

JVCKENWOOD

Translation for Reference Only

JVCKENWOOD

Results and Forecast Briefing

Fiscal Year Ended March 2022 (IFRS)

April 27, 2022



JVCKENWOOD Corporation

Business Domains

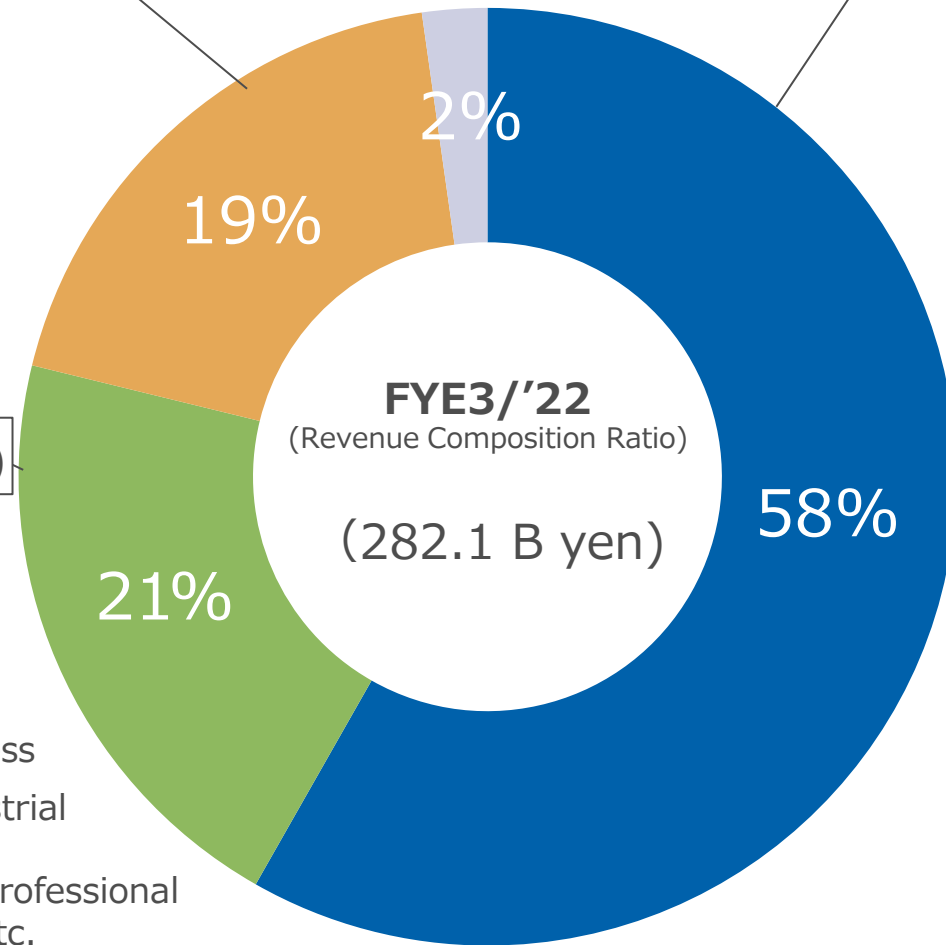
*All figures in this document are prepared in accordance with International Financial Reporting Standards (IFRS).

Media Service Sector (MS)

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

Mobility & Telematics Services Sector (M&T)

- 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.
- Aftermarket Business
 - Car navigation systems
 - Car audio systems
 - Display audio systems
 - Dashcams, etc.
- Telematics Service Business
 - Communication type dashcams
 - IoT Platform Service
 - Taxi dispatch system, etc.



Public Service Sector (PS)

- Communication Systems Business
 - Professional radio systems, amateur radio equipment, 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.

※ Digital Transformation

- 1. Overview of Financial Results for FYE3/'22**
- 2. Full-year Earnings Forecast for FYE3/'23**
- 3. Progress of Medium-Term Management Plan “VISION 2023”**

- 1. Overview of Financial Results for FYE3/'22**
2. Full-year Earnings Forecast for FYE3/'23
3. Progress of Medium-Term Management Plan "VISION 2023"

Financial Results for FYE3/'22: Highlights

- Revenue increased as the impact of COVID-19 lessened, and production and sales recovered in Q4 although revenue mainly for Mobility & Telematics (M&T) and Public Service (PS) was greatly affected by supply shortages of semiconductors and other components.
- Operating profit increased significantly due to an increase in other income, mainly brought about by a gain on sale of subsidiaries and gain on valuation of financial assets, in addition to the effect of larger revenue.

(Billion yen)

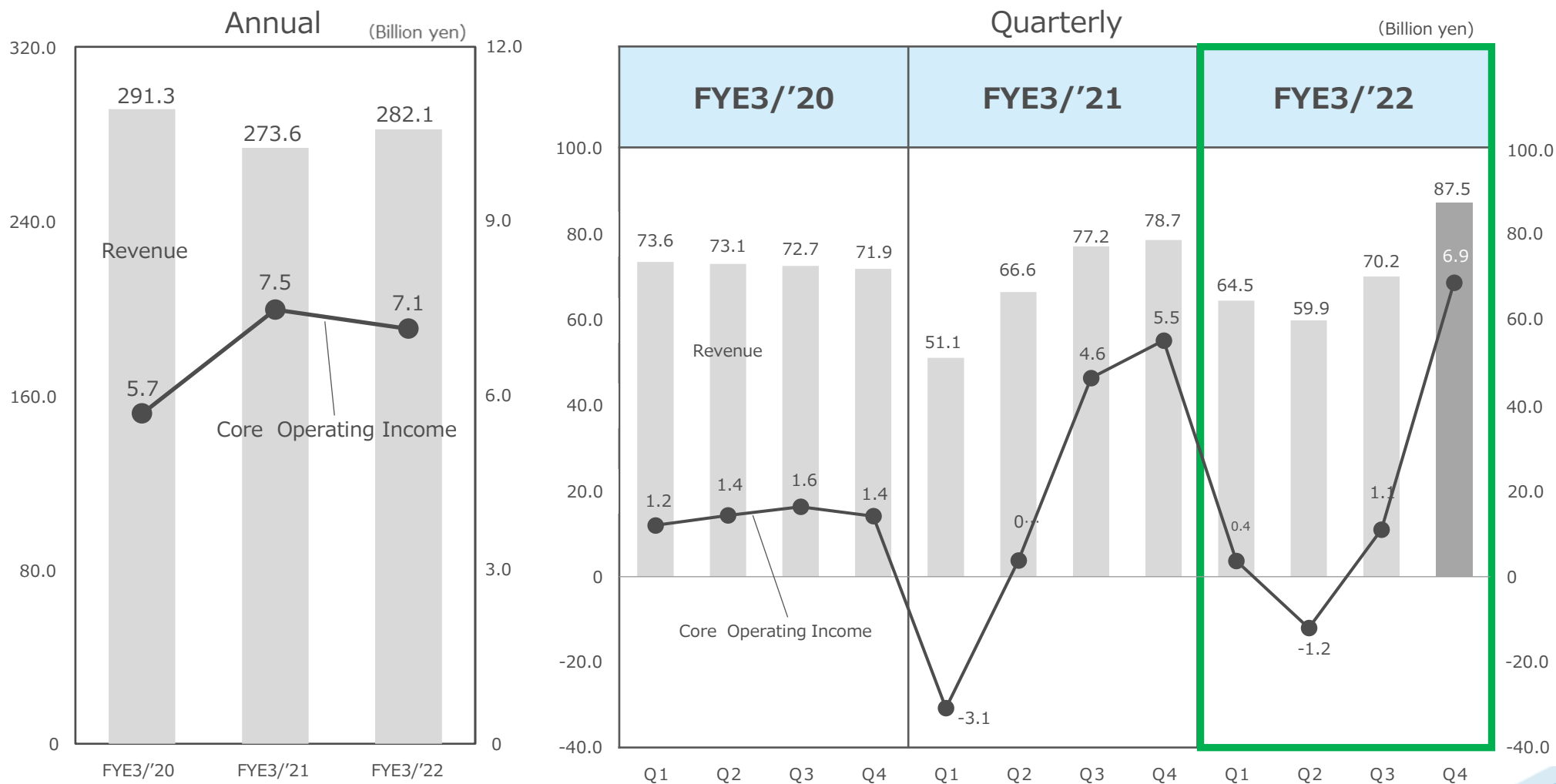
| | 'FYE3/'21 | | 'FYE3/'22 | | |
|---|-----------|--------------------------|--------------|--------------------------|-------------------|
| | | Compositio n ratio(%) | | Compositio n ratio(%) | YoY comparison |
| Revenue | 273.6 | 100.0 | 282.1 | 100.0 | + 8.5 |
| Cost of sales | 199.0 | 72.7 | 206.3 | 73.1 | + 7.2 |
| Gross profit | 74.6 | 27.3 | 75.8 | 26.9 | + 1.2 |
| Core operating income [*] | 7.5 | 2.7 | 7.1 | 2.5 | △ 0.3 |
| Operating profit | 4.9 | 1.8 | 9.1 | 3.2 | + 4.2 |
| Profit before income taxes | 4.5 | 1.7 | 8.5 | 3.0 | + 4.0 |
| Profit attributable to owners of the parent company | 2.2 | 0.8 | 5.9 | 2.1 | + 3.7 |

* 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/'21 | | | | | FYE3/'22 | | | | |
|-----------------|-------------|----------|--------|--------|--------|-----------|----------|--------|--------|--------|-----------|
| | | Q1 | Q2 | Q3 | Q4 | Full-Year | Q1 | Q2 | Q3 | Q4 | Full-Year |
| Profit-And-Loss | U.S. dollar | 108yen | 106yen | 105yen | 106yen | 106yen | 110yen | 110yen | 114yen | 116yen | 112yen |
| Exchange Rates | Euro | 119yen | 124yen | 125yen | 128yen | 124yen | 132yen | 130yen | 130yen | 130yen | 131yen |

JVCKENWOOD Group: Trends in Revenue and Core Operating Income

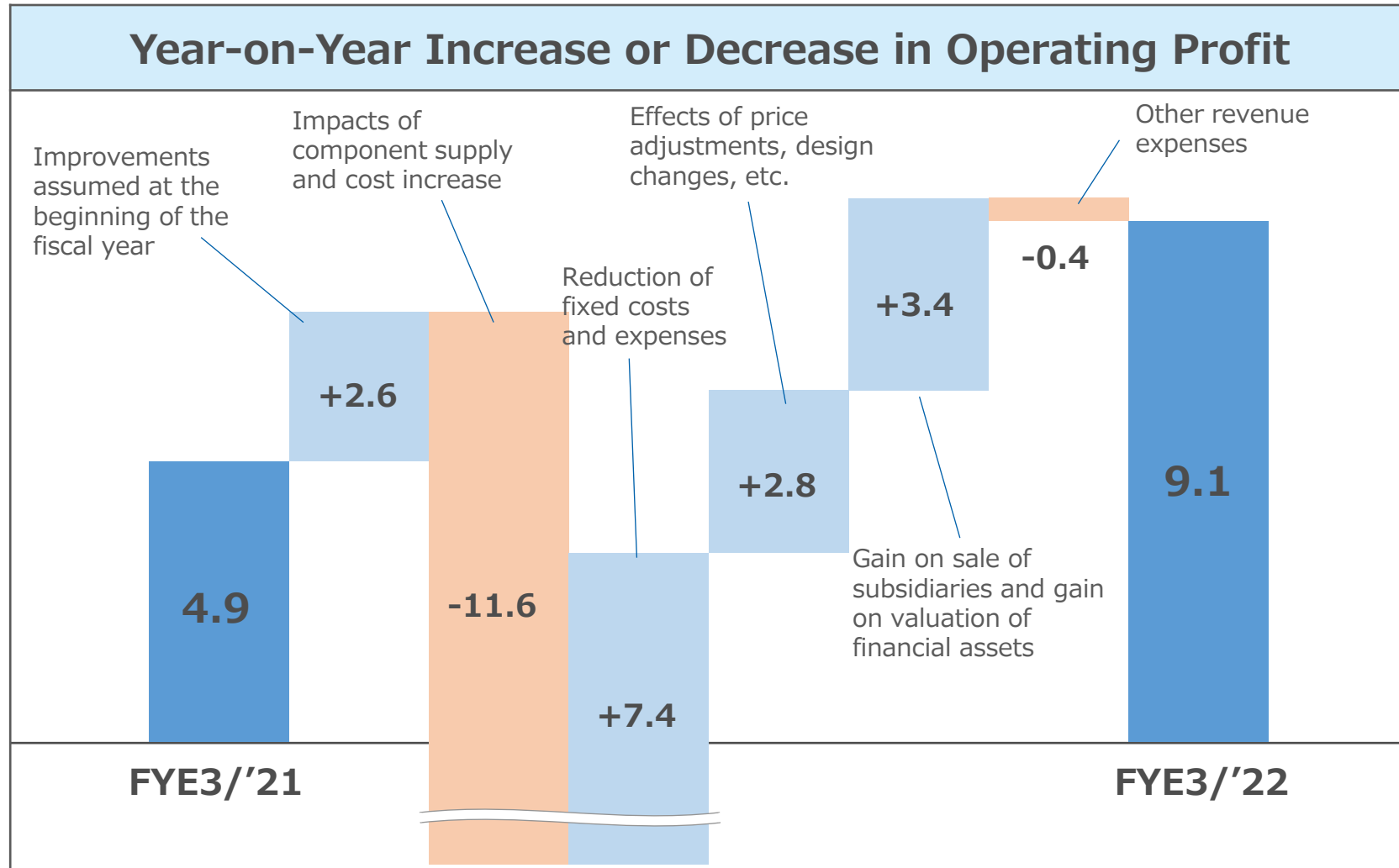
- Revenue and core operating income increased considerably in Q4 as a result of measures taken to cope with components in short supply, such as design changes and the introduction of new products.



Financial Results for FYE3/'22:

Factors Causing Increase or Decrease in Operating Profit

(billion yen)



Supply Chain Issues in Q4

Impact in Q4: Revenue -3.9 billion yen and core operating income -2 billion yen

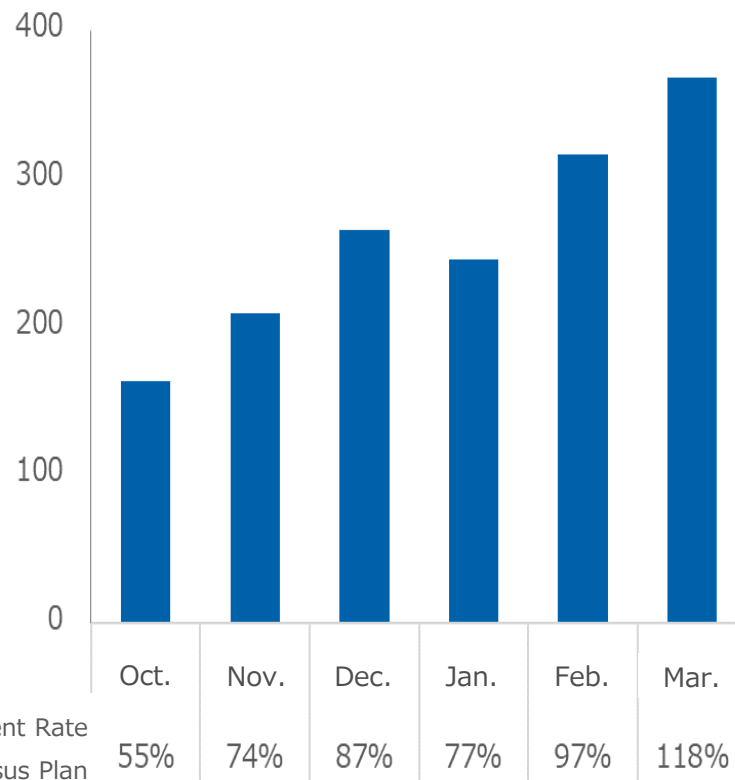
Full-year impact: Revenue -33.7 billion yen and core operating income -11.6 billion yen

| | |
|--------------|--|
| M&T | Although the component supply issue continued mainly with semiconductors, significant increases in production and sales were achieved in Q4 through redesigning products to incorporate replacement components and introducing new products. On the other hand, the operation of factories was suspended by lockdowns that took place in the Shanghai area toward the end of the fiscal year under review. |
| PS | There were larger impacts than predicted as a short supply of semiconductors and other components continued. |
| MS | The impacts were limited. |
| Distribution | Although lead times kept extending, sales in the U.S. in Q4 significantly recovered due to improvements in customs clearance operations there. |

Response to Supply Chain Issues in Q4

- In Japan, an automated production line made a good start at JVCKENWOOD Nagano Corporation, and so production recovered better than planned. On the other hand, overseas, production declined due to lockdowns in Shanghai in the wake of the spread of COVID-19.
- From FYE3/'23 onwards, production of some dealer-installed car navigation systems are planned to be transferred to JVCKENWOOD Nagano Corporation in a medium-term effort to establish a domestic production system for the 500,000-unit-level.

(thousand pcs.) **Monthly Production Volume Related to M&T Factories**



Automated production line at JVCKENWOOD Nagano Corporation



Car Navigation MDV-M908HDF

Achievement Rate
Versus Plan

Financial Results for FYE3/'22: Results by Sector

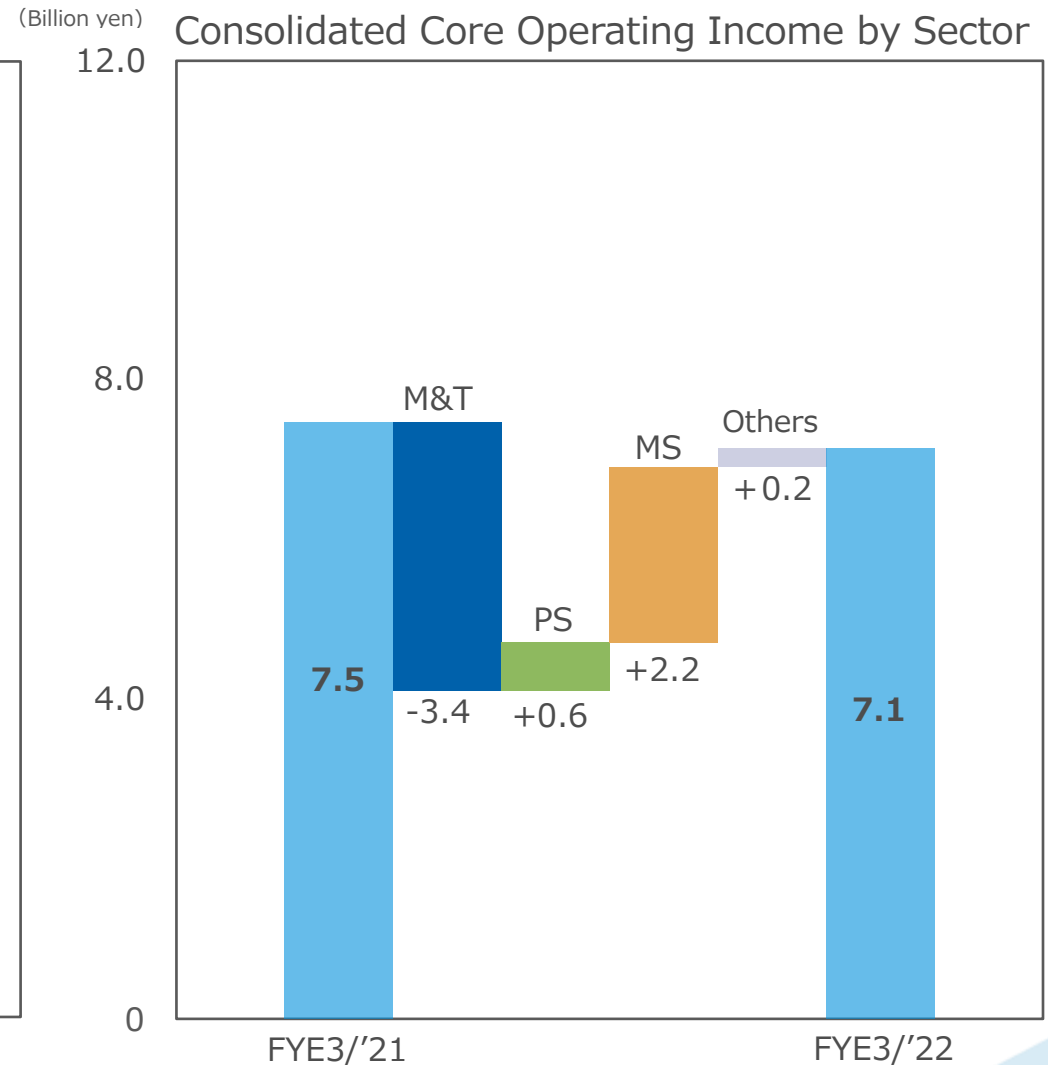
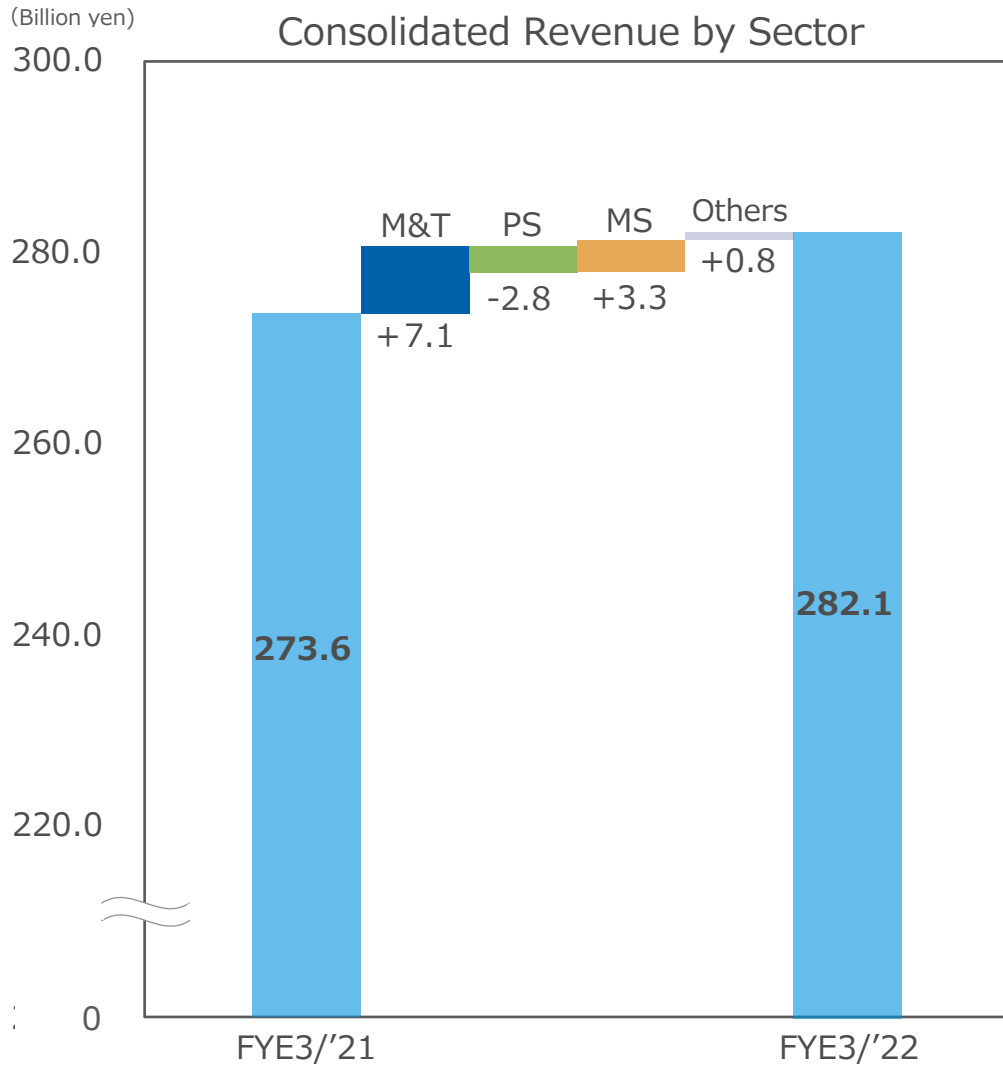
(Billion yen)

| | | FYE3/'20 | FYE3/'21 | FYE3/'22 | YoY change (amount) | YoY change (percentage) |
|------------|-----------------------|----------|----------|--------------|------------------------|----------------------------|
| M&T Sector | Revenue | 159.7 | 157.1 | 164.3 | + 7.1 | +5% |
| | Core Operating Income | 1.7 | 5.6 | 2.2 | △ 3.4 | -60% |
| PS Sector | Revenue | 70.7 | 60.9 | 58.1 | △ 2.8 | -5% |
| | Core Operating Income | 2.9 | 1.9 | 2.5 | + 0.6 | 32% |
| MS Sector | Revenue | 55.4 | 50.1 | 53.4 | + 3.3 | +7% |
| | Core Operating Income | 0.8 | 0.5 | 2.7 | + 2.2 | 437% |
| Others | Revenue | 5.5 | 5.5 | 6.3 | + 0.8 | +15% |
| | Core Operating Income | 0.2 | -0.5 | -0.3 | + 0.2 | - |
| Total | Revenue | 291.3 | 273.6 | 282.1 | + 8.5 | +3% |
| | Core Operating Income | 5.7 | 7.5 | 7.1 | △ 0.3 | -4% |

*Financial Results for FYE3/'20 and '21 at M&T sector include the telematics services business, which was incorporated thereto in FYE3/'22.

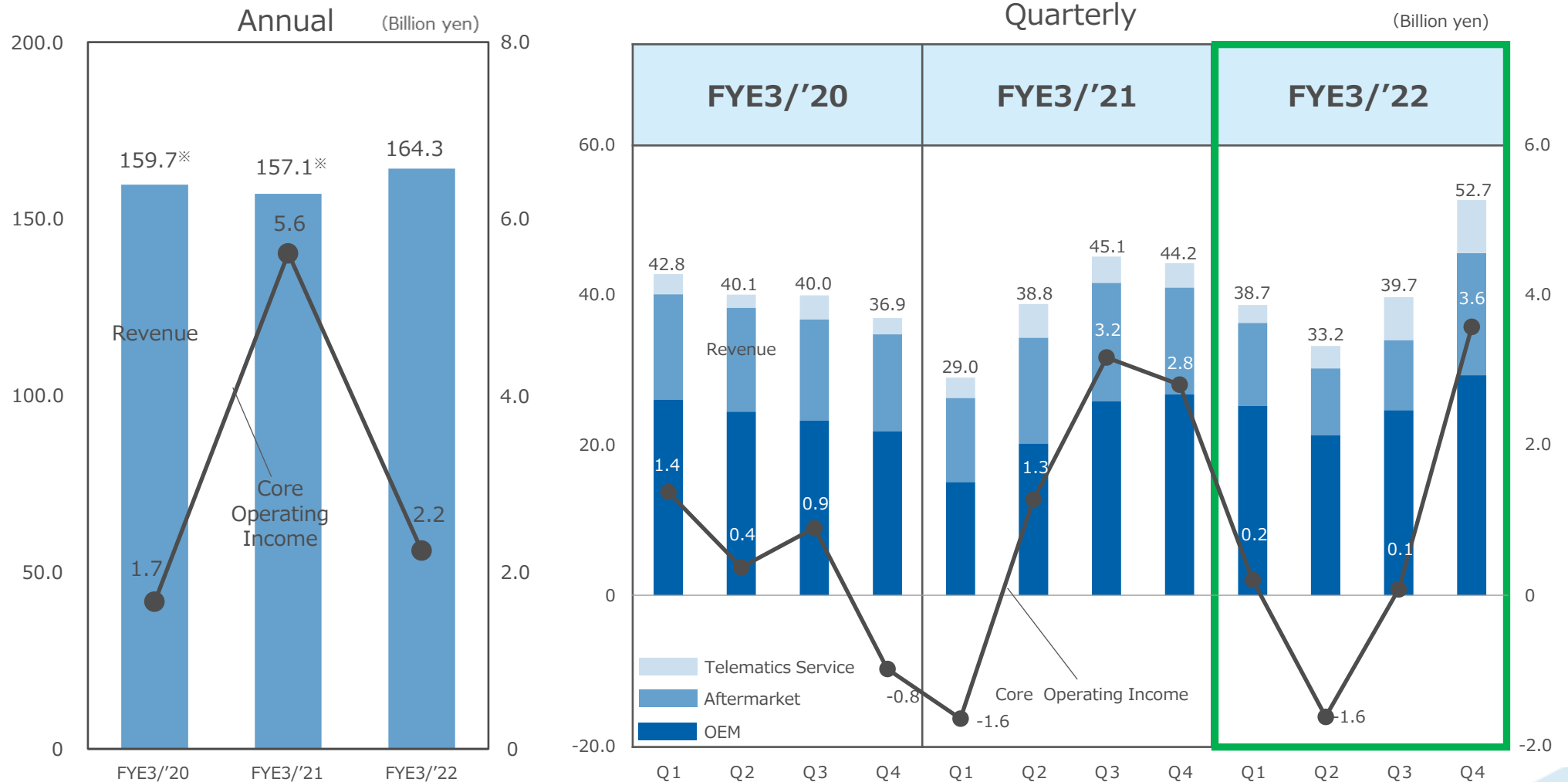
| | |
|----------------|---|
| M&T | <p>OEM Business increased both revenue and income, driven by a recovery in the Chinese market. Aftermarket Business suffered declines in both revenue and income although it recovered rapidly in Q4.</p> <p>Telematics Services Business saw increased revenue but decreased income. In the background, there was an expansion in business for insurance and the impact of surging component prices.</p> |
| PS | <p>The Communication Systems Business saw a decline in revenue as a result of the sale of its U.S. communications system subsidiary but managed to neutralize the impact by slashing fixed costs.</p> <p>The Professional System Business increased revenue and reduced losses as JKPI recovered, and sales of image displays for medical use remained strong.</p> |
| MS | <p>The Media Business increased both revenue and income. The reason is that BtoC stayed firm and sales in BtoB area picked up as the market recovered.</p> <p>The Entertainment Business posted increases in both revenue and income as the content business recovered from the COVID-19 crisis and kept performing well.</p> |

Financial Results for FYE3/'22: Consolidated Revenue & Core Operating Income by Sector



M&T Sector: Trends in Revenue and Core Operating Income

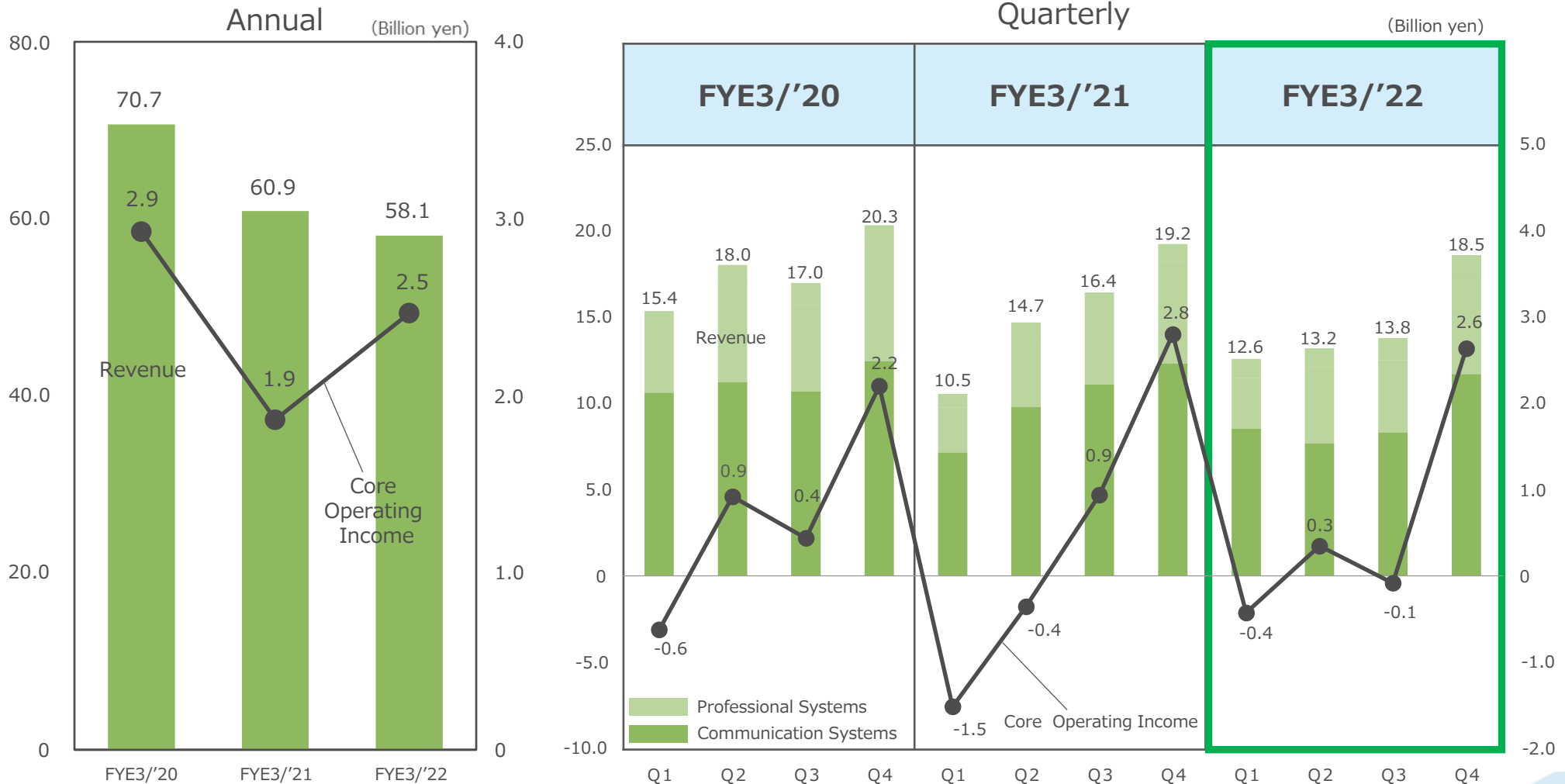
- Q4 saw significant increases in revenue and income, compared with Q3 as a result of design changes and the introduction of new products to cope with components in short supply.



*Financial Results for FYE3/'20 and '21 include the telematics services business, which was incorporated thereto in FYE3/'22.

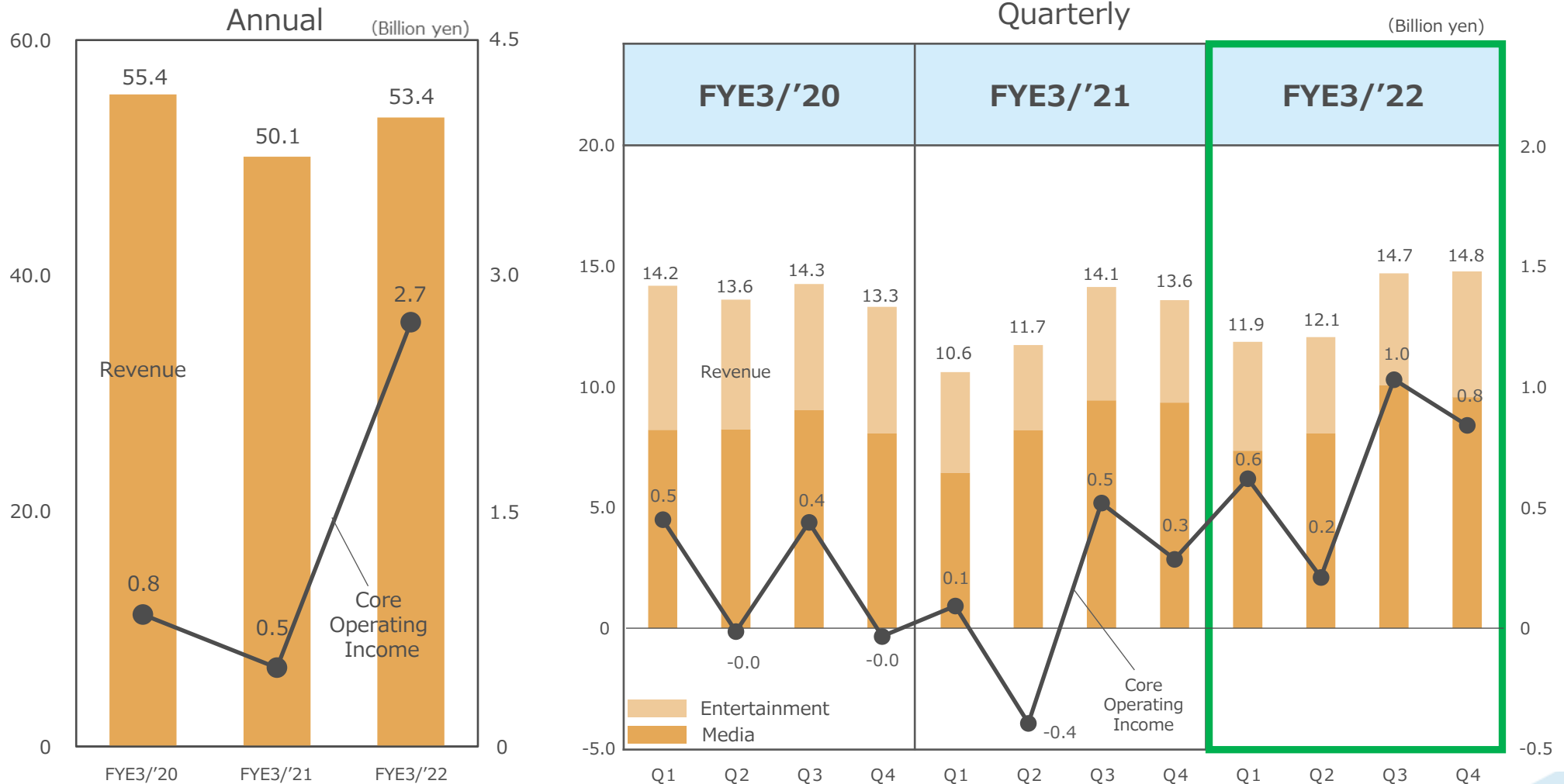
PS Sector: Trends in Revenue and Core Operating Income

- In Q4, revenue was exposed to the negative factor of the sale of a subsidiary, but revenue almost recovered to the level of a year earlier as sales of communication systems remained strong.



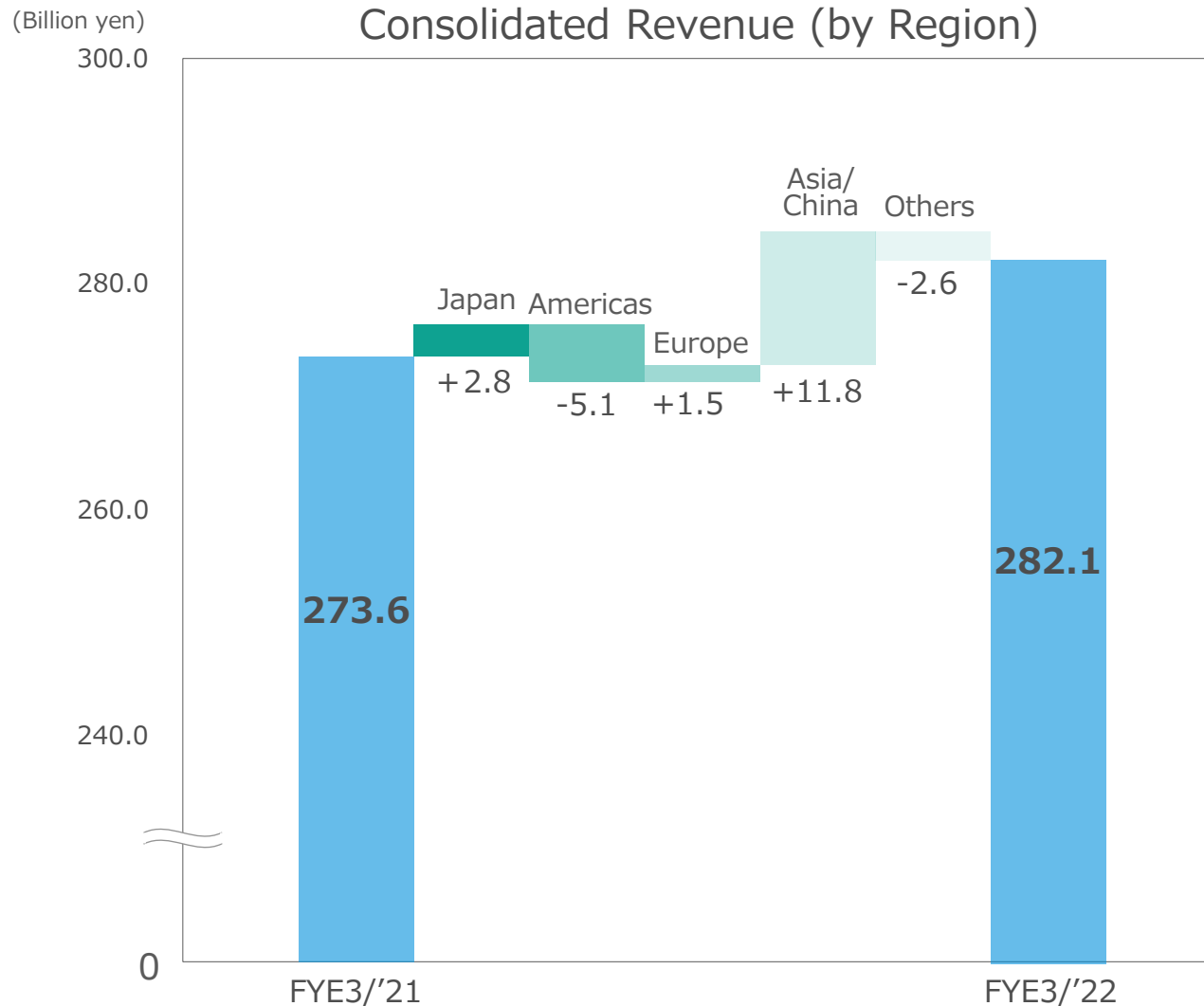
MS Sector: Trends in Revenue and Core Operating Income

- Both the Media Business and the Entertainment Business increased revenue and income by responding to changes in lifestyles under the pandemic and strengthening the business structure.



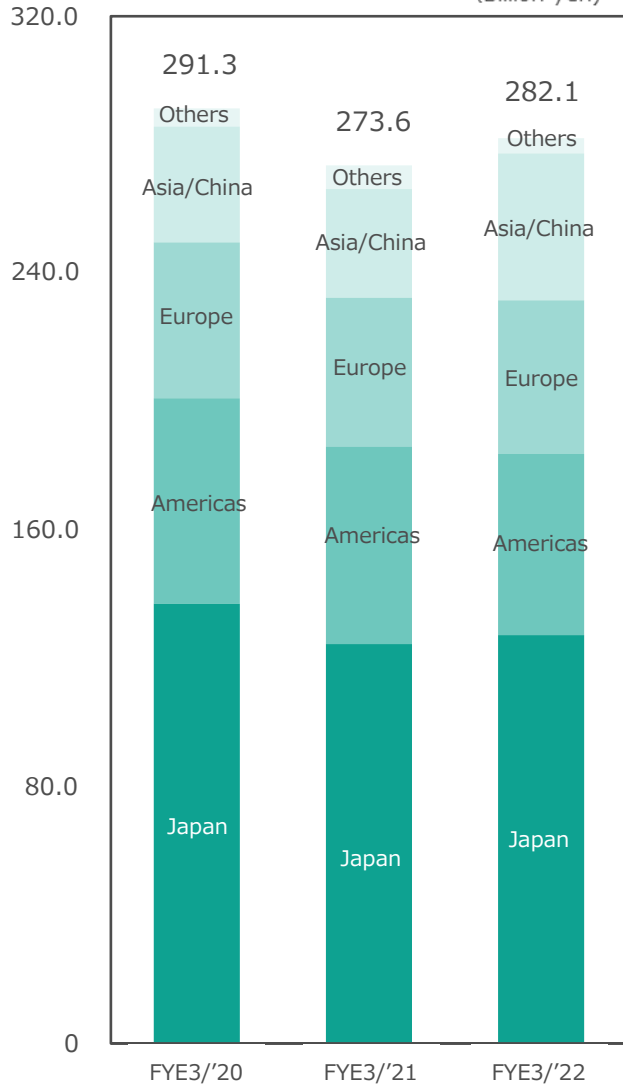
Financial Results for FYE3/'22: Consolidated Revenue by Region

- M&T performed well in Europe, Asia and China. Production and sales recovered significantly in Q4, and revenue increased in Japan, too.

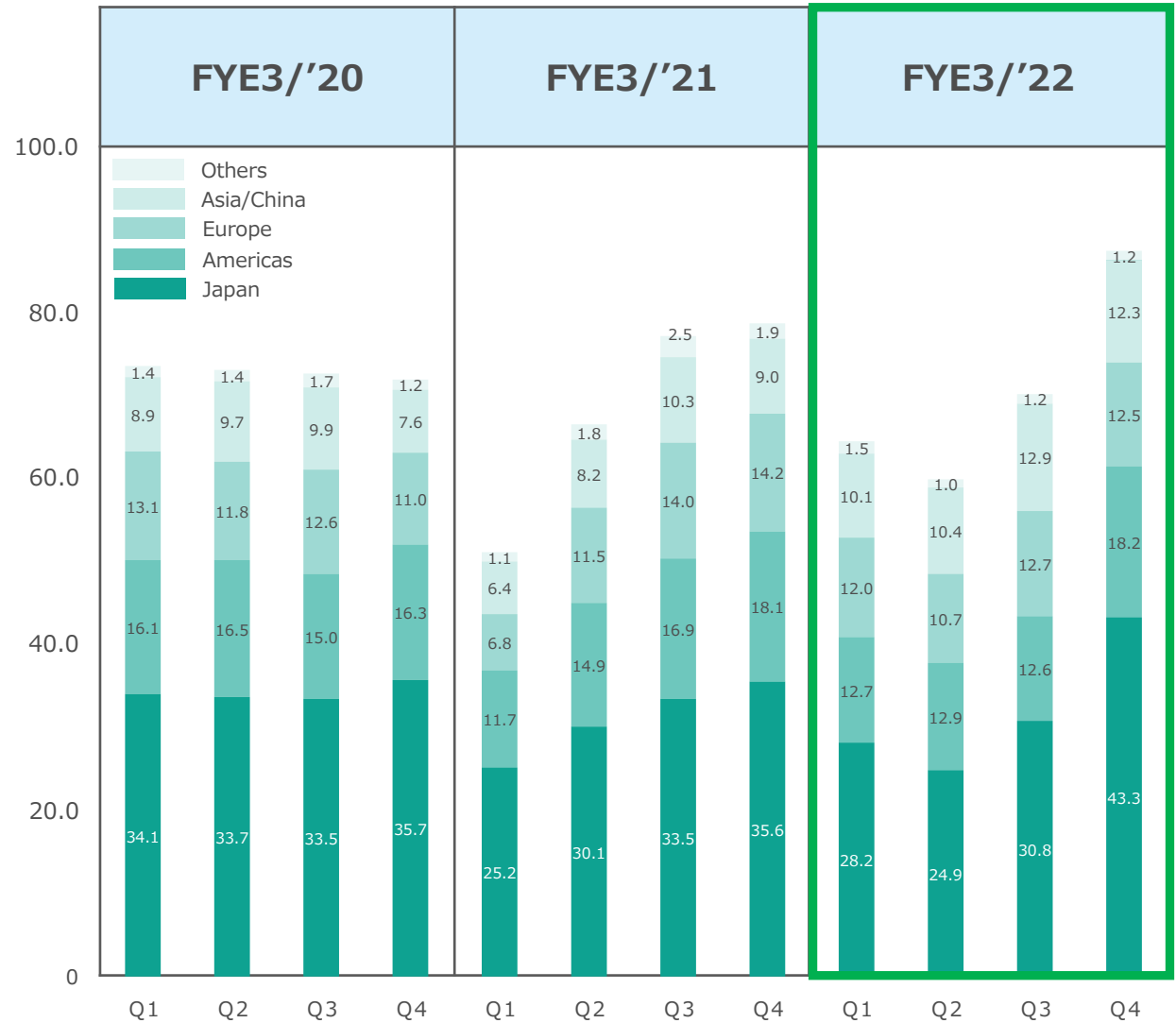


Consolidated Revenue by Region

Annual (Billion yen)



Quarterly (Billion yen)



Financial Results for FYE3/'22: Consolidated Profit/Loss (Summary)

- Operating profit, profit before income taxes and profit attributable to owners of the parent company all increased significantly. This was achieved by limiting the tax burden to a slight increase through the recording of deferred tax assets and other treatments in addition to the recording of a gain on sale of subsidiaries and gain on valuation of financial assets.

(Billion yen)

| | FYE3/'20 | FYE3/'21 | FYE3/'22 | YoY Change |
|---|----------|----------|--------------|---------------|
| Core Operating Income* | 5.68 | 7.47 | 7.14 | △ 0.33 |
| Other Income, Other Expenses, Foreign Exchange Loss, etc. | -1.60 | -2.58 | 1.91 | + 4.49 |
| Operating Profit | 4.08 | 4.89 | 9.05 | + 4.16 |
| Finance Income, Finance Expenses, etc. | -1.20 | -0.36 | -0.54 | △ 0.18 |
| Profit Before Income Taxes | 2.88 | 4.53 | 8.52 | + 3.98 |
| Income Tax Expenses | 1.54 | 1.83 | 2.15 | + 0.32 |
| Non-Controlling Interests | 0.38 | 0.55 | 0.50 | △ 0.05 |
| Profit Attributable to Owners of the Parent Company | 0.95 | 2.15 | 5.87 | + 3.72 |

* 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/'22: Financial Position Summary

- Cash and deposits fell to 48.7 billion yen, a decrease of 10.9 billion yen from the end of the previous fiscal year, partly due to a decrease in borrowings. Net debt increased 5.2 billion yen but decreased 6.4 billion yen in Q4.
- Equity attributable to owners of the parent company increased primarily due to the recording of income and an increase in other components of equity.

(Billion yen)

| | FYE3/'21 | FYE3/'21 | FYE3/'22 | YoY Change |
|---|----------|----------|--------------|------------------------|
| Total Assets | 249.7 | 264.3 | 280.8 | + 16.5 |
| Total Liabilities | 189.7 | 195.8 | 196.8 | + 1.0 |
| Total Equity | 60.0 | 68.5 | 84.0 | + 15.4 |
| Interest-Bearing Debts | 74.6 | 75.6 | 69.8 | \triangle 5.7 |
| Net Debt | 34.7 | 15.9 | 21.1 | + 5.2 |
| Net Debt/Equity Ratio (Times) | 0.61 | 0.25 | 0.27 | + 0.02 |
| Equity Attributable to Owners of the Parent Company | 56.5 | 64.6 | 79.5 | + 14.8 |
| Stockholder's Equity Ratio (%) | 22.6 | 24.5 | 28.3 | + 3.8 |

Financial Results for FYE3/'22: Cash Flow Summary

- Despite a significant improvement in Q4, net cash flow from operating activities decreased due to an increase in working capital as a result of a higher level of inventories caused by disruption in the supply chain.
- Net cash used in investing activities decreased due to proceeds from the sale of a subsidiary.
- Cash flows used in financing activities increased mainly due to progress in repaying bank borrowings.

(Billion yen)

| | FYE3/'21 | FYE3/'21 | FYE3/'22 | YoY Change |
|--|----------|----------|--------------|---------------|
| Cash Flow from Operating Activities | 21.6 | 35.8 | 7.1 | △ 28.8 |
| Cash Flow from Investing Activities | -19.7 | -11.8 | -9.8 | + 2.0 |
| Free cash flow <small>* Free cash flow: Cash flow from operating activities + Cash flow from investing activities</small> | 2.0 | 24.0 | -2.7 | △ 26.8 |
| Cash Flow from Financing Activities | -1.7 | -5.3 | -11.3 | △ 5.9 |
| Total | 0.3 | 18.7 | -14.0 | △ 32.7 |

1. Overview of Financial Results for FYE3/'22
- 2. Full-year Earnings Forecast for FYE3/'23**
3. Progress of Medium-Term Management Plan "VISION 2023"

Full-year Earnings Forecast for FYE3/'23

- In the levels of profit or loss from operating profit and below, profits are expected to decrease due to the absence of a gain on sale of subsidiaries and gain on valuation of financial assets (approximately 3.4 billion yen) that were recorded in the previous fiscal year. However, revenue and core operating income of the JVCKENWOOD Group are forecast to increase, especially in core operating income, due to a revenue increase in M&T, resulting from a production recovery and the start of projects for dealer-installed products.
- Year-end dividend for FYE3/'23 is forecast to increase to 7 yen, up 1 yen

(Billion yen)

| | Result for FYE3/'21 | Result for FYE3/'22 | Forecast for FYE3/'23 | YoY Change |
|---|---------------------|---------------------|-----------------------|------------------------|
| Revenue | 273.6 | 282.1 | 300.0 | + 17.9 |
| Core Operating Profit | 7.5 | 7.1 | 9.5 | + 2.4 |
| Operating Profit | 4.9 | 9.1 | 8.0 | \triangle 1.1 |
| Profit Before Income Taxes | 4.5 | 8.5 | 7.0 | \triangle 1.5 |
| Profit Attributable to Owners of the Parent Company | 2.2 | 5.9 | 4.0 | \triangle 1.9 |

(Yen)

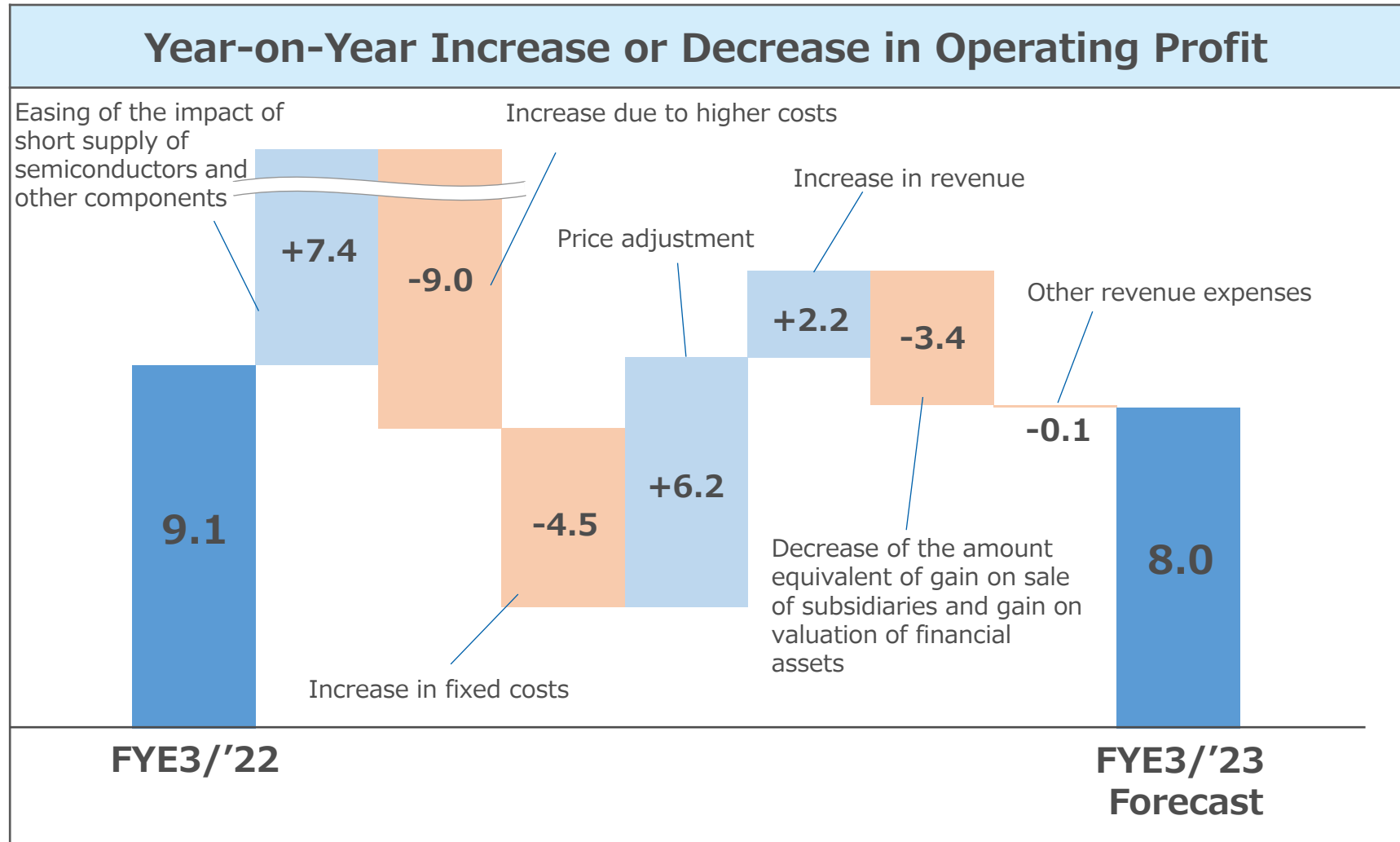
| | Result for FYE3/'21 | Plan for FYE3/'22 | Forecast for FYE3/'23 |
|-------------------------------|---------------------|-------------------|-----------------------|
| Year-end dividend (Per share) | 5 | 6 | 7 |

| | | Result for FYE3/'21 | Result for FYE3/'22 | Assumption for FYE3/'23 |
|--------------------------------|-------------|---------------------|---------------------|-------------------------|
| Profit-And-Loss Exchange Rates | U.S. dollar | 106 Yen | 112 Yen | 122 Yen |
| | Euro | 124 Yen | 131 Yen | 130 Yen |

Financial Results for FYE3/'23:

Factors Causing Increase or Decrease in Operating Profit

(billion yen)



Full-year Earnings Forecast for FYE3/'23 by Segment

(Billion Yen)

| | | Result for FYE3/'21 | Result for FYE3/'22 | Forecast for FYE3/'23 | YoY Change |
|--------|-----------------------|------------------------|------------------------|--------------------------|---------------|
| M&T | Revenue | 157.1 | 164.3 | 181.0 | + 16.7 |
| | Core Operating Income | 5.6 | 2.2 | 5.1 | + 2.9 |
| PS | Revenue | 60.9 | 58.1 | 60.8 | + 2.7 |
| | Core Operating Income | 1.9 | 2.5 | 2.9 | + 0.4 |
| MS | Revenue | 50.1 | 53.4 | 52.8 | △ 0.6 |
| | Core Operating Income | 0.5 | 2.7 | 1.9 | △ 0.8 |
| Others | Revenue | 5.5 | 6.3 | 5.4 | △ 0.9 |
| | Core Operating Income | -0.5 | -0.3 | -0.4 | △ 0.1 |
| 合計 | Revenue | 273.6 | 282.1 | 300.0 | + 17.9 |
| | Core Operating Income | 7.5 | 7.1 | 9.5 | + 2.4 |

1. Overview of Financial Results for FYE3/'22
2. Full-year Earnings Forecast for FYE3/'23
- 3. Progress of Medium-Term Management Plan "VISION 2023"**

Position of VISION 2023

Aim to be a company that meets the expectations of its stakeholders by putting into practice the management philosophy, which is set forth in the corporate vision of "Creating Excitement and peace of mind for the people of the world"

Creating excitement and peace of mind for the people of the world

Becoming an excellent company with strength and toughness

Change for Growth

**VISION2023
(2021-2023)**

**Vision 2020
(2018-2020)**

- Further strengthen the revenue base
- Accelerate growth through highly profitable business
- Sustainable enhancement of corporate value

Breaking through the stagnation of COVID-19 and taking new steps toward corporate reforms

- Implemented COVID-19 Emergency Measures
- Implemented company-wide fixed cost reforms
- Launched DX Business

- Transform into a structure capable of earning stable profits
- Redefine business portfolio
- Expand Mobility & Telematics Service Business



Review and Achievements in First Year of VISION 2023

Rebuilding of Business Portfolio

- Reorganized the Mobility & Telematics Services Sector, based on a redefined business portfolio, and expanded the telematics services segment.
- Terminated production of commercial video cameras and redirected resources to growth businesses.
- Reshuffled the business portfolio of communication systems by selling a subsidiary.

Reinforcement of Earnings Base

- Discontinued production activities at Thai production base (JKET*1).
- Returned to domestic production with JVCKENWOOD Nagano Corporation as the base and pushed forward with automation.
- Strengthened the business structure continuously via the CEM*2 Project.

Response to Management Issues

- Stepped up response to the supply chain issues by setting up the SCM*3 Reform Promotion Department.
- Boosted cybersecurity measures (Setting up JK-CIRT*4/CC*5)
- Addressed factory security readiness for automotive-mounted products at JVCKENWOOD Nagano Corporation

*1: JVCKENWOOD Electronics (Thailand) Co., Ltd.

*2: COVID-19 Emergency Measure

*3: Supply Chain Management

*4: JVCKENWOOD Central Incident Response Team (Group-wide response team for stepping up cybersecurity resilience)

*5: Coordination Center

Reform of Supply Chain Management (SCM)

- Identify the vulnerability of the supply chain that became apparent during FYE3/'22 as an important risk for the entire group, and reform it.
- Set up the post of officer in charge of Supply Chain Management Reform and the SCM Innovation Department (effective April 1, 2022).

Major missions of the SCM Innovation Department

- Set up, monitor, track, and proactively manage KPI trees related to supply chain management (SCM).
- Promote activities to optimize inventories and improve cash flows.
- Develop IT tools such as for data visualization.
- Transform the SPI* process into a supply chain process linking procurement, business divisions, manufacturing bases, and sales companies.

Supply Chain Optimization

Make certain to push forward with business plans and speed up management decision-making from the viewpoint of cash flows by visualizing the process and ramping up monitoring.

*Sales, Production & Inventory

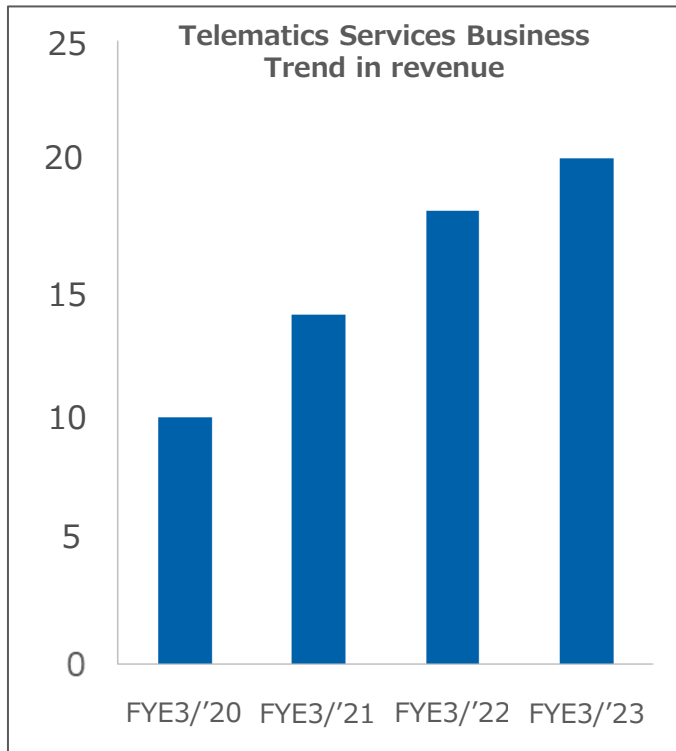
Step up Initiatives in Growth Domains and Key Business

■ Telematics Service



- Expand the application area of dashcams with communication capability.
 - To non-life insurance, construction machinery, motorcycles, factories, etc.
- Expand business in the United States for motorcycles and fleet management.

(billion yen)

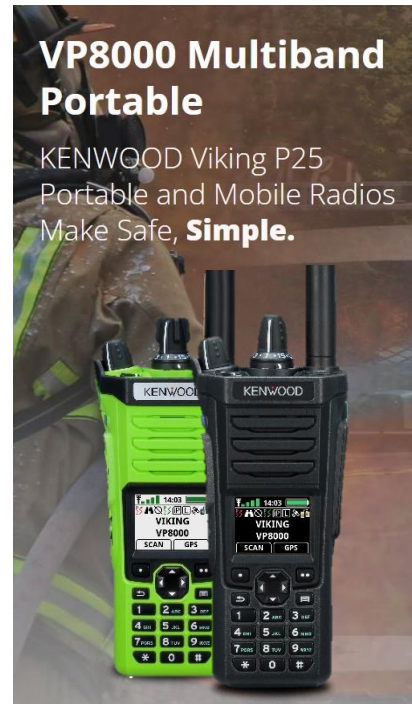
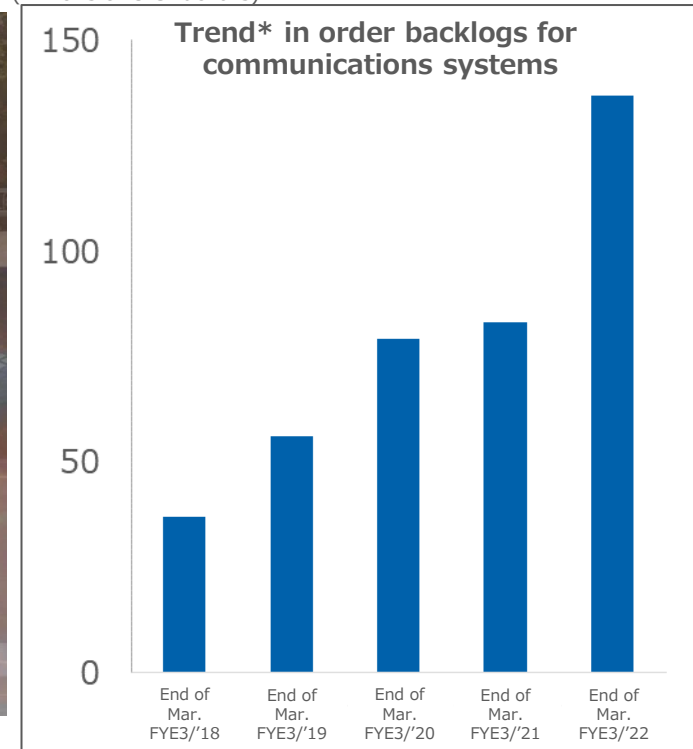


■ Communication Systems



- The U.S. market remains strong. Continue to push forward with business by continuing to accumulate order backlogs.
- Lay the groundwork for expanding the market share by introducing portable devices for the public safety market that are compatible with new product multiband (tri-band).

(Millions of U.S. dollars)



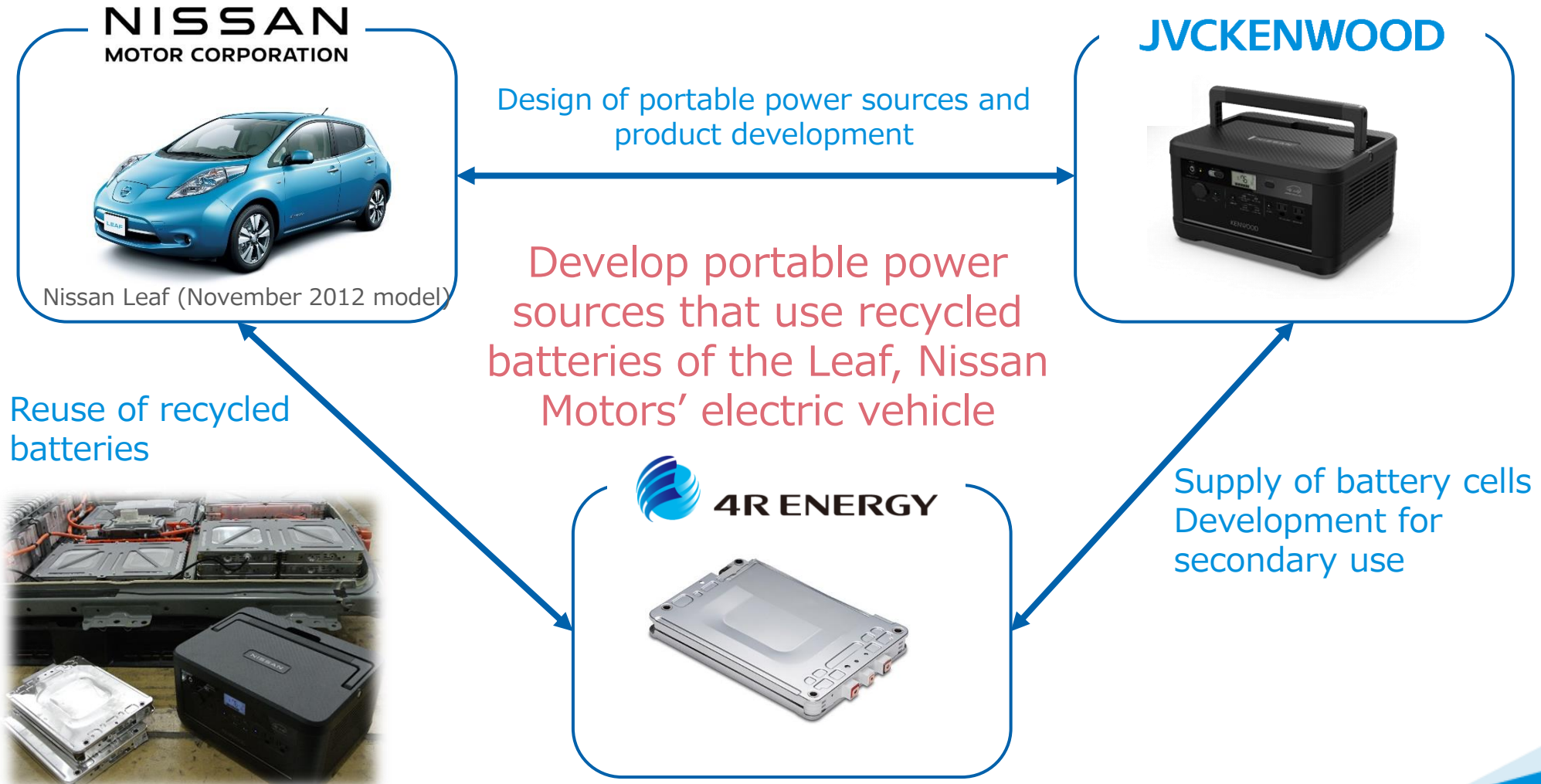
Aim to broaden the customer base with tri-band-compatible portable devices.

*Only U.S. communication system subsidiary EF Johnson.

Response to Shift to EV and Realization of Sustainability Management

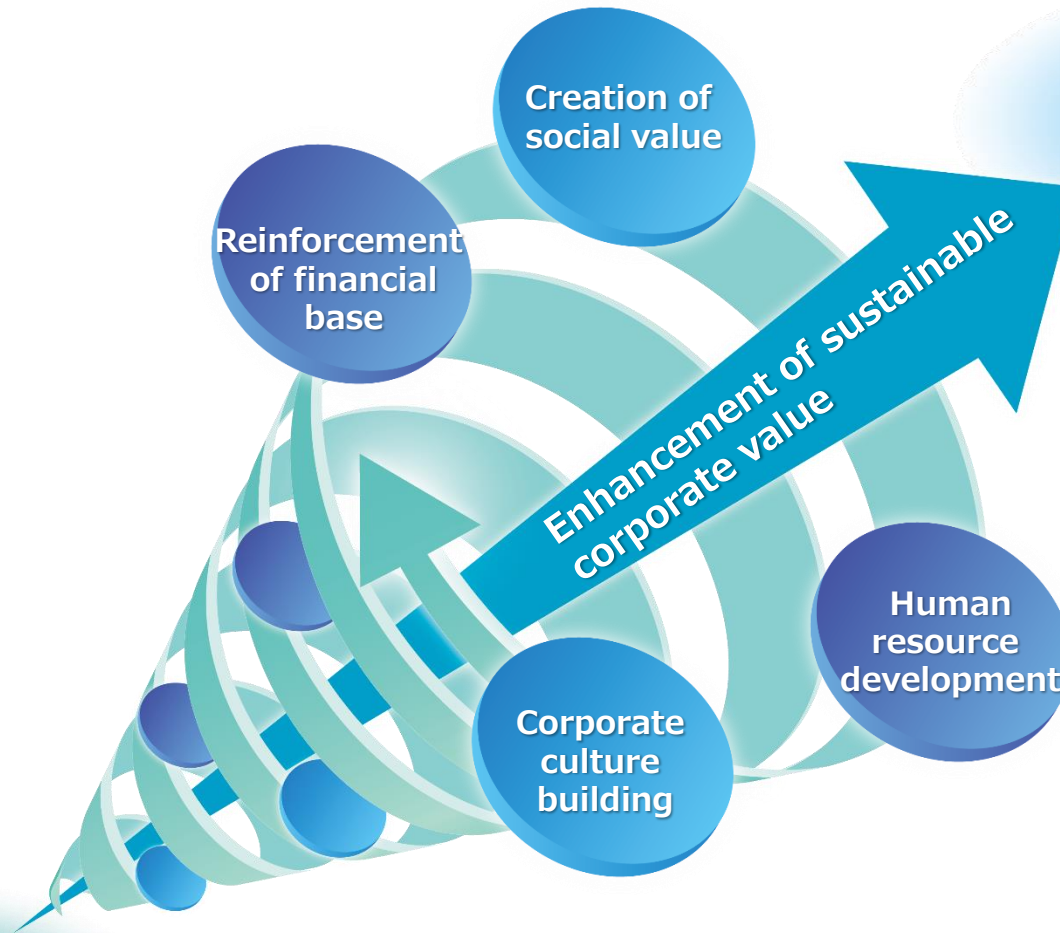


- Offer products that contribute to the realization of a sustainable society by making a design that optimizes the reuse of used batteries.



Medium-Term Business Goals and Vision of JVCKENWOOD

- Steadily implement the strategies set forth in “VISION 2023: Change for Growth” and fulfill our commitments.



Strengths of
JVCKENWOOD

Design-Conscious Management

“Creating excitement and peace of mind for the people of the world”
Contribute to solving social issues
Leap forward and become an excellent company

FYE3/'23 Management Targets

| | |
|---------------------------------------|---|
| Revenue | 320 billion yen or more |
| Core operating profit | 12 billion yen or more |
| ROE | 10% or more |
| Equity capital Ratio | 30% or more |
| CF from operating activities | 70 billion yen or more (Total of three years from 2021 to 2023) |
| Debt-to-equity ratio | 1.0 or less |
| Dividend payout ratio (Consolidation) | 30% as a guideline |

Toward Enhancement of Sustainable Corporate Value

- Aim to enhance sustainable corporate value by adopting external evaluation index and strengthening ESG.



FTSE Blossom Japan

Selected for the first time as a constituent of the ESG Index "FTSE Blossom Japan Index"

work with Pride



Received the highest ranking "Gold" in the PRIDE Index, an evaluation index for initiatives related to LGBT and other sexual minorities for 4 consecutive years



FTSE Blossom Japan Sector Relative Index

ESG Index
"FTSE Blossom Japan Sector Relative Index"
Also selected as a constituent stock name.



Highest level of "Eruboshi" certification based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace



3.5 stars
in the 3rd Nikkei SDGs Management Survey



Wins the Commendation Award in the Daiwa IR's Internet IR Award for 3 consecutive years



Certified as a Health and Productivity Management Organization (large corporation category) for 5 consecutive years.

Selected as a White 500 company for the fourth time.

JVCKENWOOD

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.