

JVCKENWOOD

Translation for Reference Only

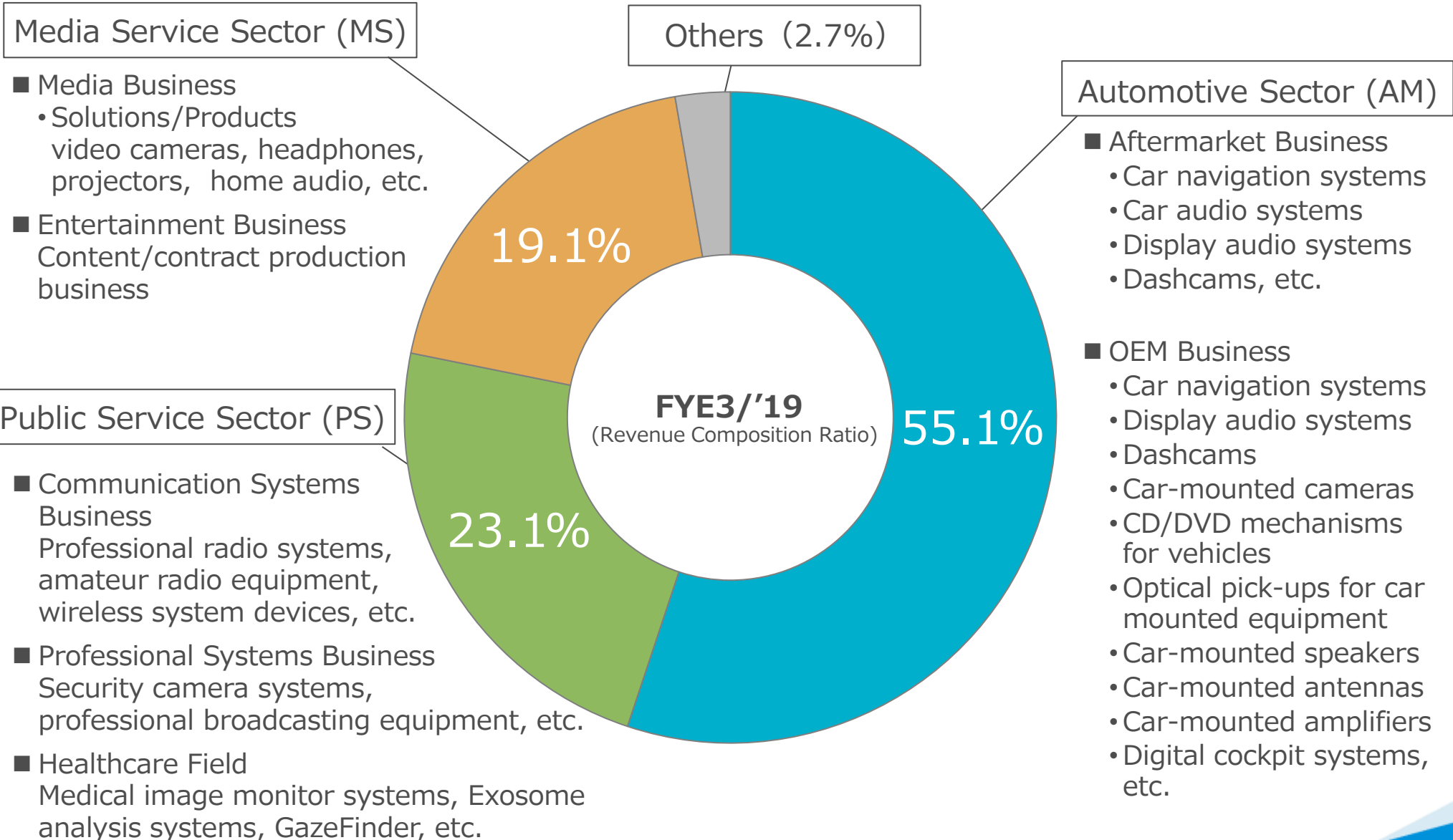
JVCKENWOOD
Results and Forecast Briefing
Fiscal Year Ended March 2019

April 26, 2019

JVCKENWOOD Corporation

- JVCKENWOOD has applied International Financial Reporting Standards (IFRS) to replace Japanese Generally Accepted Accounting Principles (JGAAP), starting from the Consolidated Financial Statements in the Securities Report for the fiscal year ended March 2018.
- Accordingly, all figures for the fiscal year ended March 2018 or thereafter are prepared in accordance with IFRS.

Business Domains



- 1. Overview of Financial Results for FYE3/'19**
- 2. Full-year Earnings Forecast for FYE3/'20**
- 3. Future Initiatives**

- 1. Overview of Financial Results for FYE3/'19**
2. Full-year Earnings Forecast for FYE3/'20
3. Future Initiatives

Financial Results for FYE3/'19: Highlights

- Revenue of the JVCKENWOOD Group as a whole increased, despite the impacts of a sales decline of the AM Sector in 4Q, due to a revenue increase of the PS Sector.
- Core operating income increased significantly, despite a profit decline of the AM Sector, due to a significant profit improvement of the PS Sector and a sharp growth in profits of the MS Sector. Operating profit increased, despite the impacts of recognition of an impairment loss.
- Profit before tax increased, reflecting operating profit growth.
- Profit increased significantly, reflecting higher profit before tax and an improvement in tax expenses.

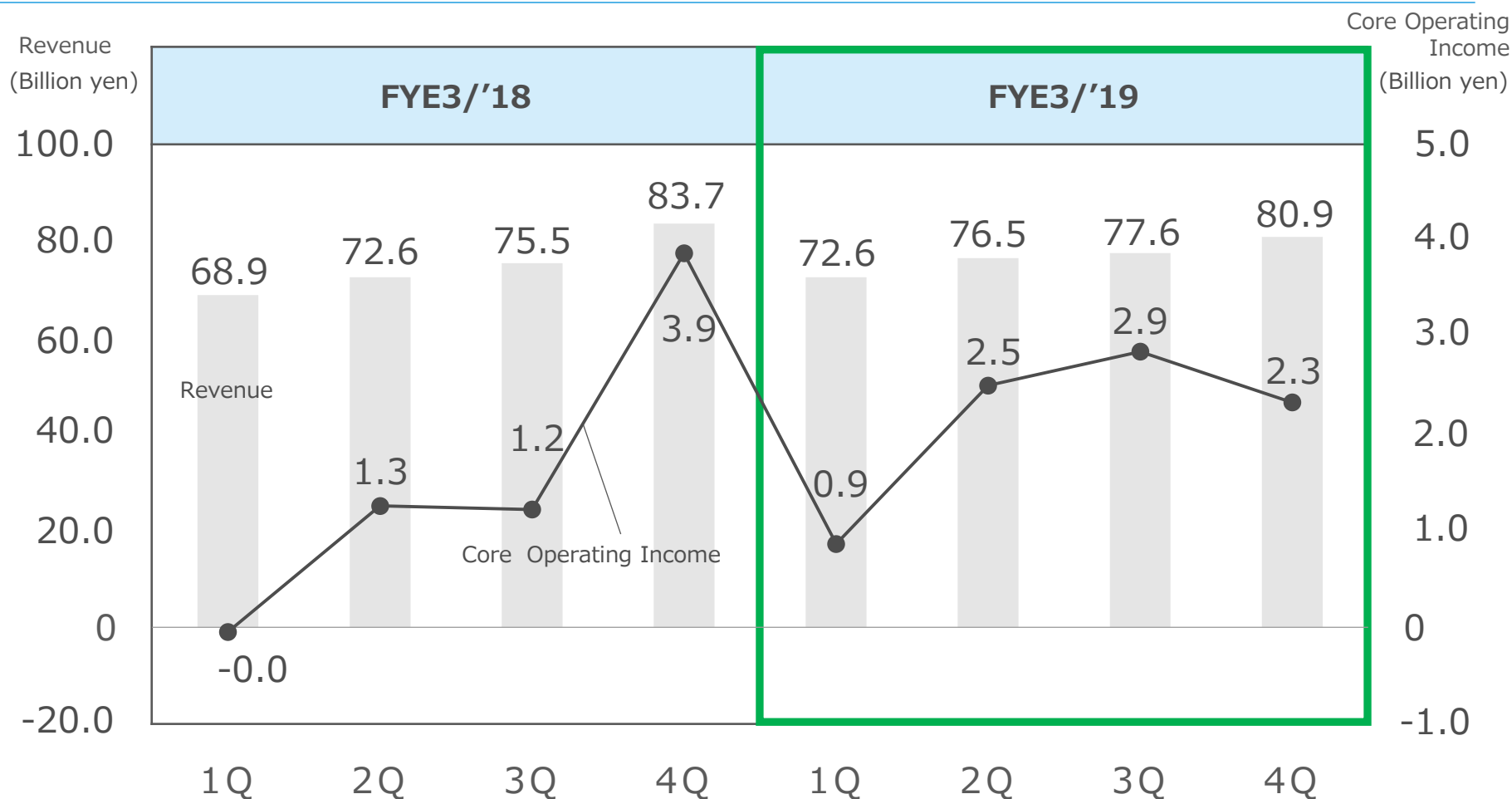
(Billion yen)

| | FYE3/'18 | | FYE3/'19 | | |
|---|----------|-------------------|----------|-------------------|----------------|
| | | Composition Ratio | | Composition Ratio | YoY Comparison |
| Revenue | 300.7 | 100.0 | 307.6 | 100.0 | + 6.9 |
| Cost of Sales | 218.8 | 72.8 | 223.3 | 72.6 | + 4.5 |
| Gross Profit | 81.8 | 27.2 | 84.3 | 27.4 | + 2.5 |
| Core Operating Income* | 6.3 | 2.1 | 8.6 | 2.8 | + 2.3 |
| Operating Profit | 6.9 | 2.3 | 7.3 | 2.4 | + 0.3 |
| Profit before Income Taxes | 5.9 | 2.0 | 6.4 | 2.1 | + 0.5 |
| Profit Attributable to Owners of the Parent Company | 2.4 | 0.8 | 3.8 | 1.3 | + 1.5 |

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

| | | FYE3/'18 | | | | | FYE3/'19 | | | | |
|-----------------------------------|-------------|----------|--------|--------|--------|-----------|----------|--------|--------|--------|-----------|
| | | 1Q | 2Q | 3Q | 4Q | Full-Year | 1Q | 2Q | 3Q | 4Q | Full-Year |
| Profit-and-Loss Exchange Rates | U.S. dollar | 111yen | 111yen | 113yen | 108yen | 111yen | 109yen | 111yen | 113yen | 110yen | 111yen |
| | Euro | 122yen | 130yen | 133yen | 133yen | 130yen | 130yen | 130yen | 129yen | 125yen | 128yen |

Financial Results for FYE3/'19: Trends in Quarterly Results



| Profit-and-Loss Exchange Rates | U.S. dollar | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
|-----------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Euro | 111yen | 111yen | 113yen | 108yen | 109yen | 111yen | 113yen | 110yen |
| | | 122yen | 130yen | 133yen | 133yen | 130yen | 130yen | 129yen | 125yen |

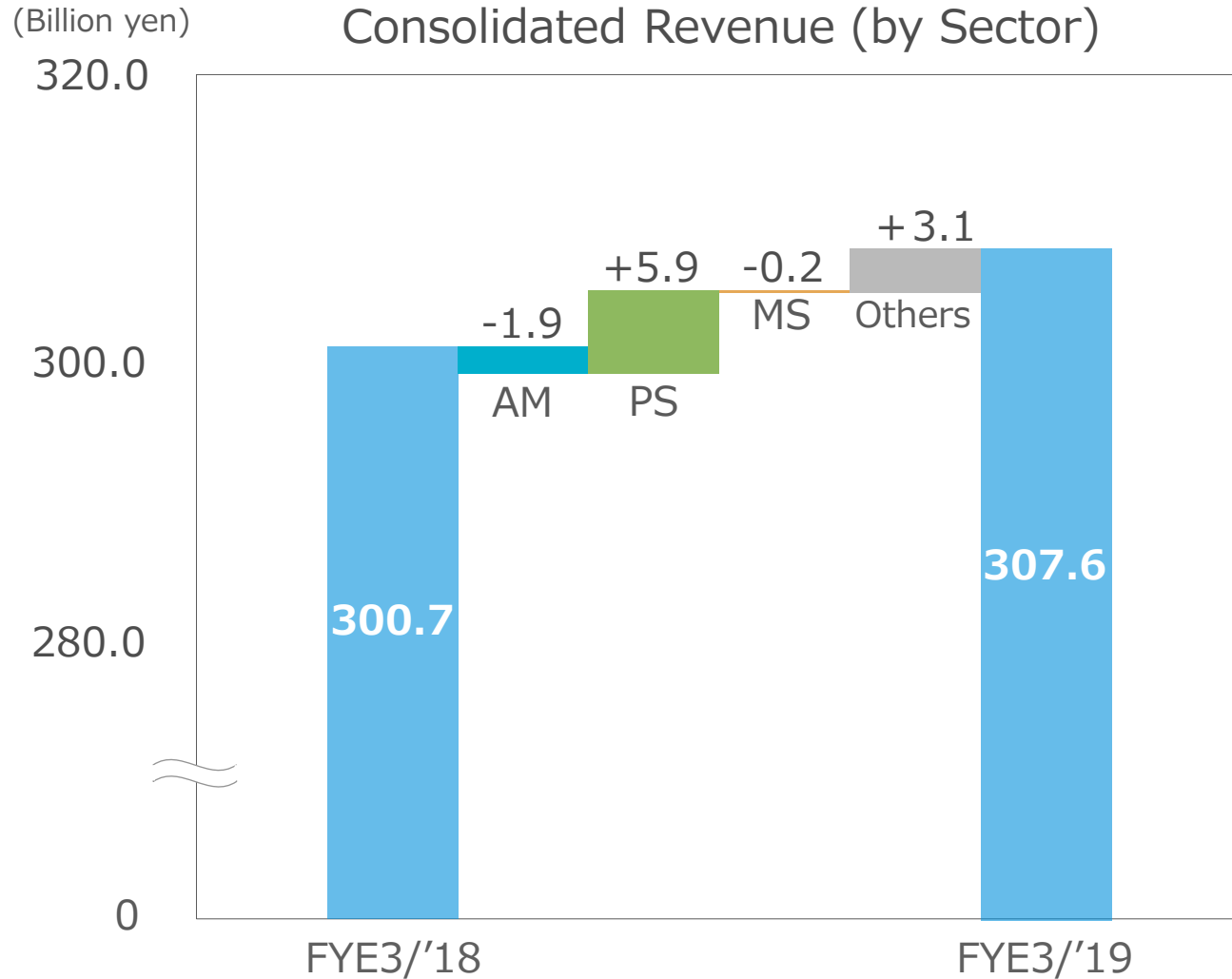
(Billion yen)

| | 1H | 2H | 1H | 2H |
|-----------------------|-------|-------|-------|-------|
| Revenue | 141.5 | 159.2 | 149.1 | 158.5 |
| Core Operating Income | 1.2 | 5.1 | 3.4 | 5.2 |

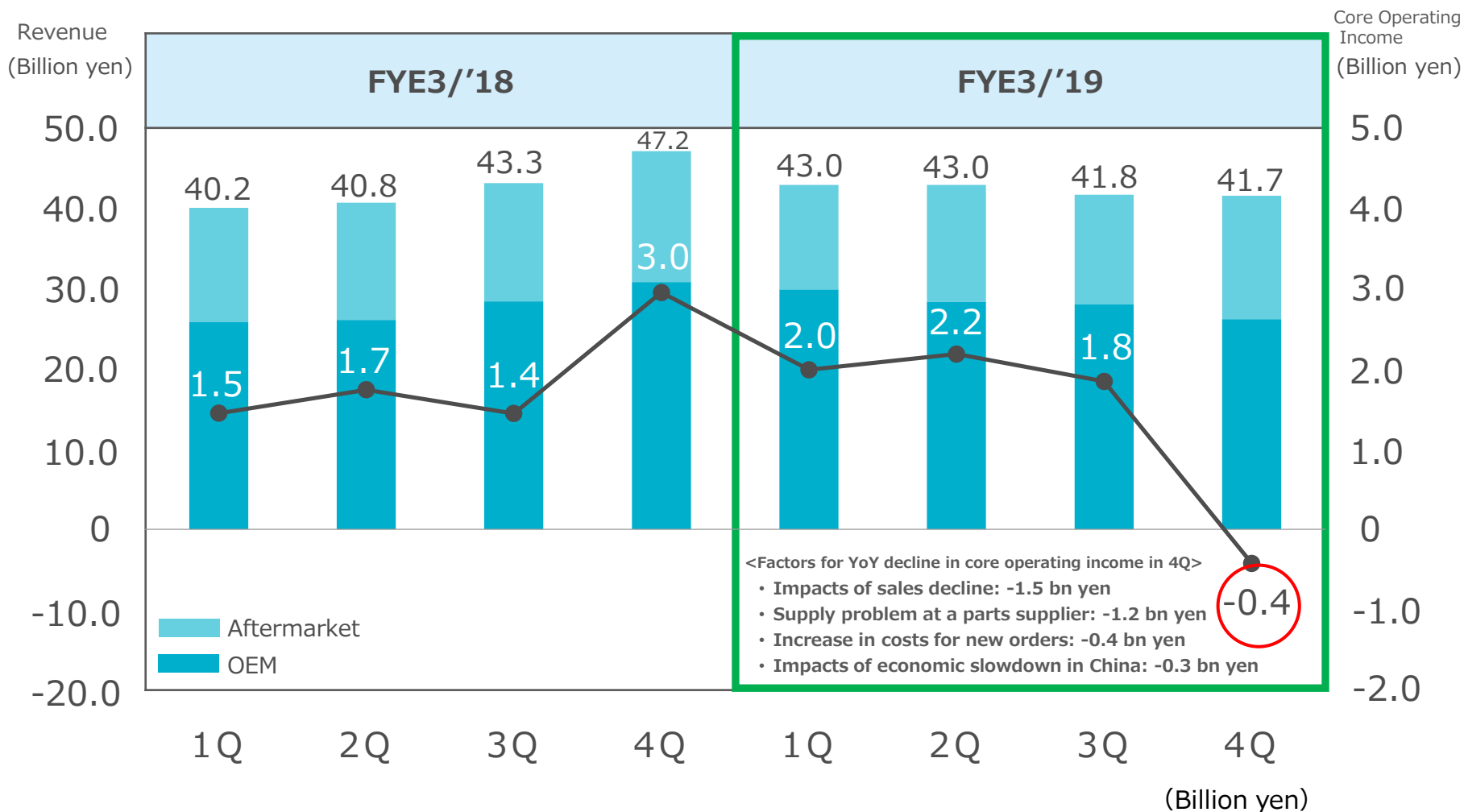
Financial Results for FYE3/'19: Results by Sector

| | | (Billion Yen) | | | | Factors |
|-----------|-----------------------|---------------|----------|---------------------|-------------------------|---|
| | | FYE3/'18 | FYE3/'19 | YoY Change (Amount) | YoY Change (Percentage) | |
| AM Sector | Revenue | 171.4 | 169.5 | -1.9 | -1.1% | * Revenue of the AM Sector as a whole decreased, due to the impacts of a sales decline in OEM, a supply problem at a parts supplier that occurred in 4Q, and the slowdown of China's economy. * Operating income of the AM Sector as a whole decreased, due to the revenue decline, as well as the impacts of a production decrease and increases in costs for replacing to alternative parts, resulting from a supply problem at a parts supplier, and an increase in new development investments. |
| | Core Operating Income | 7.6 | 5.6 | -2.0 | -26.2% | |
| PS Sector | Revenue | 65.0 | 70.9 | +5.9 | +9.1% | * Revenue of the PS Sector as a whole increased, reflecting higher sales of the Communication Systems Business, a recovery of the Professional Systems Business, and conversion of Rein Medical into a subsidiary. * Core operating income/loss of the PS Sector as a whole improved, despite upfront investments in the healthcare field, reflecting a decrease in the loss of the Professional Systems Business and significant profit growth of the Communication Systems Business. |
| | Core Operating Income | -1.5 | 0.6 | +2.1 | — | |
| MS Sector | Revenue | 59.0 | 58.8 | -0.2 | -0.3% | * Revenue of the MS Sector as a whole was at the same level as the previous fiscal year, despite a revenue decline of the Media Business resulting from a change in the scheme of the brand licensing business, due to higher sales of the Entertainment Business. * Core operating income of the MS Sector as a whole increased significantly, reflecting a turnaround to profitability of the Media Business, due to the launch of new products and releases of major works by the Entertainment Business. |
| | Core Operating Income | 0.4 | 2.2 | +1.8 | +492.0% | |
| Others | Revenue | 5.2 | 8.4 | +3.1 | +59.3% | * Revenue of Others increased, reflecting the expansion of the Telematics Solutions Business, due to the start of shipments of dashcams with communication capabilities adopted by a non-life insurance company. |
| | Core Operating Income | -0.1 | 0.1 | +0.3 | — | |
| Total | Revenue | 300.7 | 307.6 | +6.9 | +2.3% | — |
| | Core Operating Income | 6.3 | 8.6 | +2.3 | +35.7% | |

Financial Results for FYE3/'19 : Consolidated Revenue (by Sector)

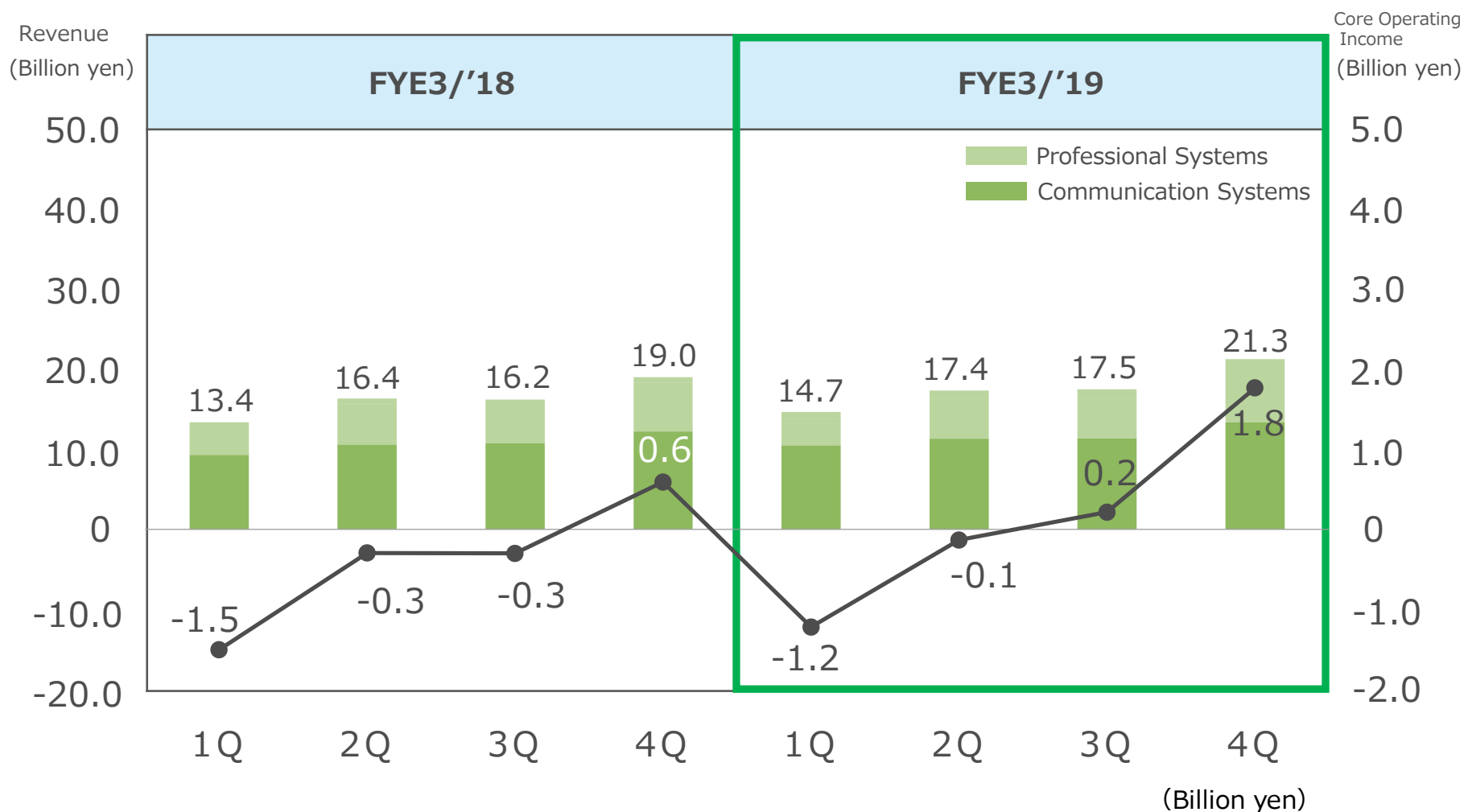


Financial Results for FYE3/'19 : Consolidated Results (AM Sector)



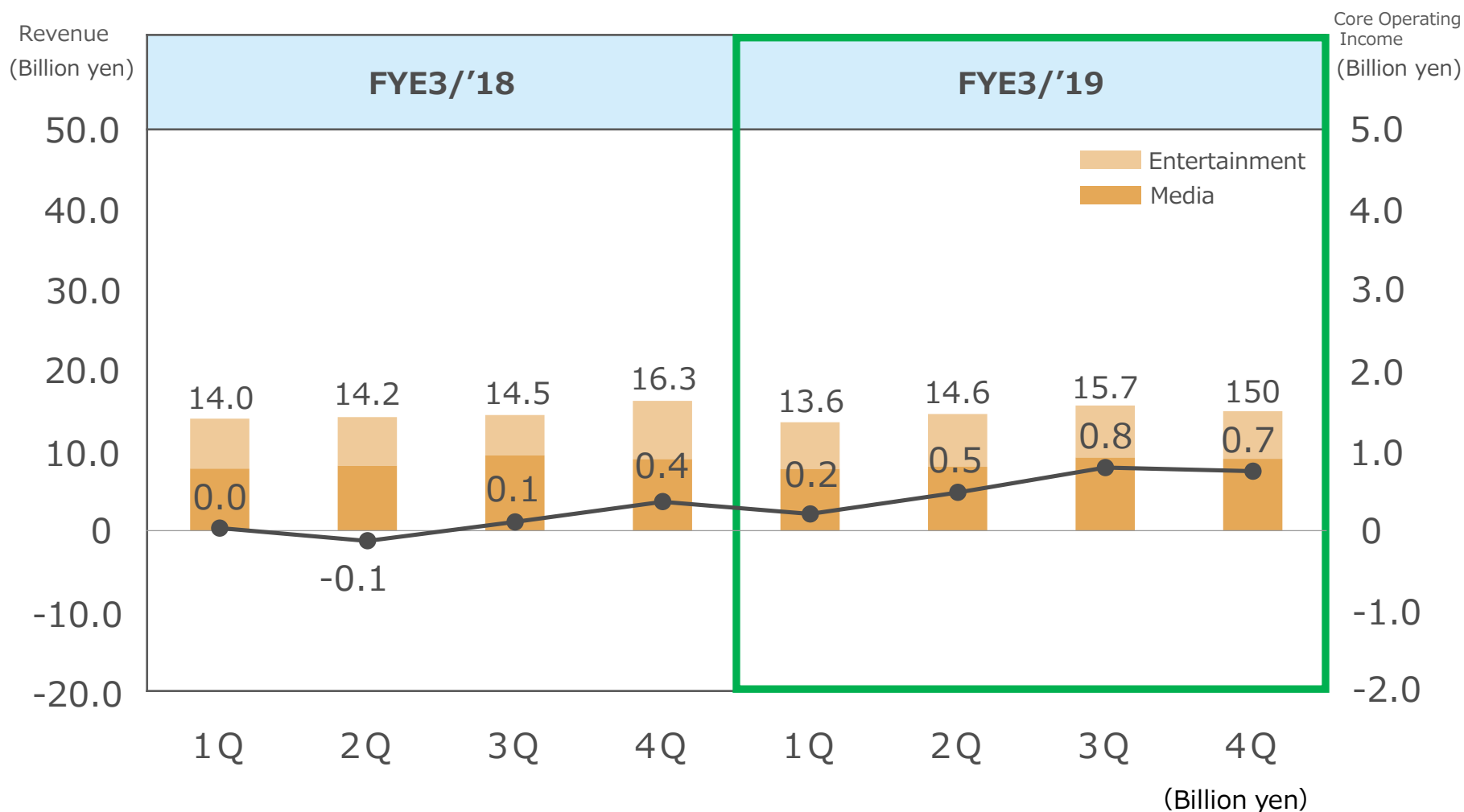
| | 1H | 2H | 1H | 2H |
|-----------------------|------|------|------|------|
| Revenue | 81.0 | 90.5 | 86.1 | 83.5 |
| Core Operating Income | 3.2 | 4.4 | 4.2 | 1.4 |

Financial Results for FYE3/'19 : Consolidated Results (PS Sector)



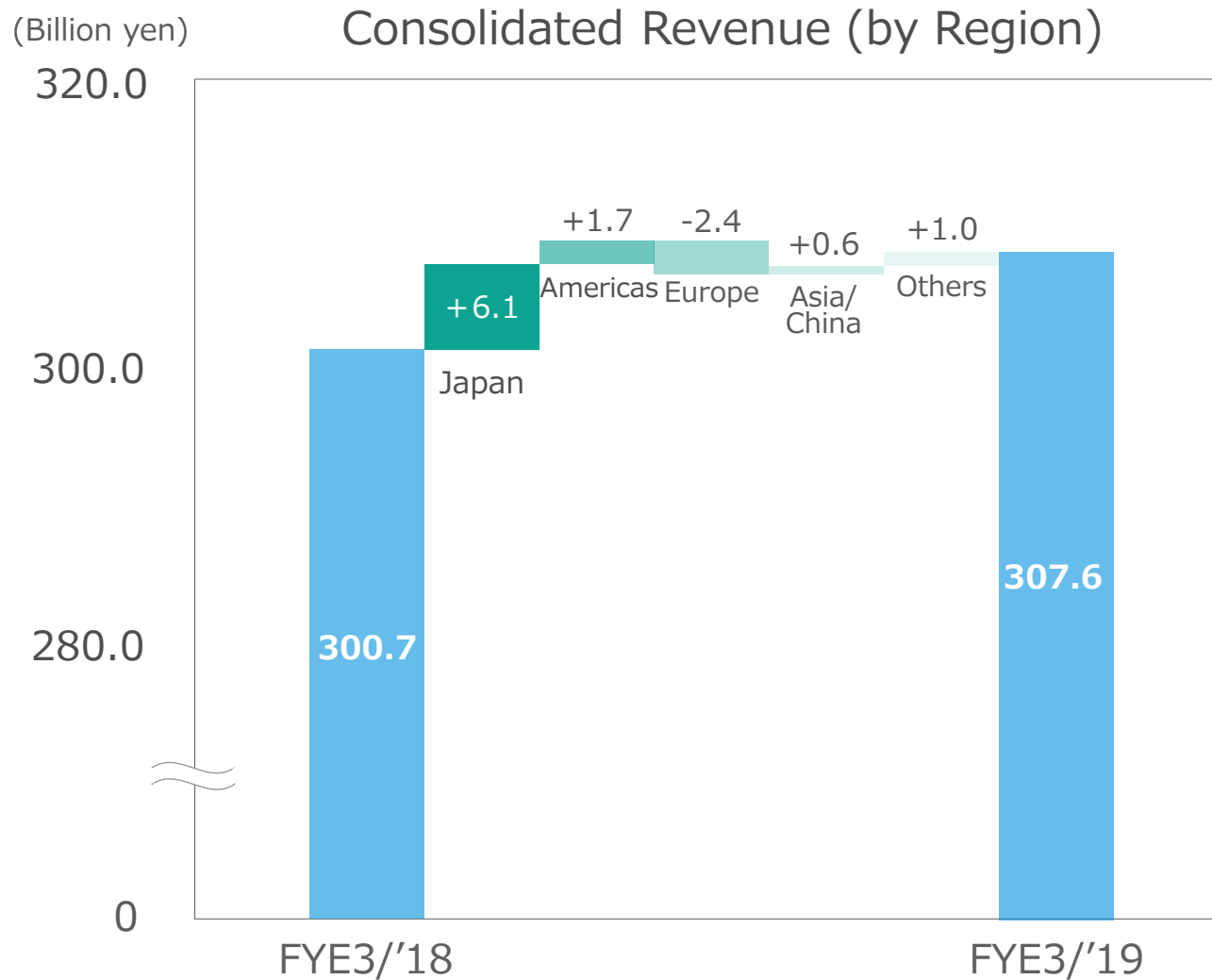
| | 1H | 2H | 1H | 2H |
|-----------------------|------|------|------|------|
| Revenue | 29.8 | 35.3 | 32.1 | 38.9 |
| Core Operating Income | -1.8 | 0.3 | -1.4 | 2.0 |

Financial Results for FYE3/'19 : Consolidated Results (MS Sector)

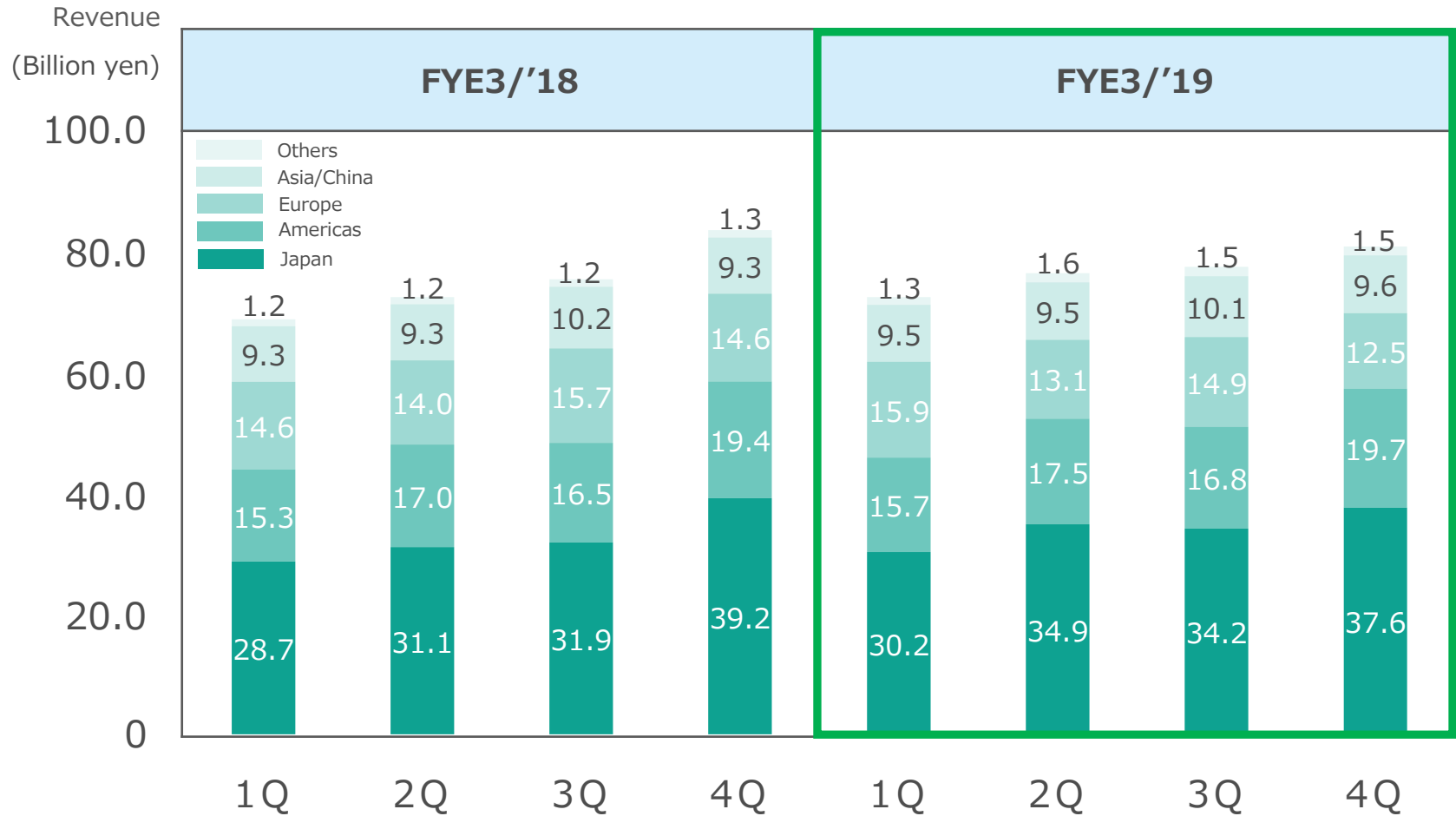


| | 1H | 2H | 1H | 2H |
|-----------------------|------|------|------|------|
| Revenue | 28.2 | 30.7 | 28.2 | 30.6 |
| Core Operating Income | -0.1 | 0.5 | 0.7 | 1.5 |

Financial Results for FYE3/'19 : Consolidated Revenue (by Region)



Financial Results for FYE3/'19 : Consolidated Revenue by Region

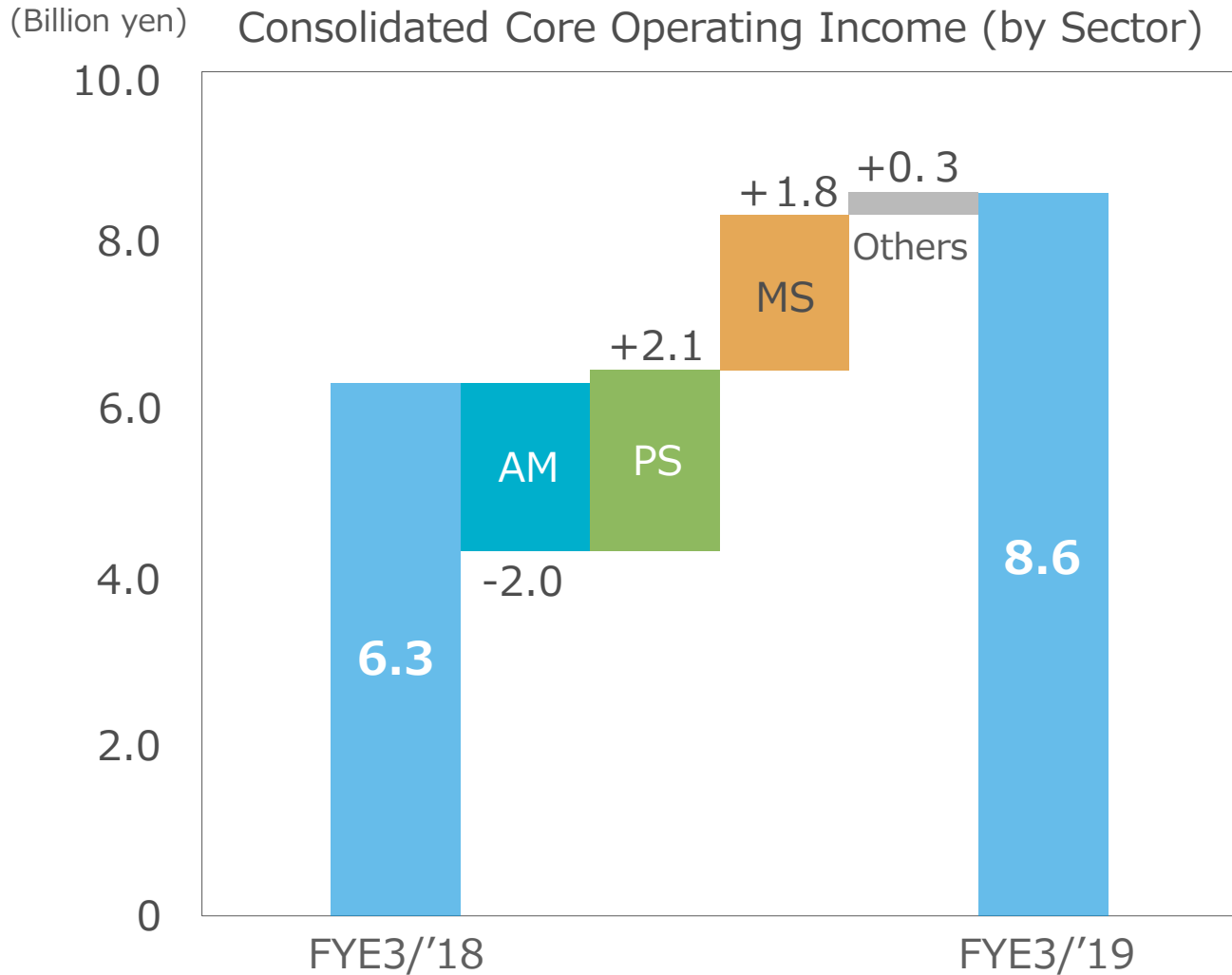


(Billion Yen)

| | 1H | 2H | 1H | 2H |
|------------|------|------|------|------|
| Japan | 59.8 | 71.1 | 65.1 | 71.8 |
| Americas | 32.3 | 35.9 | 33.2 | 36.6 |
| Europe | 28.5 | 30.3 | 29.0 | 27.4 |
| Asia/China | 18.6 | 19.5 | 19.0 | 19.7 |
| Others | 2.4 | 2.5 | 2.8 | 3.0 |

Financial Results for FYE3/'19

: Consolidated Core Operating Income (by Sector)



Financial Results for FYE3/'19

: Consolidated Profit/Loss (Summary)

- Operating profit increased, despite a decrease in gains on sales of assets and the recognition of an impairment loss.
- Profit before income taxes increased, reflecting the increase in operating profit.
- Profit attributable to owners of the parent company increased, due to the increase in profit before income taxes and an improvement in tax expenses.

(Billion yen)

| | FYE3/'18 | FYE3/'19 | YoY Change |
|---|----------|----------|------------|
| Core Operating Income* | 6.31 | 8.56 | + 2.25 |
| Other Income, Other Expenses, Foreign Exchange Loss, etc. | 0.63 | -1.30 | -1.93 |
| Operating Profit | 6.94 | 7.26 | + 0.33 |
| Finance Income, Finance Expenses, etc. | -1.00 | -0.86 | + 0.13 |
| Profit Before Income Taxes | 5.94 | 6.40 | + 0.46 |
| Income Tax Expenses | 2.75 | 2.10 | -0.65 |
| Non-Controlling Interests | 0.80 | 0.45 | -0.34 |
| Profit Attributable to Owners of the Parent Company | 2.39 | 3.85 | + 1.46 |

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

Financial Results for FYE3/'19

: Consolidated Statement of Financial Position Summary

(Billion yen)

| | FYE3/'18 | 3Q FYE3/'19 | YoY Change |
|---|----------|-------------|------------|
| Total Assets | 239.9 | 250.6 | +10.7 |
| Total Liabilities | 186.1 | 185.3 | -0.8 |
| Total Equity | 53.8 | 65.3 | +11.5 |
| Interest-Bearing Debts | 67.8 | 71.3 | +3.5 |
| Net Debt | 30.7 | 30.5 | -0.2 |
| Net Debt/Equity Ratio (Times) | 0.61 | 0.49 | -0.12 |
| Equity Attributable to Owners of the Parent Company | 50.6 | 62.0 | +11.4 |
| Stockholder's Equity Ratio (%) | 21.1 | 24.7 | +3.6 |

Financial Results for FYE3/'19: Cash Flow Summary

- Net cash provided by operating activities increased, reflecting the increase in profit before income taxes.
- Net cash used in investing activities increased, due to a decrease in cash inflows from sales of non-current assets, increase in development investments, the conversion of Rein Medical into a subsidiary, and the investment in Tait International.
- Net cash provided by financing activities increased, due to an increase in cash inflows from the exercise of subscription rights to shares.

(Billion yen)

| | FYE3/'18 | FYE3/'19 | YoY Change |
|-------------------------------------|-------------|------------|-------------|
| Cash Flow from Operating Activities | 18.4 | 21.0 | +2.6 |
| Cash Flow from Investing Activities | -14.8 | -25.8 | -10.9 |
| Free cash flow | 3.5 | -4.8 | -8.3 |
| Cash Flow from Financing Activities | -7.0 | 8.5 | +15.5 |
| Total | -3.5 | 3.7 | +7.2 |

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

1. Overview of Financial Results for FYE3/'19
- 2. Full-year Earnings Forecast for FYE3/'20**
3. Future Initiatives

Full-year Earnings Forecast for FYE3/'20

- Revenue is expected to increase slightly from the previous fiscal year, although revenue increases are expected for the PS Sector and the Media Business of the MS Sector, and revenue of the Telematics Business in Others is projected to double from the previous fiscal year, due to a projected decrease in revenue of the AM Sector and the Entertainment Business of the MS Sector.
- Operating profit, profit before income taxes, and profit attributable to owners of the parent company are expected to be at the same level as the previous fiscal year.
- Annual dividend (year-end dividend) forecast is 6 yen per share.

(Billion yen)

| | Result for FYE3/'19 | Forecast for FYE3/'20 | YoY Change |
|--|------------------------|--------------------------|------------|
| Revenue | 307.6 | 310.0 | +2.4 |
| Operating Profit | 7.3 | 7.4 | +0.1 |
| Profit Before Income Taxes | 6.4 | 6.5 | +0.1 |
| Profit Attributable to Owners of the Parent Company | 3.8 | 4.0 | +0.2 |

| | | Result for FYE3/'19 | Assumption for FYE3/'20 |
|--------------------------------|-------------|------------------------|----------------------------|
| Profit-And-Loss Exchange Rates | U.S. dollar | 111 yen | 113 yen |
| | Euro | 128 yen | 128 yen |

Full-year Earnings Forecast for FYE3/'20

: Core Operating Income by Sector

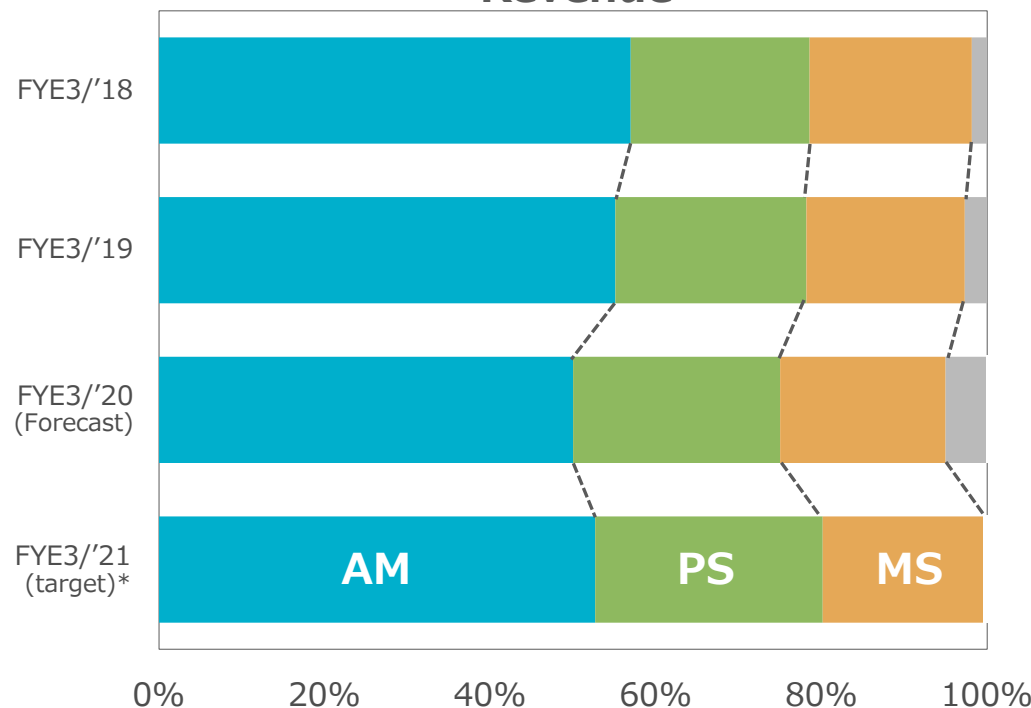
- Core operating income for FYE3/'20 is expected to be at the same level as the previous fiscal year.
 - AM Sector
Core operating income is forecast to decrease, due to early termination of sales of existing products in the OEM Business, the transition period before the start of newly ordered products in FYE3/'21 or thereafter, deterioration in market conditions in China, continuation of a supply problem at a parts supplier, and an increase in development investments for new orders.
 - PS Sector
Core operating income of the PS Sector as a whole is expected to increase significantly, due to a profit increase on continued strong sales of the Communication Systems Business, turnaround to positive profit as a result of structural business improvements in the Professional Systems Business, and a decrease in a loss as a result of improvements in the image display business of the Healthcare Business.
 - MS Sector
Core operating income in the MS Sector as a whole is expected to decrease, despite profit increase in the Media Business due to new product launch, owing to profit decrease in the Entertainment Business because fewer major works will be released and due to investments in new business fields.

1. Overview of Financial Results for FYE3/'19
2. Full-year Earnings Forecast for FYE3/'20
- 3. Future Initiatives**

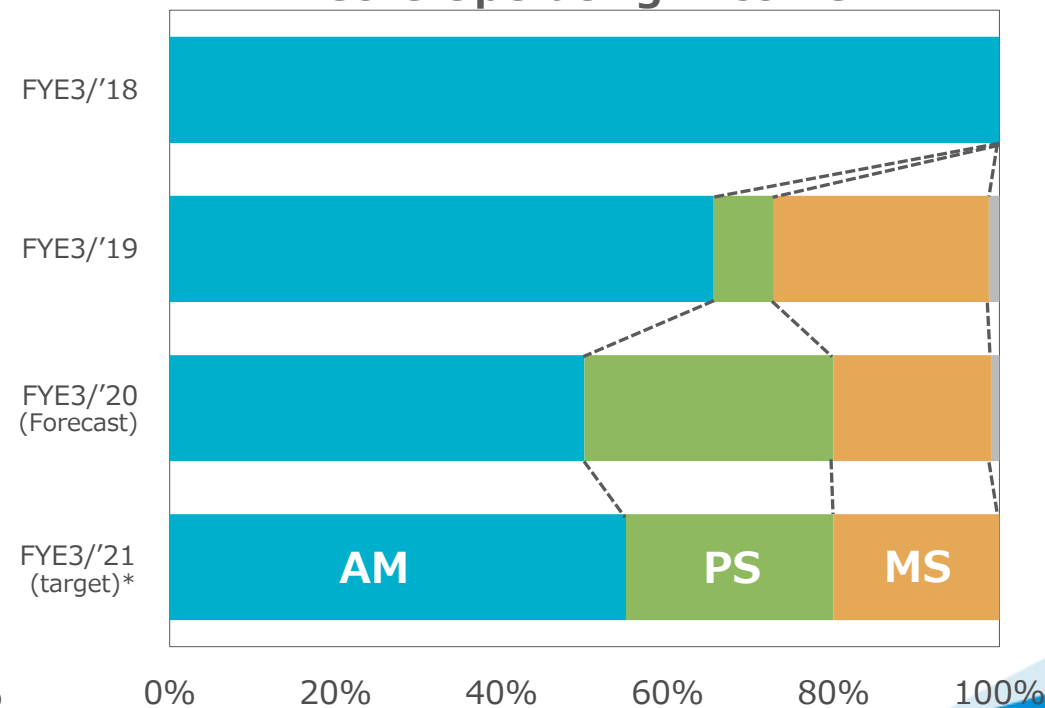
Transforming the Business Portfolio to Achieve Targets Under Vision 2020

- Reflecting the fact that our profit/loss in FYE3/'18 weighed too heavily on the AM Sector, we reviewed Vision 2020 in January 2018 and decided to make well-balanced investments in each sector.
- As a result, the results for FYE3/'19 showed positive profits in all sectors. In FYE3/'20, we aim to achieve a further growth in the PS Sector and expansion of sales in the Telematics Business in Others, and build a well-balanced, sound business structure toward the final year of the Vision 2020.

Revenue



Core Operating Income

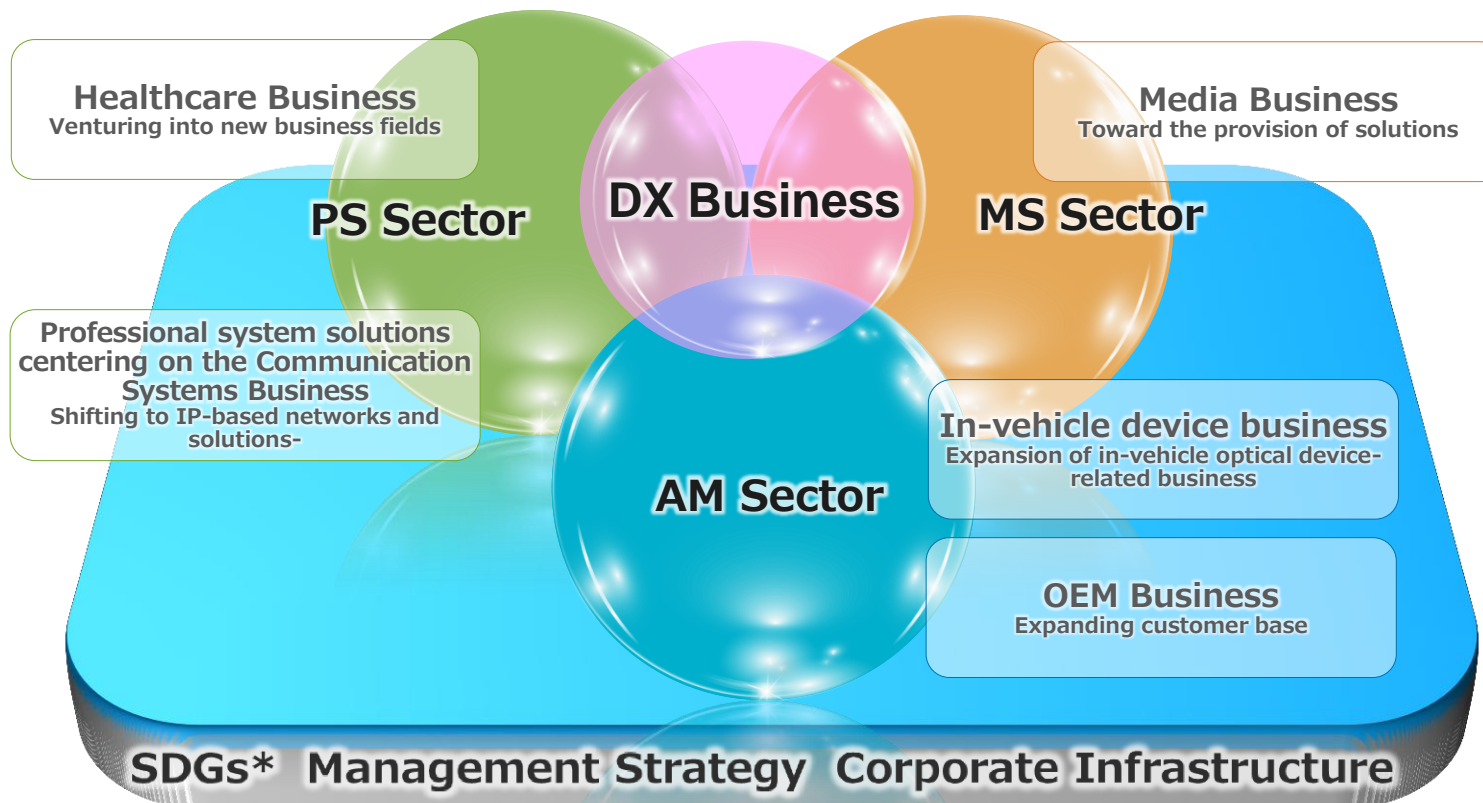


* Target figures for FYE3/'21 are figures published in "Notice Regarding Progress and Revision of the Mid- to Long-Term Management Plan 'Vision 2020'," released on January 31, 2018.

Toward Well-balanced Investments in Business Fields with Growth Prospects

- AM Sector Make continuous investments to strengthen the in-vehicle device business and the OEM Business.
- PS Sector Make investments in professional system solutions and venture into new business fields in the Healthcare Business.
- MS Sector Create new markets and shift toward the provision of solutions.
- Strengthen initiatives for next-generation businesses outside the three operating sectors
→ Establish the DX* Business Division

* DX: Digital Transformation



* SDGs: Sustainable Development Goals

Future Initiatives: AM Sector

Aftermarket

- Further expand sales and accelerate the overseas rollout of dual camera dashcams with robust sales in Japan through measures such as enhancing the lineup and expanding sales channels.
- Secure stable profits amid a shrinking overseas market for audio systems by launching new products such as display audio systems.



Dual camera dashcams allowing front and rear high-definition simultaneous recording showing strong sales

OEM

- The current fiscal year is a transition period in preparation for a large-scale project for which an order has been finalized. Regarding the factory-installed option business, we will put a premium on profitability.
- Acquire new and renewed orders and expand the overseas business for dealer-installed navigation systems and dashcams.



Providing multi-faceted connectivity with smartphones by supporting Apple CarPlay™ and Android Auto™

Future Initiatives: PS Sector

Communication Systems Business

- Strengthen orders for P25-compliant professional digital radio systems at EFJT, a Group's US subsidiary.
- Expand orders for Digital Mobile Radio (DMR) by deepening partnership with Radio Activity.
- Collaborate with Tait International in development, procurement, and production.
- Expand orders for radio console systems by introducing desktop units at Zetron, a US-based Group subsidiary.
- Launched the IP radio solutions business in the US to roll out new broadband solutions that integrate voice and data.



P25-compliant professional digital radio systems from EFJT rolled out under the KENWOOD brand



Zetron's CommandIQ compact IP dispatch system

Future Initiatives: PS Sector

Professional Systems Business

- Promote turnaround and early recovery of business by accelerating the shift to the high-end model market and reviewing production and sales systems.
- Deepen and expand business areas of video security/audio solution systems.



Full digital conference systems showing order growth

Healthcare Business

- Expand global sales by enhancing the lineup of image diagnostic monitor solutions, including 5M monochrome models.
- Expand the OR* solution business through investment in Rein Medical and strengthening collaboration between the Group's operations in Japan and the US. *OR...Operating Room
- Promote Gazefinder gaze point sensing device prior to the start of its clinical trials as a diagnosis assistance system for autistic spectrum symptoms in the first half of the current fiscal year. Also promote development toward application for the early screening of dementia.
- Promote commercialization of other next-generation businesses.



Gazefinder gaze point sensing device

Future Initiatives: MS Sector

Media Business (Lifestyle)

- Boost sales of headphones by expanding web-based sales channels and launching new products.
- Expand brand licensing business by tapping into new markets and new business genres.



New concept headphones that provide real-time coaching by voice by measuring running form

Media Business (Solutions)

- Expand share of the ENG* market by enhancing the lineup of CONNECTED CAM™ series camcorders and boost sales in the sports market through partnership with StreamStar.

*ENG: Electronic News Gathering

- Expand sales of professional projectors in the flight simulator market.



Sales of CONNECTED CAM™ camcorders are enjoying strong sales through an expansion of the lineup

Future Initiatives: MS Sector and Others

Entertainment Business

- As a total entertainment group, expand business fields, such as management, live event services, and sales of merchandise.
- Provide flat-rate music streaming service and strengthen discovery and development of artists.
- Expand business into the Chinese market and roll out anime business in the global market.

<Major works released in 1Q>



"Carole & Tuesday," a major anime work On air on Fuji TV's "+Ultra" anime programming lineup Exclusive distribution worldwide at Netflix



"834.194," an album from Sakanaction



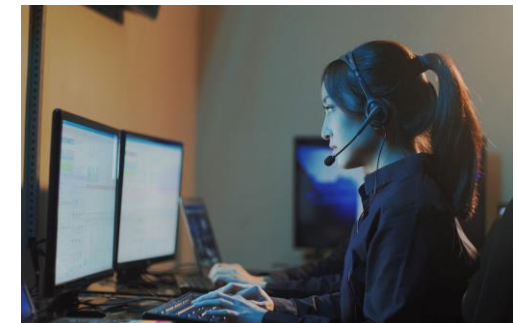
"DUO," an album from Leo Ieiri

DX Business Division *DX...Digital transformation

- Commercialized security service for drivers based on dashcam with communication capabilities for Grab, the largest ride-hailing company in Southeast Asia.
- Expand the provision of various telematics services for insurance companies and the taxi industry, etc.
- Develop sales channels for ODA projects and disaster prevention and disaster mitigation products market to expand the solution business.



Logo of security services for drivers



Dashcam with communication capabilities

Future Initiatives: Management Reforms from Manufacturing Reforms Based on T-Project

■ Purposes

- Ensure achievement of the targets of Vision 2020 (ROE of 10%).
- Build a lean management base toward 2021 and thereafter.

■ Issues faced by the Company

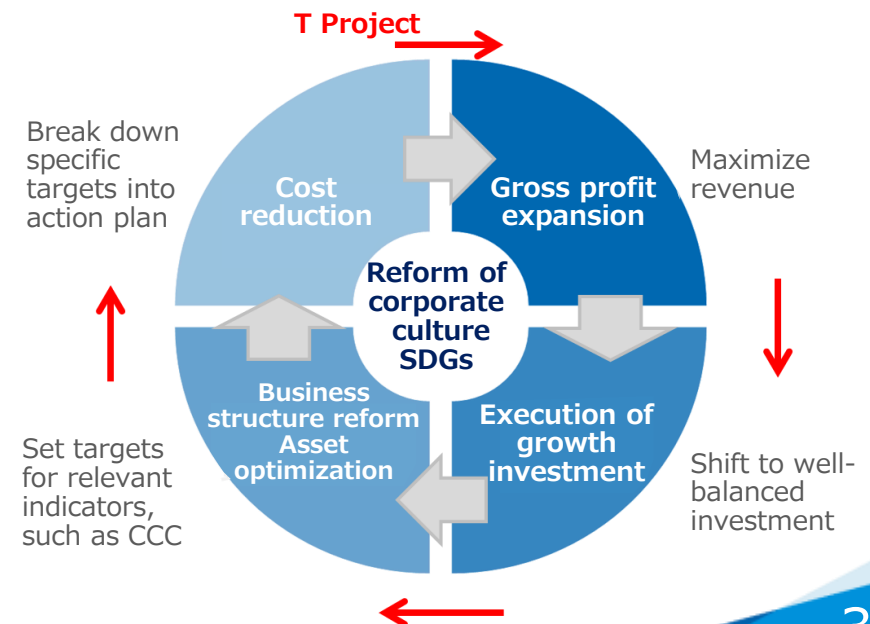
- A large loss cost and opportunity loss incurred related to procurement, production, and quality caused by stagnation of design reforms, and inefficient operations due to delays in operating process and IT infrastructure.

*Loss cost/opportunity loss is estimated to be several tens of billions of yen.










■ Launched T Project in FY2018

- Promoted as a company-wide project under the direct control of the CEO.
- Earn short-term profits and implement medium-term measures.
 - Total cost reforms
 - Phase gate reforms
 - Operating process and IT reforms

→ Implemented in the Communication Systems Business first, and cost reductions and business structure enhancements in the business are already in progress.



New Management Structure After This Year's Ordinary General Meeting of Shareholders

| | | | | |
|---|--|--|---|---|
|  |  |  |  | |
| Takao Tsuji | Yasuyuki Abe | Shoichiro Eguchi | Masaki Imai | |
| Representative Director of the Board, Chairman | External Director, Chairman of the Board | Representative Director of the Board, President, CEO*1 | Director of the Board, Executive Vice President, COO EMEA*2 | |
| Reappointment | Reappointment External | Reappointment | Reappointment | |
|  |  |  |  |  |
| Masatoshi Miyamoto | Masao Nomura | Yoshio Sonoda | Shinjiro Iwata | Yuji Hamasaki |
| Director of the Board, Senior Managing Executive Officer, CFO*3 | Director of the Board, Senior Managing Executive Officer, COO Automotive Sector, In charge of DX*4 Business Division | Director of the Board, CTO*5, General Executive of Automotive Business Engineering & Design Division | External Director | External Director (Representative Director, Chairman of Meidensha Corporation) |
| Reappointment | Reappointment | First-time Candidate | Reappointment External | First-time Candidate External |

*1 : Chief Executive Officer

*2 : Europe, Middle East and Africa

*3 : Chief Financial Officer

*4 : Digital Transformation

*5 : Chief Technology Officer

New Executive Officers, Effective April 1, 2019

■ 13 Executive Officers



**Shoichiro
Eguchi**
President, Chief
Executive Officer



**Masaki
Imai**
Executive Vice
President



**Masatoshi
Miyamoto**
Senior Managing
Executive Officer



**Masao
Nomura**
Senior Managing
Executive Officer



**Takuya
Arai**
Managing
Executive Officer



**Naokazu
Kurihara**
Managing
Executive Officer



**Akira
Suzuki**
Managing
Executive Officer



**Shinichi
Takada**
Managing
Executive Officer



**Kazuyoshi
Hayashi**
Executive Officer



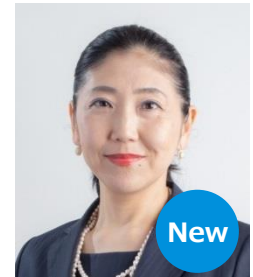
**Akihiko
Terada**
Executive Officer



**Yoshio
Sonoda**
Executive Officer



**Osamu
Muraoka**
Executive Officer



**Junko
Koshino**
Executive Officer

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.