

JVCKENWOOD

Results and Forecast Briefing

First Quarter of Fiscal Year Ending March 2025 (IFRS)

August 1, 2024

JVCKENWOOD Corporation



- * All figures in this document are prepared in accordance with International Financial Reporting Standards (IFRS).
- * Percentages and value differences shown in this document were computed in yen and any single-digit value was rounded off to the nearest two-digit value.

■ Results for Q1 of FYE3/'25

- ✓ Revenue has increased from the previous fiscal year, supported by continued strong sales of the Communications Systems Business in S&S and solid sales of the Overseas OEM Business in M&T.
- ✓ Core operating income*, which indicates profit in the core business, increased from the previous fiscal year in all three sectors of M&T, S&S, and ES, and each profit below operating profit also increased from the previous fiscal year.
- ✓ Core operating income of the Communications Systems Business of Q1 in S&S posted a record high for a quarter since the management integration.
- ✓ The fiscal year ending March 31, 2025, which is the interim year of the Medium-Term Management Plan "VISION 2025", got off to a good start toward achieving the targets of the final year.

* Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

**1. Overview of Financial Results for Q1
of FYE3/'25**

**2. Full-year Earnings Forecast for
FYE3/'25**

3. Topics

<Reference material>

1. Overview of Financial Results for Q1 of FYE3/'25

2. Full-year Earnings Forecast for FYE3/'25

3. Topics

<Reference material>

Financial Results for Q1 of FYE3/'24

(Billion yen)

	FYE3/'22 Q1	FYE3/'23 Q1	FYE3/'24 Q1	FYE3/'25 Q1	YoY	
Revenue	64.5	72.0	85.6	87.8	+ 2.2	+2.5%
Cost of sales	47.3	53.2	59.4	59.4	+ 0.0	+0.0%
Gross profit	17.2	18.8	26.2	28.4	+ 2.2	+8.2%
Profit margin	26.7%	26.2%	30.6%	32.3%		
Core operating income^{*1}	0.4	0.4	5.0	6.0	+ 0.9	+18.6%
Profit margin	—	0.6%	5.9%	6.8%		
Other Income, Other Expenses, Foreign Exchange Loss, etc.	2.5	0.1	-0.03	0.05	+ 0.08	-
Operating profit	2.9	0.5	5.0	6.0	+ 1.0	+20.2%
Profit margin	4.5%	0.7%	5.9%	6.9%		
Profit before income taxes	2.8	0.5	4.9	7.0	+ 2.1	+42.6%
Profit attributable to owners of the parent company	1.5	-0.2	3.5	5.5	+ 2.0	58.3%
EBITDA^{*2}	7.7	5.0	9.5	11.7	+ 2.2	+22.7%
EBITDA margin	11.9%	7.0%	11.1%	13.3%		

*1: Calculated by deducting cost of sales and selling, general and administrative expenses from revenue and not including other income, other expenses, foreign exchange gains and losses, etc., which are primarily temporary factors.

*2: Calculated as income before taxes + interest expenses + depreciation + impairment losses

		FYE3/'22					FYE3/'23					FYE3/'24					FYE3/'25					
		Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year	Q1	Q2	Q3	Q4	Full-Year	
Profit-And-Loss	U.S. dollar	110	110	114	116	112	130	138	141	132	135	137	145	148	149	145	156					
Exchange Rates	Euro	132	130	130	130	131	138	139	144	142	141	150	157	159	161	157	168					

Financial Results for Q1 of FYE3/'25: Results by Sector

(Billion yen)

		FYE3/'22 Q1	FYE3/'23 Q1	FYE3/'24 Q1	FYE3/'24 Q1	YoY	
M&T	Revenue	38.7	43.9	47.3	47.9	+ 0.6	+1.3%
	Core Operating Income	0.2	-0.3	0.4	0.6	+ 0.2	+47.4%
S&S	Revenue	12.6	14.0	22.0	24.2	+ 2.2	+10.1%
	Core Operating Income	-0.4	0.7	4.1	4.5	+ 0.4	+9.8%
ES	Revenue	11.9	12.9	14.0	13.4	-0.6	-4.1%
	Core Operating Income	0.6	-0.1	0.5	0.7	+ 0.2	46.4%
Others	Revenue	1.4	1.3	2.23	2.15	-0.08	-3.7%
	Core Operating Income	0.0	0.1	-0.03	0.07	+ 0.09	-
Total	Revenue	64.5	72.0	85.6	87.8	+ 2.2	+2.5%
	Core Operating Income	0.37	0.4	5.0	6.0	+ 0.9	+18.6%

M&T

Revenue and profit of the sector as a whole increased due to strong sales of the Overseas OEM Business despite a decline in sales of the Aftermarket Business and the Telematics Service Business, as well as a negative impact of approximately 300 million yen from foreign exchange hedge.

S&S

Revenue and profit of the sector as a whole increased mainly due to brisk sales of professional radio systems in the North American public safety market despite a negative impact of an increase in fixed costs due to a personnel increase on the Communications Systems Business. The Communications Systems Business posted a record-high profit for a quarter.

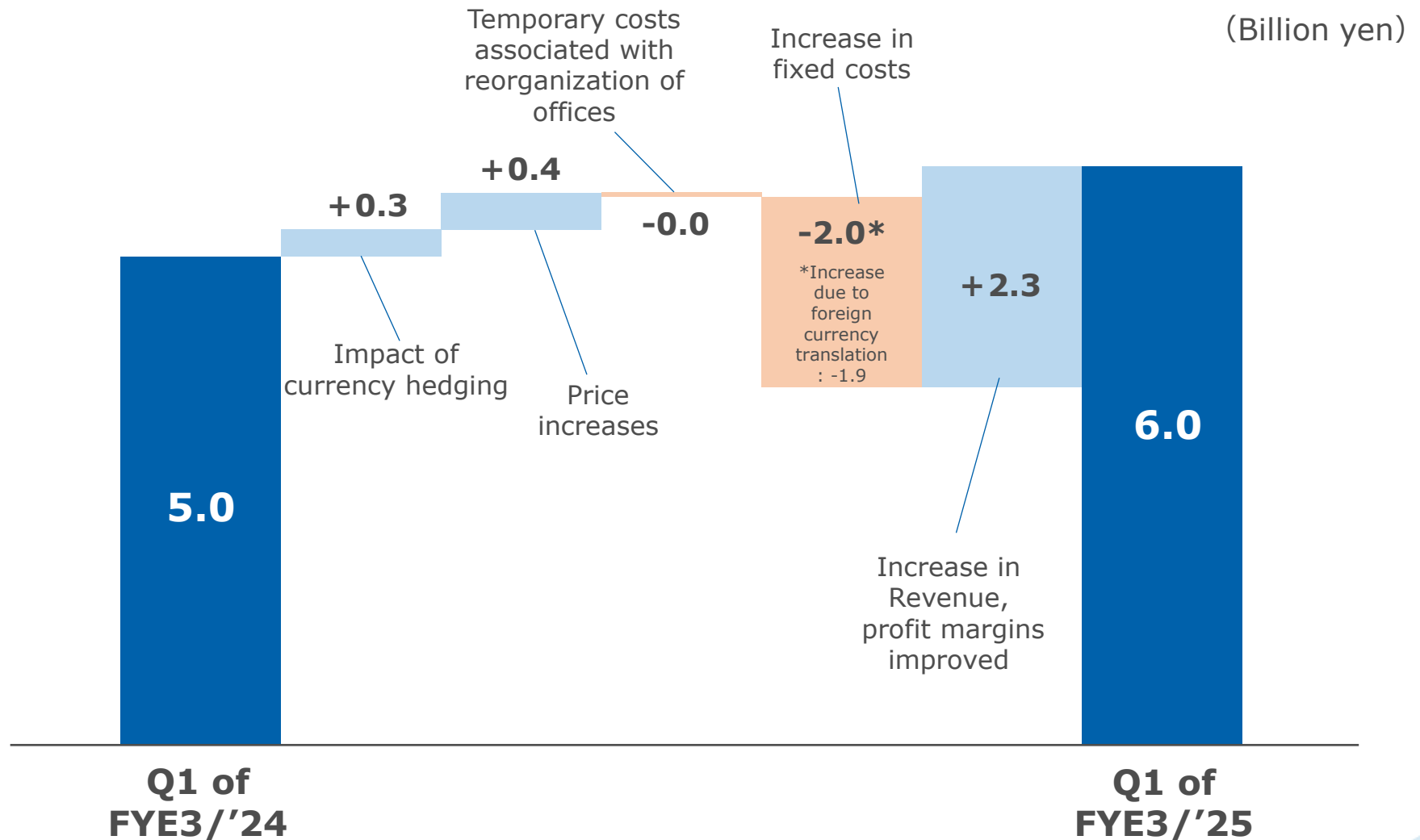
ES

Despite lower revenue in the Entertainment Business, the sector as a whole posted a decrease in revenue and an increase in profit mainly due to an increase in revenue for the Media Business, and the improvement of fixed costs resulting from the structural reform implemented in the previous fiscal year.

Financial Results for Q1 of FYE3/'25:

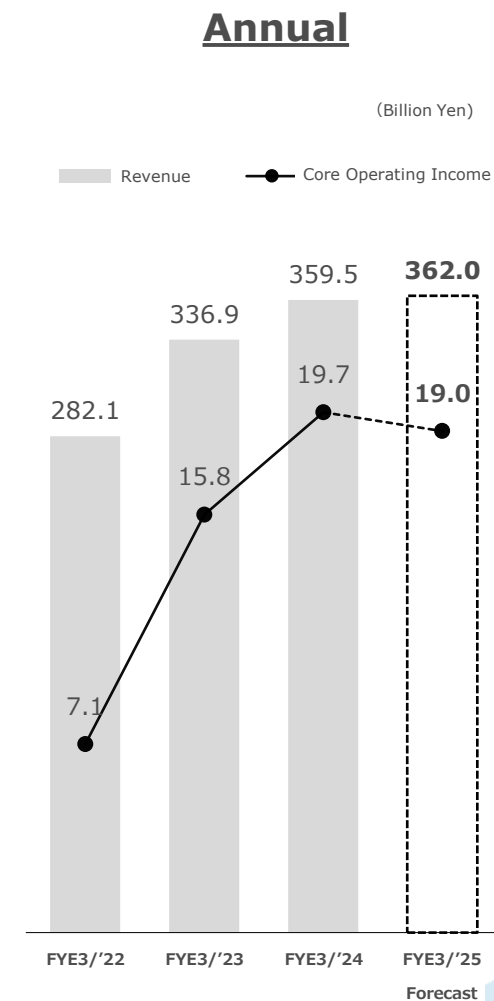
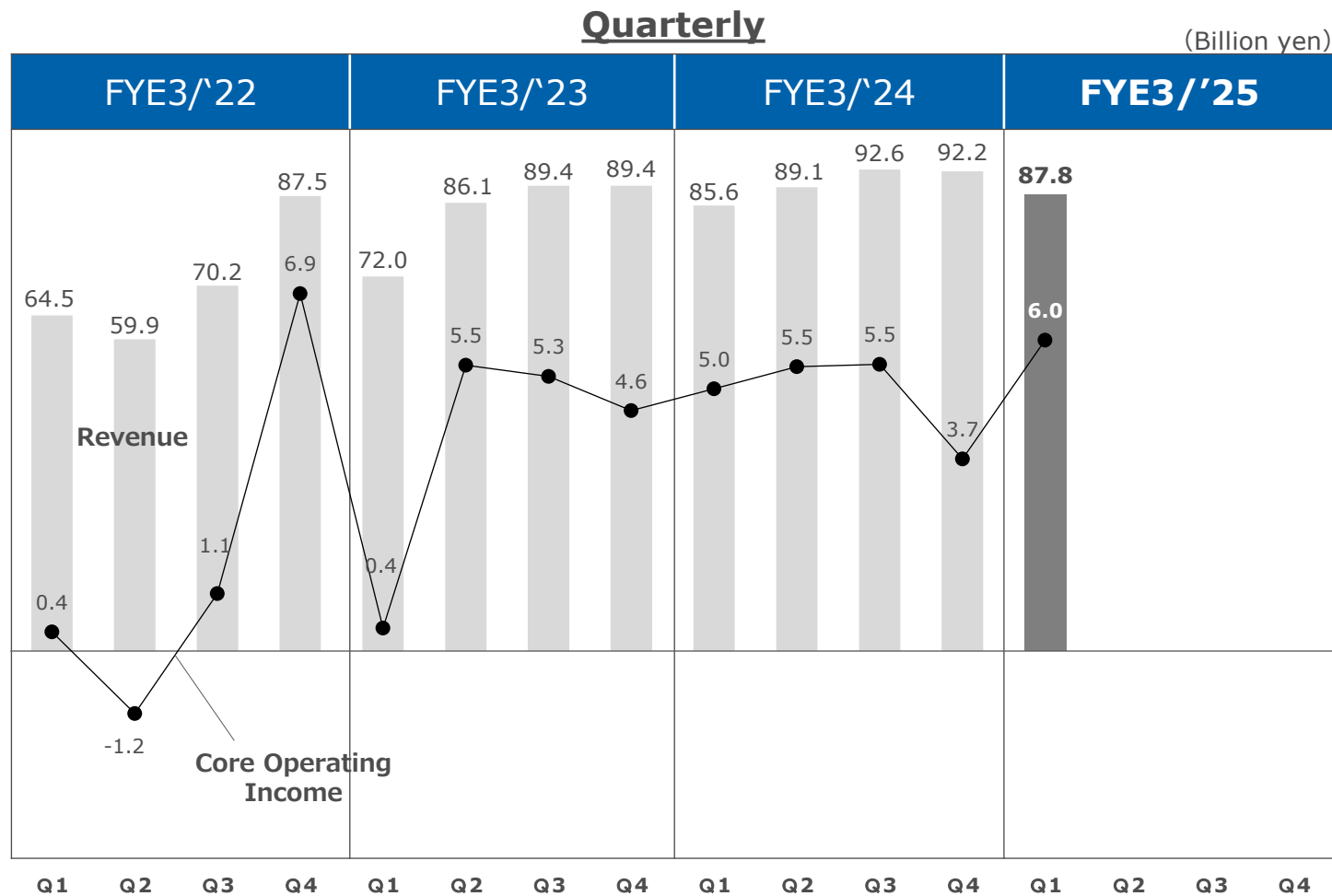
Factors Contributing to Changes in Core Operating Income

- Profit rose from the previous fiscal year because higher revenue and price increases covered a fixed cost increase.



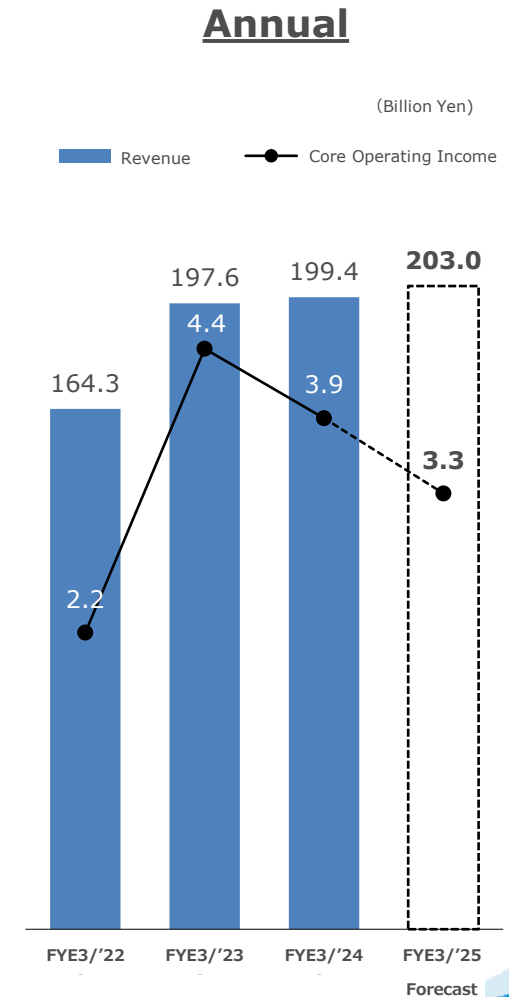
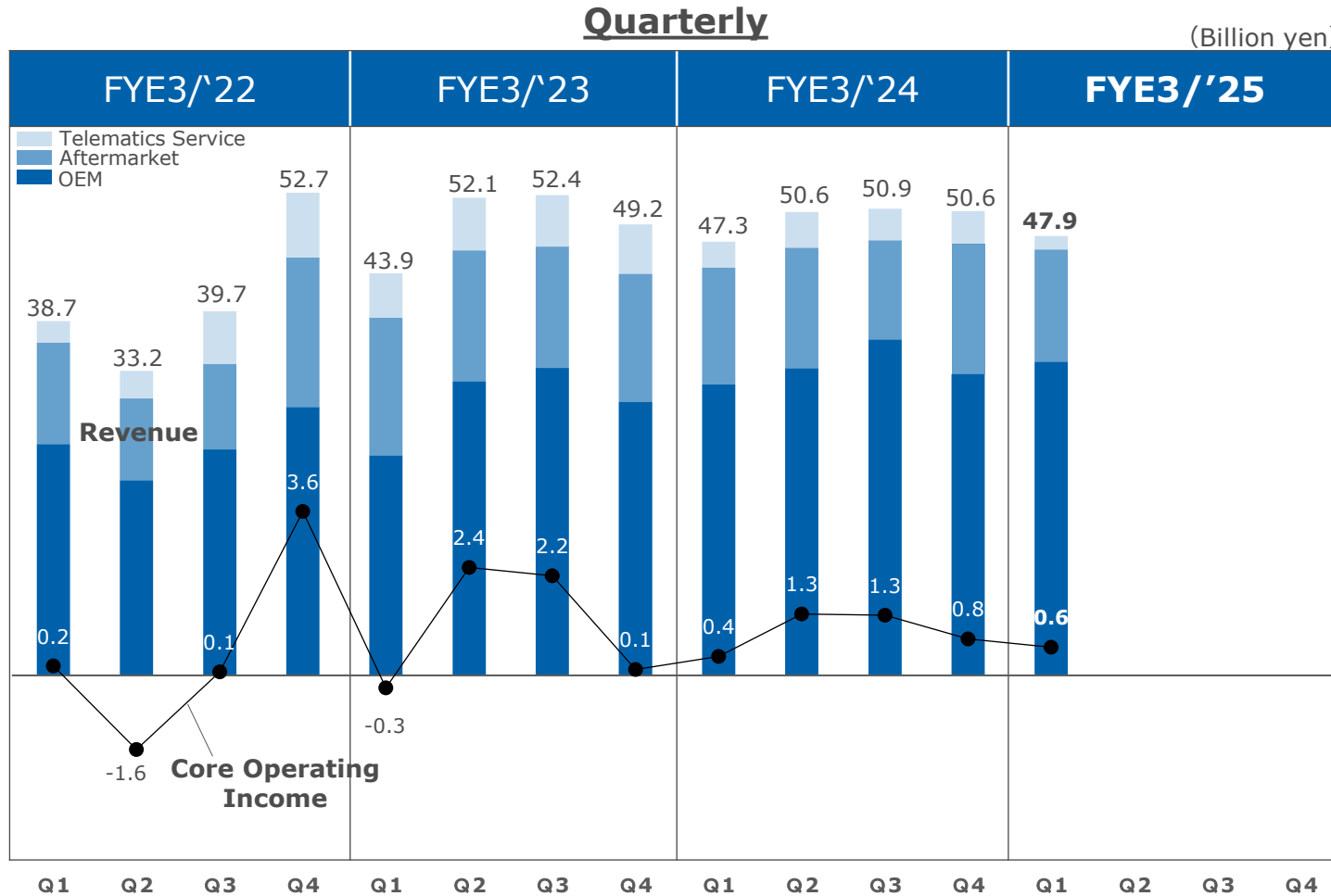
Trends in Quarterly Results

- In Q1 (April–June), company-wide revenue and profit increased from the previous fiscal year mainly due to strong sales to the public safety market in the Communications Systems Business in S&S and steady sales of the Overseas OEM Business in M&T.



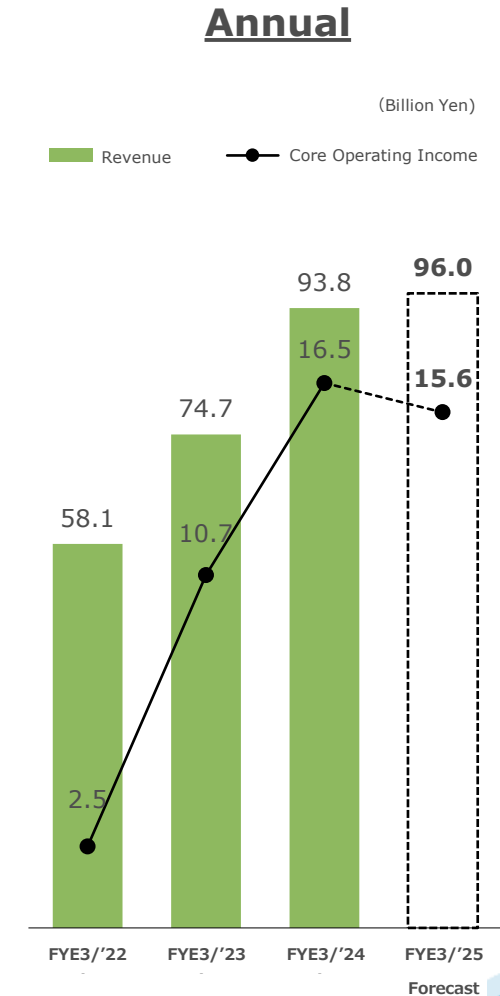
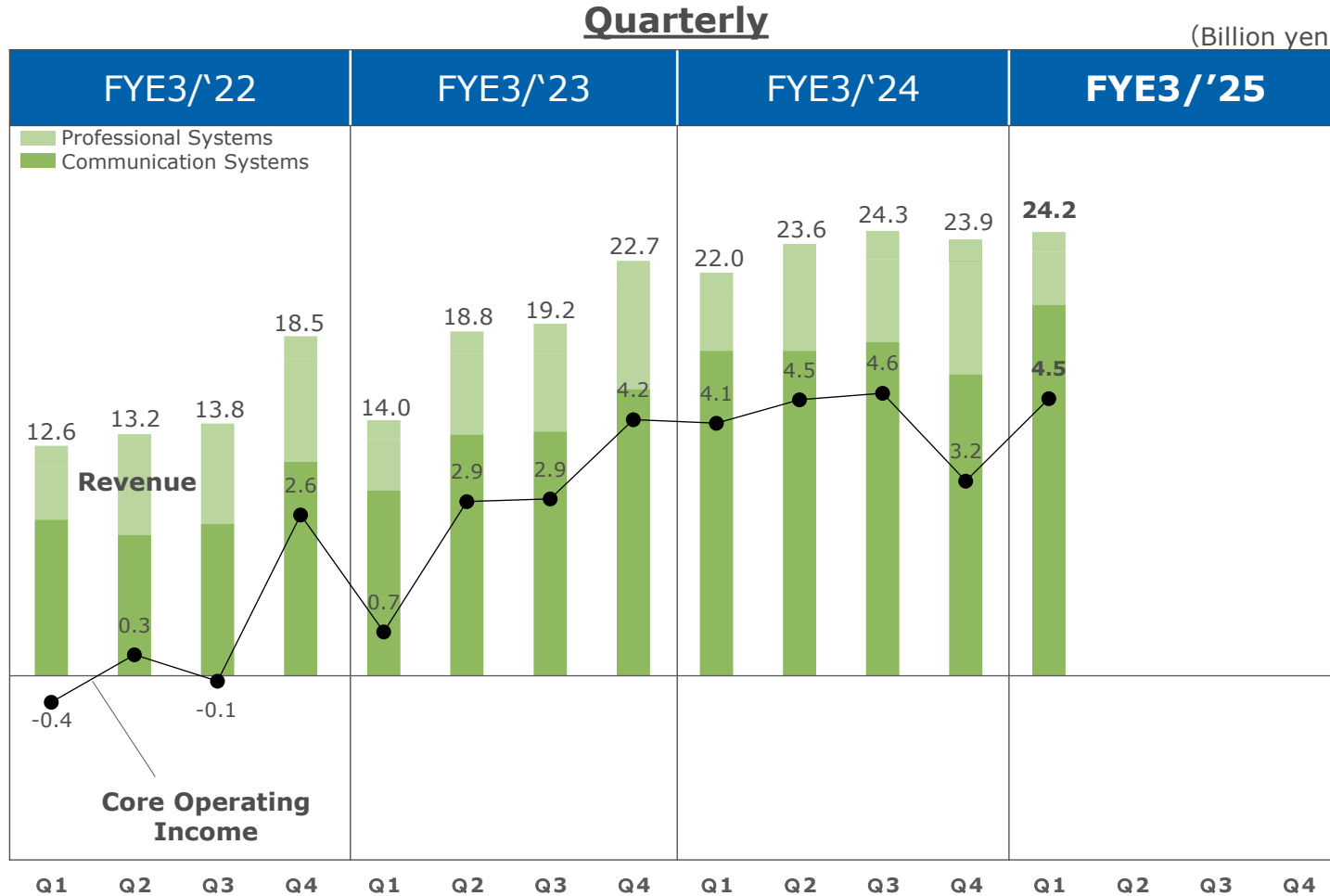
M&T: Trends in Revenue and Core Operating Income

- In Q1 (April–June), revenue and profit of the sector as a whole increased from the previous fiscal year due to the steady performance of the Overseas OEM Business despite a decline in sales of the Telematics Service Business and a negative impact of approximately 300 million yen from foreign exchange hedging.



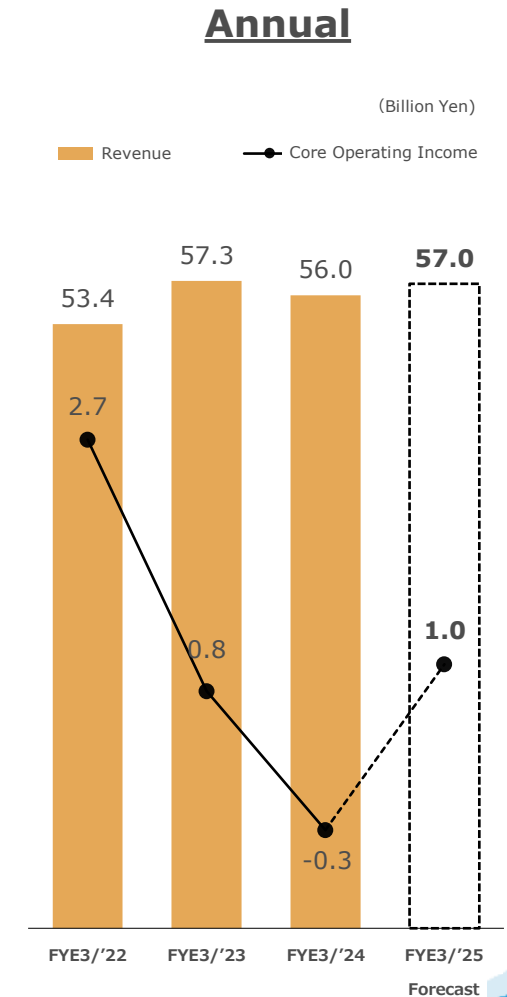
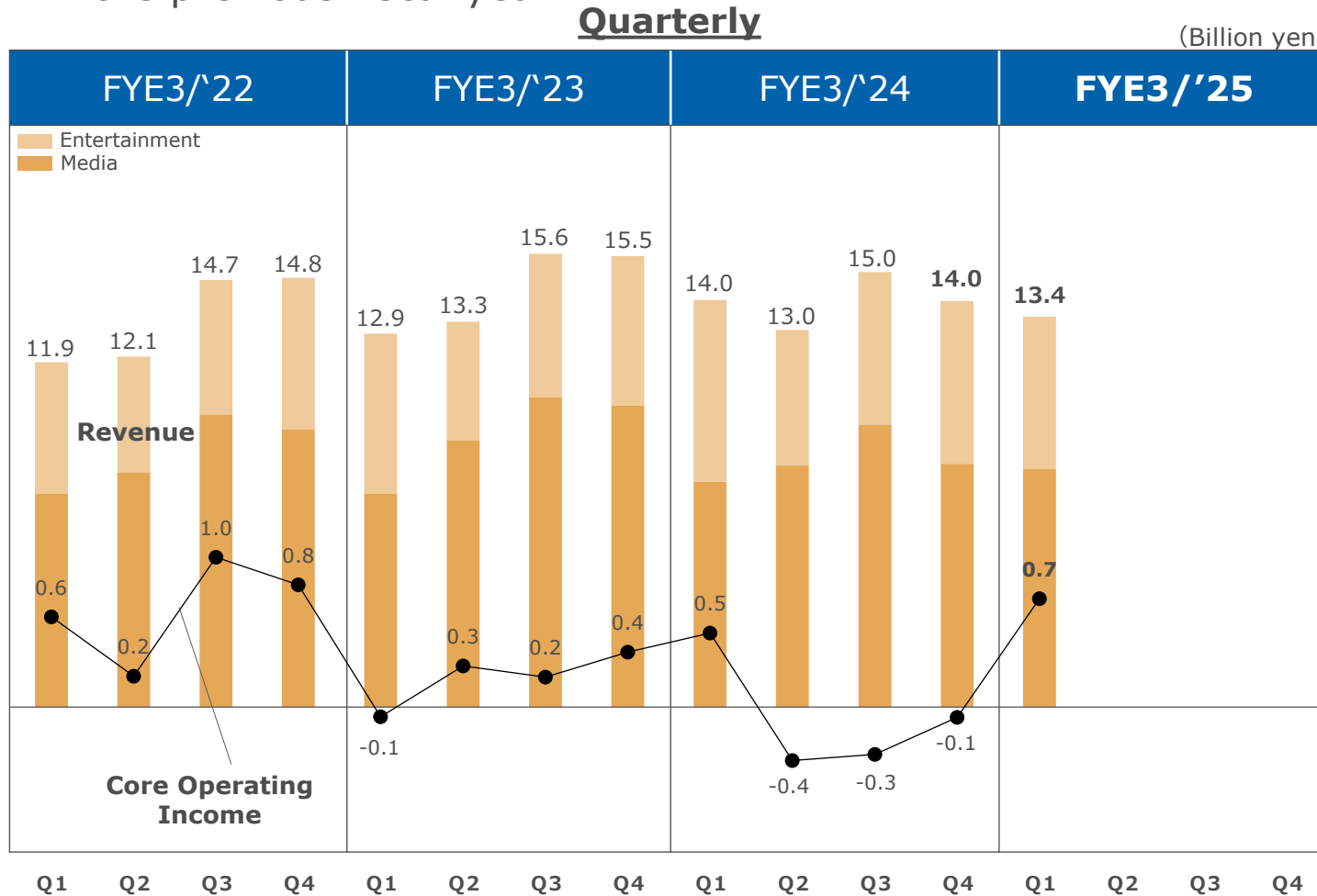
S&S: Trends in Revenue and Core Operating Income

- In Q1 (April–June), revenue and profit of the sector as a whole increased from the previous fiscal year due to strong sales to the North American public safety market in the Communications Systems Business. Core operating income of the Communications Systems Business posted a record high for a quarter since the management integration.



ES: Trends in Revenue and Core Operating Income

- In Q1 (April–June), despite lower revenue in the Entertainment Business, profit rose from the previous fiscal year due to an increase in revenue for the Media Business, and the improvement of fixed costs resulting from the effect of the structural reform implemented in the previous fiscal year.

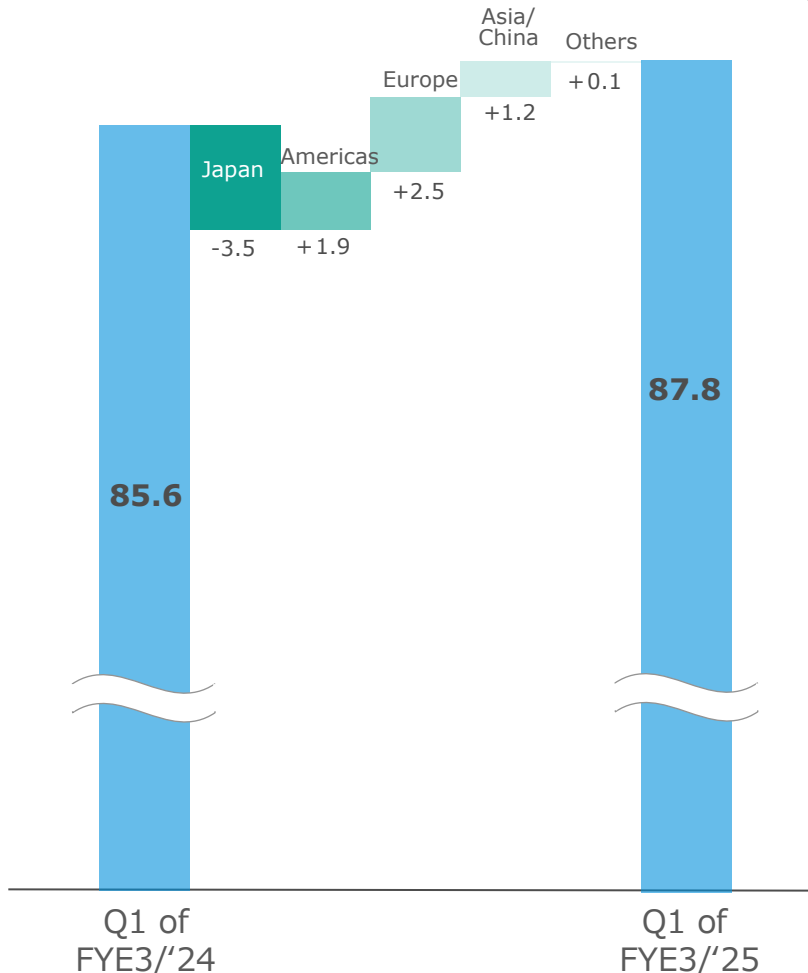


Financial Results for Q1 of FYE3/'25: Consolidated Revenue by Region

- Revenue increased in Europe, the Americas, and Asia/China due to strong sales to the North American public safety market in the Communications Systems Business and the strong performance of the Overseas OEM Business.

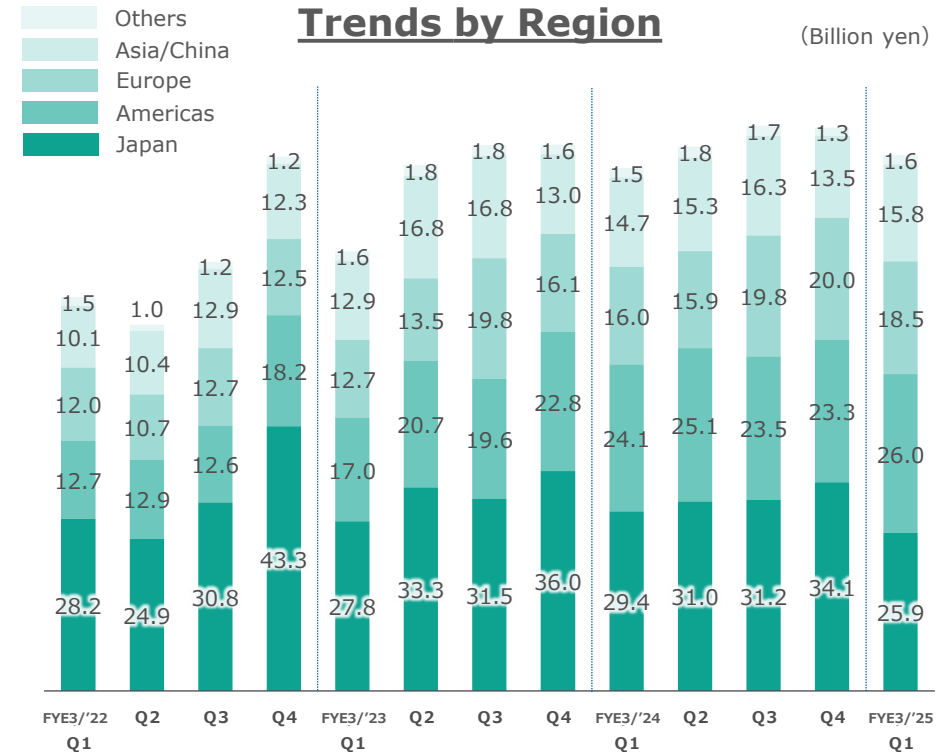
Increase/Decrease by Region

(Billion yen)



Trends by Region

(Billion yen)



Ratio by Region

	Q1 of 'FYE3/'22	Q1 of 'FYE3/'23	Q1 of 'FYE3/'24	Q1 of 'FYE3/'25
Japan	44%	39%	34%	29%
Americas	20%	24%	28%	30%
Europe	19%	18%	19%	21%
Asia/China	16%	18%	17%	18%
Others	2%	2%	2%	2%
Total	100%	100%	100%	100%

Financial Results for Q1 of FYE3/'25: Consolidated Profit/Loss Summary

- Operating profit grew approximately 1 billion yen due to an increase in core operating income.
- Each profit below profit before income taxes rose approximately 2 billion yen due to an increase in equity in earnings of affiliates.

(Billion yen)

	FYE3/'22 Q1	FYE3/'23 Q1	FYE3/'24 Q1	FYE3/'25 Q1	YoY
Core Operating Income	0.37	0.44	5.04	5.98	+ 0.94
Other Income, Other Expenses, Foreign Exchange Loss, etc.	2.50	0.07	-0.03	0.05	+ 0.08
Operating Profit	2.87	0.52	5.01	6.02	+ 1.01
Finance Income, Finance Expenses, etc.	-0.07	0.02	-0.14	0.93	+ 1.07
Profit Before Income Taxes	2.80	0.54	4.87	6.95	+ 2.08
Income Tax Expenses	1.18	0.62	1.26	1.15	-0.11
Non-Controlling Interests	0.15	0.17	0.14	0.30	+ 0.16
Profit Attributable to Owners of the Parent Company	1.47	-0.25	3.48	5.50	+ 2.03

Financial Results for Q1 of FYE3/'25: Financial Position Summary

- Equity attributable to owners of the parent company was up 10.3 billion yen from the end of the previous fiscal year to 125.1 billion yen due to an increase in retained earnings and other components of equity.
- Net cash converted from net debts at the end of the previous fiscal year improved 2.4 billion yen from 0.6 billion yen at the end of the previous fiscal year to 2.9 billion yen.

(Billion yen)

	FYE3/'22	FYE3/'23	FYE3/'24	FYE3/'24 Q1	YoY
Total Assets	280.8	299.4	316.8	326.9	+ 10.1
Total Liabilities	196.8	195.6	195.6	194.7	-0.9
Total Equity	84.0	103.7	121.2	132.3	+ 11.0
Interest-Bearing Debts	69.8	62.5	57.3	51.4	-5.9
Net Debt	-21.1	-6.3	0.6	2.9	+ 2.4
Net Debt/Equity Ratio (Times)	0.27	0.06	-0.01	-0.02	-0.01
Equity Attributable to Owners of the Parent Company	79.5	98.8	114.8	125.1	+ 10.3
Stockholder's Equity Ratio (%)	28.3	33.0	36.2	38.3	+2.1pt

Financial Results for Q1 of FYE3/'25: Cash Flow Summary

- Net cash from operating activities increased significantly from the previous fiscal year due to higher core operating income and improved working capital mainly resulting from a decrease in product inventories.
- Net cash used in investing activities grew from the previous fiscal year due to increased investments in development and production enhancement.
- Net cash used in financing activities increased from the previous fiscal year due to the repayment of interest-bearing debts.

(Billion yen)

	FYE3/'22 Q1	FYE3/'23 Q1	FYE3/'24 Q1	FYE3/'25 Q1	YoY
Cash Flow from Operating Activities	1.1	3.0	0.1	8.9	+ 8.8
Cash Flow from Investing Activities	1.9	-4.4	-4.5	-5.3	-0.9
Free cash flow <small>* Free cash flow: Cash flow from operating activities + Cash flow from investing activities</small>	3.0	-1.4	-4.3	3.6	+ 7.9
Cash Flow from Financing Activities	-3.4	-3.4	-8.2	-9.5	-1.4
Total	-0.5	-4.8	-12.5	-5.9	+ 6.6

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of FYE3/'25**

**2. Full-year Earnings Forecast for
FYE3/'25**

3. Topics

<Reference material>

Full-Year Earnings Forecast for FYE3/'25

- In Q1, company-wide results exceeded the initial forecast significantly mainly due to strong sales of professional radio systems to the North American public safety market in the Communications Systems Business in S&S.
- There is no revision to the consolidated earnings forecast at this time, while strong sales are expected to continue from Q2 onwards.

(Billion Yen)

	FYE3/'22	FYE3/'23	FYE3/'24	Forecast for FYE3/'25 (Apr. 26, '24)	YoY	
Revenue	282.1	336.9	359.5	362.0	+ 2.5	+0.7%
Core Operating Income	7.1	15.8	19.7	19.0	-0.7	-3.6%
Operating Profit	9.1	21.6	18.2	18.2	0.0	-0.1%
Profit Before Income Taxes	8.5	21.2	18.2	18.0	-0.2	-1.3%
Profit Attributable to Owners of the Parent Company	5.9	16.2	13.0	12.5	-0.5	-4.0%
ROE (%)	8.1	18.2	12.2	10.5	-1.7pt	-

(Yen)

	FYE3/'22	FYE3/'23	FYE3/'24	Forecast for FYE3/'25 (Apr. 26, '24)
Year-end dividend (Per share)	6	12 ^{*1}	12	13^{*2}

*1 : Of the 12 yen Special dividend is 5 yen

*2 : Interim dividend: 5 yen, Year-end dividend: 8 yen

(Yen)

	FYE3/'22	FYE3/'23	FYE3/'24	Assumption for FYE3/'25	
Profit-And-Loss Exchange Rates	J.S. dollar	112	135	145	147
	Euro	131	141	157	159

**1. Overview of Financial Results for Q1
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**2. Full-year Earnings Forecast for
FYE3/'25**

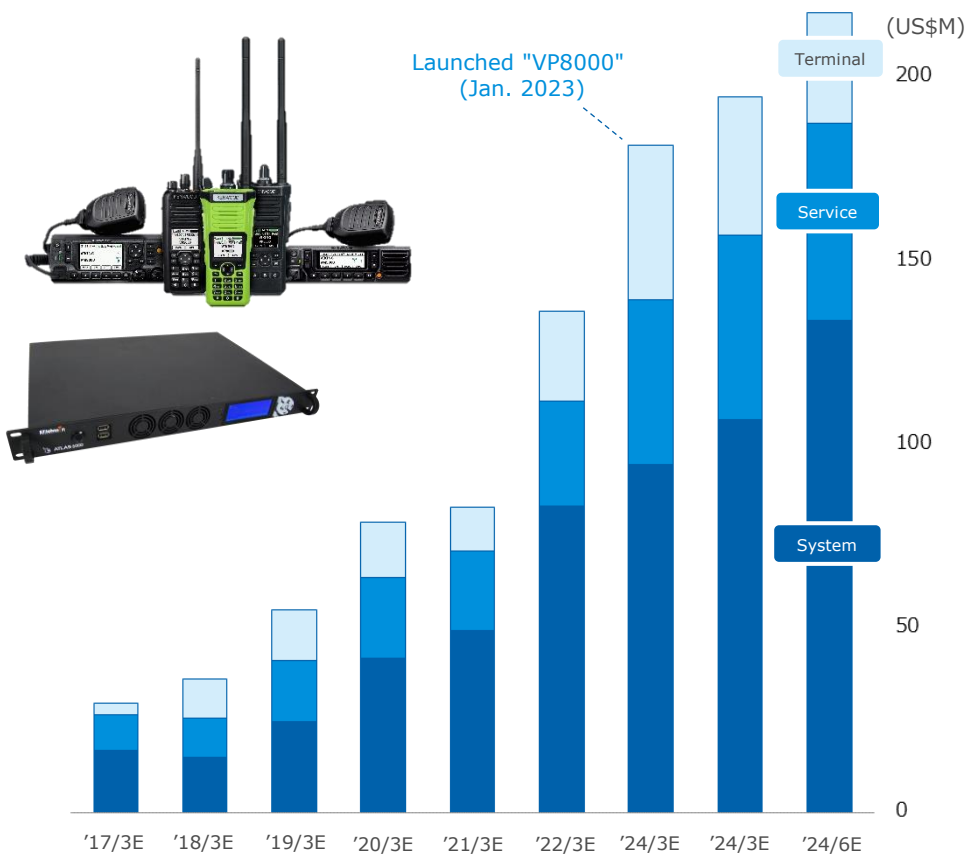
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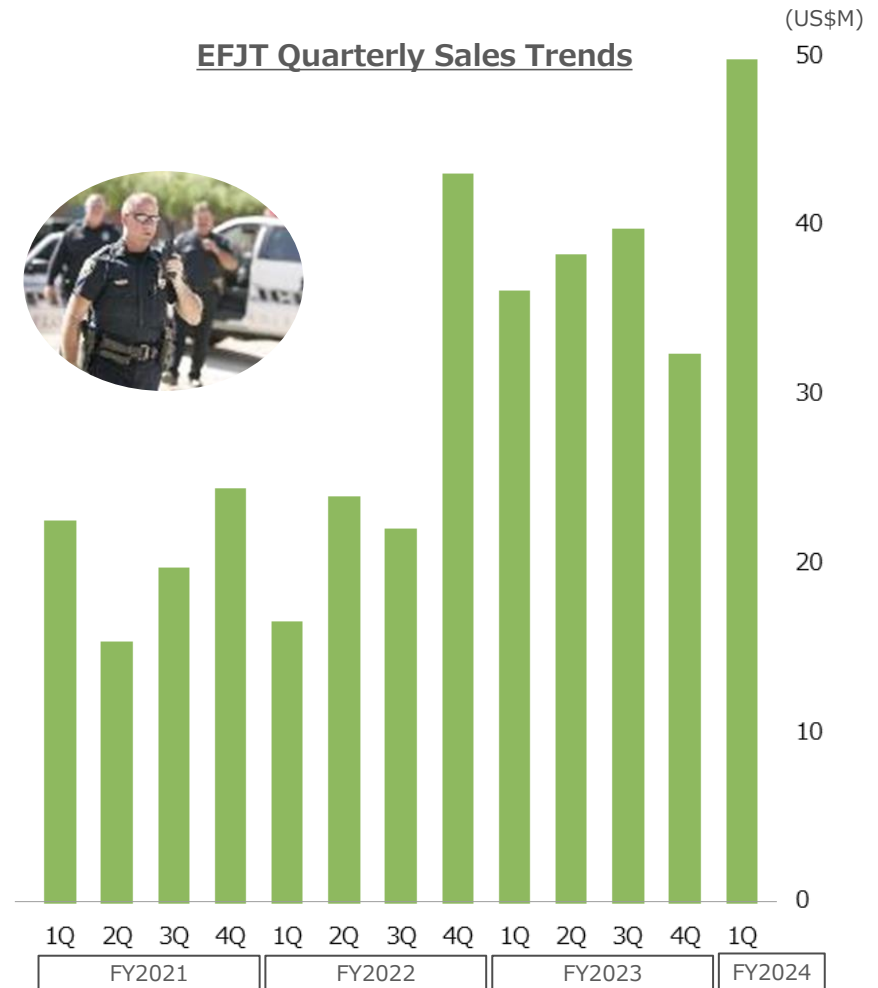
Communications Systems Business in S&S: Strong sales in North American public safety market (1)

- The order backlog for the North American public safety market (EFJT*1) has steadily increased and exceeded USD200mil since the introduction of the VP8000 tri-band*2 compatible P25*3 digital radio.
- In addition to an increase in system orders in Q1, orders and sales of terminals with short delivery.

EFJT Order Backlog



EFJT Quarterly Sales Trends



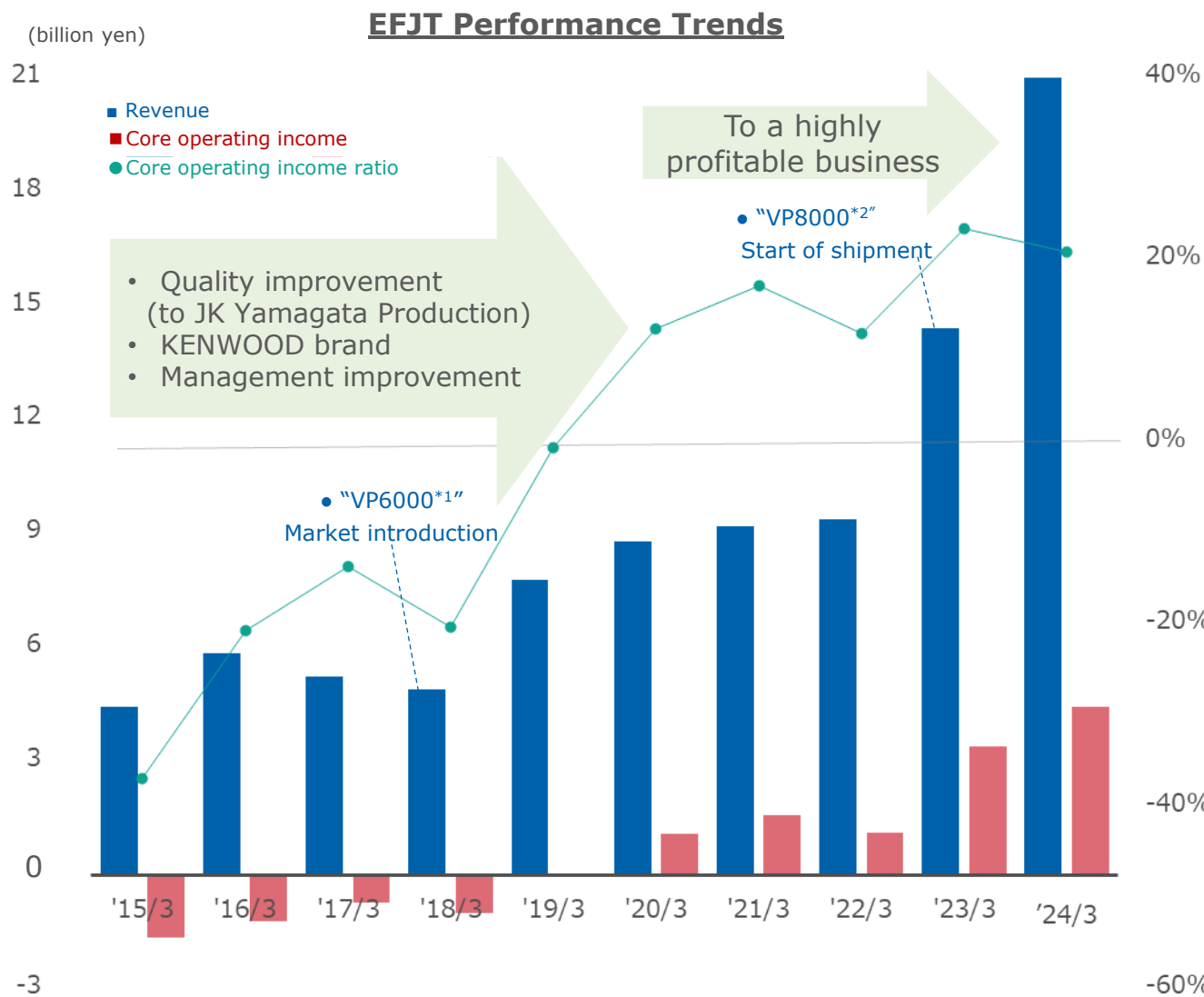
*1:EF Johnson Technologies, Inc.

*2: In addition to VHF/UHF, the 700/800 MHz band frequency is also supported

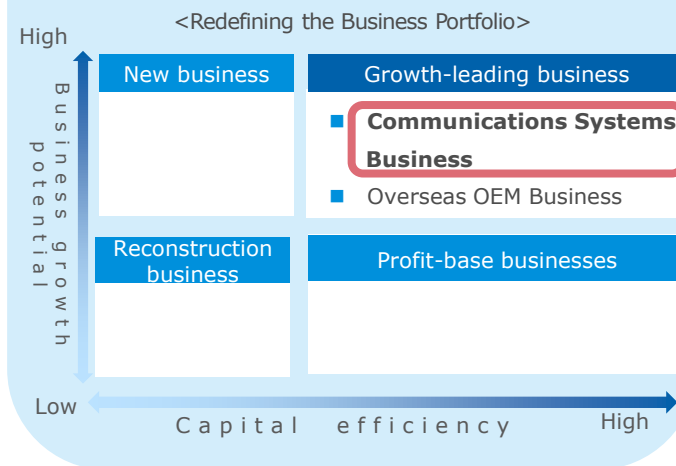
*3:Digital radio standard developed for the public safety market in the U.S.

Communications Systems Business in S&S: Strong sales in North American public safety market (2)

- EFJT grows into a highly profitable entity and establishes a position in the North American public safety market.



Medium term management plan "VISION2025"



*1: P25 compatible professional digital radio system



*2: P25 tri-band compatible professional digital radio system

External Evaluation on ESG



JK Sustainability

- Continued to be selected as a constituent of the ESG Index FTSE. Score rose 0.3 points from 3.9 (2023) to 4.2 (2024).

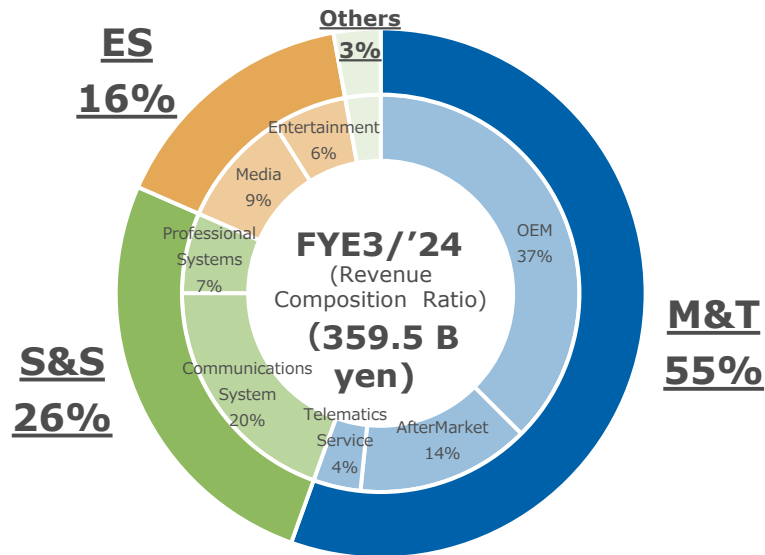
	FY2024	Remarks
<p>FTSE Blossom Japan Index</p>  <p>FTSE Blossom Japan Index</p>	<p>Selected for the fourth consecutive year</p>	<ul style="list-style-type: none"> ESG-focused index created by FTSE Russell (U.K.) Japanese companies that excel in ESG (including SDGs) are selected based on certain evaluation criteria The index is used by the GPIF* and other investors around the world as a basis for ESG investment decisions <p style="text-align: center;">Overall ESG Score FY2023: 3.9 → FY2024: 4.2</p>
<p>FTSE Blossom Japan Sector Relative Index</p>  <p>FTSE Blossom Japan Sector Relative Index</p>	<p>Selected for the third consecutive year</p>	<ul style="list-style-type: none"> New corporate sector indexes published by FTSE Russell (U.K.) from FY2021 Selected Japanese companies with relatively high ESG responsiveness in each sector Focus on greenhouse gas (GHG) emissions to facilitate transition to a low-carbon economy The index is used by the GPIF* and other investors around the world as a basis for ESG investment decisions

*Abbreviation for Government Pension Investment Fund

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<Reference material>

Business Areas



Mobility & Telematics Services Sector (M&T)

OEM



In-vehicle amplifier/Antenna/ Speaker



Car navigation system



Car audio system



Portable power station using recycled batteries from electric vehicles



Dashcam

After Market



Alcohol detector



Sterilization and deodorization device

Telematics service



Entertainment Solutions Sector (ES)

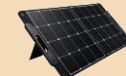
Media



Headphones/Earphones



Audio system

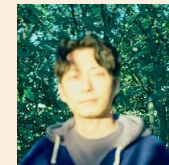


Portable power station



Projector

Entertainment



Music and video content

Safety & Security Sector (S&S)

Communications



Professional radio system



Low power transceiver

Professional



Security system

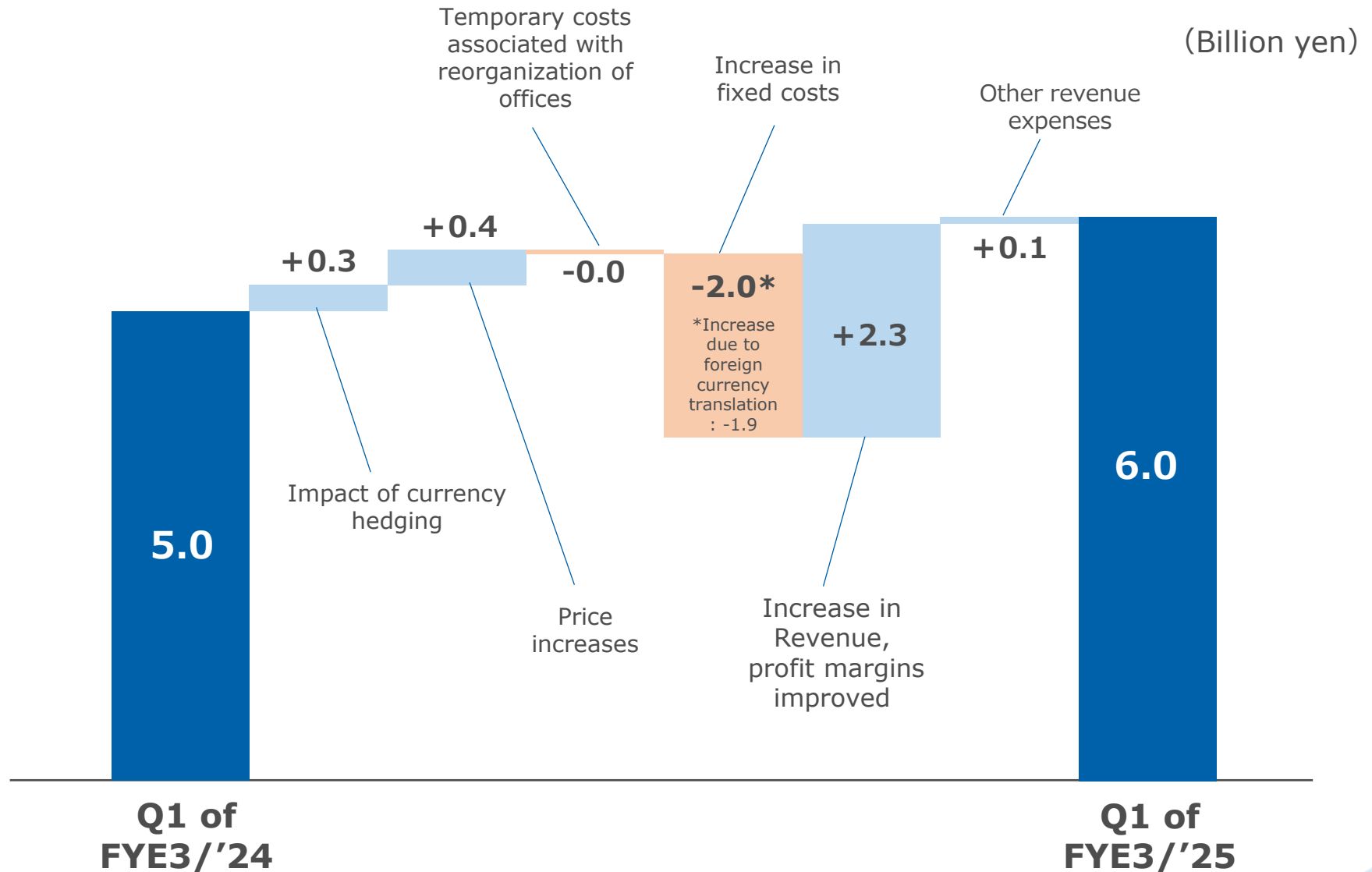


Professional broadcasting system

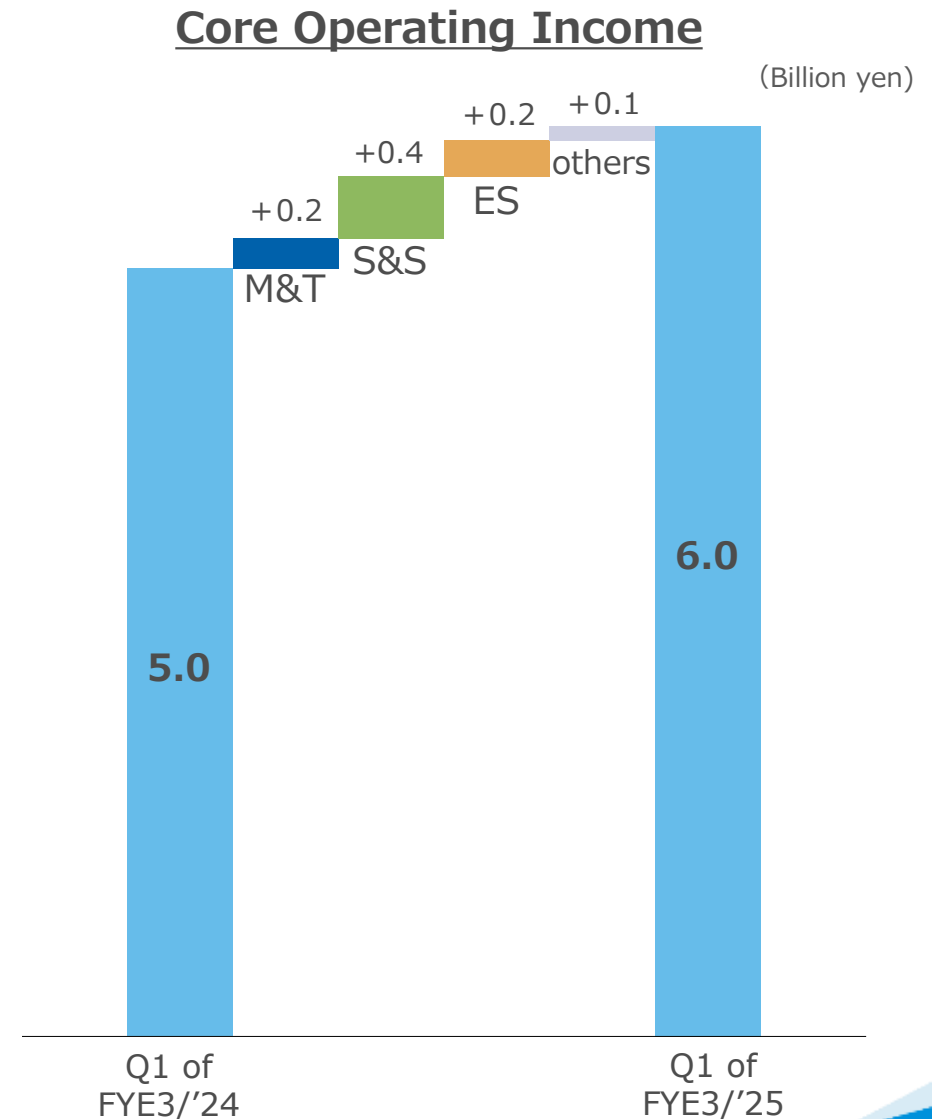
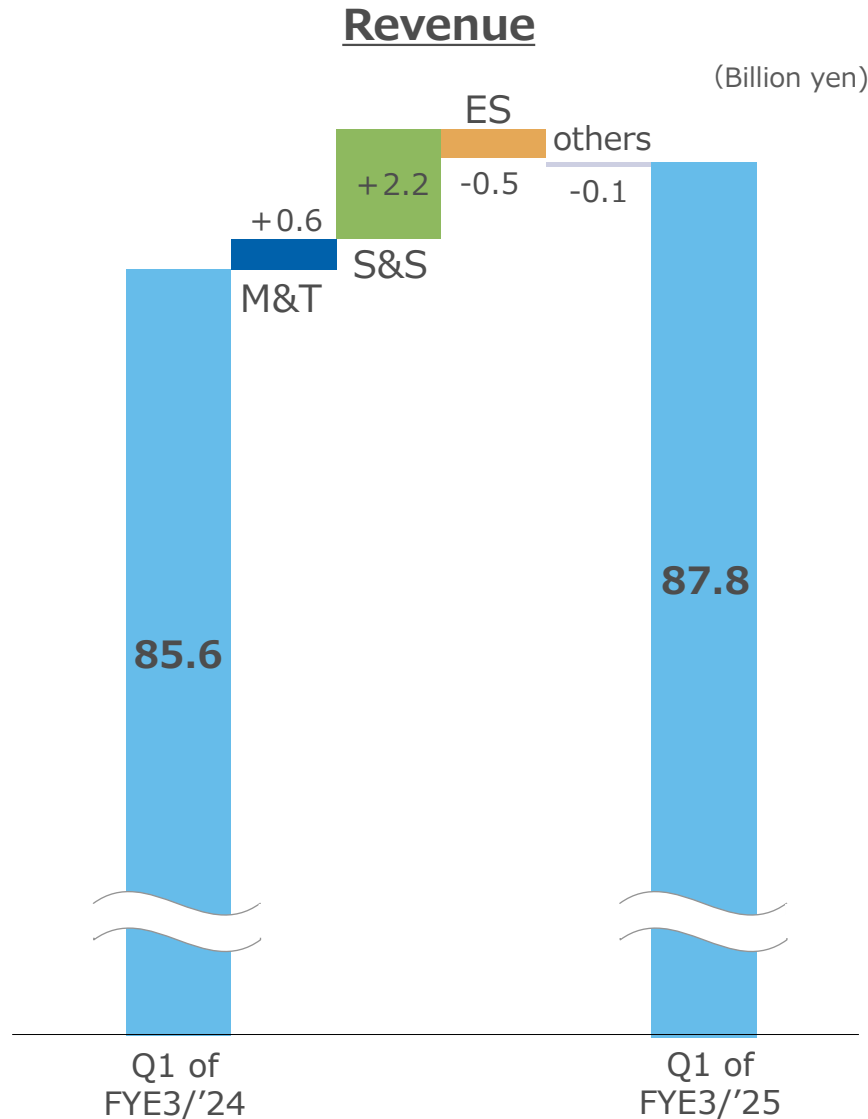


Medical image display monitor

Financial Results for Q1 of FYE3/'25: Factors Contributing to Changes in Operating Income

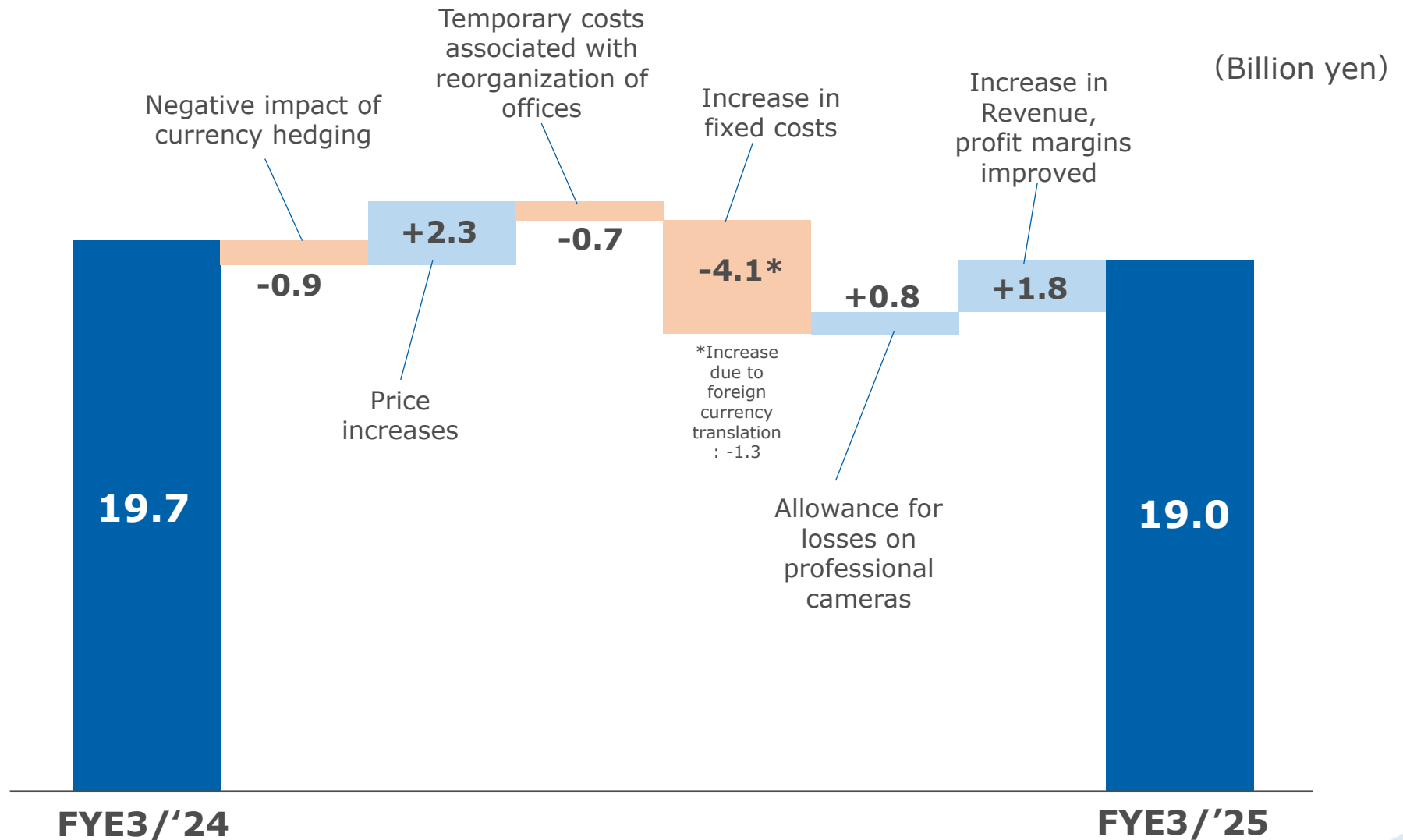


Full-Year Earnings Forecast for Q1 of FYE3/'25: Consolidated Revenue & Core Operating Income by Sector



Full-Year Earnings Forecast for FYE3/'25: Factors Contributing to Changes in Core Operating Income

- No change from the initial forecast



Full-Year Earnings Forecast for FYE3/'25 by Sector

- No change from the initial forecast

(Billion Yen)

		Results for FYE3/'22	Results for FYE3/'23	Results for FYE3/'24	Forecast for FYE3/'25 (Apr. 26, '24)	YoY
M&T	Revenue	164.3	197.6	199.4	203.0	+ 3.6
	Core Operating Income	2.2	4.4	3.9	3.3	-0.6
S&S	Revenue	58.1	74.7	93.8	96.0	+ 2.2
	Core Operating Income	2.5	10.7	16.5	15.6	-0.9
ES	Revenue	53.4	57.3	56.0	57.0	+ 1.0
	Core Operating Income	2.7	0.8	-0.3	1.0	+ 1.3
Others	Revenue	6.3	7.4	10.3	6.0	-4.3
	Core Operating Income	-0.3	-0.0	-0.4	-0.9	-0.5
Total	Revenue	282.1	336.9	359.5	362.0	+ 2.5
	Core Operating Income	7.1	15.8	19.7	19.0	-0.7

Changes in Management Indices

Trends in Capital investment, Depreciation, and R&D expenses

(Billion yen)

	FYE3/'22					FYE3/'23					FYE3/'24					FYE3/'25					
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
Capital investment* (Property, plant and equipment & Intangible fixed assets)	4.4	7.6	5.5	4.8	22.3	5.4	5.3	4.5	4.5	19.7	4.6	5.8	8.4	7.6	26.4	7.3					7.3
Property, plant and equipment	2.2	5.2	3.0	2.0	12.4	3.3	3.0	2.8	2.3	11.4	2.6	3.5	6.1	4.9	17.0	4.1					4.1
Intangible fixed assets	2.2	2.4	2.6	2.8	10.0	2.1	2.3	1.7	2.1	8.3	2.0	2.3	2.3	2.8	9.4	3.1					3.1
Depreciation	4.6	4.3	4.1	4.1	17.1	4.2	4.4	4.4	4.6	17.6	4.4	4.6	4.6	4.6	18.2	4.4					4.4
R&D expenses	4.0	3.9	3.8	4.1	15.9	4.0	4.1	4.3	5.1	17.4	4.5	4.5	5.1	5.4	19.4	4.5					4.5

* Calculated based on (Profit before income taxes) + (Interest expense) + (Depreciation expense) + (Impairment loss)

Trends of Consolidated Revenue by Region

(Billion yen)

	FYE3/'22					FYE3/'23					FYE3/'24					FYE3/'25					
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	
Japan	28.2	24.9	30.8	43.3	127.2	27.8	33.3	31.5	36.0	128.6	29.4	31.0	31.2	34.1	125.8	25.9					25.9
Americas	12.7	12.9	12.6	18.2	56.4	17.0	20.7	19.6	22.8	80.0	24.1	25.1	23.5	23.3	96.0	26.0					26.0
Europe	12.0	10.7	12.7	12.5	47.8	12.7	13.5	19.8	16.1	62.1	16.0	15.9	19.8	20.0	71.6	18.5					18.5
Asia&China	10.1	10.4	12.9	12.3	45.7	12.9	16.8	16.8	13.0	59.5	14.7	15.3	16.3	13.5	59.7	15.8					15.8
Others	1.5	1.0	1.2	1.2	4.8	1.6	1.8	1.8	1.6	6.7	1.5	1.8	1.7	1.3	6.4	1.6					1.6
Total	64.5	59.9	70.2	87.5	282.1	72.0	86.1	89.4	89.4	336.9	85.6	89.1	92.6	92.2	359.5	87.8					87.8

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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.