

JVCKENWOOD

April 27, 2020

Company	JVCKENWOOD Corporation
Representative	EGUCHI Shoichiro Representative Director of the Board, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	ENDO Isamu General Manager, Corporate Communication Department (Tel: +81-45-444-5232)

Revision of the Consolidated Earnings and Dividend Forecasts for the Fiscal Year Ended March 2020, and Voluntary Return of Executive Compensation

JVCKENWOOD Corporation (JVCKENWOOD), at its Board of Directors meeting held today, resolved to revise the consolidated earnings and dividend forecasts for the fiscal year ended March 2020 announced on April 26, 2019 and voluntary return of part of executive compensation, in light of the impact of the novel coronavirus epidemic, as outlined below.

1. Revision of the Full-year Consolidated Earnings Forecast for the Fiscal Year Ended March 2020 (From April 1, 2019 to March 31, 2020)

(Million yen)	Revenue	Operating profit	Profit before income taxes	Profit attributable to owners of parent	Basic net income per share
Previous Forecast (A) (Announced on April 26, 2019)	310,000	7,400	6,500	4,000	yen 24.40
Revised Forecast (B) (Announced on April 27, 2020)	290,000	4,000	2,800	900	yen 5.49
Amount of Change (B - A)	-20,000	-3,400	-3,700	-3,100	
Rate of Change (%)	-6.5	-45.9	-56.9	-77.5	
(Reference) Results for the Previous Fiscal Year (Fiscal Year Ended March 2019)	307,627	7,263	6,401	3,847	yen 25.00

2. Revision of Year-End Dividend Forecast for the Fiscal Year Ended March 2020

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Previous Forecast (Announced on April 26, 2019)	yen —	yen 0.00	yen —	yen 6.00	yen 6.00
Revised Forecast (Announced on April 27, 2020)	—	0.00	—	5.00	5.00
Results for the Fiscal Year Under Review	—	0.00	—		
Results for the Previous Fiscal Year (Fiscal Year Ended March 2019)	—	0.00	—	6.00	6.00

3. Reasons for the Revision

As described in “Impact on Consolidated Earnings from the Outbreak of the Novel Coronavirus” announced today, the epidemic of the novel coronavirus inflicted a significant impact on the Group’s earnings because it occurred in the fourth quarter, the biggest sales season for the Group. In addition, exchange rate fluctuations caused a decline, etc. in revenue. As a result, revenue, operating profit, profit before income taxes, and profit attributable to owners of the parent company are now expected to fall below the full-year consolidated earnings forecast for the fiscal year ended March 2020 announced on April 26, 2019. Accordingly, JVCKENWOOD has decided to revise the earnings forecast as shown above.

We also recognize that distributing profits to our shareholders is one of the most important tasks of the management. For this reason, we are making further effort to enhance the company’s value by expanding profitability and strengthening the financial structure from a long-term perspective. However, as mentioned earlier, the Group’s earnings have been impacted by the outbreak of the novel coronavirus that occurred in the fourth quarter of the period. As a result, the full-year earnings are now expected to be drastically revised downward from the forecast announced at the beginning of the period. Under these circumstances, we have decided to revise the year-end dividend forecast. We would appreciate the understanding of our shareholders regarding this.

4. Voluntary Return of Executive Compensation

In order to clarify management’s responsibility in the downward revision of the consolidated earnings and dividend forecasts for the fiscal year ended March 2020, and taking the significant impact of the novel coronavirus epidemic on the Group’s earnings into consideration, the officers will voluntarily return part of their compensation as outlined below.

- (1) Voluntary return of part of executive officer compensation
Board directors (except external directors) and executive officers: Voluntarily return 10–30% of executive compensation.
- (2) Period covered
Three months from April to June 2020.