

JVCKENWOOD

Translation for Reference Only

JVCKENWOOD

Results and Forecast Briefing

Fiscal Year Ended March 2021 (IFRS)

April 27, 2021



JVCKENWOOD Corporation

Business Domains

*All figures in this document are prepared in accordance with International Financial Reporting Standards (IFRS).

Media Service Sector (MS)

■ Media Business

- Solutions/Lifestyle/Brand video cameras, headphones, projectors, home audio, imaging devices, portable power source, contract production, etc.

- ### ■ Entertainment Business
- Content business, etc.

Others

- ### ■ DX※ Business, etc.

7%

18%

52%

22%

FYE3/'21
(Revenue Composition Ratio)
(273.6 B yen)

Automotive Sector (AM)

■ Aftermarket Business

- Car navigation systems
- Car audio systems
- Display audio systems
- Dashcams, etc.

■ OEM Business

- Car navigation systems
- Display audio systems
- Dashcams
- Car-mounted cameras
- CD/DVD mechanisms for vehicles
- Optical pick-ups for car mounted equipment
- Car-mounted speakers
- Car-mounted antennas
- Car-mounted amplifiers, etc.

Public Service Sector (PS)

■ Communication Systems Business

- Professional radio systems, amateur radio equipment, wireless system devices, etc.

■ Professional Systems Business

- JVCKENWOOD Public & Industrial Systems Corporation

Security camera systems, professional broadcasting equipment, etc.

• Healthcare Field

Medical image display systems, Exosome analysis systems, GazeFinder, etc.

- 1. Overview of Financial Results for FYE3/'21**
- 2. Full-Year Earnings Forecast for FYE3/'22**
- 3. Major Efforts in FYE3/'22**

- 1. Overview of Financial Results for FYE3/'21**
2. Full-Year Earnings Forecast for FYE3/'22
3. Major Efforts in FYE3/'22

Financial Results for FYE3/'21 - Highlights

- While revenue decreased due to the impact of COVID-19, all levels of profit or loss below core operating income exceeded the results of the previous year due to a recovery in the second half.

(Billion yen)

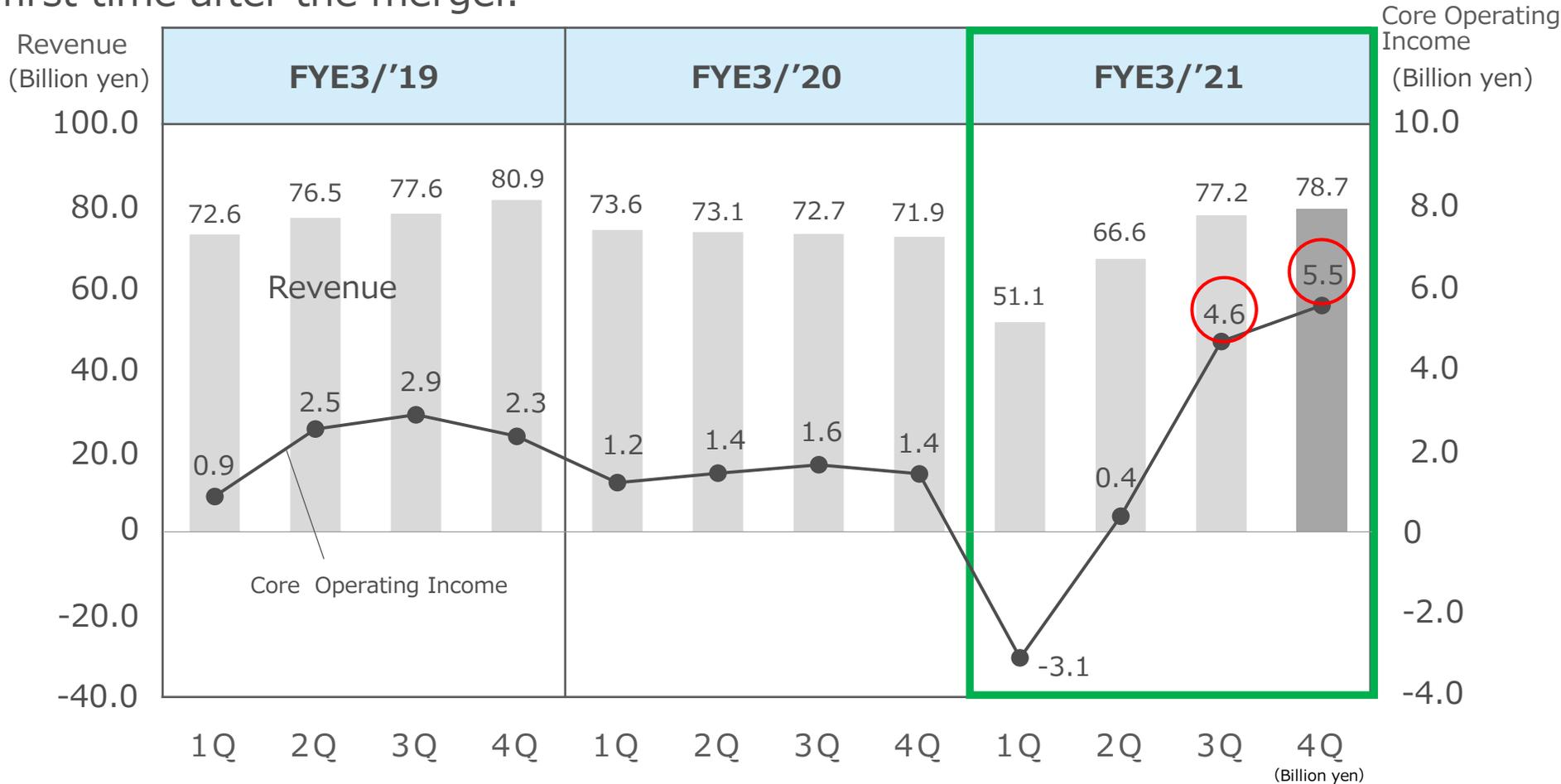
	FYE3/'20		FYE3/'21		
		Composition ratio(%)		Composition ratio(%)	YoY comparison
Revenue	291.3	100.0	273.6	100.0	-17.7
Cost of sales	212.2	72.9	199.0	72.7	-13.2
Gross profit	79.1	27.1	74.6	27.3	-4.5
Core operating income*	5.7	2.0	7.5	2.7	+ 1.8
Operating profit	4.1	1.4	4.9	1.8	+ 0.8
Profit before income taxes	2.9	1.0	4.5	1.7	+ 1.7
Profit attributable to owners of the parent company	1.0	0.3	2.2	0.8	+ 1.2

*: Core operating income does not include nonrecurring items that mainly occur temporarily, such as other income included in operating income, other expenses, and foreign exchange losses (gains).

		FYE3/'20					FYE3/'21				
		1Q	2Q	3Q	4Q	Full-Year	1Q	2Q	3Q	4Q	Full-Year
Profit-And-Loss Exchange	U.S. dollar	110yen	107yen	109yen	109yen	109yen	108yen	106yen	105yen	106yen	106yen
	Euro	124yen	119yen	120yen	120yen	121yen	119yen	124yen	125yen	128yen	124yen

JVCKENWOOD Group - Trends in Quarterly Results

- In the second half of FYE3/'21, the results significantly recovered from the impact of COVID-19 and the core operating income exceeded 10 billion yen for the first time after the merger.



	1H	2H	1H	2H	1H	2H
Revenue	149.1	158.5	146.7	144.6	117.7	155.9
Core Operating Income	3.4	5.2	2.6	3.1	-2.7	10.2

Progress of CEM* Project and Promotion of Enhancement of Business Structure

* CEM = COVID-19 Emergency Measures (Urgent countermeasures against novel coronavirus)

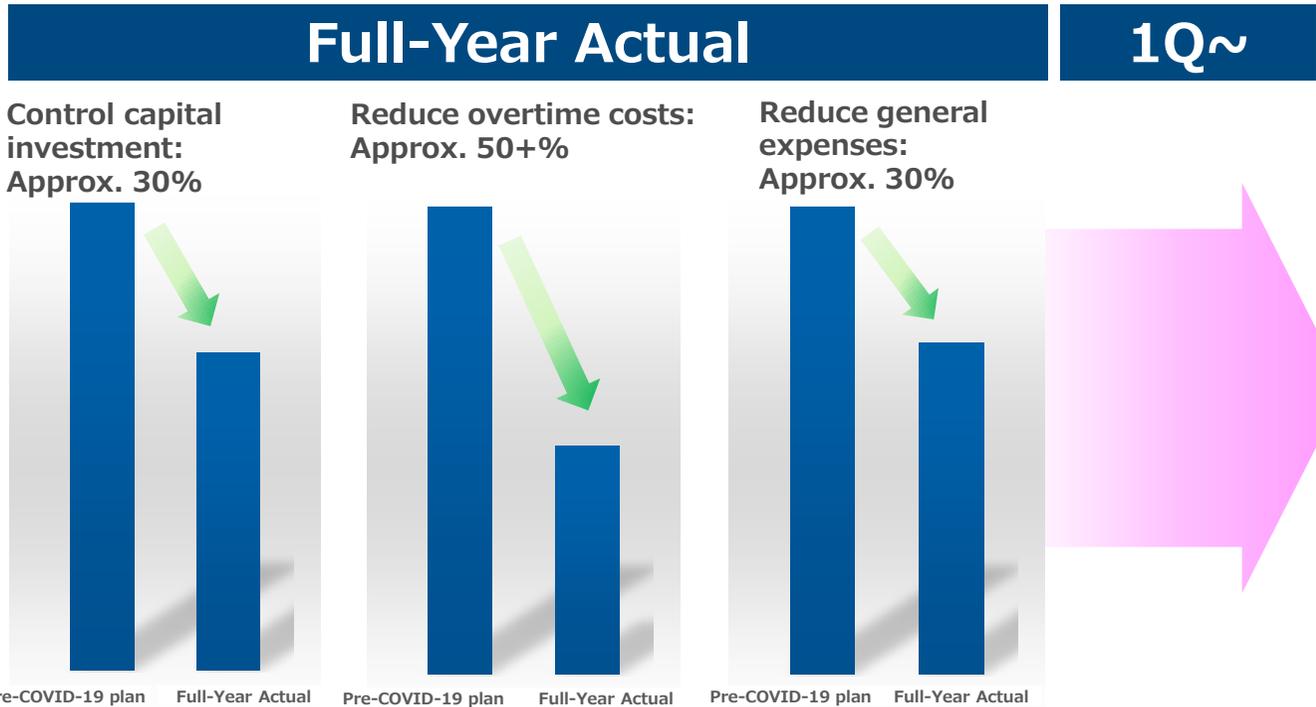
CEM Project

Promote urgent countermeasures assuming the risk of a lower limit to sales

- Largely achieved the plan in full year
→ Maintain activities in 1Q of '21
- Reduced overtime costs through workstyle reform, including promotion of teleworking
→ Ensure continued effects in/after '21 through system development

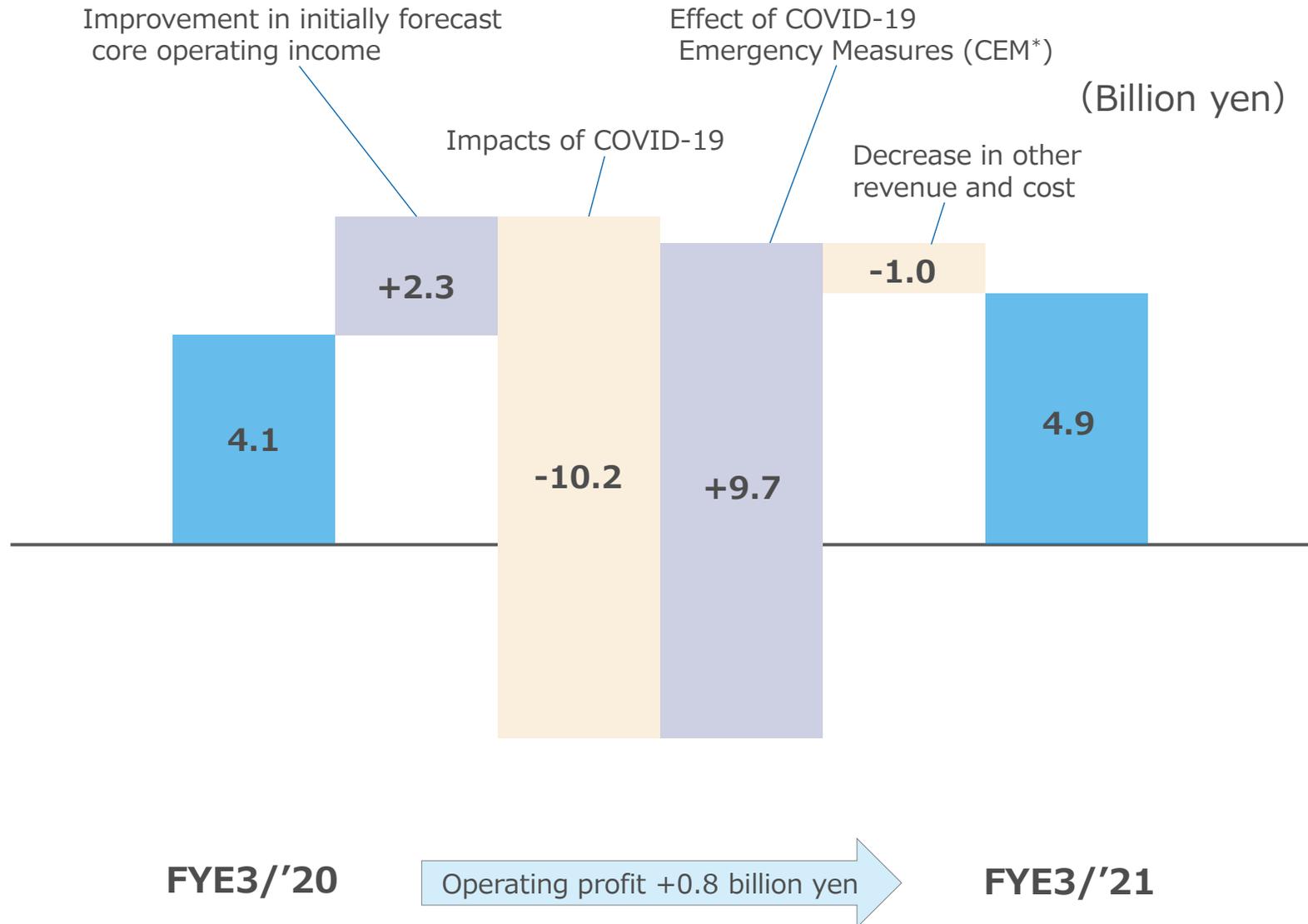
Enhancement of business structure

Toward enhancement of revenue base with an eye to the post COVID-19 world



Maintain the management reform based on manufacturing reform as a company-wide project and implement the management reform plan aimed at improving the ability of field organizations, which are management bases, to solve problems.

Financial Results for FYE3/'21 – Increase and Decrease of Operating Profit (by Factor)

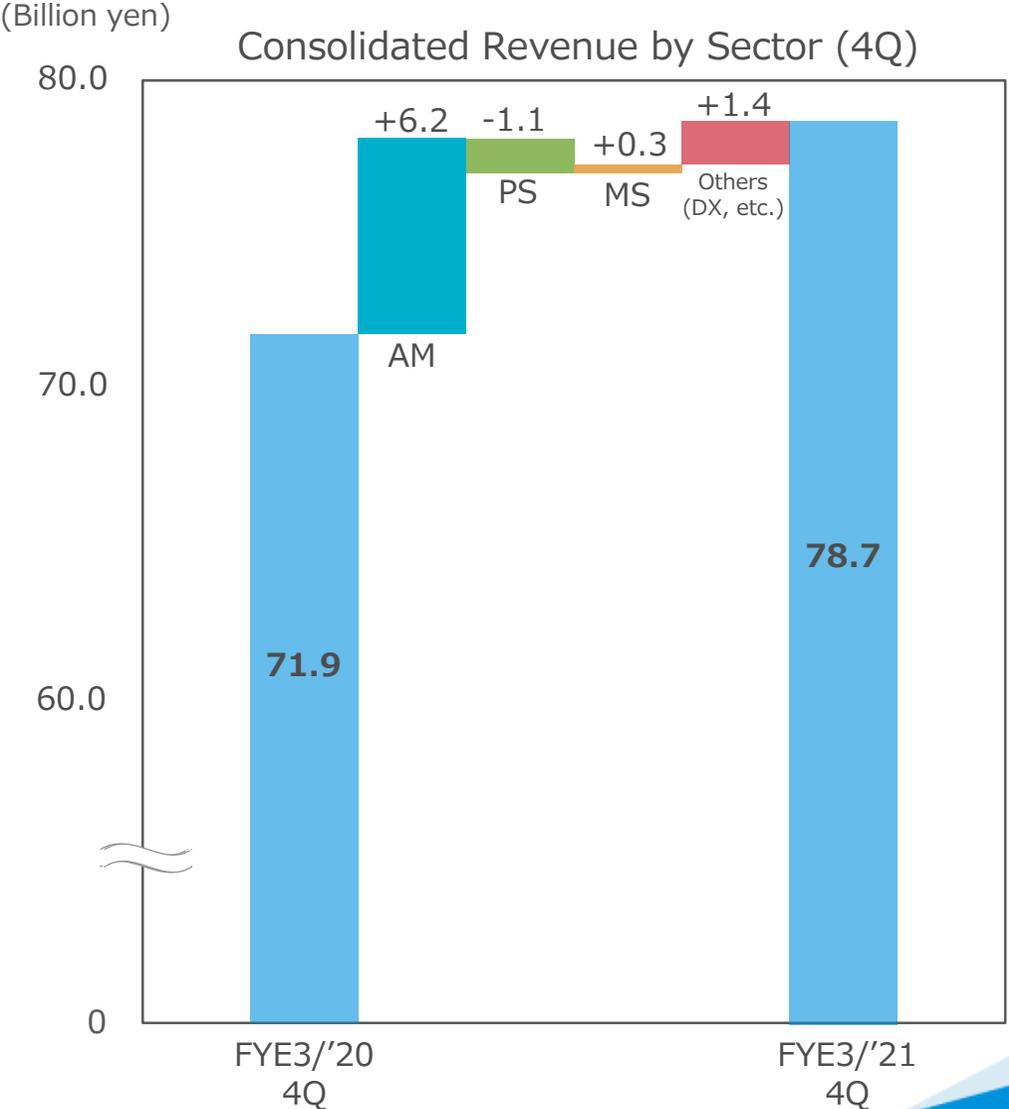
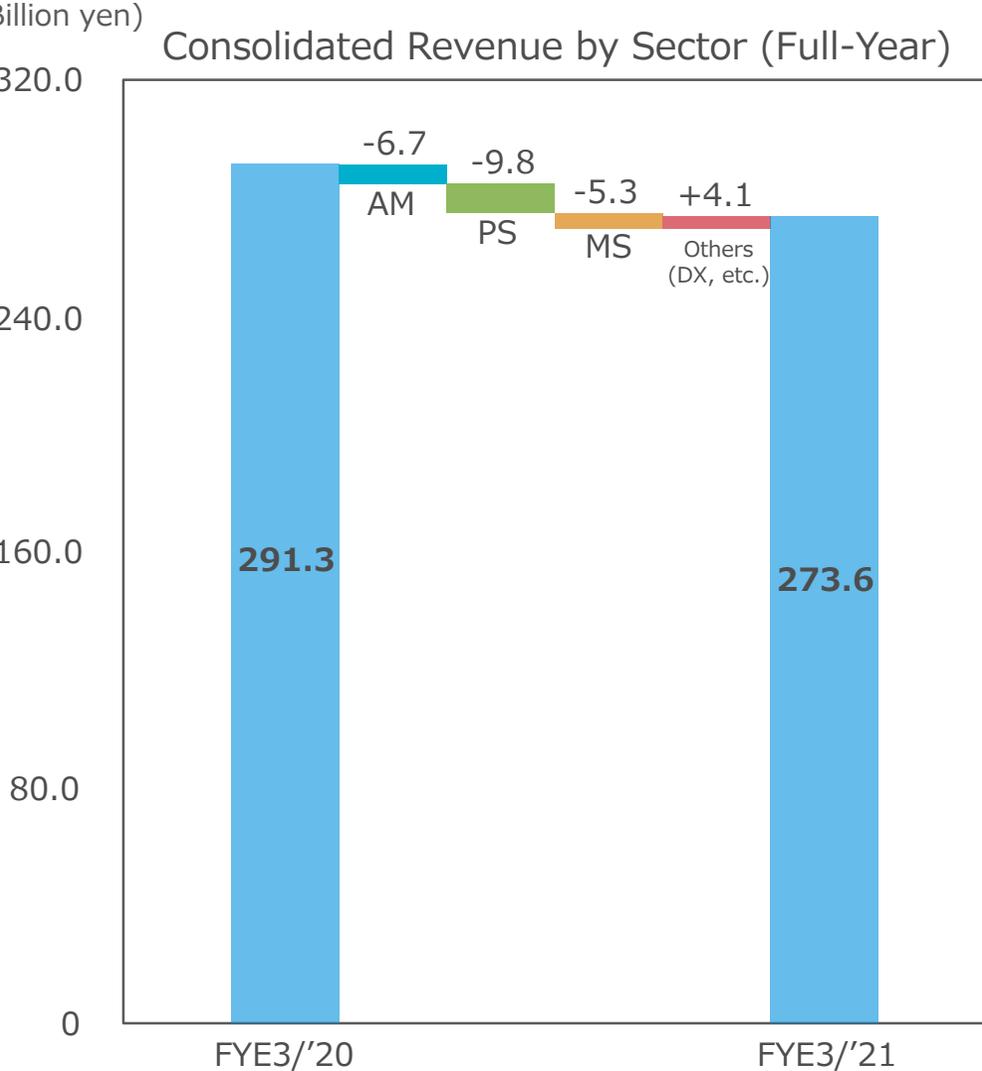


※ CEM...COVID-19 Emergency Measures

Financial Results for FYE3/'21 – Results by Sector

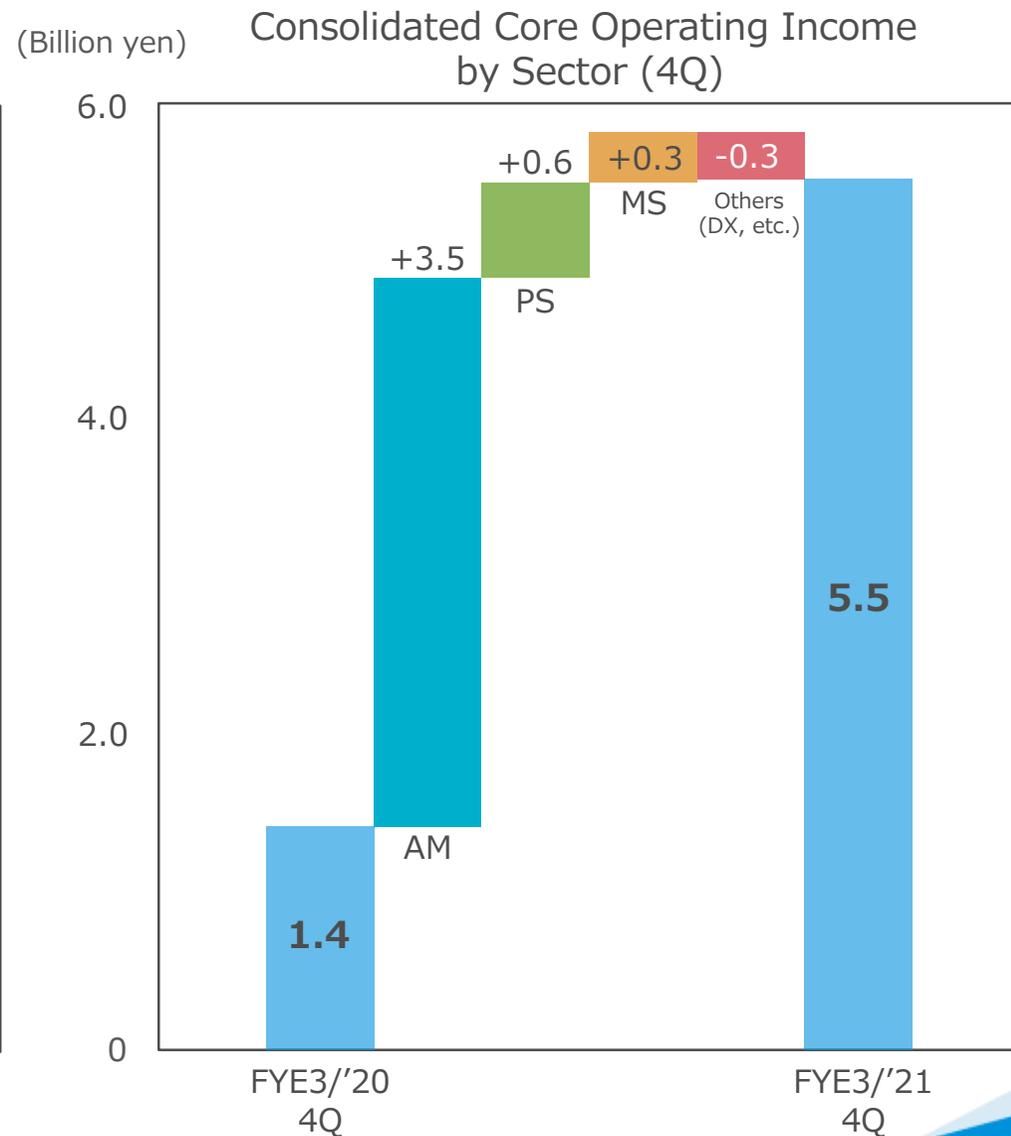
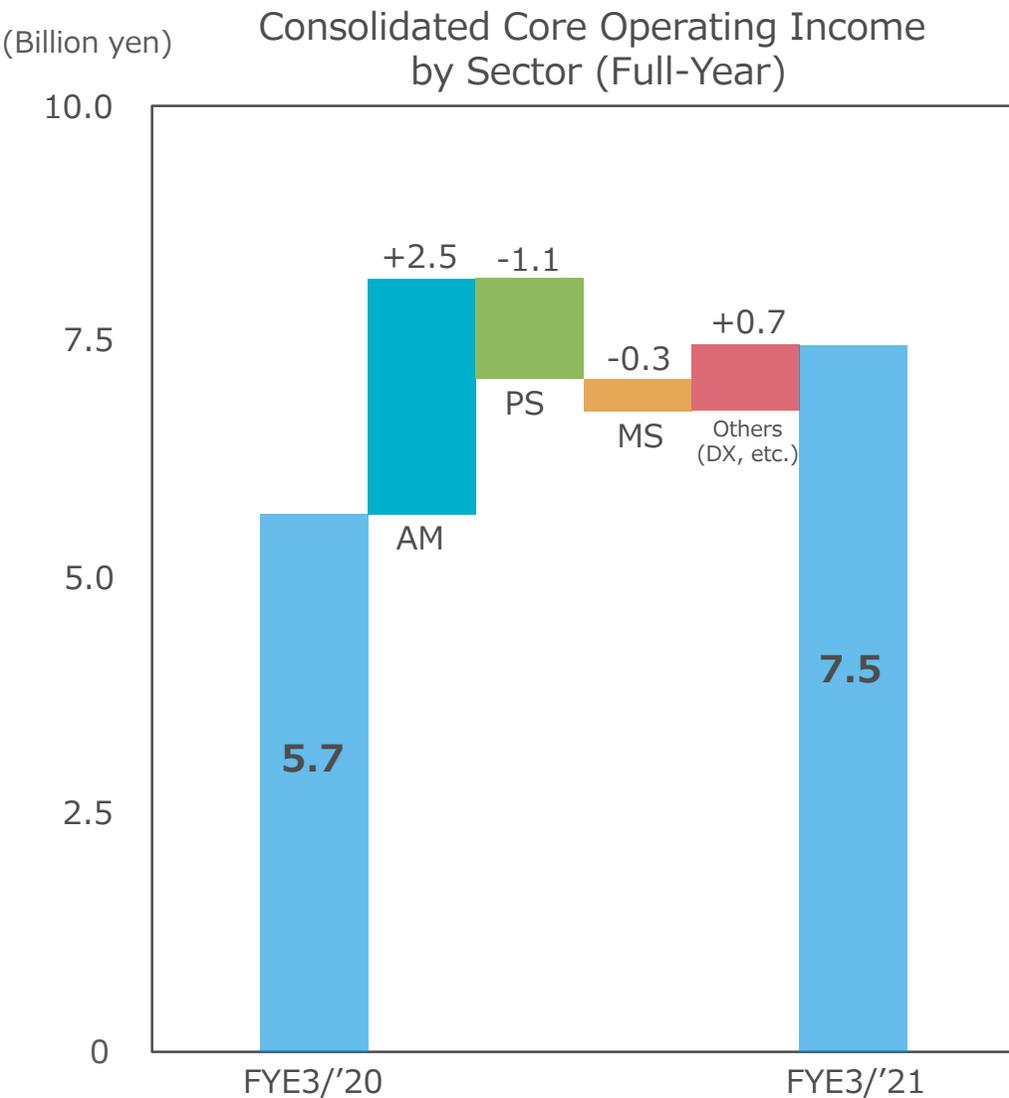
		(Billion yen)				Factors
		3Q(1-3Q) 'FYE3/'20	3Q(1-3Q) 'FYE3/'21	YoY change (amount)	YoY change (percentage)	
AM Sector	Revenue	149.8	143.1	-6.7	-4.5%	*Revenue at the Aftermarket Business was affected by the impact of COVID-19 in 1Q, but increased year-on-year due to a recovery in sales for the second half. Revenue at the OEM Business increased in 4Q attributed to a recovery in sales of dealer-installed products in line with a recovery in the number of new cars sold in Japan, as well as a sharp recovery in sales by a subsidiary in Europe. But it declined year-on-year on a full-year basis due to the large impact of COVID-19 in 1Q.
	Core Operating Income	1.2	3.7	2.5	+209.5%	*Core operating income at the Aftermarket Business increased sharply due to the effects of cost reductions in addition to an increase in revenue. Core operating income at the OEM Business increased due to higher revenue for the second half and the effects of cost reductions, despite the impact of a decline in revenue.
PS Sector	Revenue	70.7	60.9	-9.8	-13.9%	*Revenue at the Communications Systems Business decreased due to the impact of a shutdown of a plant in Malaysia in 1Q and the impact of stay-at-home orders and closures of distribution outlets around the world, despite a recovery in sales for the second half. Revenue at the Professional System Business decreased due to the continued impact of a decline in capital investment on a full-year basis caused by the declaration of a state of emergency in Japan.
	Core Operating Income	2.9	1.9	-1.1	-36.3%	*Core operating income at the Communications Systems Business increased in 4Q due to the effects of cost reductions and enhancement of business structure, despite the impact of a decline in revenue. It recovered to the level of a year earlier on an annual basis. Core operating income at the Professional System Business decreased due to the impact of a decline in revenue.
MS Sector	Revenue	55.4	50.1	-5.3	-9.6%	*Revenue at the Media Business remained almost the same year-on-year due to strong sales at the BtoC business in line with an increase in teleworking and demand for staying at home. This was despite the impact of the deterioration in market conditions in the BtoB business resulting from the impact of COVID-19. Revenue at the Entertainment Business declined due to the continued stagnation of the non-sound source business on a full-year basis, such as cancellation of artists' events including live performance events.
	Core Operating Income	0.8	0.5	-0.3	-40.2%	*Core operating income at the Media Business increased due to higher revenue for the second half and the effects of cost reductions, despite the impact of a decline in revenue. Both revenue and core operating income at the Entertainment Business decreased.
Others (DX Business, etc.)	Revenue	15.4	19.5	4.1	+26.5%	*Both revenue and core operating income at the DX Business increased sharply due to strong sales related to telematics solutions on a full-year basis.
	Core Operating Income	0.7	1.4	0.7	+96.3%	
Total	Revenue	291.3	273.6	-17.7	-6.1%	
	Core Operating Income	5.7	7.5	1.8	+31.5%	

Financial Results for FYE3/'21 – Consolidated Revenue by Sector



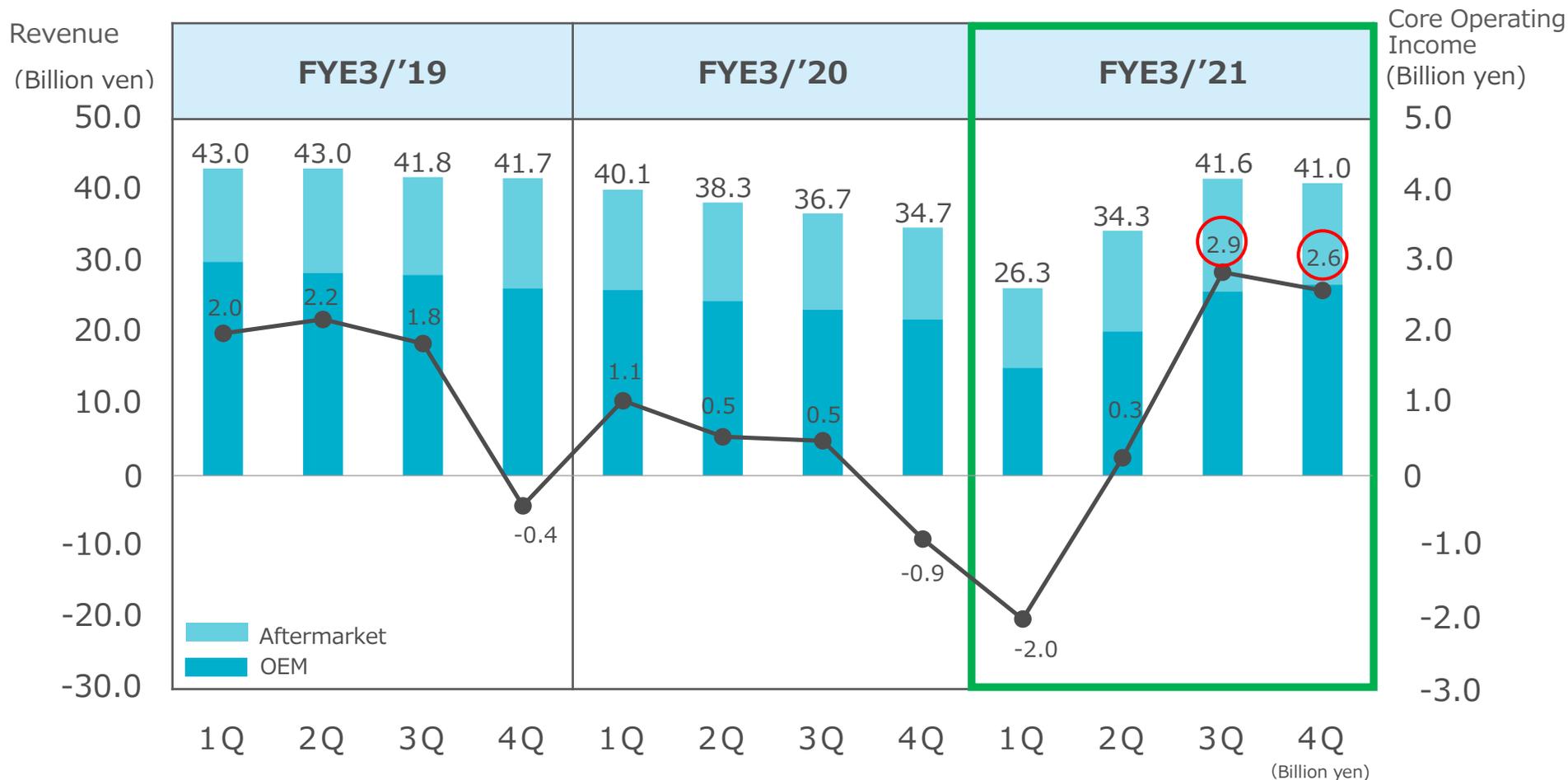
Financial Results for FYE3/'21 –

Consolidated Core Operating Income by Sector



Quarterly Results - Automotive Sector

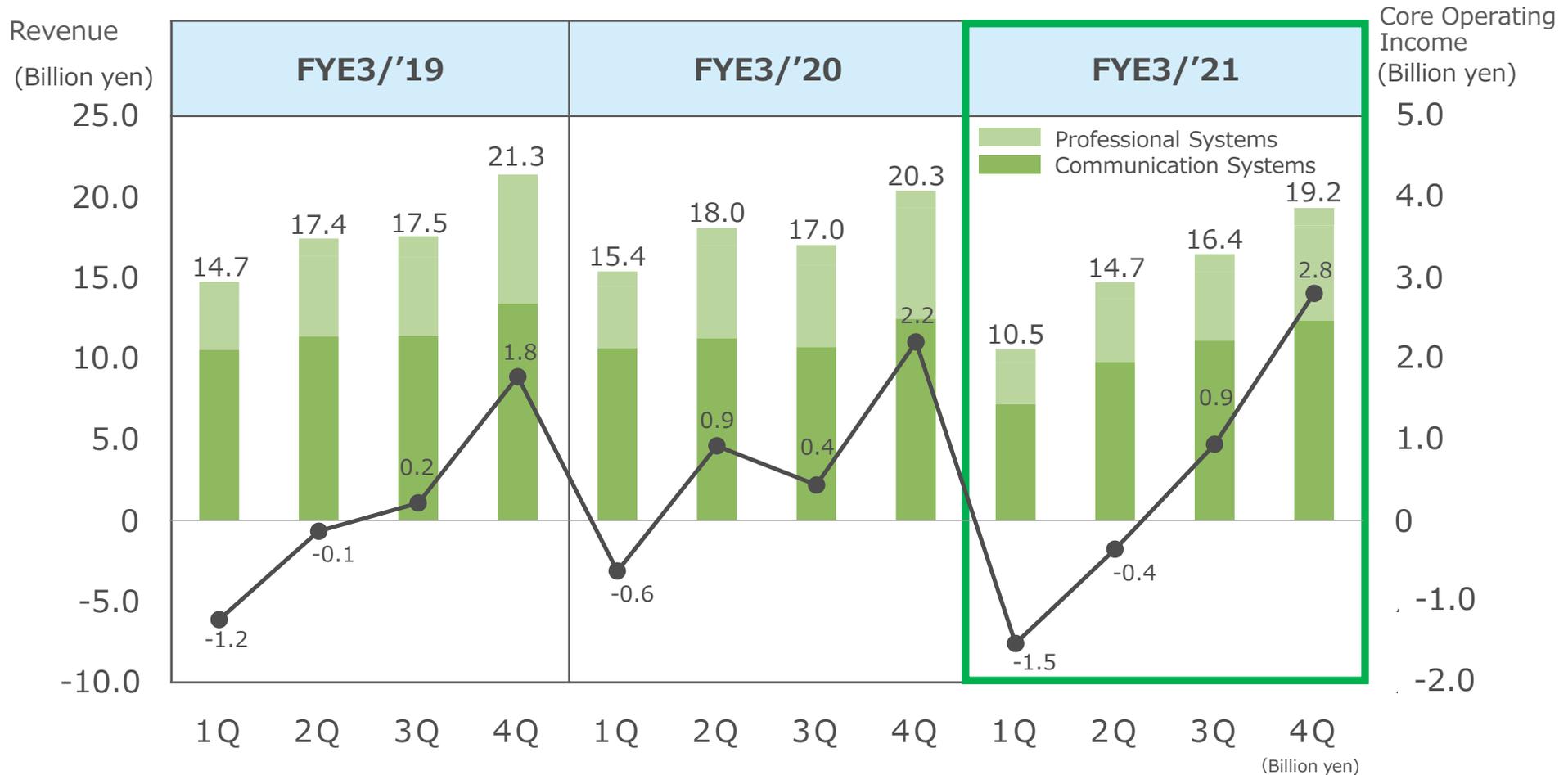
- In FYE3/'21, the results affected by the semiconductor supply problem in 4Q significantly recovered in the second half, and the total core operating income in the second half exceeded 5 billion yen.



	1H	2H	1H	2H	1H	2H
Revenue	86.1	83.5	78.3	71.5	60.6	82.5
Core Operating Income	4.2	1.4	1.6	-0.4	-1.8	5.4

Quarterly Results - Public Service Sector

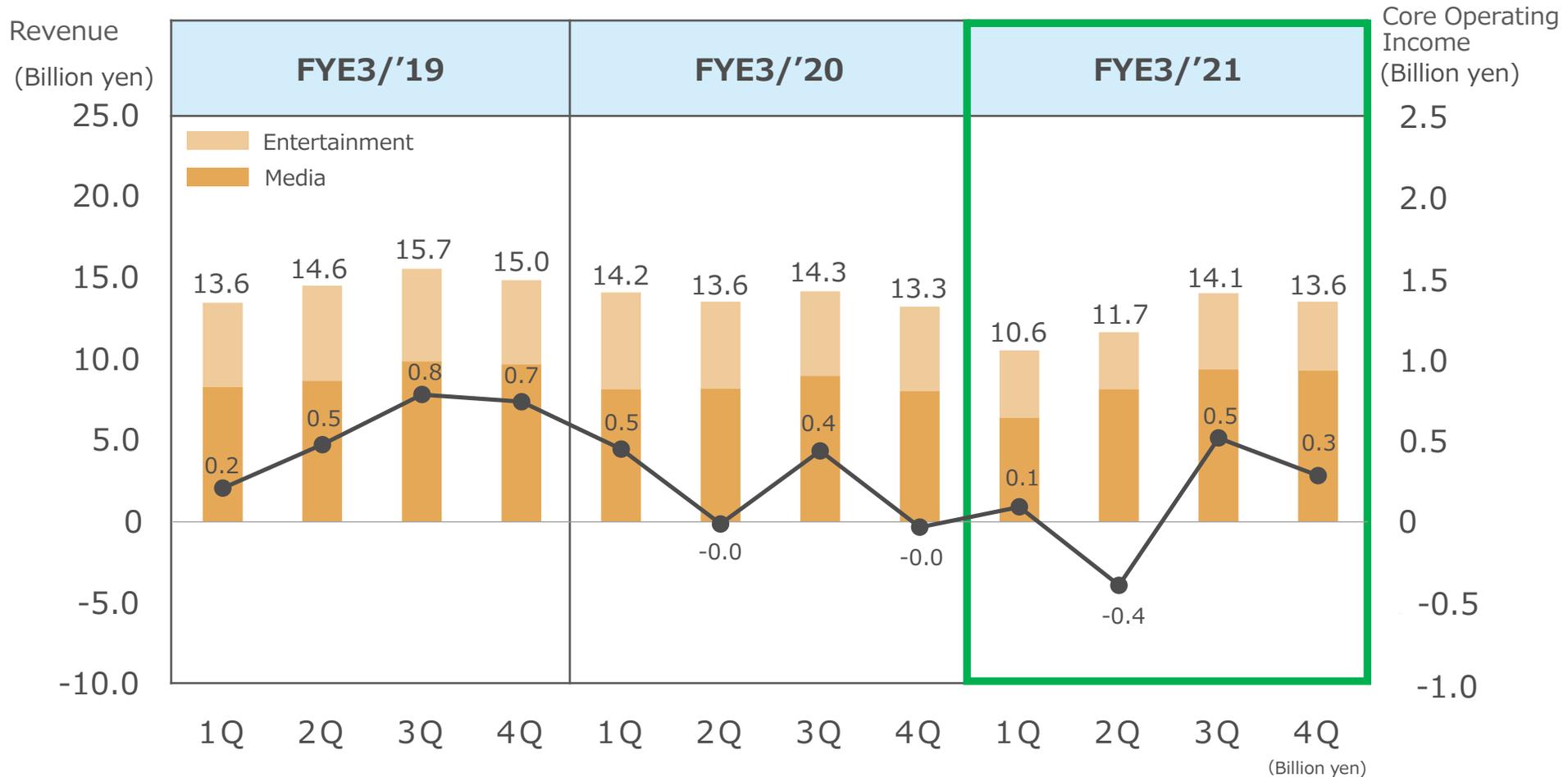
- In FYE3/'21, core operating income increased in the second half due to strong sales of the Communications System Business and the effect of improvements in business structure.



	FYE3/'19		FYE3/'20		FYE3/'21	
	1H	2H	1H	2H	1H	2H
Revenue	32.1	38.9	33.4	37.3	25.2	35.7
Core Operating Income	-1.4	2.0	0.3	2.6	-1.9	3.7

Quarterly Results - Media Service Sector

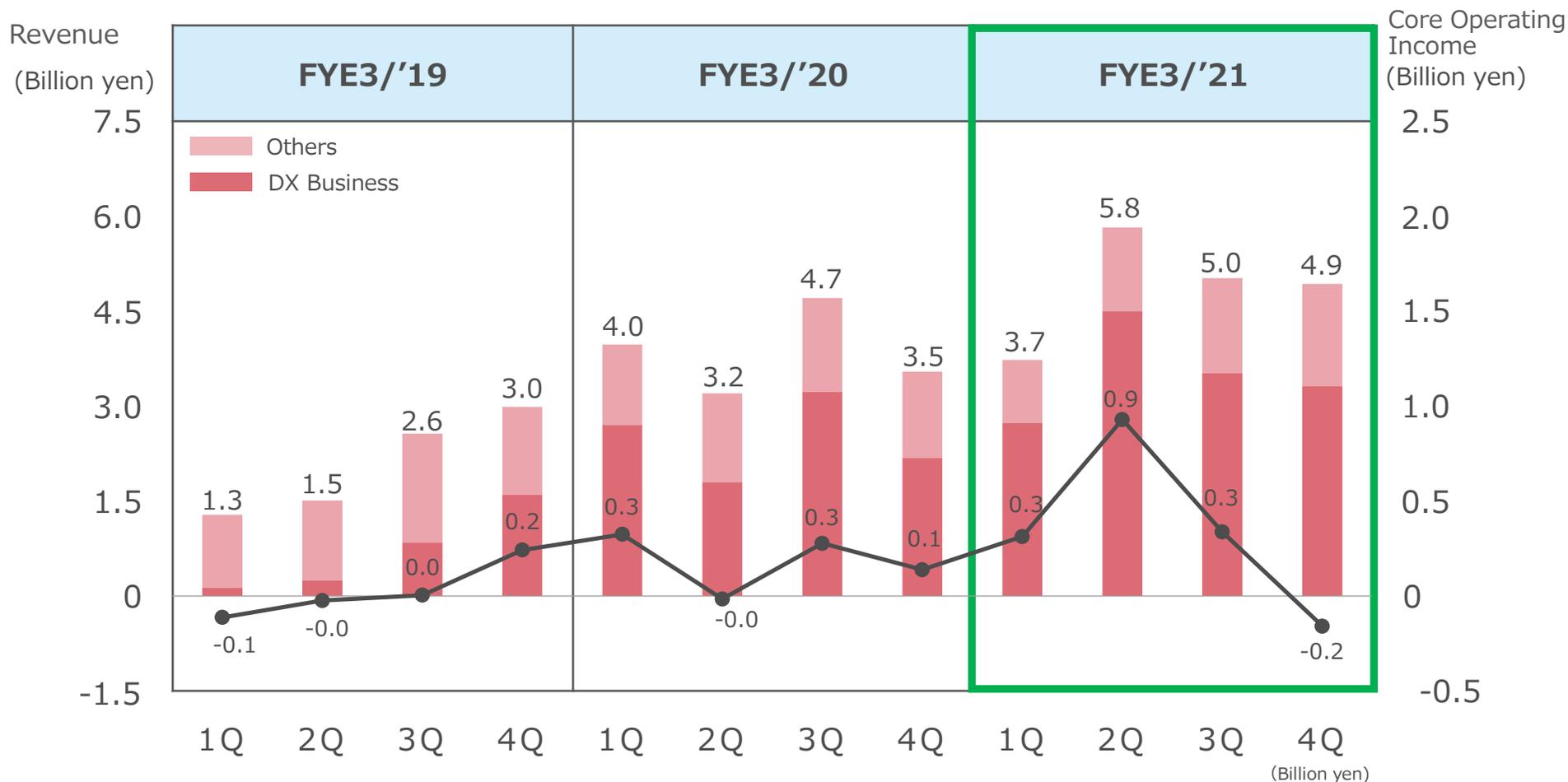
- In FYE3/'21, revenue and core operating income increased due to the solid Media Business that captured demand for staying at home in the second half.



	1H	2H	1H	2H	1H	2H
Revenue	28.2	30.6	27.8	27.6	22.3	27.7
Core Operating Income	0.7	1.5	0.4	0.4	-0.3	0.8

Quarterly Results - Others

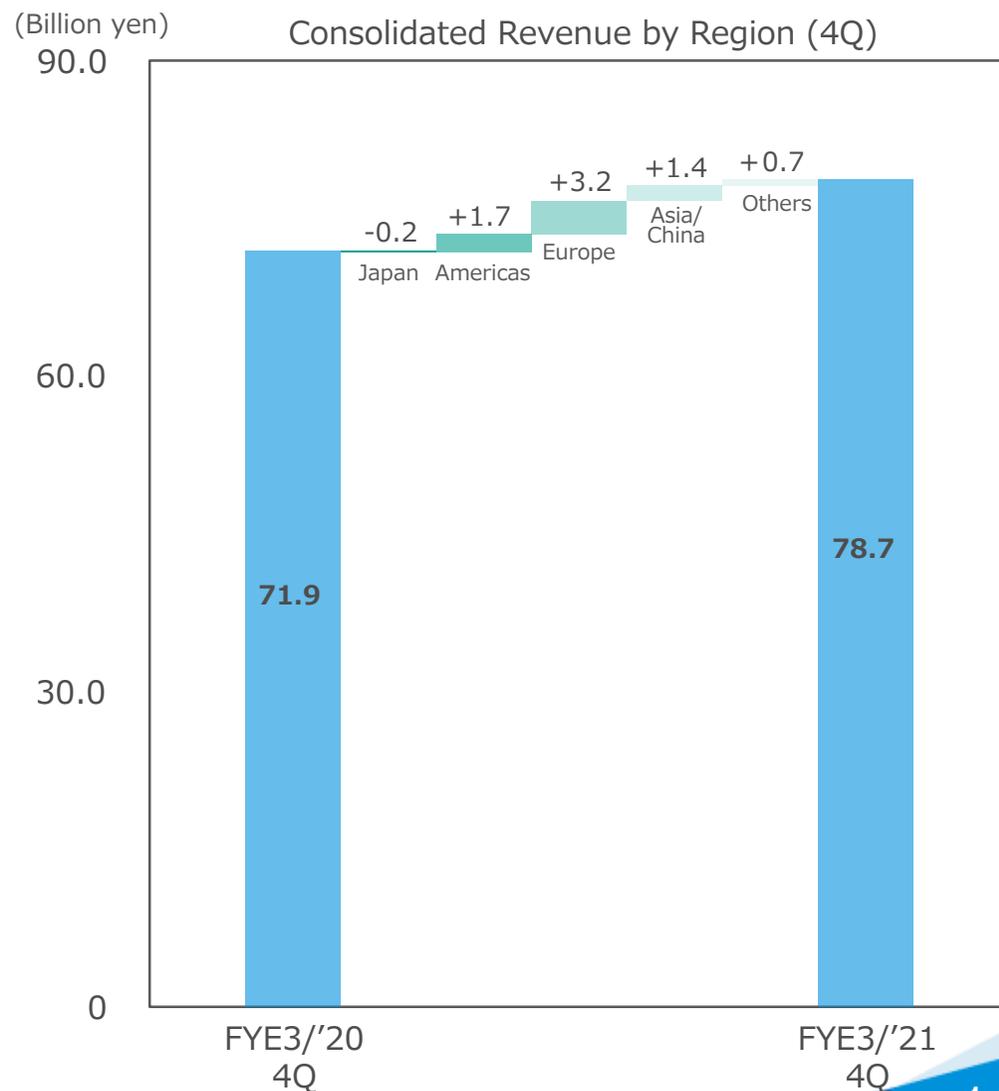
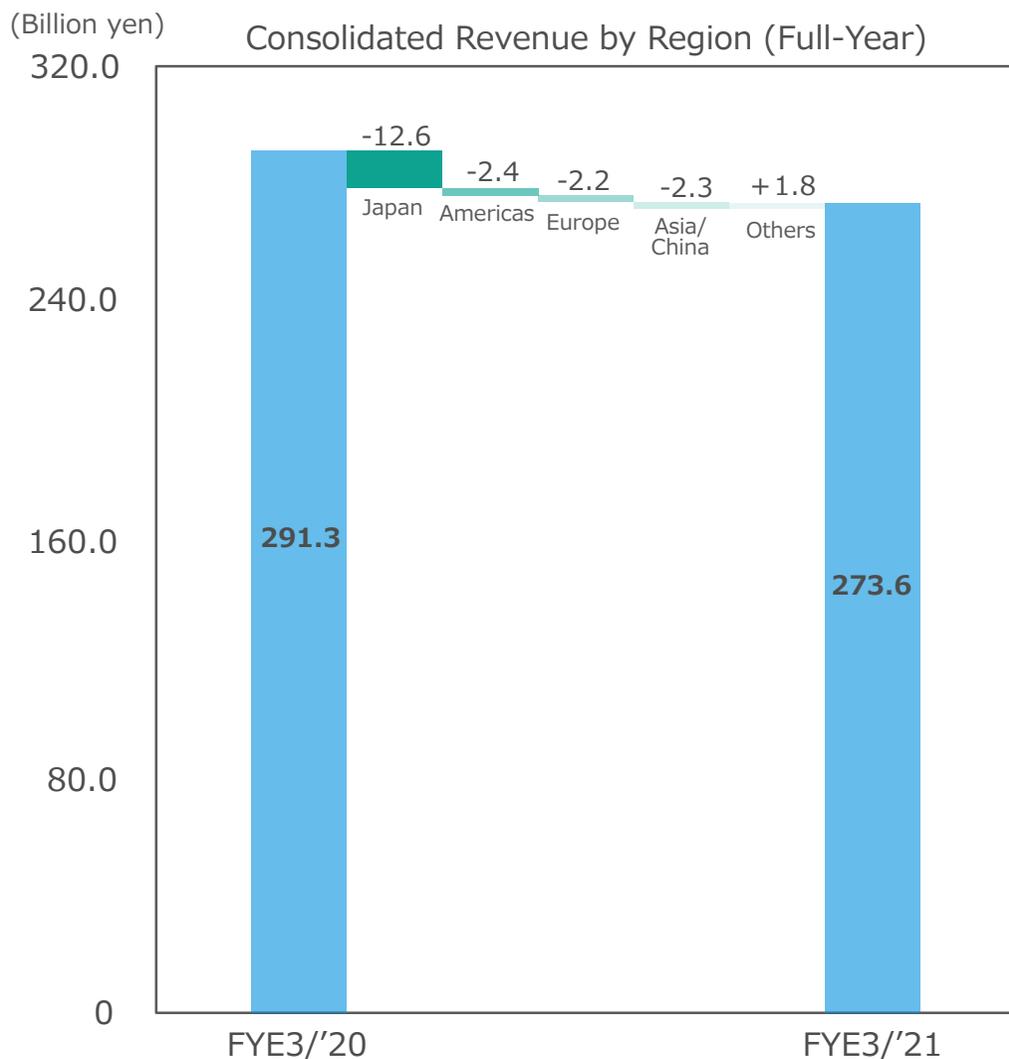
- In FYE3/'21, while an allowance was set aside in 4Q, full-year revenue and core operating income increased sharply due to continued strong sales in telematics solutions.



	1H	2H	1H	2H	1H	2H
Revenue	2.8	5.6	7.2	8.3	9.6	10.0
Core Operating Income	-0.1	0.2	0.3	0.4	1.2	0.2

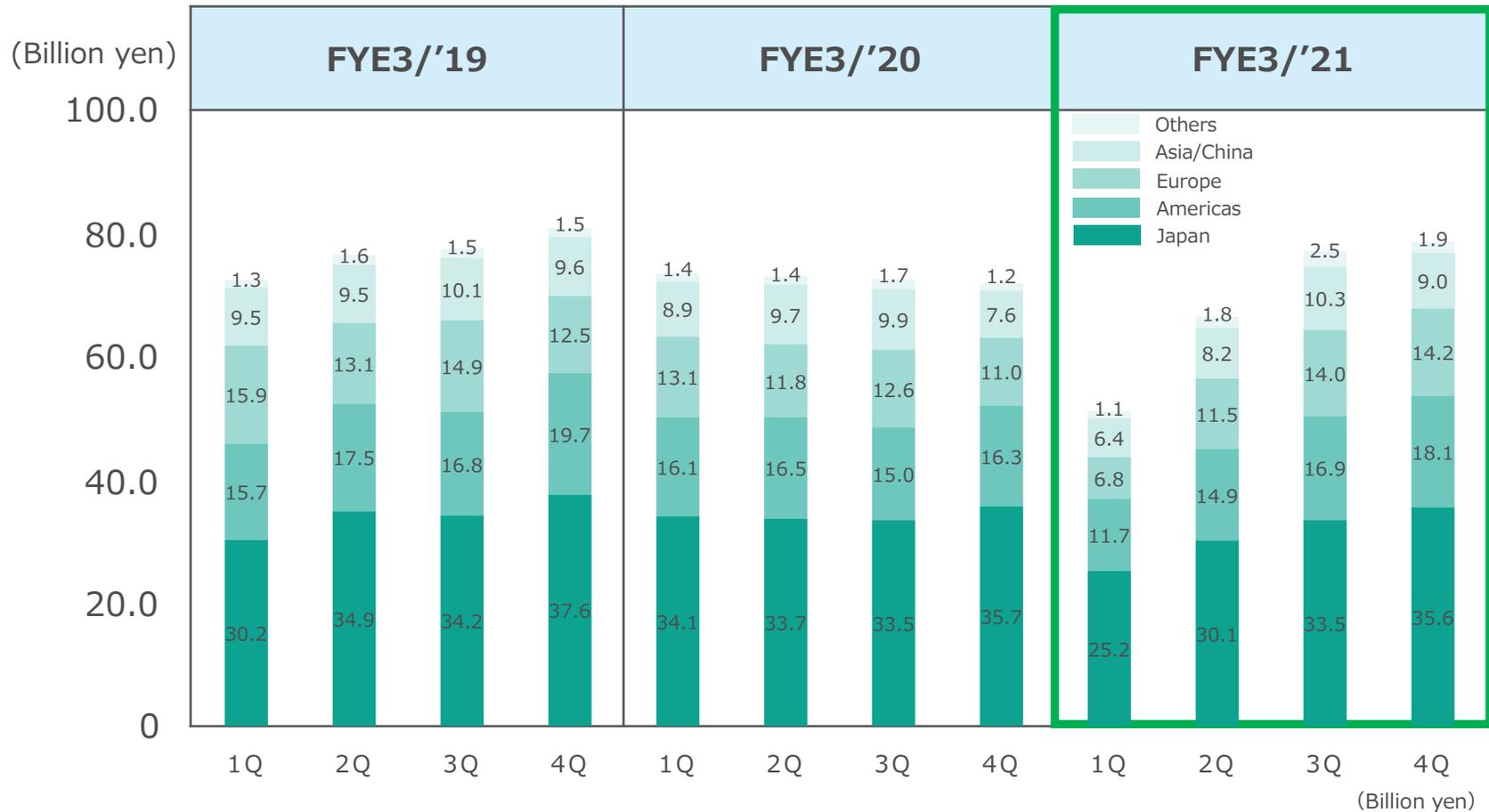
Financial Results for FYE3/'21 - Consolidated Revenue by Region

- While full-year revenue declined in all regions excluding Others, 4Q revenue increased in all regions other than Japan, which was affected by a shortage of components.



Transition in consolidated revenue by region

- All regions achieved a year-on-year revenue increase in 4Q excluding Japan, which was affected by a shortage of components.



	FYE3/'19		FYE3/'20		FYE3/'21	
	1H	2H	1H	2H	1H	2H
Japan	65.1	71.8	67.8	69.2	55.4	69.1
Americas	33.2	36.6	32.6	31.4	26.6	35.0
Europe	29.0	27.4	24.9	23.6	18.2	28.2
Asia/China	19.0	19.7	18.7	17.5	14.6	19.3
Others	2.8	3.0	2.7	2.9	3.0	4.4

Financial Results for FYE3/'21 - Consolidated Profit/Loss (Summary)

- While impairment loss amounted to approximately 2.8 billion yen in the Media Service and Public Service Sectors due to the impact of COVID-19 and the revision of business policy, all levels of profit or loss increased due to an increase in core operating income.

(Billion yen)

	'FYE3/'20	'FYE3/'21	YoY Change
Core Operating Income*	5.68	7.47	+ 1.79
Other Income, Other Expenses, Foreign Exchange Loss, etc.	-1.60	-2.58	-0.98
Operating Profit	4.08	4.89	+ 0.81
Finance Income, Finance Expenses, etc.	-1.20	-0.36	+ 0.84
Profit Before Income Taxes	2.88	4.53	+ 1.66
Income Tax Expenses	1.54	1.83	+ 0.29
Non-Controlling Interests	0.38	0.55	+ 0.17
Profit Attributable to Owners of the Parent Company	0.95	2.15	+ 1.20

* Core operating income does not include nonrecurring items that mainly occur temporarily, such as other income included in operating income, other expenses, and foreign exchange losses (gains).

Financial Results for FYE3/'21 - Financial Position (Summary)

- Cash and deposits as of the end of March 2021 amounted to 59.6 billion yen. Together with securities, on-hand liquidity was 61.9 billion yen (on-hand liquidity ratio: 2.4 months).
- Commitment line of approx. 30.0 billion yen is unused.

(Billion yen)

	FYE3/'20	FYE3/'21	YoY Change
Total Assets	249.7	264.3	+ 14.7
Total Liabilities	189.7	195.8	+ 6.1
Total Equity	60.0	68.5	+ 8.5
Interest-Bearing Debts	74.6	75.6	+ 1.0
Net Debt	34.7	15.9	-18.7
Net Debt/Equity Ratio (Times)	0.61	0.25	-0.36
Equity Attributable to Owners of the Parent Company	56.5	64.6	+ 8.2
Stockholder's Equity Ratio (%)	22.6	24.5	+ 1.9

Financial Results for FYE3/'21 - Cash Flow Summary

- Net cash provided by operating activities increased, reflecting profit before income taxes and cash inflows from working capital.
- Net cash used in investing activities decreased due to a decrease in purchases of property, plant and equipment as well as intangible assets. Free cash flow improved sharply year-on-year.
- Net cash used in financial activities increased due to an increase in repayment of long-term loans payable.

(Billion yen)

	FYE3/'20	FYE3/'21	YoY Change
Cash Flow from Operating	21.6	35.8	+ 14.2
Cash Flow from Investing Activities	-19.7	-11.8	+ 7.9
Free cash flow <small>* Free cash flow: Cash flow from operating activities + Cash flow from investing activities</small>	2.0	24.0	+ 22.1
Cash Flow from Financing	-1.7	-5.3	-3.7
Total	0.3	18.7	+ 18.4

1. Overview of Financial Results for FYE3/'21
- 2. Full-Year Earnings Forecast for FYE3/'22**
3. Major Efforts in FYE3/'22

Earnings Forecast for FYE3/'22

- The outlook will remain uncertain for the time being due to the impact of a delay in procuring components caused by a fire at a supplier at the Communications Systems Business, as well as a potential significant impact of globally tight semiconductor demand/supply in the Automotive Sector, which has shown a recovery trend.
- Various efforts will be made, including a design change to minimize the above impacts.
- CEM Project and management structure enhancement activities will be continued to secure sales and profit.

(Billion yen)

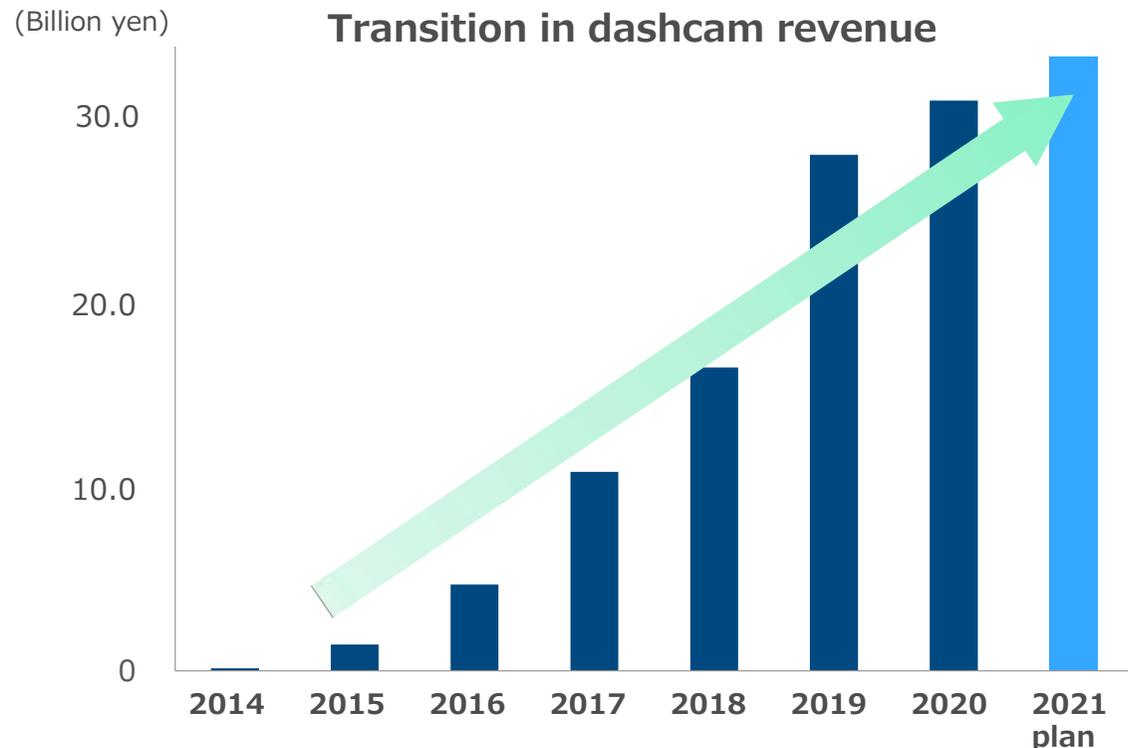
	Result for FYE3/'21	Forecast for FYE3/'22	YoY
Revenue	273.6	285.0	+ 11.4
Operating Profit	4.9	7.5	+ 2.6
Profit Before Income Taxes	4.5	6.4	+ 1.9
Profit Attributable to Owners of the Parent Company	2.2	3.0	+ 0.8

		Result for FYE3/'21/3	Assumption for FYE3/'22
Profit-And-Loss Exchange Rates	U.S. dollar	106 Yen	108 Yen
	Euro	124 Yen	130 Yen

1. Overview of Financial Results for FYE3/'21
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Major Efforts in FYE3/'22 - Dashcams

- Company-wide dashcam revenue in the first half exceeded 30 billion yen
 - Sold in various sectors including the Aftermarket Business and OEM in the Automotive Sector and non-life insurance in the DX Business, dashcams achieved company-wide revenue of over 30 billion yen in the first half.
 - We will aim at further expansion of the business by expanding product lines and developing sales channels.



Major Efforts in FYE3/'22 - Automotive Sector

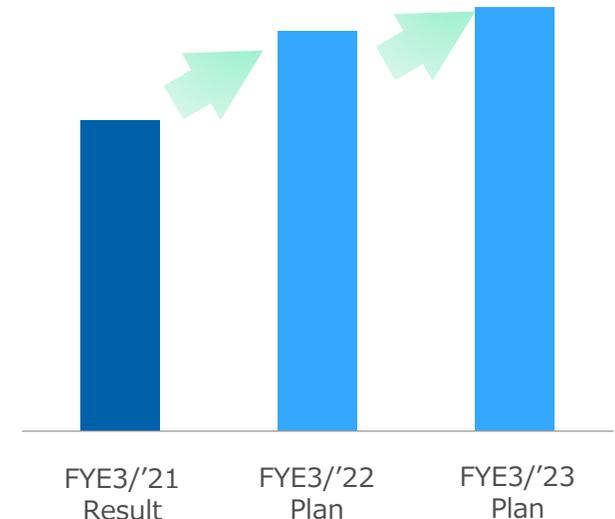
■ OEM

- For dealer-installed products, we seek to acquire new large projects of car navigations and dashcams, in addition to enhancing our response to the shortage of semiconductors and other components.
- ASK, a subsidiary in Italy, remains solid in Europe, China, and Brazil. Stable business growth is expected also in this year.
- Activities will be promoted to receive orders for display audio systems for Japanese automobile manufacturers in Southeast Asia in order to enhance the business there.

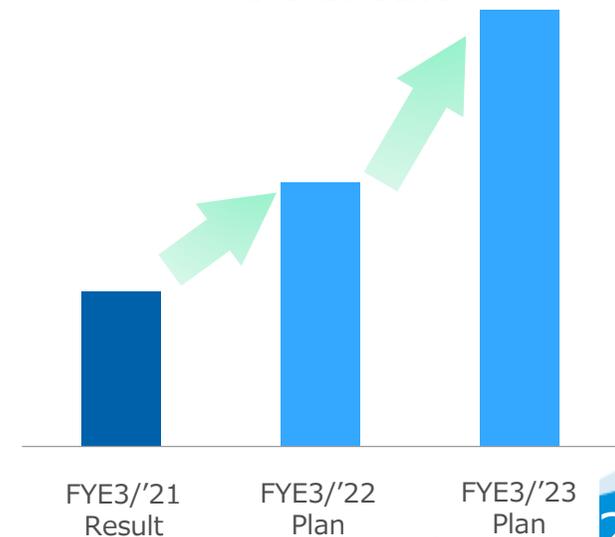
■ Aftermarket Business

- In order to respond to the shortage of semiconductors and other components, we will minimize impacts by design changes in car navigations and car audio systems sold in Japan and overseas.
- In addition to working on enhancing and expanding sales of dashcam product lines, we will actively strive to expand sales of new products including low-concentration ozone generators and portable power sources.

Transition in ASK revenue



Transition in revenue of OEM for Southeast Asia



Major Efforts in FYE3/'22 - Public Service Sector

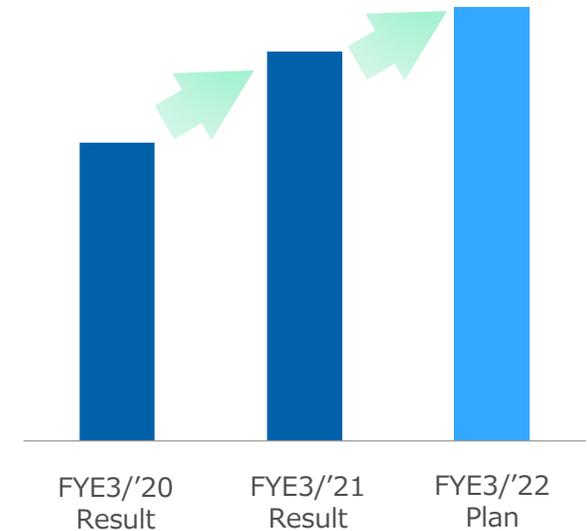
■ Communications Systems

- In the continuously robust public safety market, we will work to acquire orders for large projects including P25 systems for a certain county in the United States in collaboration with EFJT, a communications system subsidiary in the United States.
- We will develop the broadband communications solutions market, which is expected to grow, in collaboration with Tait Limited, in which we own a 40% stake.

■ Professional Systems (JKPI)

- We will aim at a sharp recovery by acquiring orders for large projects and enhancing proposals for products and systems supporting BCP to continue business activities amid COVID-19.

Transition in EFJT revenue



Transition in JKPI revenue



Major Efforts in FYE3/'22 - Media Service Sector

■ Media

- Enhance product lines for markets that are expected to grow, including high-precision remote communications, demand for staying at home due to more hours being spent at home, and preparation for natural disasters and pandemics that have become apparent.

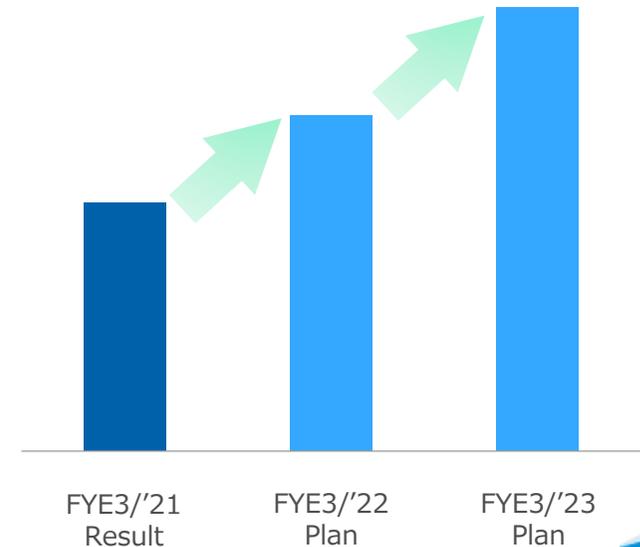
■ Entertainment

- Develop new artists in order to increase our share in the expanding streaming market.
- Enhance the EC business in the package.



Conceptual image of using a portable power source

Transition in portable power source sales



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The 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, 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's targets as of the time of issuance of these presentation materials, and the Company is under no obligation, and expressly disclaims any such obligation, to update, alter or publicize its future forecast statements in the event there are changes in the economic climate and market conditions affecting the 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 (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 U.S. dollar, euro, and such like against the yen; (4) market price fluctuations in capital markets; and (5) changes 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 that may exert a significant influence on the Company's performance.