Translation for Reference Only

JVCKENWOOD
Results and Forecasts Briefing

Second Quarter of Fiscal Year Ending March 2015

JVC KENWOOD Corporation

November 5, 2014

[Abbreviations]

CE: Car Electronics (Segment)
- Consumer (Business)
- OEM (Business)

PS: Professional Systems (Segment)
- COM: Communications (Business)
- Pro: Prosystem (Business)
- Healthcare (Business)
- EFJT : EF Johnson Technologies, Inc.

O&A: Optical & Audio (Segment)
- Audio (Business)
- Imaging (Business)
- Image/Optical (Business)

SE: Entertainment Software (Segment)
- Content (Business)
- OEM (Business)

1. Overview of financial results for the second quarter of the fiscal year ending March 2015

2. Summary of financial results for the second quarter and restructuring of organization and sales companies

3. Full-year earnings forecast FYE3/'15

1. **Overview of financial results for the second quarter of the fiscal year ending March 2015**

2. **Summary of financial results for the second quarter and restructuring of organization and sales companies**

3. **Full-year earnings forecast FYE3/’15**

Financial Results for 2Q (1-2Q) of FYE3/’15 - Summary

JVCKENWOOD
creates excitement & peace of mind

* Net sales declined last year of 91% of the level, due to negative impacts worth approximately JPY8.0 billion from selling the business.

* The structural and business reforms produced significant impacts on financial results, turning to the black.

* Profitability on an ordinary income/loss basis substantially improved. Despite extraordinary losses and increased taxes from selling the business, the net income/loss has been improved.

（Billion yen)

		Net Sales	Operating Income	Ordinary Income	Net Income
1-2Q	FYE3/’15	135.4	1.1	(0.4)	(3)
	FYE3/’14	148.4	(2.2)	(4.2)	(5.1)
	YoY change	(13)	+3.3	+3.8	+2.1

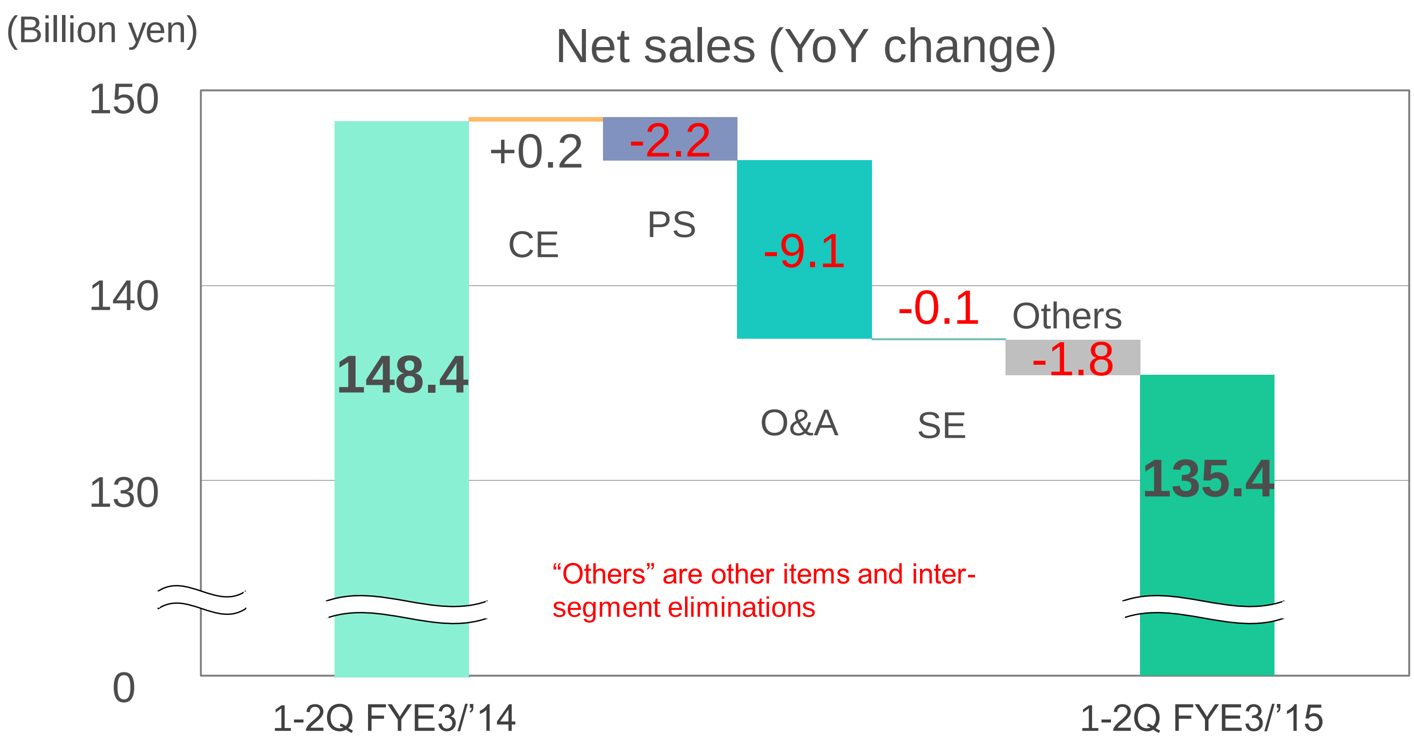
Foreign exchange rates (approximate)		1Q	2Q
FYE3/’15	US Dollar	JPY 102	JPY 104
	Euro	JPY 140	JPY 138
FYE3/’14	US Dollar	JPY 99	JPY 99
	Euro	JPY129	JPY 131

Financial Results for 2Q (1-2Q) of FYE3/’15 - Consolidated Net Sales (By Segment)

JVCKENWOOD
creates excitement & peace of mind

* Results for 1-2Q:JPY135.4B. (YoY Change: - 8.8%) [Sales declined.]

- CE: Domestic sales were negatively affected by the tax hike, while overseas sales achieved the same level as the previous year, backed by solid performance in the Americas and Asia, as well as favorable impacts from Shinwa’s consolidation.
- PS: Sales declined mainly due to negative impacts worth approximately JPY6.0 billion which resulted from the sale of Geobit Corporation.
- O&A：Sales significantly dropped mainly due to a slump in Imaging.
- SE：Sales achieved the same level as the previous term, being attributed to the rebound in the second quarter.
- Others: The loss worth approximately JPY2.3 billion due to the selling of the U.S. subsidiary (i.e. the entrusted disk maker) caused a sales decline.

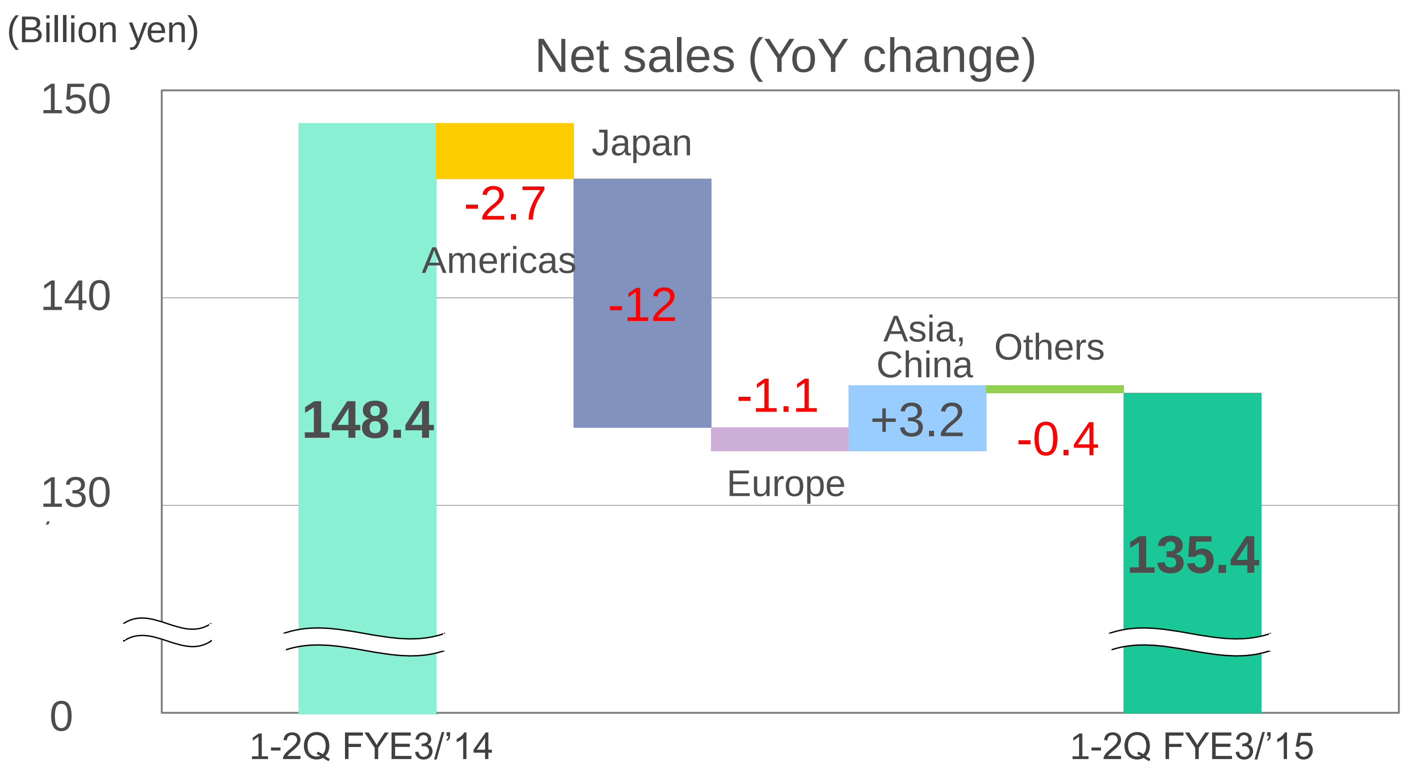


Financial Results for 2Q (1-2Q) of FYE3/'15 - Consolidated Net Sales (By Region)

JVCKENWOOD
creates excitement & peace of mind

* Results for 1-2Q:JPY135.4B. (YoY Change: - 8.8%) (Sales declined.)

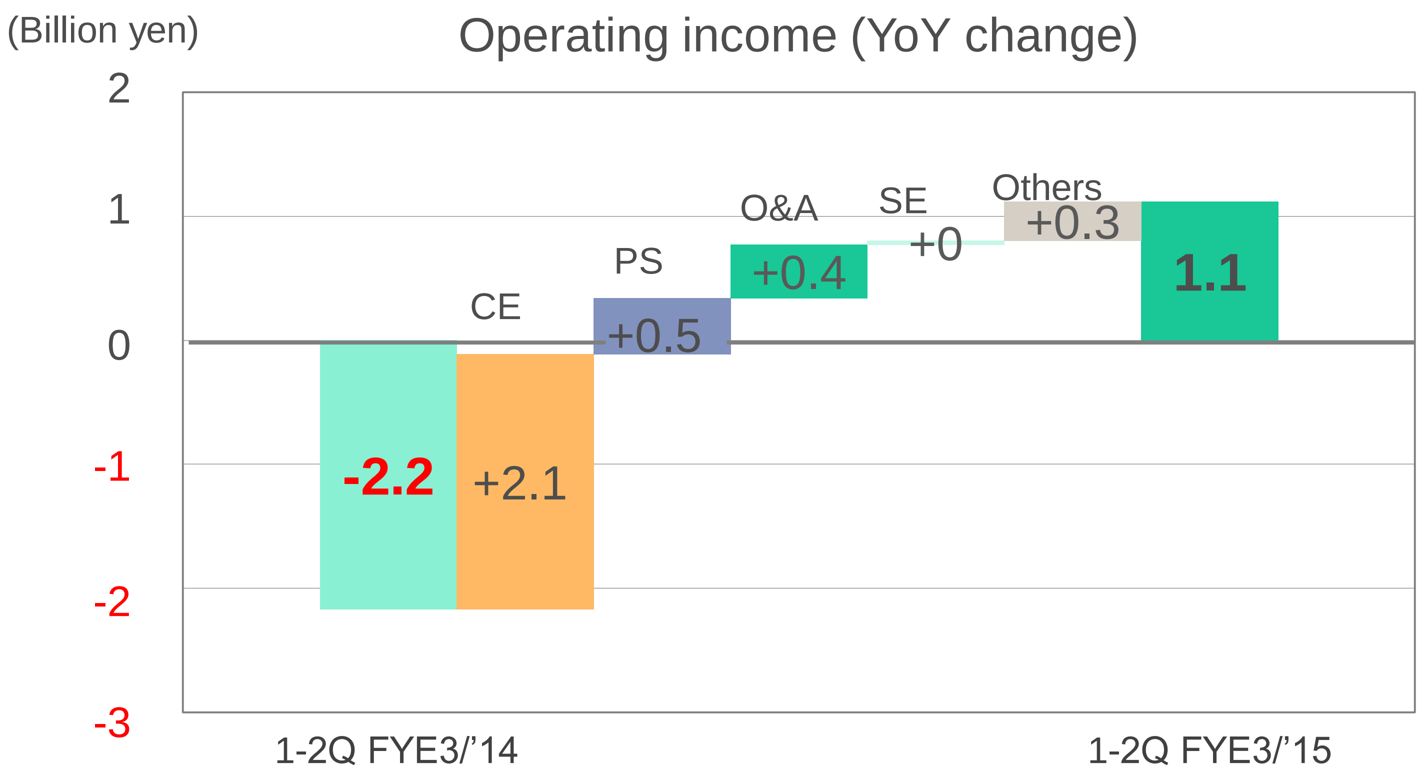
- Asia and China: Positive impacts mainly by Shinwa's consolidation resulted in a boost in sales.
- Japan: Sales declined mainly due to the loss on the selling of Geobit Corporation and a slump in the Imaging business.
- Americas: Sales dropped due to a downturn in O&A.



Financial Results for 2Q (1-2Q) of FYE3/'15
- Consolidated Operating Income (By Segment)

* Results for 1-2Q:JPY1.1B (YoY Change: +JPY3.3B) (Turning to the black)

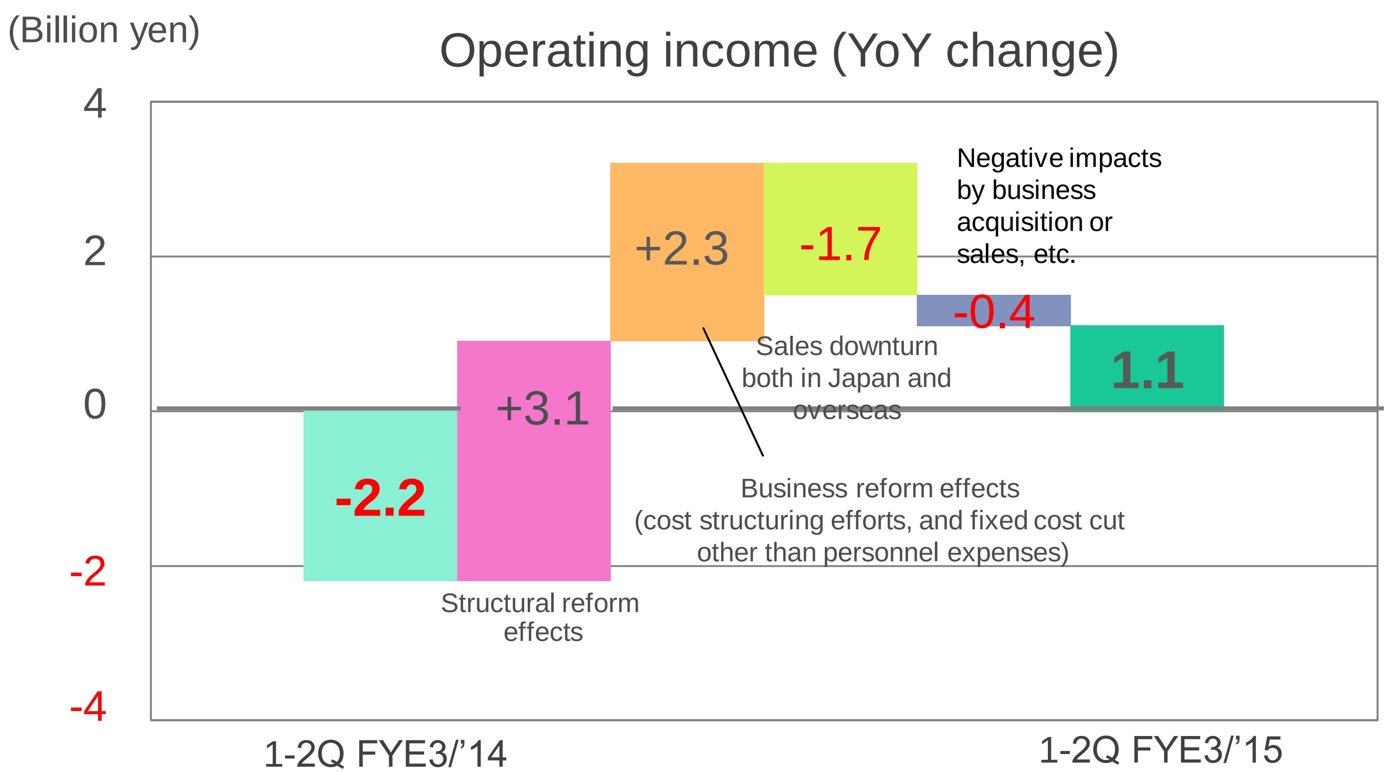
- All segments achieved increases in earnings, being attributed to structural and business reforms
- CE: Achieved surplus thanks to business reforms (i.e. overall cost reforms, sales renovation, etc.), turning to the black
- O&A：Imaging posted operating loss, but the losses sharply decreased. The fixed cost reduction by the structural reform produced positive impacts, improving profitability to reach surplus in the second quarter alone.



Financial Results for 2Q (1-2Q) of FYE3/'15
- Consolidated Operating Income (By Factor)

JVCKENWOOD
creates excitement & peace of mind

* The effectiveness of structural reforms (i.e. personnel cost reduction both in Japan and overseas) showed the positive impacts with the worth of JPY3.1B on the first half actual results, being nearly close to the assumption of the initial full-year forecast of JPY6.5B.
* The effectiveness of business reforms (i.e. product cost improvement and reduction in fixed costs other than personnel) also showed the positive impacts with the worth of JPY2.3B on the first half actual results, showing a better pace than the assumption of the initial forecast JPY2.5B.

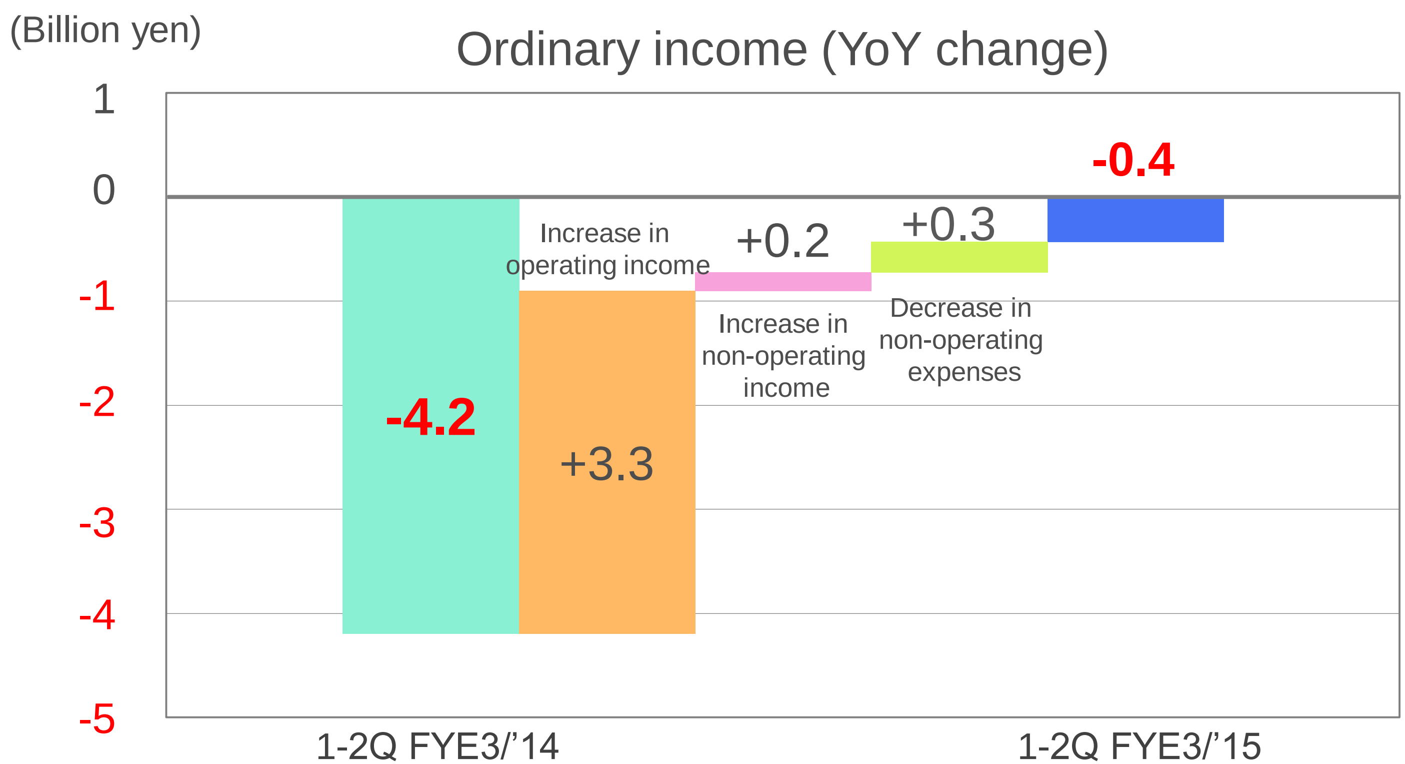


Financial Results for 2Q (1-2Q) of FYE3/'15
- Consolidated Ordinary Income

JVCKENWOOD
creates excitement & peace of mind

* Results for 1-2Q: - JPY0.4B (YoY Change: +JPY3.8B)

- Profitability was improved along with growth in operating profit.
- In addition, non-operating income and expenses showed improvement by JPY 0.5B, being attributed to a reduction in commissions associated with borrowings as well as an increase in dividend receipt

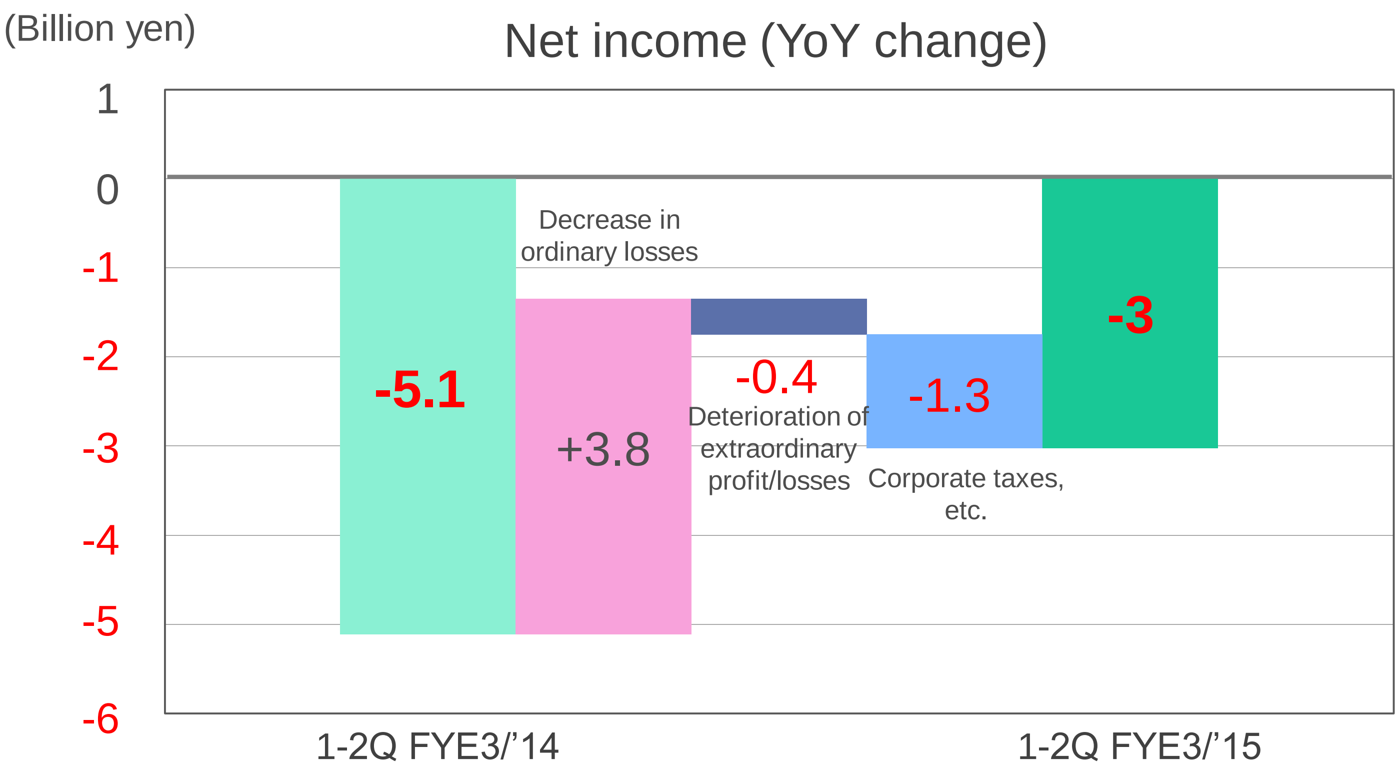


Financial Results for 2Q (1-2Q) of FYE3/'15 - Consolidated Net Income

JVCKENWOOD
creates excitement & peace of mind

* Results for 1-2Q: - JPY 3.0B (YoY Change: +JPY2.1 B)

- Profitability was improved along with recovery in ordinary profit/losses.
- Booking of extraordinary losses of approximately JPY1.1B from the sale of the U.S. subsidiary. Corporate taxes rose by approximately JPY1.1B due to the increased deferred tax liabilities.



Financial Results for 2Q of FYE3/'15 - Balance Sheet Summary

JVCKENWOOD
creates excitement & peace of mind

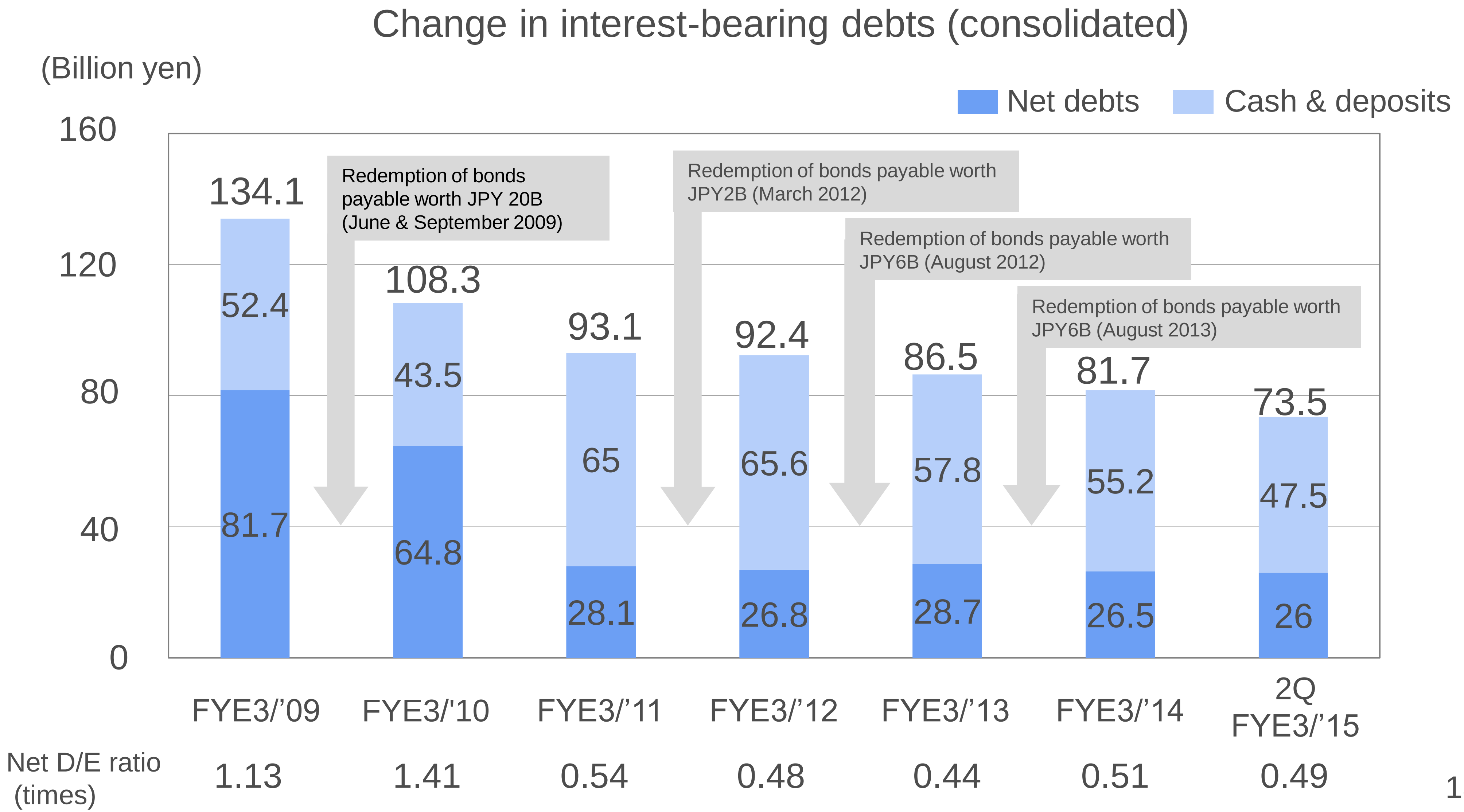
* Total assets: Decline by JPY14.9B mainly due to a reduction in cash and deposits associated with expenses for the structural reform as well as repayments of borrowings.
* Interest-bearing debts (i.e. total of borrowings and corporate bonds): Decline by JPY8.2B.
* Capital adequacy ratio: 21.2%, or 1.8% improvement.

(Billion yen)

	End of FYE3/'14	End of 2Q FYE3/'15	Change from the previous year-end
Total assets	267.2	252.3	(14.9)
Interest-bearing debts	81.7	73.5	(8.2)
Net debts	26.5	26	(0.5)
Net D/E Ratio (times)	0.51	0.49	(0.02)
Capital surplus	45.9	45.6	(0.3)
Retained earnings	17.4	14.5	(2.9)
Net assets	59.8	60.7	+0.9
Shareholders' equity	51.7	53.4	+1.7
Capital adequacy ratio (%)	19. 4	21. 2	+1.8

Financial Results for 2Q of FYE3/'15
- Interest-bearing Debts

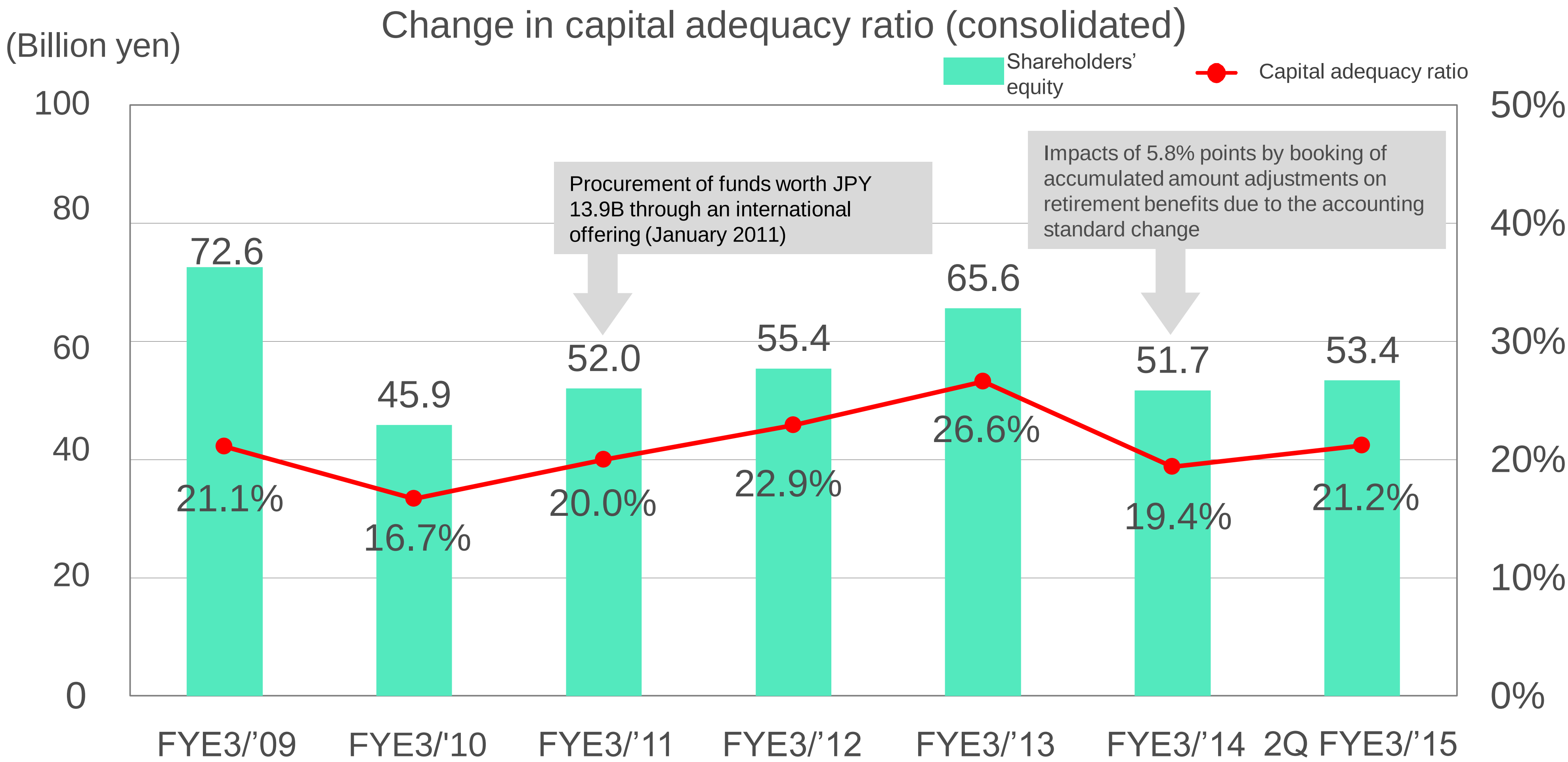
*Reductions in interest-bearing debts and net debts are underway in phases.



Financial Results for 2Q of FYE3/'15 - Capital Adequacy Ratio

JVCKENWOOD
creates excitement & peace of mind

* Net assets rose due to an increase in foreign currency translation adjustments driven by the weak yen against major currencies. The capital adequacy ratio rebounded to the 20% level.



- On September 30, 2014, JVCKENWOOD completed the acquisition and retirement of all of its First Stock Acquisition Rights issued on August 25, 2011, without compensation.

Financial Results for 2Q (1-2Q) of FYE3/'15 - Cash Flow Summary

JVCKENWOOD
creates excitement & peace of mind

* Free cash flow turned out negative value mainly caused by expense outflow worth approximately JPY6.4B associated with the structural reform which was executed in the previous period.

(Billion yen)

	FYE 3/'12	FYE 3/'13	FYE 3/'14	1-2Q FYE3/'15	Reference 1-2Q FYE 3/'14
Cash flow from operating activities	8.9	9.8	14.9	3.4	3.4
Cash flow from investing activities	(6.5)	(13.4)	(10.7)	(4.0)	(3.9)
Cash flow from financing activities	(1.5)	(8.6)	(9.6)	(8.5)	1
Free cash flow	2.4	(3.6)	4.3	(0.6)	(0.5)

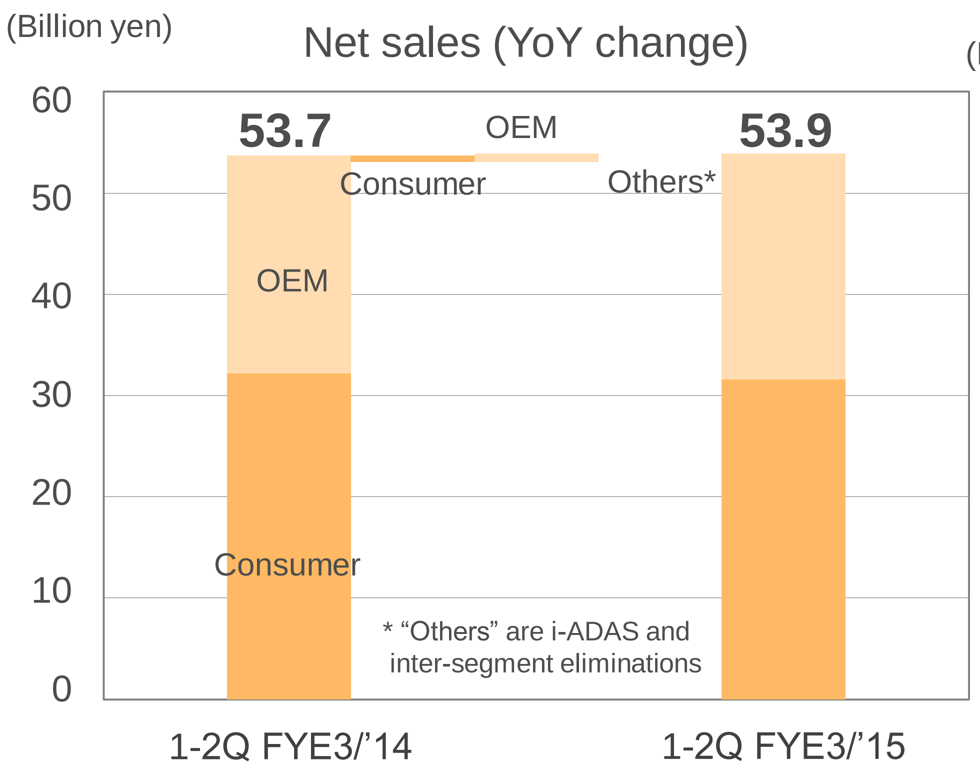
* Free cash flow = Cash flow from operating activities + cash flow from investing activities

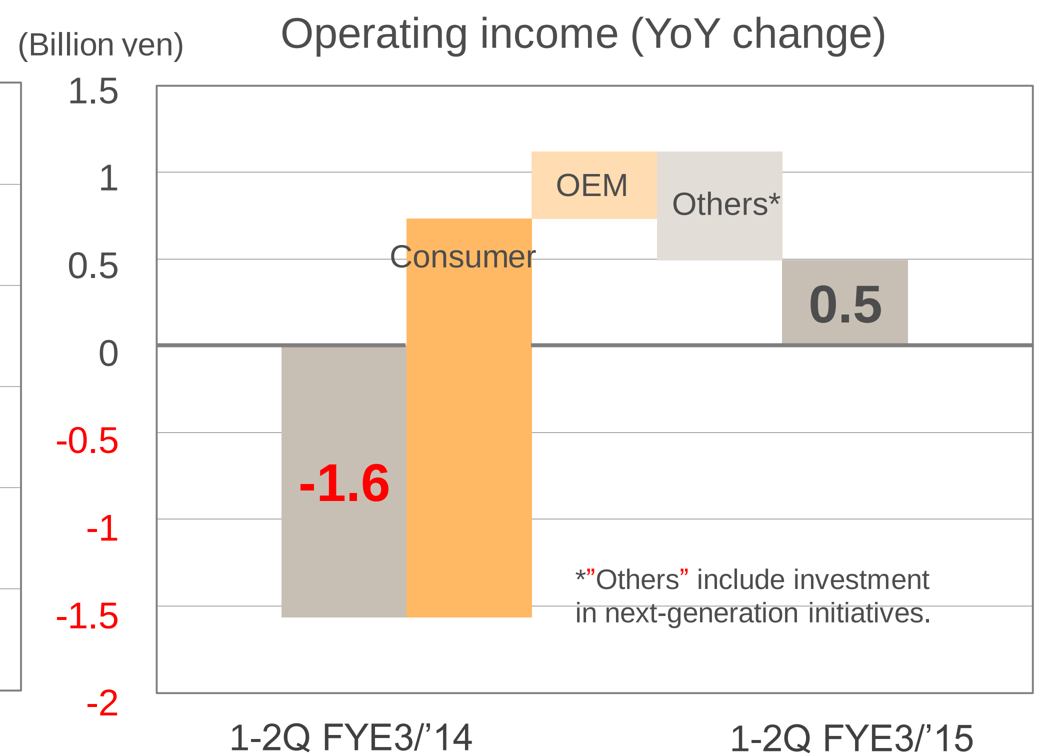
(Reference) Information by Segment

Financial Results for 2Q (1-2Q) of FYE3/’15 - Car Electronics

JVCKENWOOD
creates excitement & peace of mind

* Net sales: Consumer Sales achieved the same level as the previous period, thanks to strong performance in Asia, despite negative impacts on domestic demand due to the reaction to the last-minute demand before the consumption tax hike. Sales in OEM were boosted, backed by favorable impacts by Shinwa’s consolidation as well as solid sales of dealer option products in Asia.
* Operating income: With positive impacts by the business reforms (i.e. cost restructuring, sales reform, etc.), operating basis in Consumer marked significant improvement, swinging back into the black. OEM reduced its Loss amount, overall CE turned to the black.



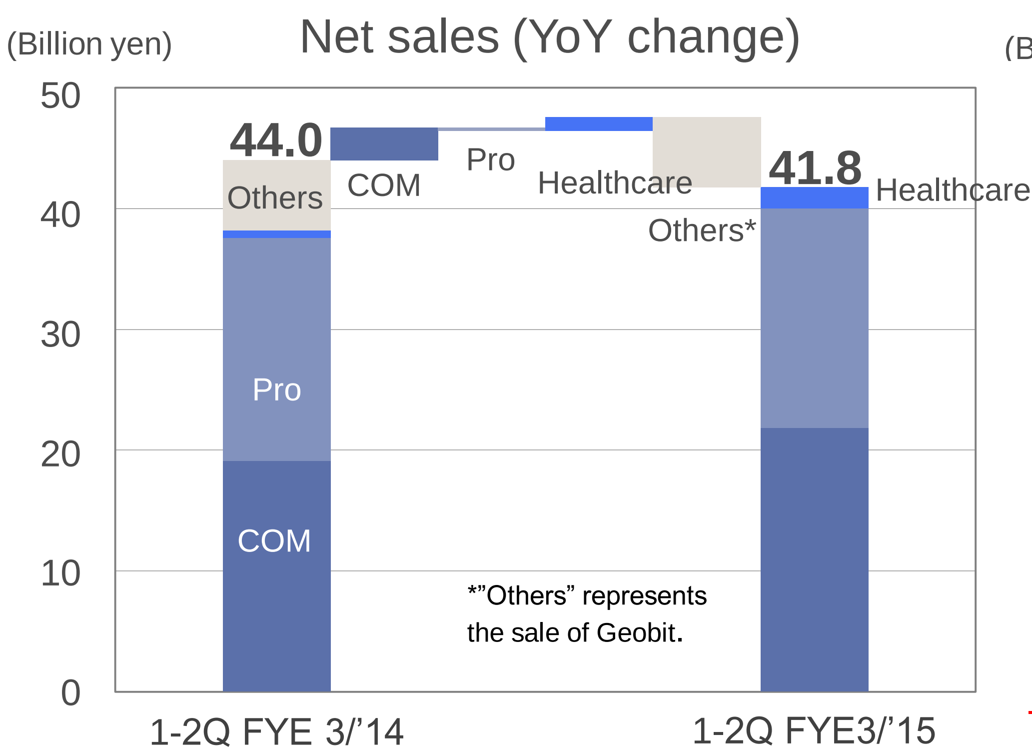


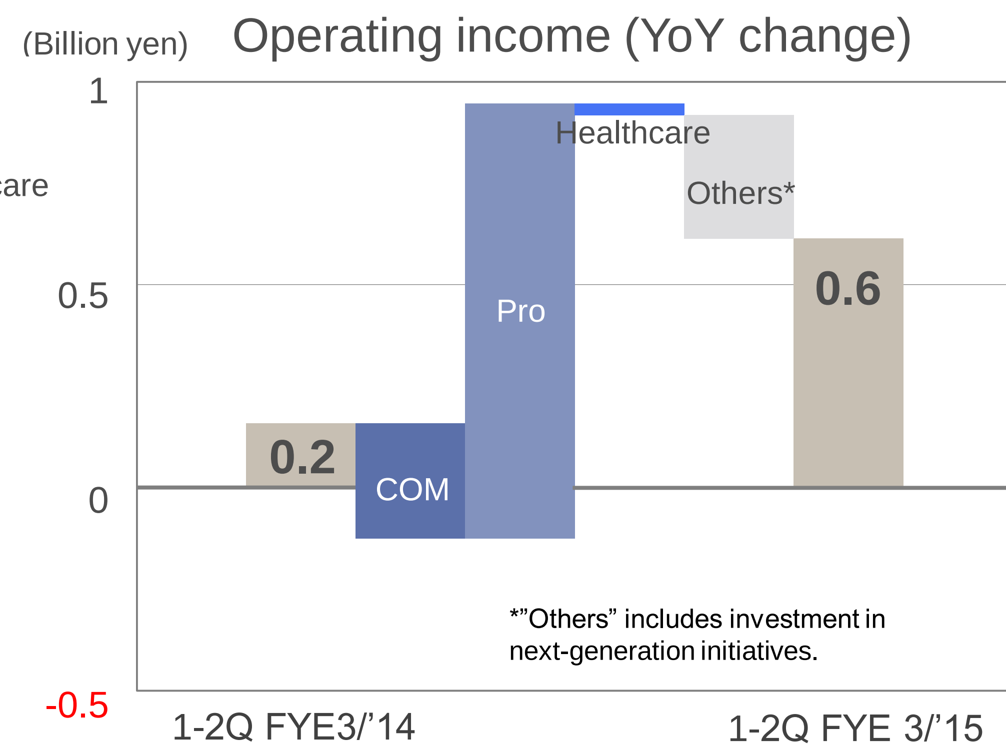
Financial Results for 2Q (1-2Q) of FYE3/'15 - Professional Systems

JVCKENWOOD
creates excitement & peace of mind

* Net sales: Net sales in COM increased, backed by the rebound in the North America, the largest market, as well as the positive impacts from the acquisition of a U.S. firm, EF Johnson Technologies, Inc. (EFJT). Pro achieved sales at the same level as the previous period, being backed by solid domestic sales, which offset a downturn of overseas sales. Regarding Healthcare, the new business acquired July in 2013 showed strong performance from the beginning of the term, contributing to a boost in revenue.

* Operating income: In spite of the recovery in North America, overall operating income in COM resulted in a decline due to the delayed timing in orders received in the North America subsidiary, EFJT. Operating income in Pro rose, being attributed to the improvement in domestic sales.





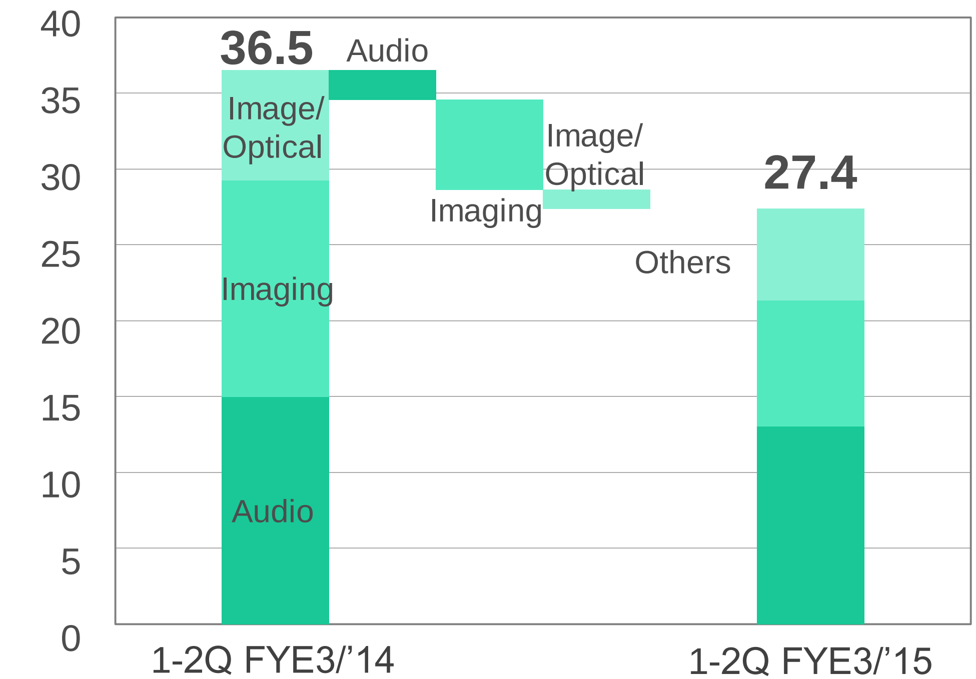
Financial Results for 2Q (1-2Q) of FYE3/'15 - Optical & Audio

JVCKENWOOD
creates excitement & peace of mind

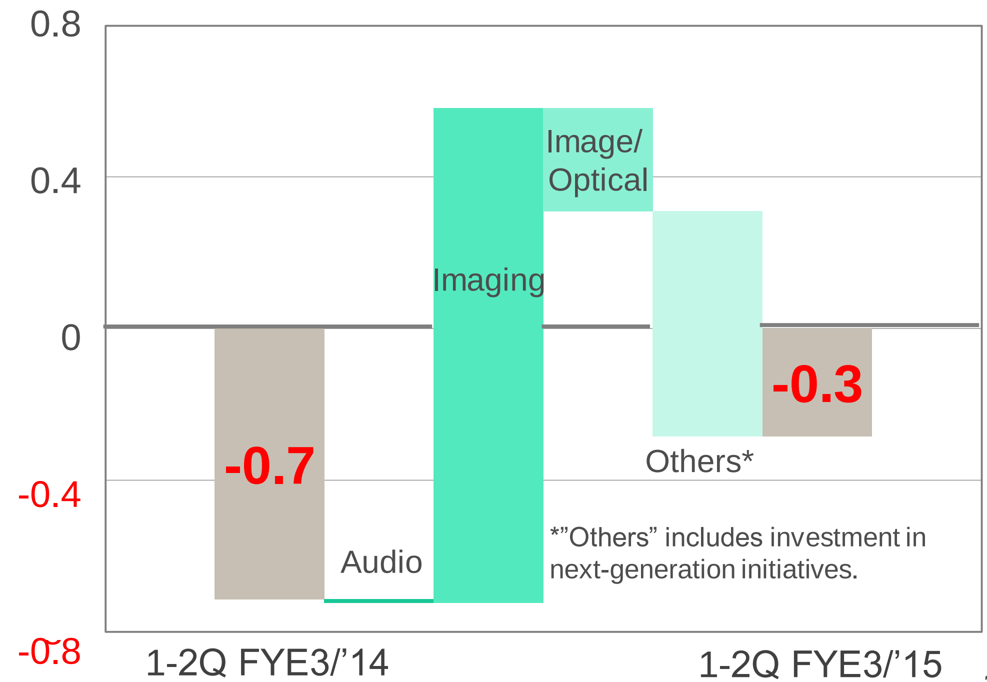
* Net sales: Audio sales declined due to sluggish performance in home audio products. Imaging sales were adversely affected by the narrow-down of camcorder product lines. Sales in Image/Optical fell due to a downturn in projectors.

* Operating income: Image/Optical marked declines both in sales and operating income, while Imaging showed significant improvement resulted from the business reform, with substantial reduction in deficits and the achievement of surplus in the 2nd quarter alone.

(Billion yen) Net sales (YoY change)



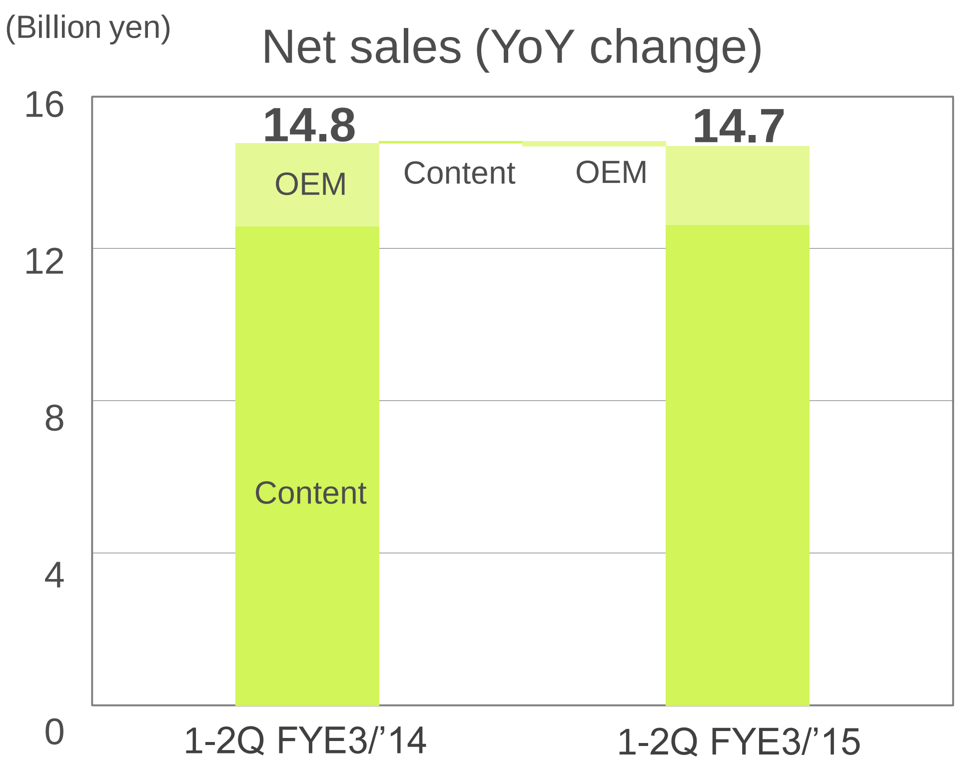
(Billion yen) Operating income (YoY change)

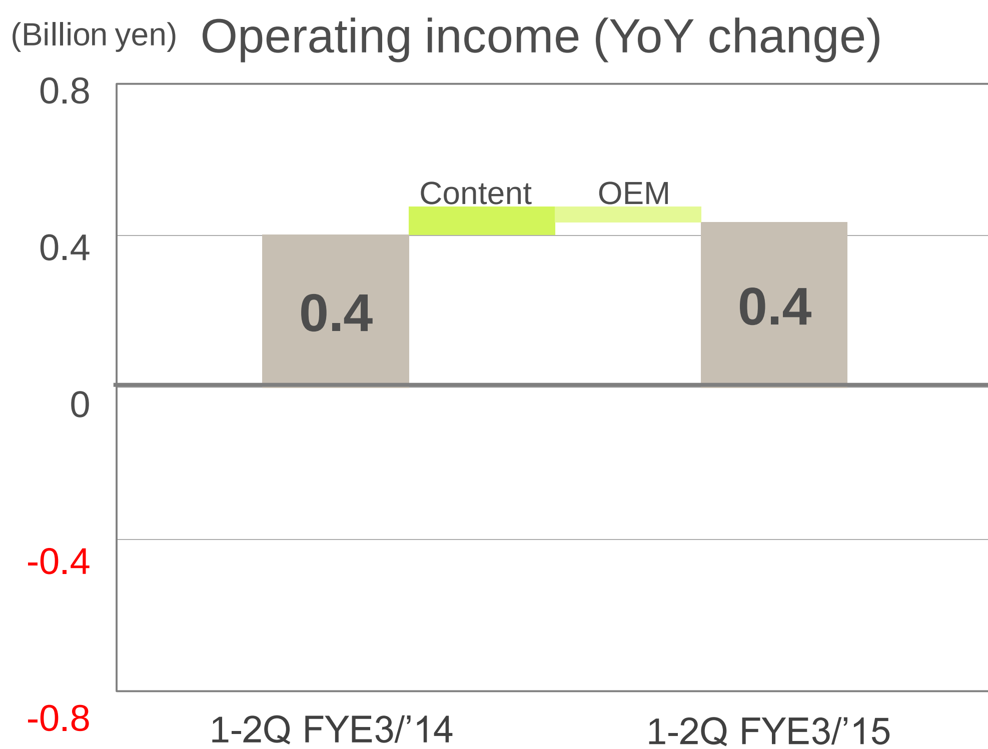


Financial Results for 2Q (1-2Q) of FYE3/'15
- Entertainment Software

JVCKENWOOD
creates excitement & peace of mind

* Net sales: Content recovered in the 2nd quarter from the slowdown caused by the change in article composition, attaining sales at the same level as the previous year. Sales in OEM declined due to the postponed release of outsourced products and weak sales in old titles.
* Operating income: Operating income in Content rose, being attributed to product composition effects. OEM faced declines in both sales and operating income.





1. Overview of financial results for the second quarter of the fiscal year ending March 2015

2. Summary of financial results for the second quarter and restructuring of organization and sales companies

3. Full-year earnings forecast FYE3/’15

Summary of Financial Results for 2Q (1-2Q)

“Business results are on a sound recovery track”

* The structural and business reforms solidly produced positive impacts on business results. Recovery in operating profit/loss of the 2nd quarter compared with the previous period was 1.5 times of that in the 1st quarter, indicating steady rooting of the surplus generation.
* CE: Powerful rebound mainly in Consumer business and dealer option products
* PS: Strong recovery in North America’s terminal device business of COM. The counter measures for the North American subsidiary’s weak performance was executed in the first half period, and the business is expected to pick up in the latter period.
    - Zetron already rebounded in the 2nd quarter.
    - EFJT also started showing signs of synergy effects in production and sales.
* O&A: Significant improvement in profits. The measures for Imaging was completed in the first half and the business has swung back into the black. Reform in the home business has been completed.
* SE：Negative impacts caused by quarterly article compositions were absorbed, recovering profit in the first half period.

Organizational restructuring

JVCKENWOOD
creates excitement & peace of mind

* Completion of the Home business reform (Shift to BtoB)

- Accelerated the transfer of resources from BtoC to BtoB in the first half period.
  - Imaging achieved a surplus in the 2nd quarter. Resources were transferred to in-car cameras/professional-use cameras.
- Integration of product development and sales, centered on professional-use cameras/images (as of November 1)
  - Strengthening through the integration of development, manufacture and sales in professional-use devices
- Upon completion of the reform, Home audio business was incorporated into CE segment.

* CE: Bolstering of OEM business (as of November 1)

- Split OEM Division into Dealer Option Product Division and Factory-installed Product Division
- Factory-installed Product Division will collaborate with the task force of i-ADAS commercialization to promote the acquisition of new factory-installed deals

Reorganization of sales companies

* Americas

- Integration of the North American sales companies
  (2 companies ➔ 1 company): as of October 1
- Integration of Canadian sales companies
  (3 companies ➔ 1 company): by the end of the second half.

* Europe

- Integration of British sales companies
  (3 companies ➔ 1 company): by the end of the second half
- Integration of German sales companies
  (2 companies ➔ 1 company): by November

Improving efficiency in business management and administrations, maximizing resource utilization ➔ sales expansion, strengthening of business structure

1. Overview of financial results for the second quarter of the fiscal year ending March 2015

2. Summary of financial results for the second quarter and restructuring of organization and sales companies

3. **Full-year earnings forecast FYE3/'15**

Full-year Earnings Forecast FYE3/'15

JVCKENWOOD
creates excitement & peace of mind

* With review of foreign exchange rates, JVCKENWOOD decided to keep the full-year earnings forecast unchanged.

- Strong recovery in CE and COM drives overall performance. The home business reform has also been completed.
- Net sales, excluding negative impacts worth approximately JPY18.0B by selling Geobit, JAI, etc., will mark a small increase.
- Structural and business reforms generated larger effects than the assumption. Negative impacts by the domestic tax hike and weak sales in home business are also under the assumption. Accordingly, the yoy improving factors in the first half will highly likely to continue in the latter half as well.
- Action plans for non-operating and extraordinary profit/losses are making progress as expected.
- Review of foreign exchange rates in the latter half:
  - US Dollar: JPY105 →JPY110, Euro: JPY135 →JPY140

(Billion yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
FYE3/'15	300.0	7.5	4.5	0.5
FYE3/'14	316.3	4.4	(0.1)	(6.6)
YoY change	(16.3)	+3.1	+4.6	+7.1

JVC KENWOOD

creates excitement & peace of mind