



January 4, 2010

Company JVC KENWOOD Holdings, Inc.
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**Notice on the Reexamination of Losses posted in the Second Quarter,
Establishment of Investigation Committee and
Delay in JVC' s Submission of Interim Report**

JVC KENWOOD Holdings, Inc. (JVC Kenwood) hereby announces that it has decided to reexamine the losses which its consolidated subsidiary posted in the second quarter of the fiscal year ending March 2010 that was disclosed in the “Notice on Reporting Losses Accompanying Reforms of Business Structure and Revision of Earnings Forecast for the Fiscal Year Ending March 2010” announced on October 23, 2009, and establish an investigation committee, including outside experts, to further investigate into the fact regarding such losses.

1. Reexamination of loss

JVC Kenwood recognized the losses with respect to sales companies in Europe and other regions of Victor Company of Japan, Ltd. (JVC) – a subsidiary of JVC Kenwood – and those accompanying other structural reforms in the second quarter of the fiscal year ending March 2010 as stated in the “Notice on Reporting Losses Accompanying Reforms of Business Structure and Revision of Earnings Forecast for the Fiscal Year Ending March 2010,” which was announced on October 23, 2009 and posted the losses totaling about 7.6 billion yen, comprising an operating expense of about 5.5 billion yen, a non-operating expense of about 1.2 billion yen and an extraordinary loss of about 0.9 billion yen, in the second quarter.

Thereafter, JVC Kenwood discussed with auditing firm about JVC's consolidated interim financial statements for the first half of the fiscal year ending March 2010, and concluded that it is necessary to further examine the period to which the losses are attributable, amount and accounting method of the above losses.

The necessity of restatement of JVC Kenwood's financial statements for previous fiscal years and any effect on JVC Kenwood's earnings results following this reexamination will be disclosed after being clarified, taking into account the results of investigation by the committee described in “2” below.

2. Establishment of Investigation Committee and future measures

In order to reexamine the losses with respect to JVC Kenwood's consolidated subsidiary, as mentioned in “1” above, JVC Kenwood decided at its Board of Directors held today to establish an investigation committee, consisting of outside experts and an external director and auditor of JVC

TRANSLATION – FOR REFERENCE ONLY –

Kenwood, independent from the management engaged in implementing business operations of the JVC Kenwood Group (hereinafter referred to as the “Investigation Committee”) to conduct further investigation into the matter.

The four members of the Investigation Committee are as follows:

Committee member: Osamu Sudoh (Lawyer; Sudoh & Takai Law Offices)

Committee member: Kakuji Takano (Certified Public Accountant and Licensed Tax Accountant; Takano Sogo Account Office)

Committee member: Koji Kashiwaya (External Director of JVC Kenwood)

Committee member: Akihiko Washida (External Auditor of JVC Kenwood)

From now on, the Investigation Committee will investigate and verify facts concerning the losses with respect to JVC Kenwood’s consolidated subsidiary, study whether such losses should be attributable to the second quarter of the fiscal year ending March 2010 or previous fiscal years financial statements should be restated, and evaluate and verify the amount and accounting method of these losses. JVC Kenwood will cooperate fully with the Investigation Committee in such investigation.

The above investigation by the Investigation Committee is expected to be completed by the first half of February 2010.

If it is concluded necessary to restate financial statements for previous fiscal years on the basis of the results of investigations performed by the Investigate Committee, JVC Kenwood will thoroughly implement any measures deemed necessary.

The results of investigation by the Investigation Committee will be released immediately upon compilation.

3. Delay in JVC’s submission of its Interim Report for the fiscal year ending March 2010

As described in “2” above, JVC Kenwood will set up the Investigation Committee to investigate and verify the losses with respect to its consolidated subsidiary. However, the implementation of such investigation, verification and necessary measures is expected to take time.

In light of these circumstances, JVC was unable to submit its Interim Report for the fiscal year ending March 2010 by January 4, 2010, the deadline stipulated in Article 24, Paragraph 1 of the Financial Instruments and Exchange Law.

This report is expected to be submitted by the first half of February 2010, and will take into account the results of the investigation by the Investigation Committee.

We are very sorry for the inconvenience caused to our shareholders, investors, customers and many other parties concerned with regard to the above matters, but we will do our utmost to make proper and sufficient disclosure at our earliest possible opportunity. We would like to ask you for your support and understanding on this matter.