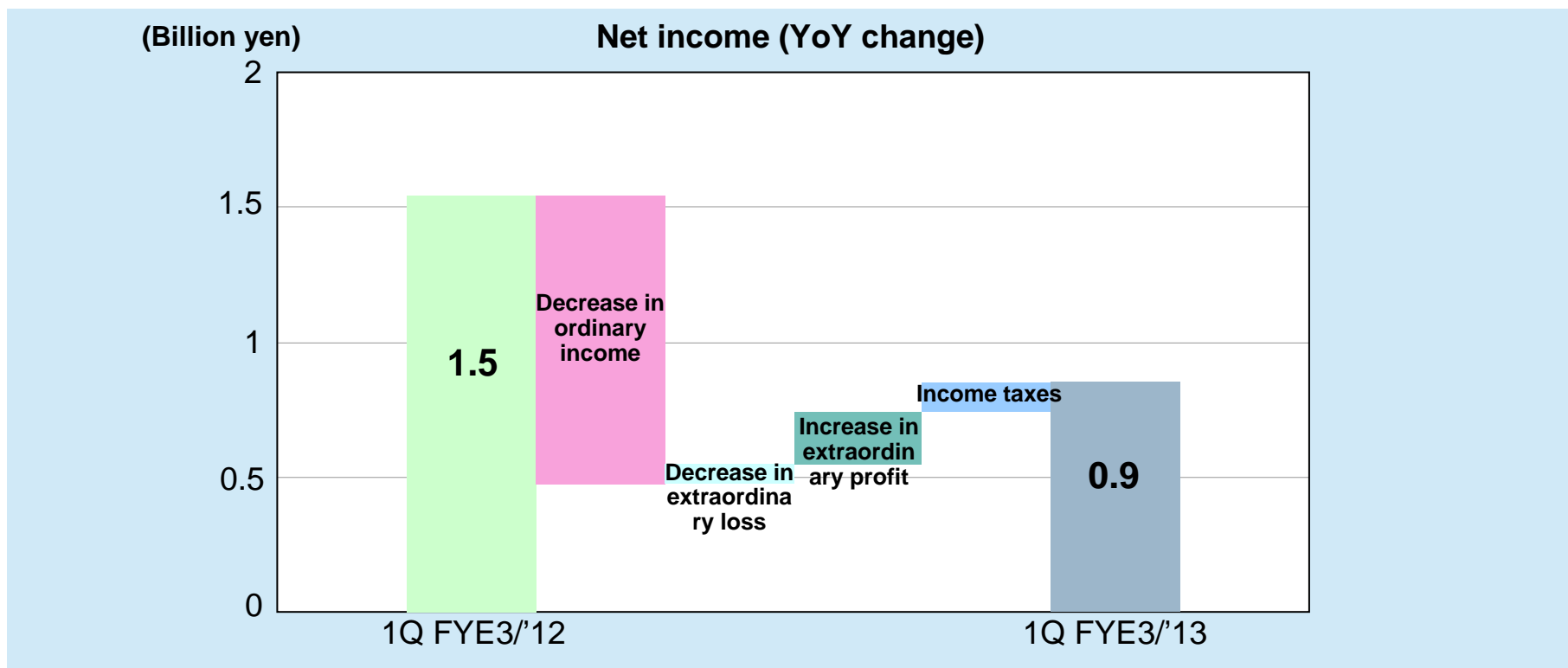
1Q FYE3/'13 Results: JPY 1.6 B (Down 40% YoY)

- * Ordinary income declined due to lower operating profit.
- * Non-operating income/expenses were comparable to the previous year, mainly due to the posting of equity in earnings of affiliates for Shinwa International Holdings Limited, although foreign exchange gains and dividends income declined.



1Q FYE3/'13 Results: JPY 0.9 B (Down 44.8% YoY)

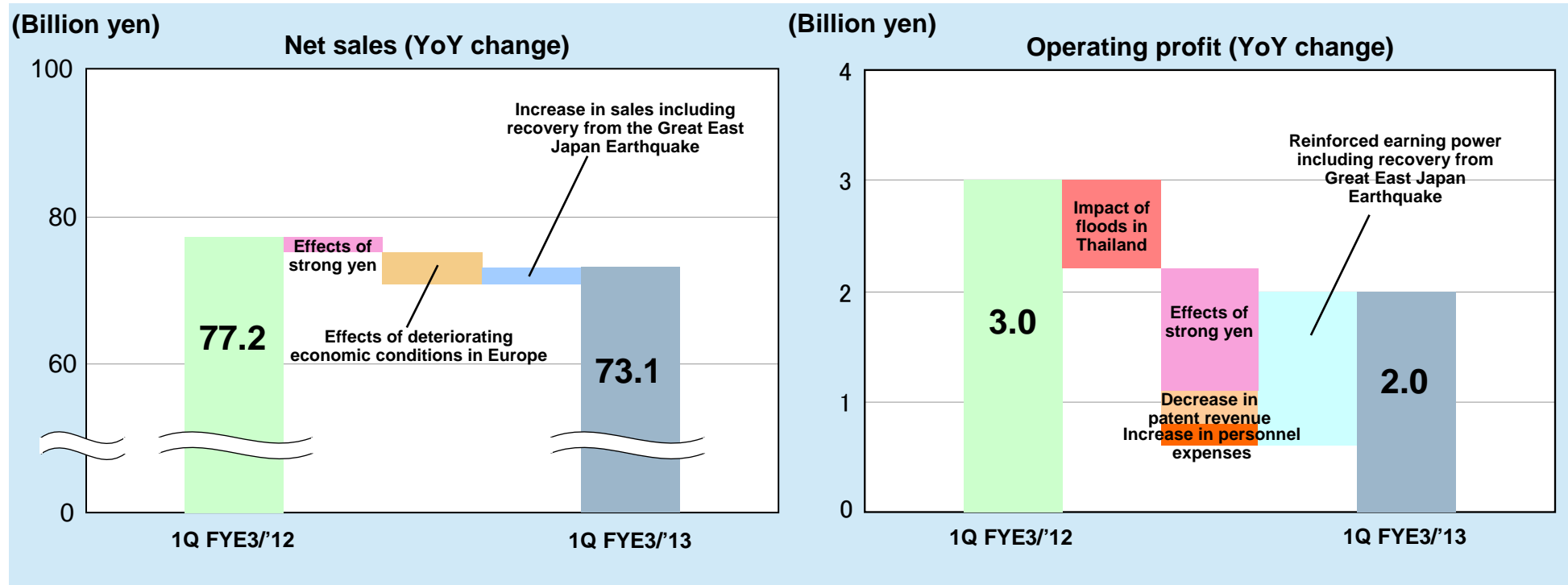
- * Net income declined due to lower ordinary income.
- * Extraordinary profit/loss improved JPY 300 M YoY, due to an increase in gain on sales of fixed assets and revenue from insurance paid in conjunction with floods in Thailand.
- * Income taxes decreased JPY 200 M YoY.



Financial Results for 1Q FYE3/'13 -

Analysis of factors behind YoY increases/decreases

- * Factor behind decreases in net sales: the impact of stronger yen against USD of 2.4% and against Euro of 12.0% YoY.
- * Factor behind decreases in profits: temporary rise in costs caused by floods in Thailand (profit down JPY 800 M).
- * Effects of strong yen, mainly against the Euro (profit down JPY 1.1 B), decreased patent revenue and the rise in personnel expenses were absorbed by the recovery from the Great East Japan Earthquake and reinforced earnings power of each business backed by activities under the mid-term business plan.



Information by Business Segment

Net sales, Profits, and Losses by Business Segment

- CE: Sales increased because OEM and domestic sales remained strong, which minimized the fall in profits (profits increased when excluding the effects of the strong yen).
- PS: Lower profit on lower sales, due mainly to the effects of floods in Thailand on BS, although COM remained strong (higher profit on increased sales on a local currency basis).
- HM: Maintained positive operating profitability supported by reinforced earning power, despite lower sales (profits increased when excluding the effects of the strong yen).
- SE: Profits increased, due to the favorable software business and cost reductions.

(million yen)

Segment		1Q of FYE3/'13			Full Year
		FYE3/'13	FYE3/'12	YoY Change	FYE3/'12
Car Electronics (CE)	Net sales	27,062	26,600	+462	107,281
	Operating profit	1,545	1,745	- 200	6,346
Professional Systems (PS)	Net sales	20,015	21,563	- 1,548	93,527
	Operating profit	-329	517	- 846	3,093
Home & Mobile Electronics (HM)	Net sales	16,142	18,701	-2,559	77,545
	Operating profit	78	186	- 108	1,730
Entertainment (SE)	Net sales	8,917	8,993	- 76	36,735
	Operating profit	701	462	+239	1,212
Other	Net sales	986	1,335	- 349	5,778
	Operating profit	-9	107	- 116	429
Total	Net sales	73,124	77,194	- 4,070	320,868
	Operating profit	1,987	3,019	- 1,032	12,813

Financial Results for 1Q FYE3/'13 - Car Electronics Business

Net sales: JPY 27.1 B (Up 1.7% YoY) Operating profit: JPY 1.5 B (Down JPY 0.2 B)

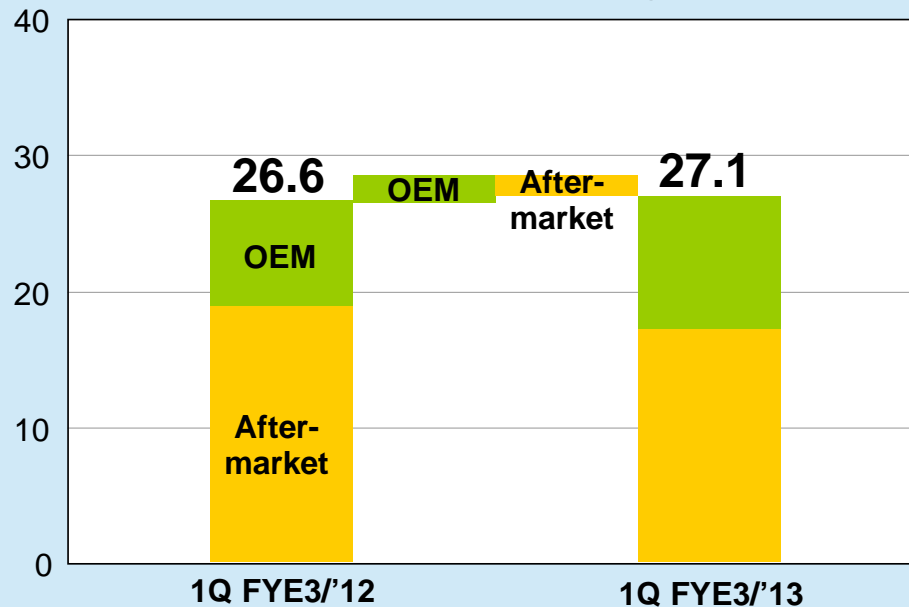
Sales expanded, due to strong OEM and domestic sales, which minimized the fall in profits (profits increased when excluding the effects of the strong yen).

After-market: Maintained high shares in Europe and the U.S. In Japan, Saisoku-Navi sold well and increased market share. → Sales increased on a local currency basis and minimized the fall in profits.

OEM: Shipments of dealer option navigation systems and CD/DVD mechanisms have remained strong since the 2Q of the previous fiscal year. → Higher profits on increased sales

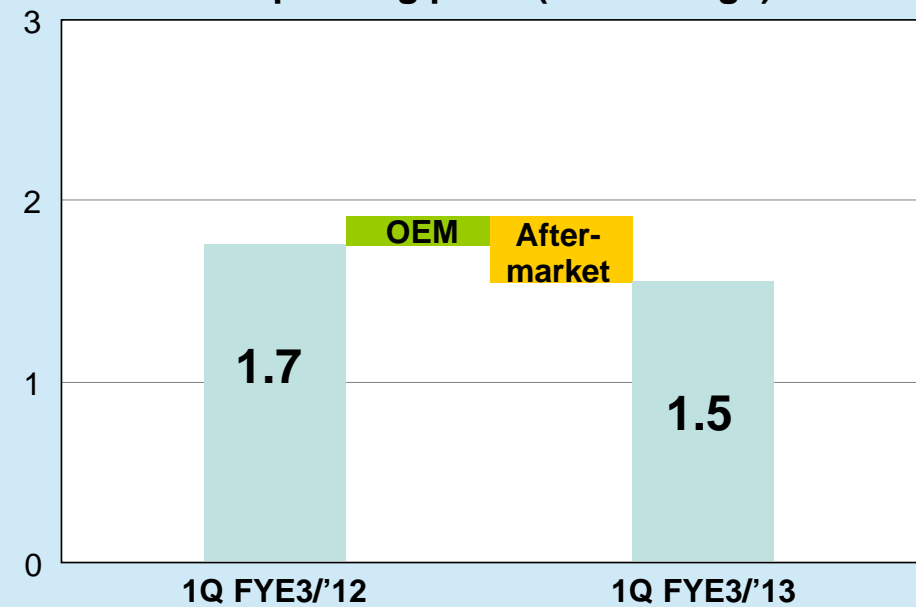
(Billion yen)

Net sales (YoY change)



(Billion yen)

Operating profit (YoY change)



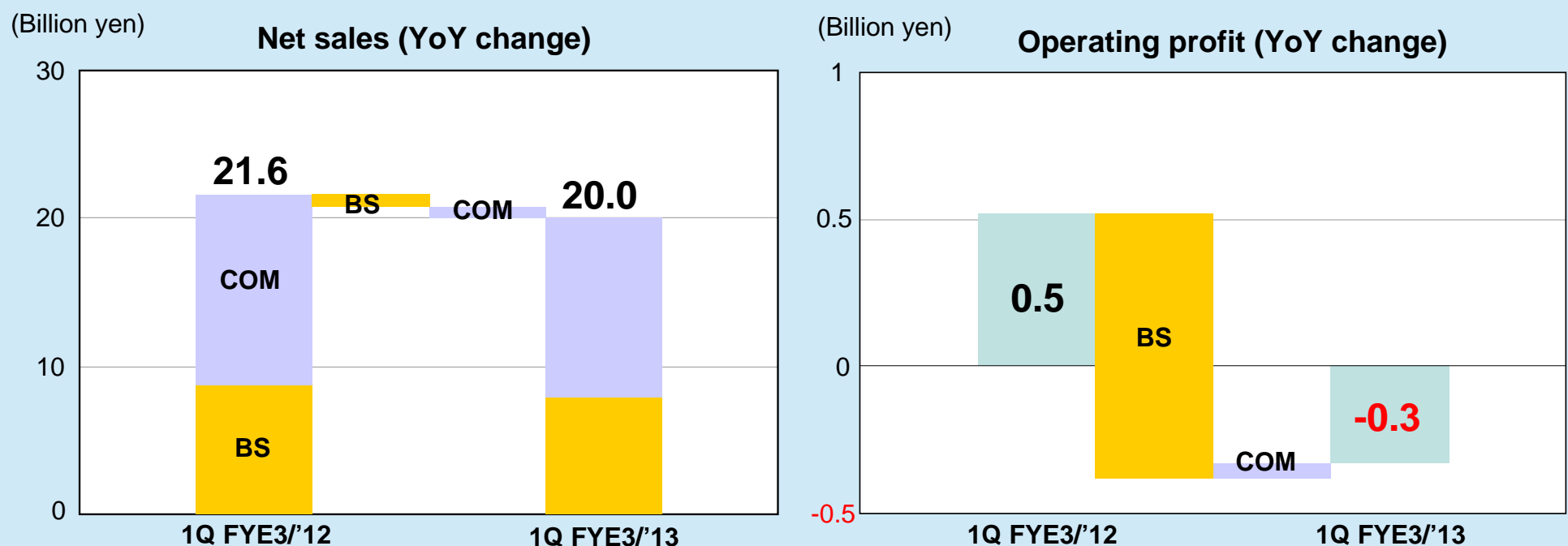
Financial Results for 1Q FYE3/'13 - Professional Systems Business

Net sales: JPY 20.0 B (Down 7.2% YoY) Operating profit: -JPY 0.3 B (Down JPY 0.8 B)

Lower profits on decreased sales, due to the effects of floods in Thailand, despite steady performance of COM

COM: NEXEDGE remained strong, primarily in North America (Higher sales and profit on a local currency basis).

BS: Although net sales and profit declined, due to sluggish foreign sales and the effects of floods in Thailand, domestic sales were strong and normalization of plants in Thailand (from June onward) was achieved smoothly. → Operating profit was comparable to the previous year when excluding the effects of floods.



Financial Results for 1Q FYE3/'13 - Home & Mobile Electronics Business

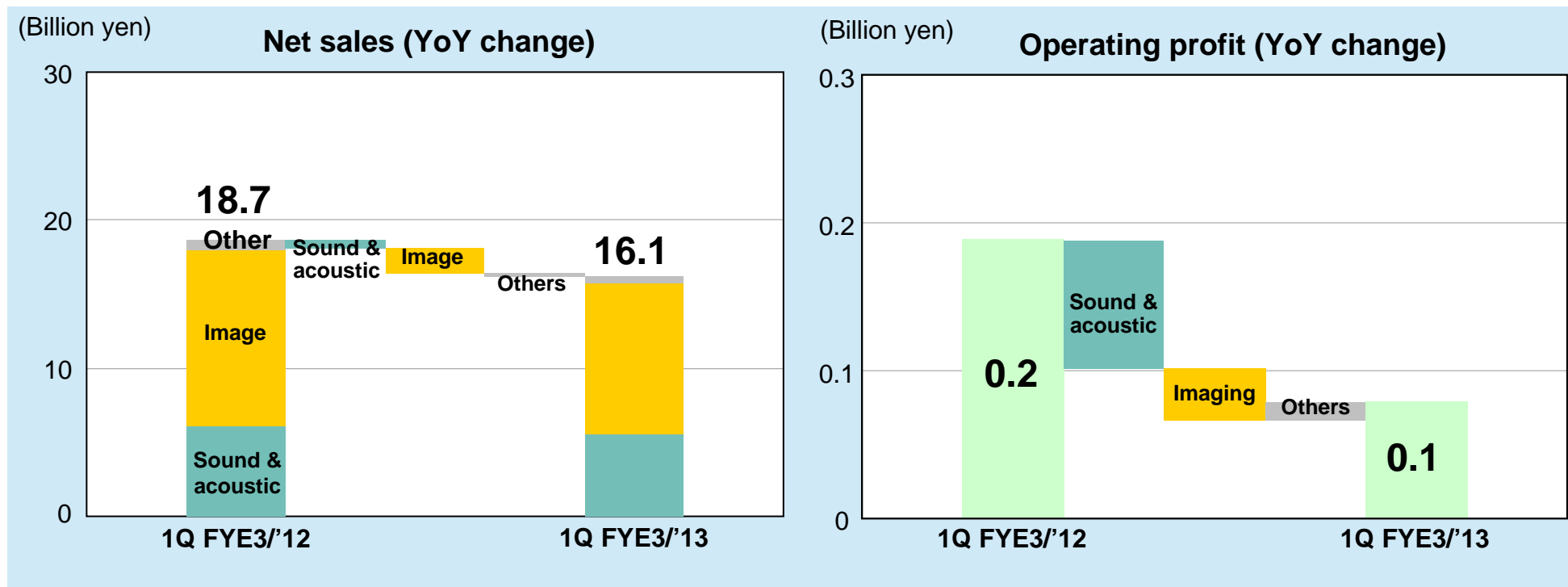
JVCKENWOOD

Net sales: JPY 16.1 B (Down 13.7% YoY) Operating profit: JPY 0.1 B (Down JPY 0.1 B)

Maintained operating profitability by reinforcing earning power, despite lower sales (operating profit increased when excluding the effects of the strong yen)

Sound & Acoustic: The AV accessory segment maintained high profitability, although the home audio segment was affected by a shrinking market.

Imaging: Profitability improved in the camcorder segment due to the increased sales ratio of high value-added models on the domestic market, although the projector segment was affected by the deteriorating European economy.



Financial Results for 1Q FYE3/'13 - Entertainment Business

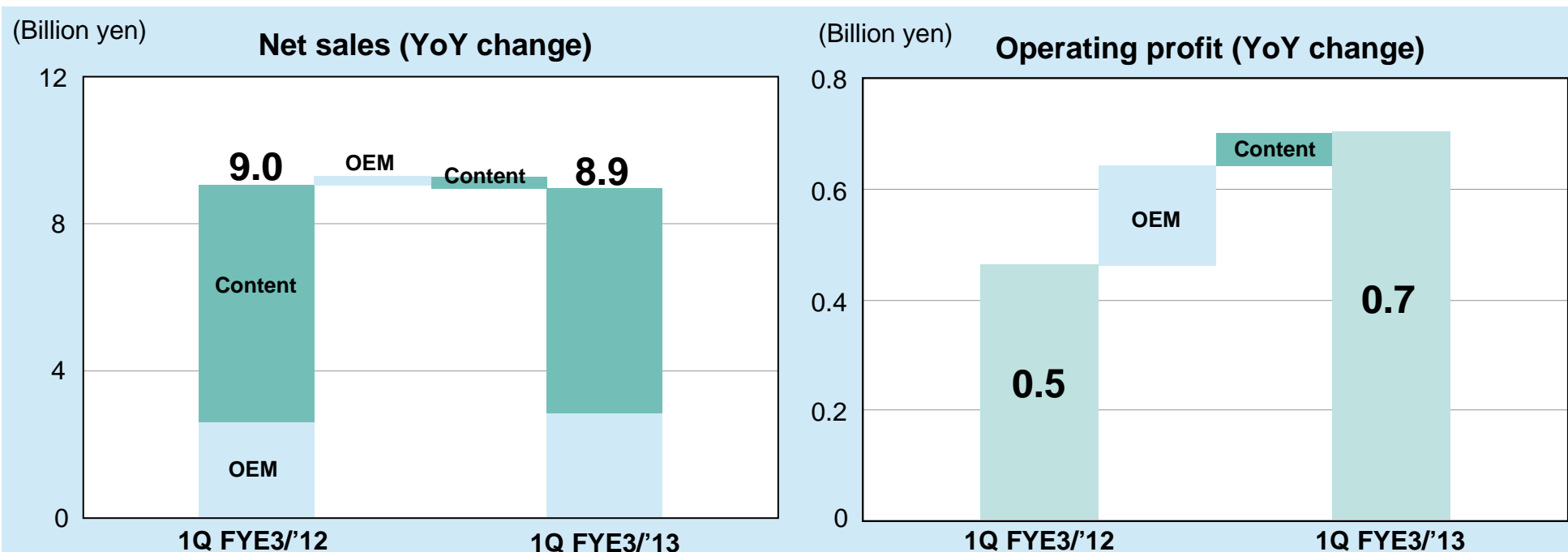
JVCKENWOOD

Net sales: JPY 8.9 B (Down 0.8% YoY) Operating profit: JPY 0.7 B (Up JPY0.2B)

Profit increased, due to strong software segment and cost reductions

Content: Operating profit increased, as a result of numerous music hits, such as theme songs of TV programs, and animation works, as well as steady earnings from music-related rights.

OEM: Profit/loss improved, due to strong demand for optical disc production driven by numerous hits and supported by cost reductions.



Financial Results for 1Q FYE3/'13 - Financial Status

Balance Sheets

* Total assets decreased JPY 16.1 B from the end of the previous fiscal year, due to increases in trade notes and accounts receivable, and cash and deposits.

* Liabilities decreased JPY 12.5 B from the end of the previous fiscal year, due to decreases in accrued expenses and trade notes and accounts payable.

Interest-bearing debts declined JPY 3.2 B from the end of the previous fiscal year, while the ratio of long-term loans rose.

Net Debt increased JPY 4.8 B from the end of the previous fiscal year.

* Retained earnings increased JPY 0.2 B from the end of the previous fiscal year, and total shareholders' equity also increased JPY 0.2 B from the end of the previous fiscal year. Total net assets declined JPY 3.6 B from the end of the previous fiscal year, due to the effects of the strong yen against major currencies.

Stockholders' equity ratio increased 0.1% from the end of the previous fiscal year to 23.0%.

	(Billion yen)		
	End of FYE3/'12	End of 1Q of FYE3/'13	Change from End of FYE3/'12
Total assets	241.8	225.6	(16.1)
Interest-bearing debt	92.4	89.1	(3.2)
(of which, long-term loans)	50.3	51.3	+1.0
Net debt	26.8	31.6	+4.8
Net D/E ratio (times)	0.47	0.59	+0.12
Capital surplus	45.9	45.9	±0
Retained earnings	24.2	24.4	+0.2
Net assets	57.1	53.5	(3.6)
Shareholders' equity ratio (%)	22.9	23.0	+0.1

Cash Flows

Cash flow from operating activities: Net cash provided amounted to JPY 2.9 B, up JPY 10.4 B from a year earlier.

* This was mainly due to the absence of structural employment reform expenses posted in the previous fiscal year and a decrease in trade notes and accounts receivable in the first quarter.

Cash from investing activities: Net cash used amounted to JPY 5.4 B, up JPY 3.8 B from a year earlier.

* The main reason was the acquisition of 45% of shares of Shinwa.

Cash from financing activities: Net cash used amounted to JPY 3.8 B, up JPY 3.4 B from the previous fiscal year.

* This was mainly due to a decrease in loans payable and dividend payments.

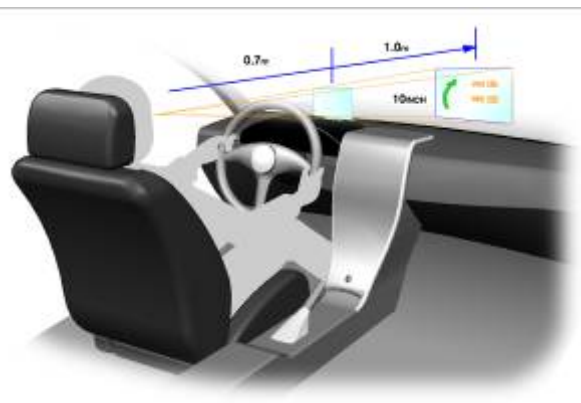
As of the end of the first quarter under review, cash and cash equivalents totaled: JPY 57.5 B , up JP Y2.7 B YoY.

Management Policy and Initiatives for Fiscal Year Ending March 2013

Shoichiro Eguchi, President and CEO



1. Management Policy



Moving to a platform for accelerating profitable growth

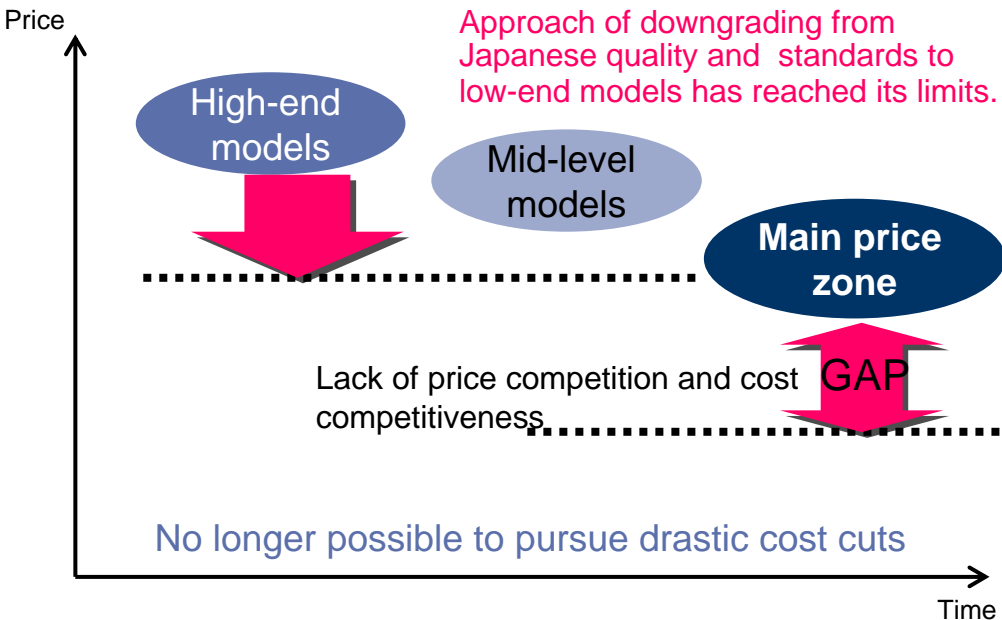


New Tide of Manufacturing

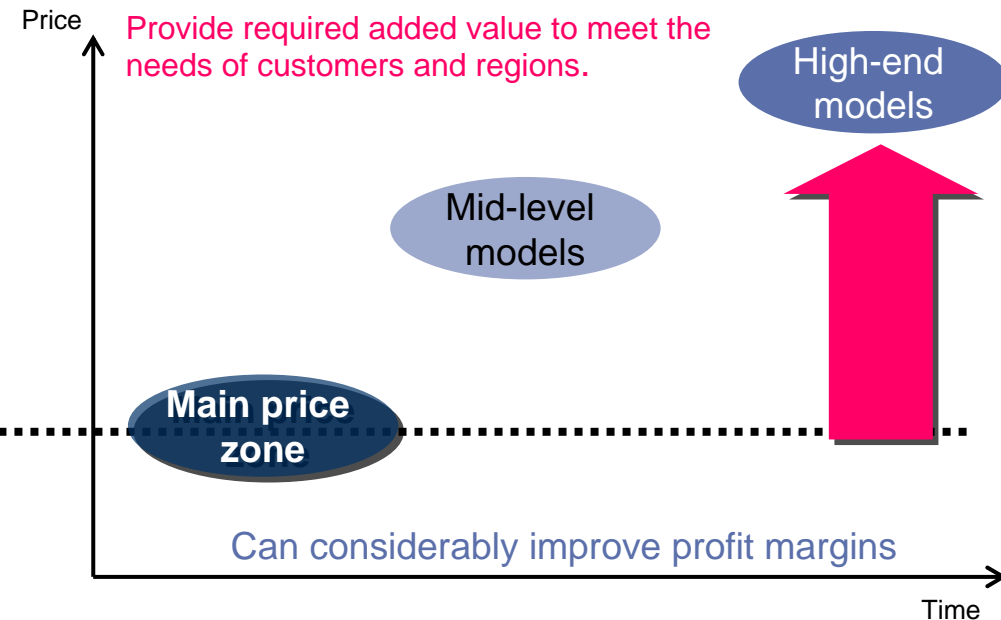
- Conventional manufacturing based on the top-down approach of downgrading products from high-end to low-end models has reached its limit.
- Adopt bottom-up concept and pursue radical approach of upgrading products from low-end to high-end models.

Innovation toward a new manufacturing approach is required to attract attention in the main market zones of emerging countries

Conventional top-down manufacturing approach

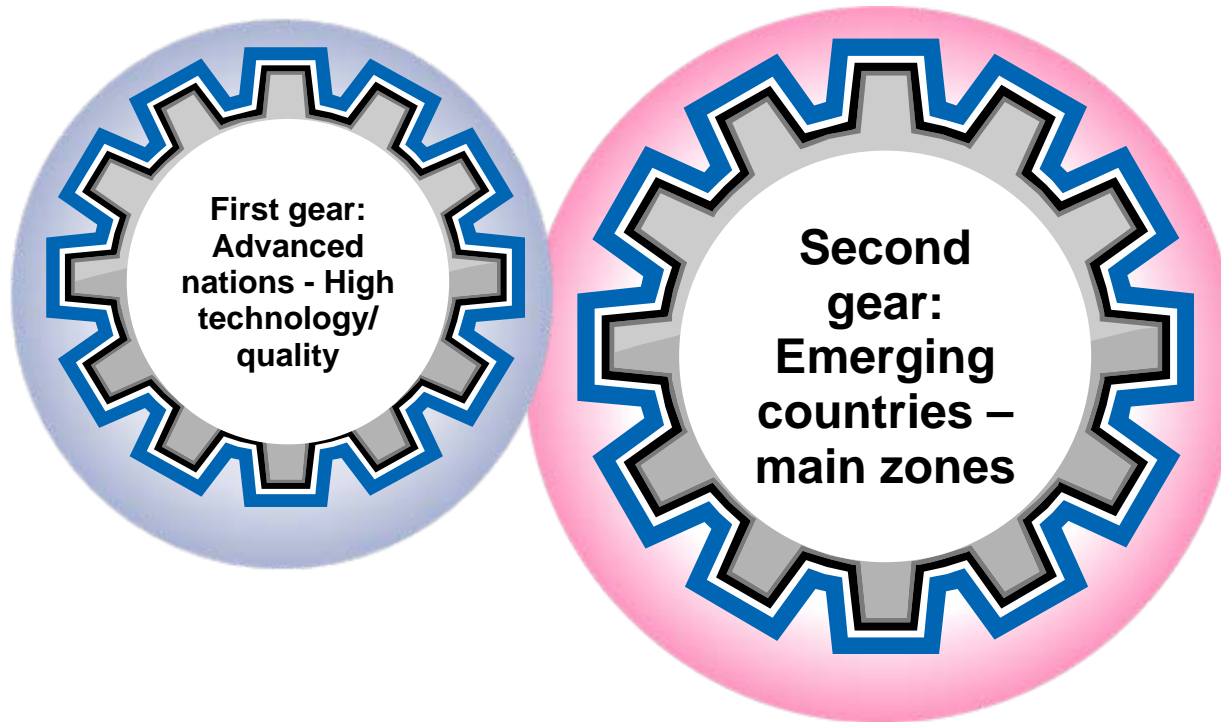


New bottom-up manufacturing approach



■ Launch resources in the main market zones of emerging markets

- Achieve innovations toward a new manufacturing approach based on the viewpoint of emerging markets.
- Radically shift management resources to emerging countries.



Aiming for Profitable Growth ~ Shift From Manufacturer to Value Creator JVC KENWOOD

■ Shift from pursuing functions only to creating value led by users

- Develop products and services that are easy to use and have breathtaking designs using a combination of cutting-edge and optimum technologies.



<Examples of products that reflect value creation>



MirrorLink™ compatible AV receiver



Wi-Fi camcorder



Sports camcorder



Aiming for Profitable Growth ~ Shift Away From Self-sufficiency Principle to Creating Value

JVCKENWOOD

■ Provide unique products and services

- More strongly protect the Group's core technologies and fields, and implement flexible management measures that emphasize time and costs, including collaborations, alliances, and M&A with other companies.

■ Master manufacturing practiced in emerging countries

- Study companies that have succeeded in emerging countries and use the results to create the Group's value.



AV-integrated car navigation system developed with Garmin Ltd. for the U.S. market



CD/DVD mechanisms whose quality and cost competitiveness have been well recognized by Bosch of Germany and Delphi of the U.S.



FALCONBRID, a next-generation, high-speed/high-resolution image-processing engine



D-ILA high-definition full hi-vision theater projector

Aiming for Profitable Growth ~ Establishing the Global Brand Customers Have been Waiting for

JVCKENWOOD

■ Increase awareness and value of Group's brand

- Actively invest in brand and advertising.
- Enhance brand loyalty through continued introduction of iconic products.

■ Develop Group's brand into one customers around the world Have been Waiting for

Corporate Brand

JVCKENWOOD

Product/Business Brand

JVC

KENWOOD

VICTOR
ENTERTAINMENT

TEICHIKU
ENTERTAINMENT

ZETRON

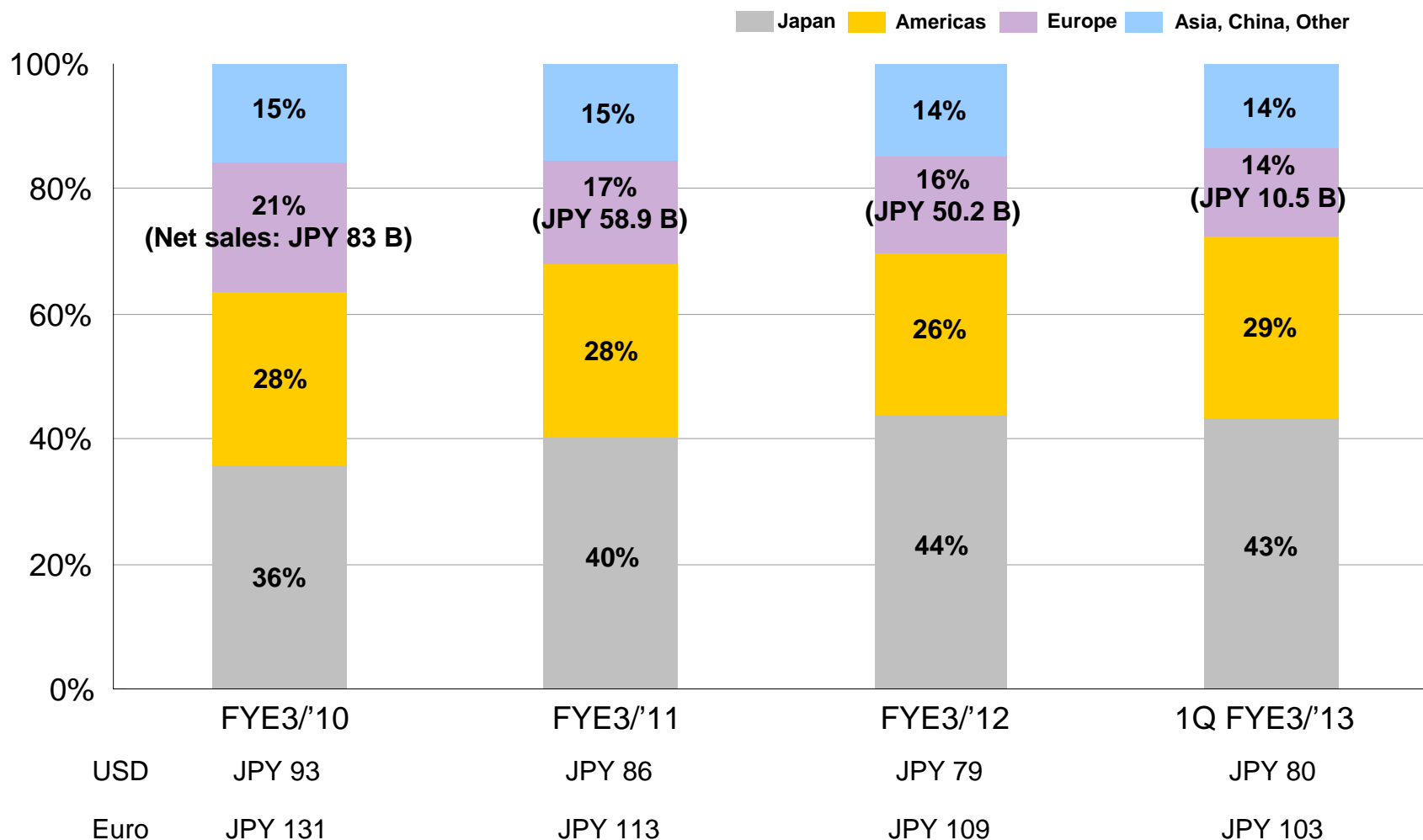




2. Initiatives for Fiscal Year Ending March 2013

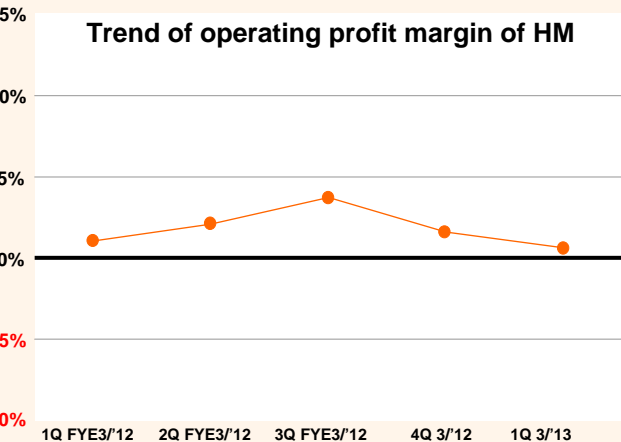
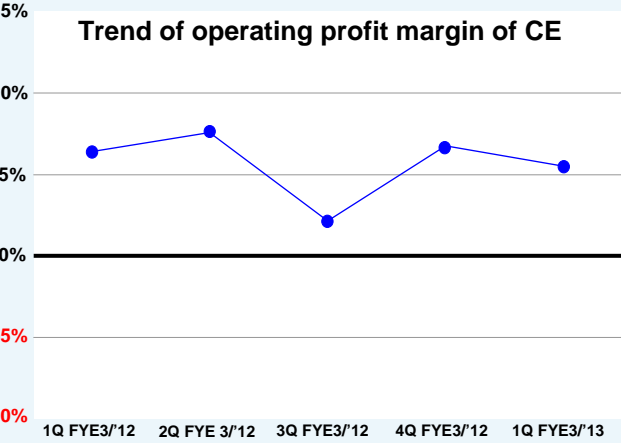
Net Sales Contribution Ratio by Region

- Ratio of sales in Europe declined, due to structural reforms, strong yen, and domestic sales expansion.
- Exchange sensitivity against Euro decreased from the previous fiscal year's - JPY 0.3 B to - JPY 2.0 B this year.



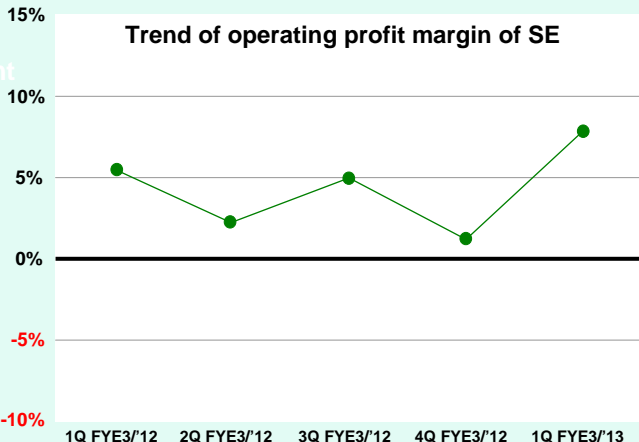
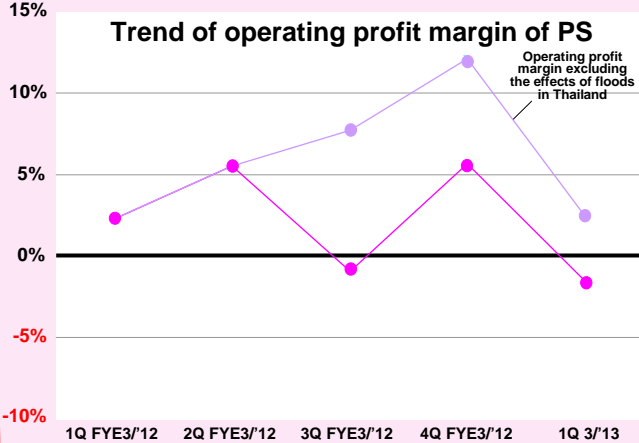
Sales Composition Ratio by Segment for 1Q FYE 3/'13

CE - OEM and domestic sales remained strong; after-market sales attracted demand after end to eco-car subsidy.

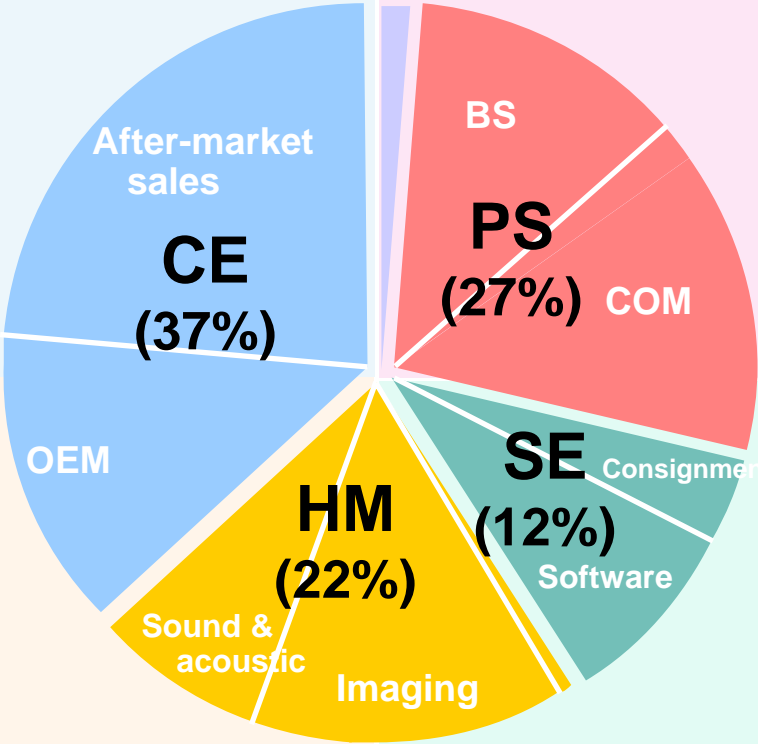


HM - Completed concentration and selection; operating profitability maintained as a result of structural product reforms.

PS - COM marked high earnings and stable growth; opportunities expanded with launch of proprietary digital standard.
- BS maintained operating profitability when excluding effects of floods in Thailand.



SE - Going strong with hit products; shifted to profitable business due also to improved profit/loss position.



Full-year Earnings Forecast for FYE 3/'13

■ No change to the full-year earnings forecast announced on April 27.

■ Foreign exchange rates assumed:

* 2Q...USD:JPY 79, EURO:JPY 95

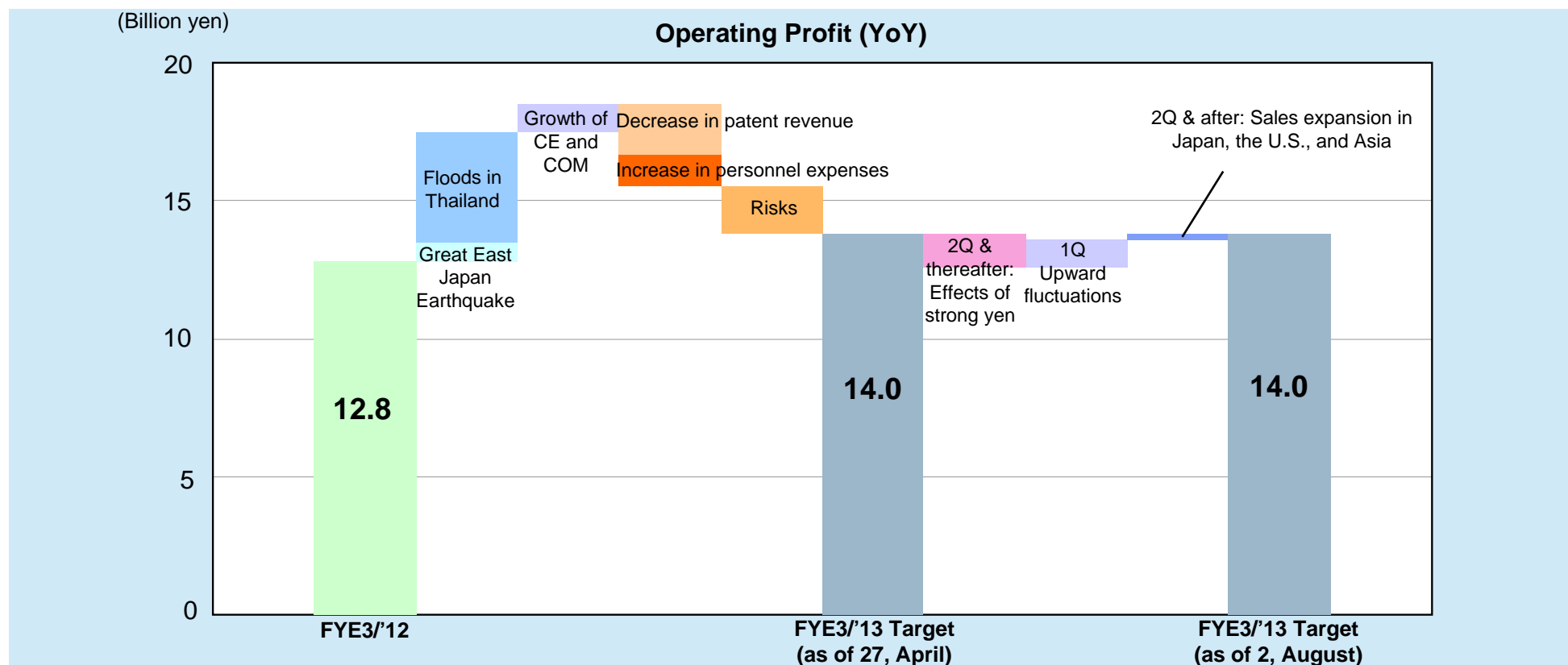
* 2nd half...USD:JPY 79, EURO:JPY 103

	(Billion yen)				
	Net sales	Operating profit	Ordinary income	Net income	Exchange rate *
FYE 3/'13	340.0	14.0	9.0	7.0	
FYE 3/'12	320.9	12.8	6.4	6.0	USD: JPY 79 Euro: JPY 109
YoY change	+19.1	+1.2	+2.6	+1.0	

* Full-year exchange rates are reference values derived by averaging exchange rates from April to March.

Full-year Earnings Forecast for FYE 3/'13

- In 1Q, the stronger-than-expected yen against the Euro was an adverse factor for the earnings forecast. However, profit/loss was at the expected level, due to enhanced earning power of each business.
- In 2Q and thereafter, the European economy, domestic automobile sales, and further strengthening of the yen are risk factors. The Group will reduce exposure to the Euro, and take measures to improve BS and expand sales in Japan, the U.S., and Asia.
- Funds on hand will be used to pursue responsive investment activities, including strategic investments.

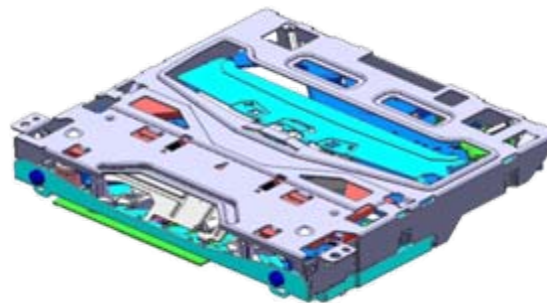


Car Electronics Business

(1) Expansion of OEM segment



Dealer option navigation system



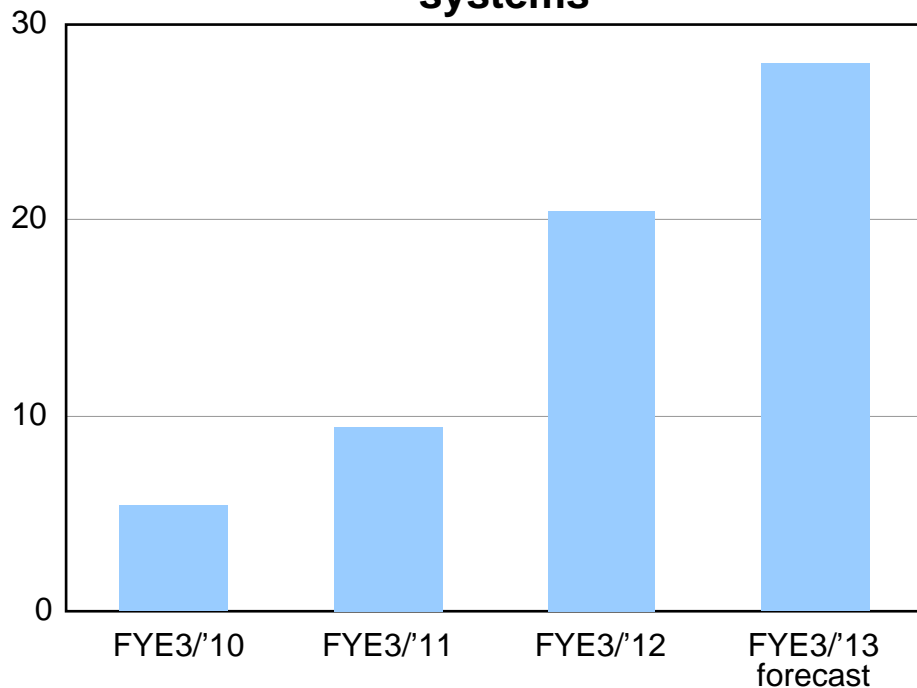
Strategic mechanism



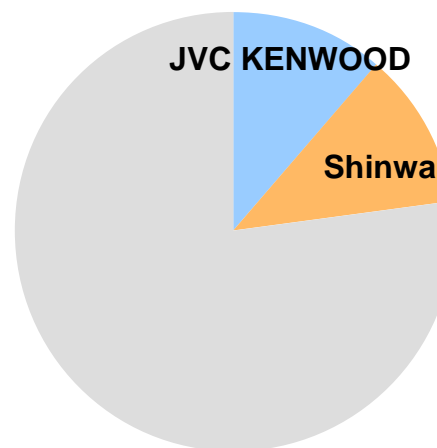
CD/DVD mechanisms

Trend of sales of OEM navigation systems

(10,000 units)



Market share of drive mechanisms (FYE 3/'12)



Optical pick up

* Including units for in-house use

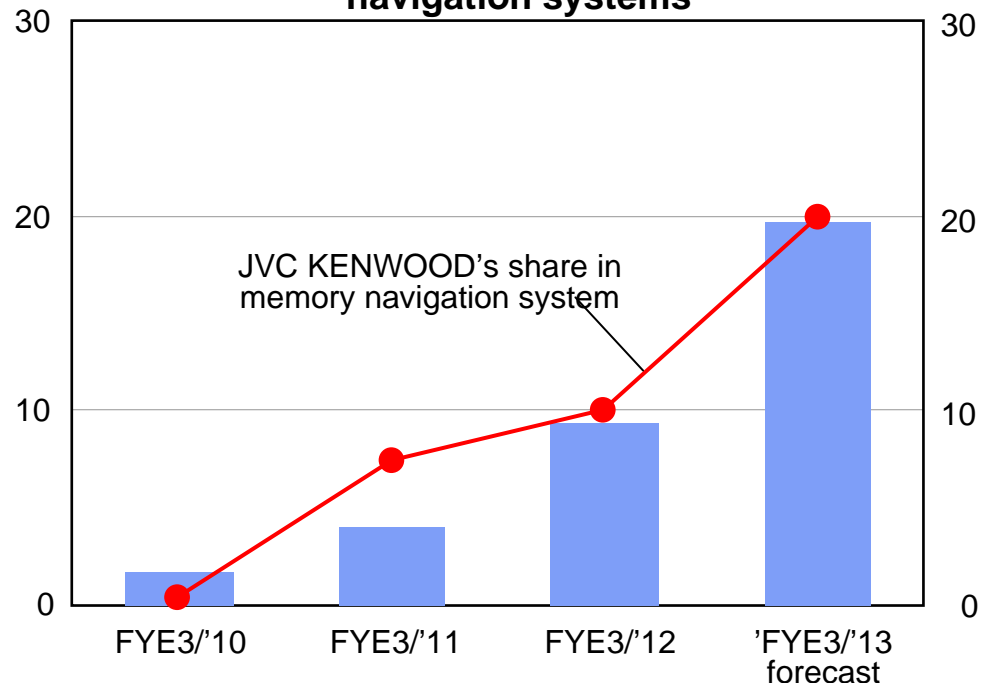
(2) Expansion of after-market segment

- Expand line-ups of “Saisoku-Navi” in Japan

2010...1 model
2011...4 models
2012...**5 models**



(10,000 units) Trend of sales of domestic after-market navigation systems



- Expansion of smartphone adapter navigation systems in overseas

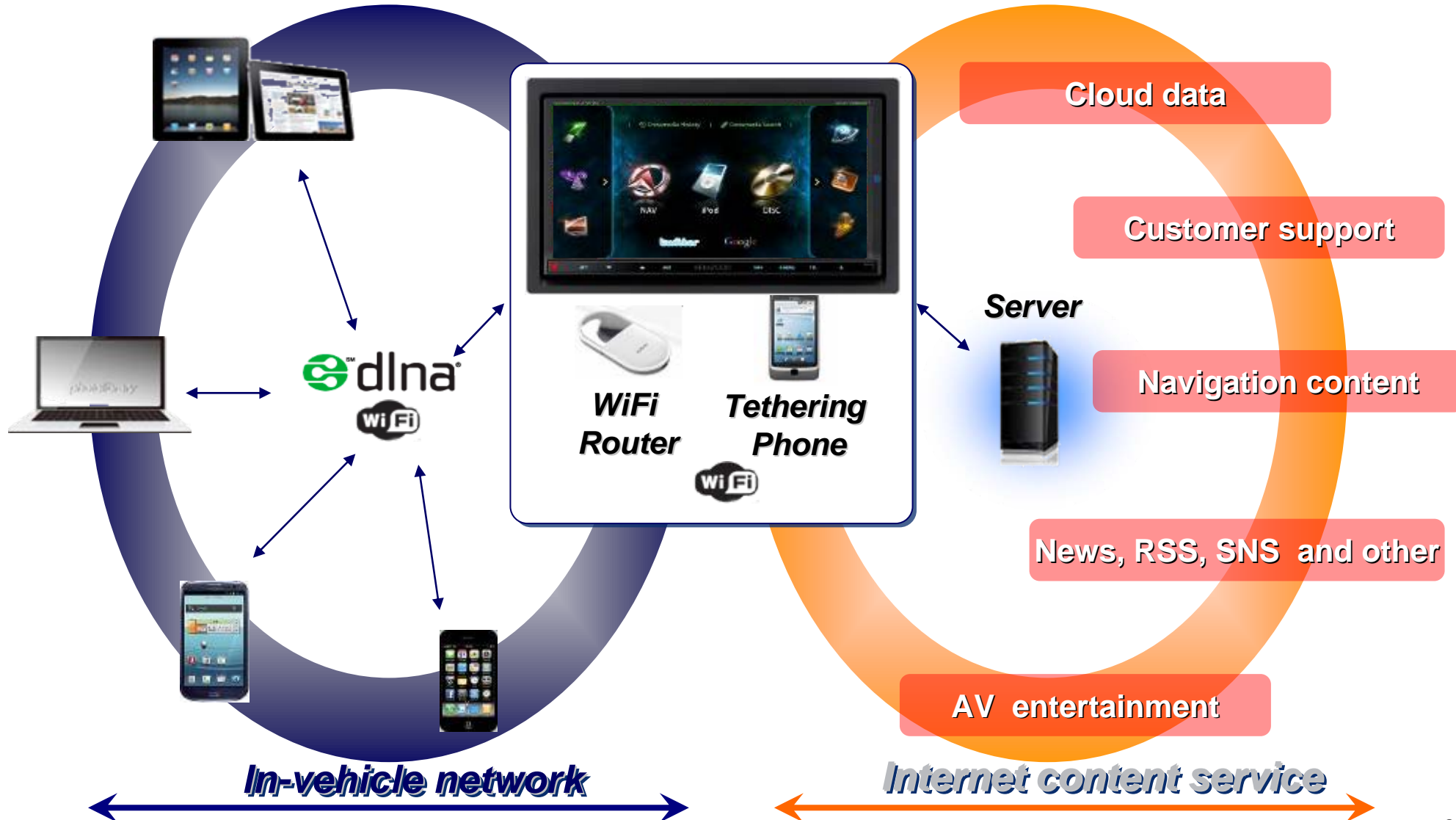
MirrorLink™

Head unit that offers various functions:

- Navigation software
- Music playback
- Motion/still picture playback and more

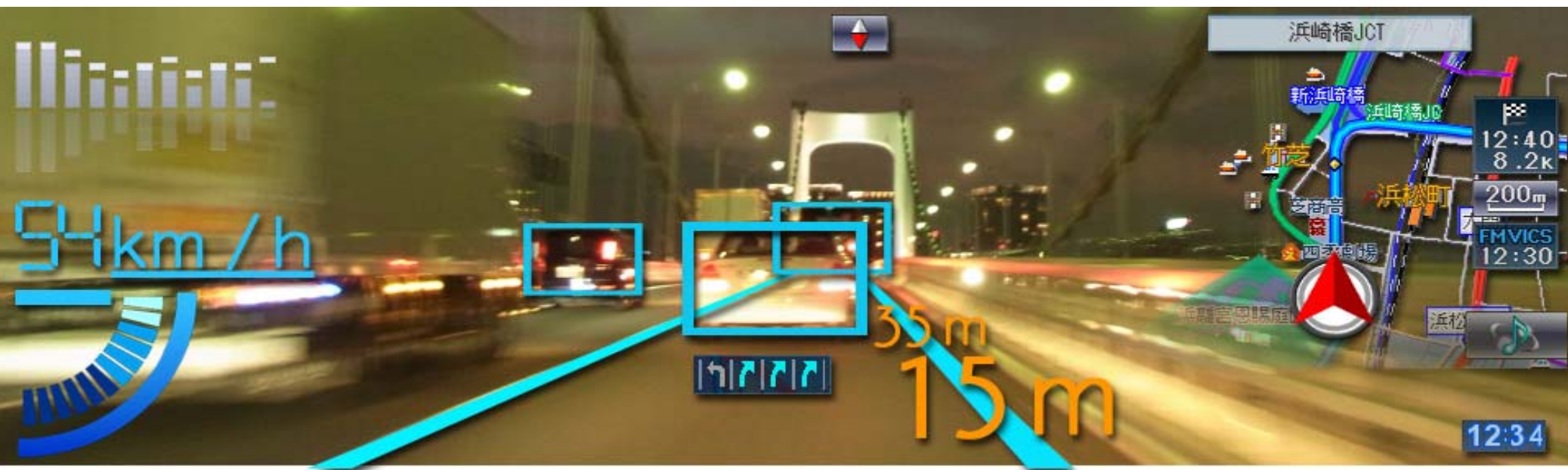


Enhance connectivity with in-vehicle devices while promoting use of Internet content outside vehicles



Head Up Display

Support safety driving while offering pleasant car entertainment experience

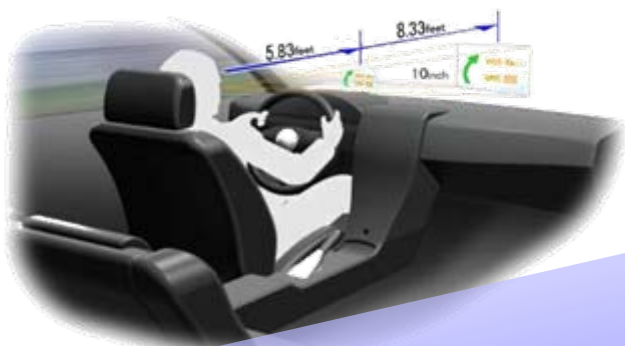


Vehicle Speed

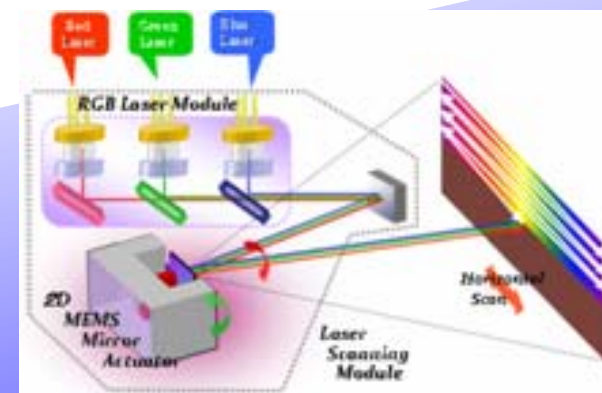
Augment Reality Scouter

Navigation Information

■ LCOS-Head up display



■ LSM-Head up display



Fun to Drive

Professional Systems Business

Initiatives for FYE 3/'13 Professional System Business

(1) Growth of wireless equipment business

- Capture replacement demand for analog to digital as well as new demand.



NEXEDGE series

- Promote global penetration of NEXEDGE while accommodating the new digital method of each country.



P25

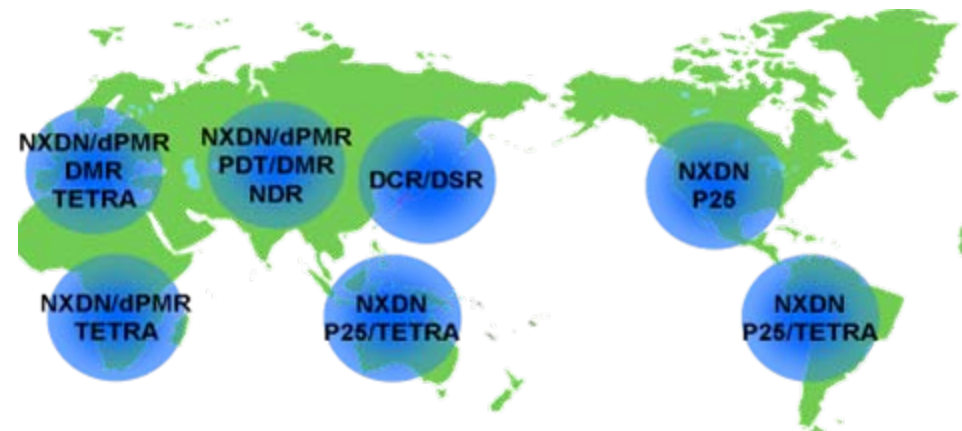
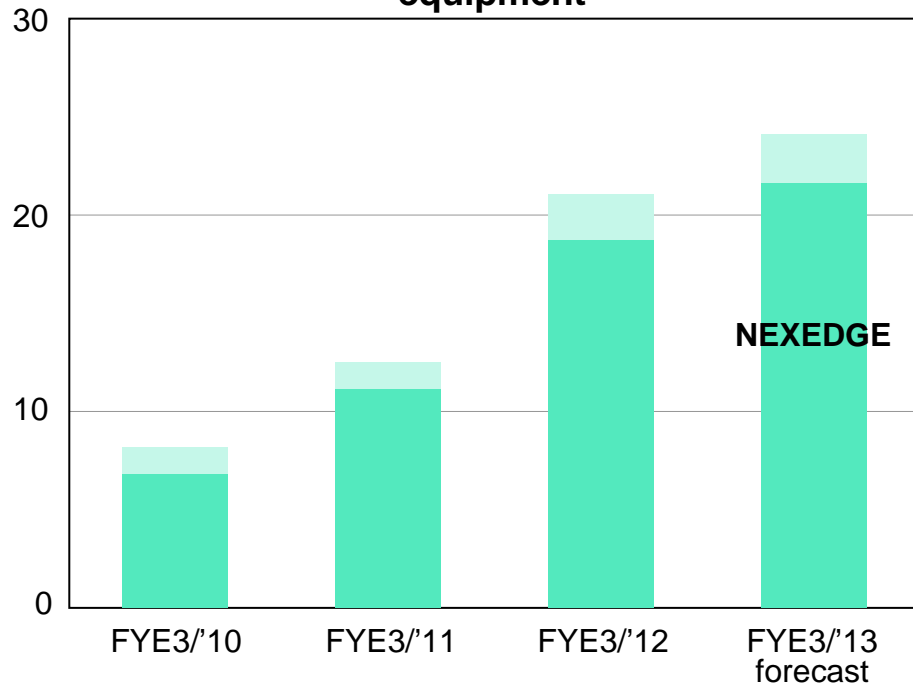


PDT



DCR

(10,000 units) Trend of sales of digital land mobile radio equipment



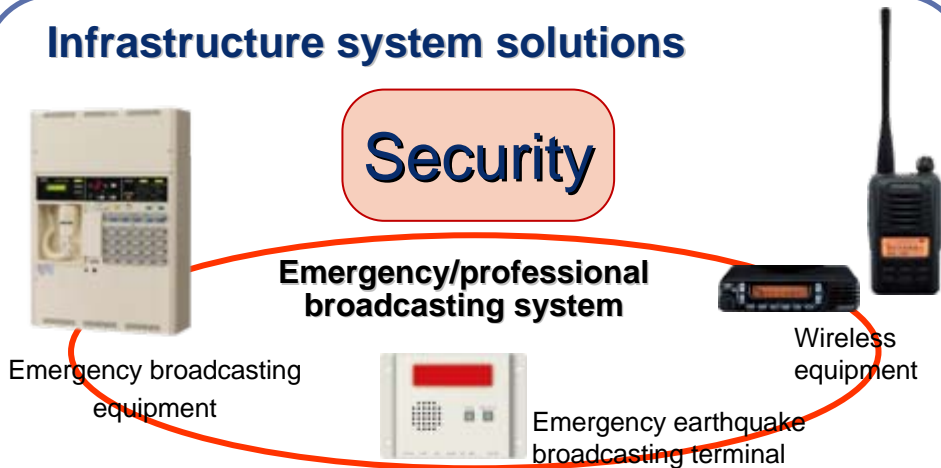
Initiatives for FYE 3/13 Professional Systems Business

(2) Growth of business solutions

- Expand infrastructure system solutions – security, professional audio.
- Expand media system solutions – professional video camera, monitor.

Infrastructure system solutions

Security



Media system solutions

Excitement



Home & Mobile Electronics Business

Initiatives for FYE 3/'13 Home & Mobile Electronics Business

(1) Growth of imaging business

- Expand business scope from **retaining memories** to **watching over one's life**.
- In addition, offer a variety of enjoyable experiences through **the world of video communication**.

■ Leverage Wi-Fi technology to offer enhanced linkage between smartphones and tablets.

■ Expand shooting fields with the new ADIXXION series.

■ Prepare for the next-generation imaging infrastructure, "4K2K".

■ Launch new AV projector proposal.



4K2K-compatible projector



Camcorder with Wi-Fi function



Compact, lightweight sports camcorder,
ADIXXION

Initiatives for FYE 3/'13 **Home & Mobile Electronics Business**

(2) Growth of sound & acoustic business

■ Home audio

- Improve profitability of existing micro-devices and CD players.
- Make efforts for network-related products.
- Realize design-specific products.

■ AV accessories

- Strengthen mid-and-high-priced products for domestic market.
- Enhance medium-priced products and remote models for overseas markets.



■ Development of next-generation products

森の中と同じように、部屋の中も様々な音があちこちから聞こえてくる。



New-concept audio furniture - indoor furniture that offers functional features



The industry's first iPod-compatible audio system with an ionizer function



Entertainment Business

Hit Music in 1Q:

SMAP

“Sakasama no Sora”

NOW ON SALE

Theme song of “Ume-chan Sensei”- NHK’s daily morning TV drama

Leo leiri

“Shine”

NOW ON SALE

Theme song of “Kaeru no Ojosama” - a drama on Fuji Television Network

Kanjani∞

“Ai deshita”

NOW ON SALE

Theme song for “PAPADOL” - a drama aired every Thursday night at 9 P.M. on TBS

Initiatives for FYE 3/'13 **Entertainment Business**

Releases in 2Q

Keisuke Kuwata Special Best Album

“I LOVE YOU - now & forever –”

NOW ON SALE

SMAP

“Moment”

Launched on August 1

Theme song of the 2012 London Olympic Games on TBS

Eightranger

“ER”

NOW ON SALE

Theme song of the movie, “Eightranger”

JVC KENWOOD

Expressions contained in this presentation referring to the Company's future plans, intentions and expectations are categorized as future forecast statements. Such statements reflect management expectations of future events, and accordingly, they are inherently susceptible to risk, uncertainty and other factors, whether known or unknown, and may be significantly different from future performance. These statements represent management targets as of the time of issuing of these presentation materials, and the Company is under no obligation and expressly disclaims any such obligation, to update, alter and publicize its future forecast statements in the event of changes in the economic climate and market conditions affecting performance of the Company. Risk factors and other uncertainty which may affect the Company's actual performance include: (1) violent fluctuations in economic circumstances and supply and demand systems in major markets (in Japan, the U.S, the EU and Asia); (2) restrictions including trade regulations applicable to major markets including Japan and other foreign countries; (3) sharp fluctuations in the exchange rate of the dollar, euro, and such like against the yen; (4) marked fluctuations in exchange rates in capital markets; and (5) change in social infrastructure due to short term changes in technology and such like. Please note however, that the above is not a comprehensive list of all the factors which may exert a significant influence on the Company's performance.