



March 29, 2010

Company	JVC KENWOOD Holdings, Inc.
Representative	Haruo Kawahara, Chairman, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Hiroshi Odaka, Director and CFO (Tel: +81-45-444-5232)

Notice on Submission of Improvement Report to Tokyo Stock Exchange

JVC KENWOOD Holdings, Inc. (JVC Kenwood) today submitted the Improvement Report that Tokyo Stock Exchange, Inc. requested JVC Kenwood to submit on March 12, 2010. This report relates to adjustments made to material such as JVC Kenwood's previous accounting reports. The report is described in the attached document.

Attached document: Improvement Report

Improvement Report

March 29, 2010

To: Atsushi Saito,
President & CEO,
Tokyo Stock Exchange, Inc.

JVC KENWOOD Holdings, Inc.
Haruo Kawahara, Chairman, President and CEO

With respect to adjustments to its previous accounting reports and securities reports, etc. (hereinafter, “previous accounting reports, etc.”), JVC KENWOOD Holdings, Inc. (JVC Kenwood or the Company) herein submits an improvement report, which contains the background and improvement measures, in accordance with Article 502, Paragraph 3 of the Security Listing Regulations of the Tokyo Stock Exchange.

I. Background

1. Background to the treatment of losses concerning overseas sales companies in Europe and other losses related to business structure reforms

(See “7. How inappropriate accounting was found” on page 6 of the Attachment “Investigative Report (Summary)” of the “Report of the Investigation Committee and Summary of Adjustments to Previous Earnings Results; Delay in Submission of Quarterly Report on Earnings Results for the Third Quarter; and Prospect for Assignment to Securities Under Supervision (Confirmation)” released on February 8, 2010.)

2. Background to the adjustments to previous accounting reports

(See “1. Report of Investigation Committee and actions taken by JVC Kenwood” on page 1 and “I. Investigation as per your request” and “II. Method of investigation” on page 2 of the Attachment “Investigative Report (Summary)” of the Report of the Investigation Committee and Summary of Adjustments to Previous Earnings Results; Delay in Submission of Quarterly Report on Earnings Results for the Third Quarter; and Prospect for Assignment to Securities Under Supervision (Confirmation)” released on February 8, 2010.)

3. Contents of adjustments to previous earnings reports

(See “2. Adjustments to Previous Earnings Results” on page 2 of “Adjustments to Previous Earnings Results of JVC Kenwood and JVC, Formulation of Measures to Prevent a Recurrence of Inappropriate Accounting, and Submission of Quarterly Report on Earnings Results for the Third Quarter of the Fiscal Year Ending March 2010” released on March 12, 2010.)

II. Improvement Measures

1. Causes that led directly to inappropriate accounting and improvement measures to be implemented immediately

Victor Company of Japan, Limited (JVC) failed to appropriately operate the internal control system, whose establishment is required by the Financial Instruments and Exchange Law. This led to the inappropriate accounting treatment at its sales companies and business departments.

In addition, at JVC, internal audits were conducted mainly by its accounting department, audits were not performed on a regular basis, and company-wide internal control did not function satisfactorily.

Organizations that conducted inappropriate accounting are expected to implement improvement measures as described below.

(1) JSP

The Company will provide training on compliance for all employees of JVC Europe Ltd. (JEL) and JVC ESPANA S.A. (JSP), including management executives. Through this training, we will have them fully understand that accounting affairs must be handled pursuant to stipulated accounting rules and accounting treatment rules, that businesses must be operated in compliance with laws and regulations and in accordance with the corporate code of conduct, and that the use of an internal whistle-blowing system is important. In addition, we will encourage them to implement these matters. Previously, JVC and Kenwood Corporation (Kenwood) each established and operated an internal whistle-blowing system. However, the Company (pure holding company) formulated and began to enforce the “JVC Kenwood Group Internal Whistle-Blowing Rules” on December 1, 2009, which are applied to the entire Group. In January 2010, these new whistle-blowing rules were carried on the internal newsletter (both in Japanese and English) and this newsletter was also put up on the intranet, to ensure that they are diffused within the Group.

JSP put off the accounting treatment of expenses as JEL continued to strongly demand that JSP complete work quota and achieve profit targets without reviewing JSP’s business plans. To redress this inappropriate accounting treatment, JVC and the regional supervisory company began in October 2008 to establish and operate a system for reviewing JSP’s business plans in a timely and appropriate manner. With respect to JEL’s demand for the completion of work quota and the achievement of profit targets, some improvement was made after the management integration. Before the management integration, the Chief Executive Officer of JEL (regional supervisory company) had responsibility for profits and losses (of sales companies) in the entire region based on a business plan formulated at the beginning of a fiscal year. In August 2009 (after the management integration), however, the supervisors of regional supervisory companies began to assume responsibility for profits and losses of regional sales companies jointly with the business departments. This new scheme allows them to perform mutual checks.

In addition, the accounting department of the head office and regional supervisory companies call on JSP to submit the freshness analysis list for accounts receivable and inventories every month. By doing this, they check directly and constantly whether accounts receivable remain in arrears for a long time, whether slow-moving inventories are left unallocated, or whether sales promotion expenses and such like are processed.

Furthermore, the management audit office conducts audits of JSP on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

(2) JDL

The Company will provide training on compliance for all employees of JVC DEUTSCHLAND GMBH. (JDL), including management executives. Through this training, we will have them fully understand that accounting affairs must be handled pursuant to stipulated accounting rules and accounting treatment rules, that businesses must be operated in compliance with laws and regulations and in accordance with the corporate code of conduct, and that the use of an internal whistle-blowing system is important. In addition, we will encourage them to implement these matters. Previously, JVC and Kenwood Corporation (Kenwood) each established and operated an internal whistle-blowing system. However, the Company (pure holding company) formulated and began to enforce the “JVC Kenwood Group Internal Whistle-Blowing Rules” on December 1, 2009, which are applied to the entire Group. In January 2010, these new whistle-blowing rules were carried on the internal newsletter (both in Japanese and English) and this newsletter was also put up on the intranet, to ensure that they are diffused within the Group.

In addition, the accounting department of the head office and regional supervisory companies call on JSP to submit the freshness analysis list for accounts receivable and inventories every month. By doing this, they

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check directly and constantly whether accounts receivable remain in arrears for a long time, whether slow-moving inventories are left unallocated, or whether sales promotion expenses and such like are processed.

Furthermore, the management audit office conducts audits of JDL on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

(3) JIN

Currently, we do not conduct transactions under the conventional transaction scheme via Telebalt due to various problems in this scheme as mentioned above. After the management integration in October 2008, it was provided that subsidiaries planning to perform transactions under any special transaction scheme should send the contract in question to the Corporate Strategic Legal & Intellectual Property Division of the Company (holding company) for checking accounting treatment, accounting risks, and such like.

We will also work out how to establish a system designed to prevent any accidental occurrence of inappropriate accounting as happened this time. Under such system, for example, the Russian business of JVC will be concentrated in JCS, a Russian sales firm, to clarify operational responsibility and administrative responsibility in the said business.

Furthermore, the management audit office conducts audits of JIN on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

(4) JCC

We will consider formulating specific measures for establishing and operating a system to prevent the occurrence within JVC (China) Investment Co., Ltd. (JCC) of accounts receivable in arrears and sales promotion expenses that have not been processed.

Meanwhile, In addition, the accounting department of the head office and regional supervisory companies call on JSP to submit the freshness analysis list for accounts receivable and inventories every month. By doing this, they check directly and constantly whether accounts receivable remain in arrears for a long time, whether slow-moving inventories are left unallocated, or whether sales promotion expenses and such like are processed.

Furthermore, the management audit office conducts audits of JCC on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

JCC is shifting its sales method from the conventional credit transactions to cash-in-advance transactions. The new method is expected to substantially reduce the occurrence of accounts receivable in arrears and sales promotion expenses that have not been processed.

(5) JEL

The Company will provide training on compliance for all employees of JVC Europe Ltd. (JEL) , including management executives. Through this training, we will have them fully understand that accounting affairs must be handled pursuant to stipulated accounting rules and accounting treatment rules, that businesses must be operated in compliance with laws and regulations and in accordance with the corporate code of conduct, and that the use of an internal whistle-blowing system is important. In addition, we will encourage them to implement these matters. Previously, JVC and Kenwood Corporation (Kenwood) each established and operated an internal whistle-blowing system. However, the Company (pure holding company) formulated and began to enforce the “JVC Kenwood Group Internal Whistle-Blowing Rules” on December 1, 2009, which are applied to the entire Group. In January 2010, these new whistle-blowing rules were carried on the internal newsletter (both in Japanese and English) and this newsletter was also put up on the intranet,

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to ensure that they are diffused within the Group.

In addition, the accounting department of the head office and regional supervisory companies call on JSP to submit the freshness analysis list for accounts receivable and inventories every month. By doing this, they check directly and constantly whether accounts receivable remain in arrears for a long time, whether slow-moving inventories are left unallocated, or whether sales promotion expenses and such like are processed.

Furthermore, the management audit office conducts audits of JEL on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

JSP put off the accounting treatment of expenses as JEL continued to strongly demand that JSP complete work quota and achieve profit targets without reviewing JSP's business plans. To redress this inappropriate accounting treatment, JVC and the regional supervisory company began in October 2008 to establish and operate a system for reviewing JSP's business plans in a timely and appropriate manner. With respect to JEL's demand for the completion of work quota and the achievement of profit targets, some improvement was made after the management integration. Before the management integration, the Chief Executive Officer of JEL (regional supervisory company) had responsibility for profits and losses (of sales companies) in the entire region based on a business plan formulated at the beginning of a fiscal year. In August 2009 (after the management integration), however, the supervisors of regional supervisory companies began to assume responsibility for profits and losses of regional sales companies jointly with the business departments. This new scheme allows them to perform mutual checks.

(6) JVC's head office

- OC Business Department and accounting department

The Company will provide training on compliance for all employees of the accounting department and business departments and all the accounting employee of the subsidiary, including management executives. Through this training, we will have them fully understand that accounting affairs must be handled pursuant to stipulated accounting rules and accounting treatment rules, that businesses must be operated in compliance with laws and regulations and in accordance with the corporate code of conduct, and that the use of an internal whistle-blowing system is important. In addition, we will encourage them to implement these matters. Previously, JVC and Kenwood Corporation (Kenwood) each established and operated an internal whistle-blowing system. However, the Company (pure holding company) formulated and began to enforce the "JVC Kenwood Group Internal Whistle-Blowing Rules" on December 1, 2009, which are applied to the entire Group. In January 2010, these new whistle-blowing rules were carried on the internal newsletter (both in Japanese and English) and this newsletter was also put up on the intranet, to ensure that they are diffused within the Group.

We will make every employee understand that daily accounting and handling of accounts should be conducted under a double-check system (in which the superior checks administrative work by personnel in charge) and that balance sheet items of each department should be cross-checked within the accounting department at the close of each quarter (rechecks are conducted at different companies, different lines, etc.), and implement these measures.

Recognizing that the detection of inappropriate accounting was delayed as a single person had been in charge of the same business department for a long time, we will formulate and implement a rotation rule under which the accounting staff member of each department is changed every three years.

Furthermore, the management audit office conducts audits of business departments and the accounting department on a regular basis to verify whether the firm performs inappropriate accounting. Such audits are also expected to prevent inappropriate accounting.

2. Improvement measures to promptly detect inappropriate accounting

The Investigation Committee has suggested general measures, as described below, to prevent recurrence, in view of the background and causes that led to the above inappropriate accounting treatment. The suggestion refers primarily to the subsidiary JVC, but also to the Company as a pure holding company.

- (1) The top executives should exert leadership to improve the corporate culture.
- (2) In order to respond to a risk of inappropriate accounting treatments, to improve and operate the structure and system throughout the company, and to improve and operate the procedures in proceeding duties.
To endeavor to have information relevant to inappropriate accounting treatment treated and announced in a timely and proper manner.
- (3) Not only JVC but also Your Company should monitor the measures to prevent recurrence that have been developed.

The Company, having seriously acknowledged the results of the investigation conducted by the Investigation Committee, thoroughly validated and examined the background and causes that led to the inappropriate accounting treatment. Furthermore, in response to the above suggestion of the committee, we have formulated fundamental measures, as shown below, to prevent recurrence that are more aggressive than the measures that had been worked out.

(1) Establishment of management structure and internal control system to improve corporate culture

The report of the investigation issued by the Investigation Committee points out that there was a delay in the implementation of strict governance by JVC Kenwood, because after the company was established in October 2008 up to June of the following year during which time when major personnel exchanges between JVC and Kenwood took place and the management structure of JVC Kenwood was reformed, a certain transition period was set with respect to executing consolidated management, and that the subject accounting issues were detected during the course of JVC Kenwood reinforcing its management structure.

JVC Kenwood seriously acknowledges the above indications and will lead the implementation of measures to strengthen internal controls and secure strict adherence throughout the entire Group including JVC in the following manner.

- (i) By establishing “Standards for Decision-Making and Authorities/List of Decision-Making Matters” and ensuring that the contents are thoroughly diffused within the JVC Kenwood Group, reconfirm awareness within the entire Group of the system of having the board of directors of JVC Kenwood authorize important management matters.
- (ii) Establish “JVC Kenwood Group Code of Conduct on Compliance” (hereinafter “Code of Conduct”) that specifically outlines common values and ethical views to be shared by directors, auditors, executive officers, and employees of the JVC Kenwood Group for taking sincere and appropriate actions, and ensure strict adherence to the Code of Conduct. In addition, emphasize that securing compliance is the most important issue under the management policy and provide education on compliance as part of the management education program.
- (iii) Ensure that all parties within the JVC Kenwood Group are well aware of the internal whistle-blowing rules, which stipulate the reporting of any acts that deviate from the Code of Conduct and define procedures for corrective actions. Also, ensure that the whistle-blowing system is operated so that a person reporting a problematic act is not treated unfairly.

(2) Reform of accounting system and structures

The report of the investigation of the Investigation Committee indicates that one of the factors that caused the subject inappropriate accounting treatment was the corporate culture at JVC, under which the accounting department not only assisted management but was also considered to be jointly responsible for business results, and there was a lack of internal control to rectify such a mindset.

In order to mitigate the risk of inappropriate accounting caused by such a factor and to establish and

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operate, on a company-wide basis, organizational, systematic, and operational processes, JVC Kenwood will pursue the following reforms consisting of key elements: segregation of management and accounting, enhancement of internal control, and establishment of a consolidated accounting system.

- (i) Establish, with respect to the subject inappropriate accounting treatment, a “committee for preventing recurrence” as an entity under the Compliance Committee of JVC Kenwood, and first develop “improvement measures to prevent recurrence of inappropriate accounting, etc.,” applicable throughout the Group to be promoted and monitored. In addition, assign a director responsible for compliance at each group company to strengthen the internal control system of every company.
- (ii) As part of the reexamination of the human resources system, establish working rules, dismissal regulations and other compliance-related rules as the rules of JVC Kenwood, and apply these rules uniformly throughout the entire Group.
- (iii) Revise the current accounting system in which profits and losses are accounted for within each of the regional companies in Europe, Americas, and Asia, and establish consolidated accounting rules and develop operational workflows and systems that enable JVC Kenwood to centrally identify the profits and losses of business companies as well as of overseas affiliates. In addition, promote a strengthening of consistent consolidated management by business segment, establish a management system over affiliated companies overseas, and revise the existing accounting rules as necessary.
- (iv) To prevent recurrence of inappropriate accounting treatment, establish a double-checking system between overseas sales subsidiaries and accounting function of the business departments, as well as a cross-checking system with the accounting department of the head office.

(3) Reinforcement of Monitoring

The report of the investigation issued by the Investigation Committee points out weak internal controls at JVC. In response to this issue, JVC Kenwood will promote, as a deterrent to prevent recurrence of inappropriate accounting treatment, collaboration between JVC Kenwood and regional companies and enhance the audit function within the entire Group, and will implement a system to permanently monitor business operations.

- (i) JVC Kenwood, by reinforcing the activities of its management audit office, has been widely conducting onsite examinations of business companies and their affiliates within the Group to centrally monitor the internal control status, and is making efforts to promptly detect problematic issues from a perspective that is separate from that of the business locations to heighten the capability to prevent the occurrence of problems. Further efforts are being made to strengthen and enhance the staff of the management audit office of JVC Kenwood and ensure that a thorough monitoring function is in place.
- (ii) In order to put in place a transparent corporate culture, ensure that based on the Code of Conduct, rules are defined with respect to the reporting of unusual circumstances caused by an inappropriate action. Specifically, establish an internal whistle-blowing system as a mechanism to enable personnel in overseas affiliates also to directly access JVC Kenwood.
- (iii) The management audit office of JVC Kenwood, in order to validate the effectiveness of the series of measures to prevent recurrence, will collect accounting, financial, and other relevant data monthly from all related companies of the Group and analyze the data.

3. Implementation schedule for improvement measures

The improvement measures described in 1 and 2 above will be properly implemented in accordance with “Implementation Schedule for Improvement Measures” in the Attachment 2.

4. Penalties imposed on related parties

(See “5. Penalties Imposed on Related Parties” on page 6 of the “Adjustments to Previous Earnings Results of JVC Kenwood and JVC, Formulation of Measures to Prevent a Recurrence of Inappropriate Accounting, and Submission of Quarterly Report on Earnings Results for the Third Quarter of the Fiscal Year Ending March 2010” released on March 12, 2010.)

5. Other supplementary explanations (measures implemented after the transition to consolidated management structure)

At the Strategic Finance & Accounting Division of the Company, no inappropriate accounting treatment has occurred. However, there was a problem in the system for monitoring consolidated subsidiaries. In the fiscal year ended March 2009, the Company’s system for assessing the entire Group’s internal control was as follows. Internal control of the former JVC and its subsidiaries was assessed by the responsible staff of the former JVC, while that of the former Kenwood and its subsidiaries was assessed by the responsible person of the former Kenwood. Such assessment organizations had been integrated, and assessment criteria and such like had been established in general. However, the transition period (from a phasing-in of consolidated management to a full execution of such management) was set, as shown below, and independence of operating companies was respected in the initial fiscal year of management integration. Under this framework, although all the employees involved made great efforts toward conducting such assessment by trial and error, they could not go through details of individual overseas sales companies. Ultimately, they failed to detect inappropriate accounting treatment at JVC.

At the time of management integration between JVC and Kenwood in October 2008, the Company adopted “Basic Policies on Consolidated Management,” making its stance clear that the Company and its operating companies shall pursue not their own profits but the optimization of the entire Group’s financial structure. However, it was deemed that JVC, which had adopted an independent management policy, needed a preparation period for an all-at-once shift to a consolidated management by the Company. Thus, a transition period was set for JVC with respect to executing consolidated management during the period after the management integration up to June 2009, when personal exchanges between JVC and Kenwood took place and the management structure of JVC Kenwood was reformed. Hence, during this period, the Company, in a way, failed to monitor JVC adequately.

Nevertheless, it is also true that the subject unrecognized losses were detected as the Company came to have a proper monitoring function and established a governance system through the personal exchanges and the reform of management structure, as mentioned above. Given this, the Company’s internal control system is steadily producing good results at the moment. Specifically, JVC implements the following measures under the guidance of the Company.

- Since June 2009, JVC has reformed its management structure and has been making efforts to strengthen the supervisory function of the Board of Directors through personal exchanges with Kenwood and other means. In terms of organization, JVC has been promoting greater efficiency by centralizing the staff functions of the head office and eliminating functions that are redundant with the Company. Furthermore, financial strategies and human resources administration have been established as independent organizations, and accounting and human resources functions have been placed directly under the head office of JVC. The Company manages the senior officers responsible for accounting and human resources on a group-wide basis and assignments are made under a staff rotation system. Specifically, in June 2009, an individual from Kenwood assumed the position of Director and Financial Manager of JVC. Since then, he has brought a new perspective to understanding and analyzing the financial status and the overall accounting process of JVC and its affiliates, and made corrections where necessary. Under his guidance, accounting staff members assigned to each of the business departments were reassigned to the accounting department of the head office to establish a structure that facilitates cross-checking and other areas of accounting procedures.

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- In November 2009, new consolidated accounting rules were developed with the aim of strengthening the management system for consolidated accounting at JVC. Further, to maintain the soundness of assets, prevent any unexpected situation that could lead to losses, and enhance and operate solid internal controls, management structures for overseas sales subsidiaries, management systems, and accounting functions in business departments were reconstructed. In addition, a system was established under which the management audit office, which serves as the internal audit department for the Company, performs internal audits in collaboration with the financial accounting department of JVC, and it is in operation.
- Since December 2009, a mechanism has been in place whereby the head office of JVC directly monitors and evaluates, through a monthly consolidated management correspondence meeting, overseas regional supervisory companies, overseas sales subsidiaries, and others. By means of this mechanism, efforts are being made to promptly detect any irregularities in overseas operations and to respond quickly as necessary.
- A supervisory business unit to control the subsidiaries of JVC has been established as a consolidated business entity that provides guidance on internal control and compliance not only to the business departments but also to the overseas affiliates.

To further enhance internal control within the Group, the Company will also implement the following measures.

- (i) On the basis that the Company is positioned at the top of the internal control hierarchy, the Strategic Management Division of the Company will centrally manage and supervise decision-making procedures on approval, etc. of operating companies (JVC, Kenwood and J&K Car Electronics) by the Board of Directors of the Company. By integrally managing the Group, the Company aims for more efficient internal control and information sharing within the Group.
- (ii) The Company will prepare “Guidelines for Group Consolidate Management” both in Japanese and English, and its staff will hold training sessions on these guidelines at every overseas base. The said guidelines are established for the purpose of efficiently and properly executing and operating, under a uniform standard, consolidated management over the entire Group including the Company, operating companies, affiliates of operating companies, and affiliates other than operating companies under direct management of the Company, in accordance with the “Basic Policies on Consolidated Management.”
- (iii) The Company will revise the internal control assessment manual to enhance the control assessment and reporting systems that can detect any deficiencies in internal control in a more proper and timely manner, and prevent falsified recording and such like in financial reports.
- (iv) The Company will revise the current accounting system in which profits and losses are accounted for within each of the regional supervisory companies in Europe, the Americas and Asia, and establish consolidated accounting rules and develop operational workflows and systems that enable the Company to centrally identify the profits and losses of operating companies as well as of overseas affiliates. In addition, The Company will promote a strengthening of consistent consolidated management by business segment, establish a management system over affiliated companies overseas, and revise the existing accounting rules as necessary.
- (v) To eliminate a situation in which a certain managerial staff member is assigned to the same area of the organization for a long period, the Company will set a limit on the length of assignments in the same department and periodically execute staff rotations.
- (vi) Business operations related to internal control will be investigated every six months. Each business department will investigate business operations in April and October every year, when personnel transfers take place, checking rules, accounts receivable, inventories, compliance and such like from the perspective of internal control according to the prescribed format. After the investigation,

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the business department will submit the inventory investigation report and the report on the investigation of accounts receivable to the management audit office of the Company.

(vii) The Company will conduct audits with a compliance-related theme at all locations of the Group.

(viii) The Company will continuously have external specialists evaluate the effectiveness of the aforementioned monitoring system.

6. Recognition of the effects of the inappropriate disclosure on investors and securities markets

We deeply apologize for the inconvenience and concern caused to shareholders, investors, financial institutions, customers and many other parties with regard to the subject adjustments to previous-year earnings results and the associated delay in submitting the quarterly report for the third quarter of the fiscal year ended March 2010.

The Group as a listed corporation will reflect on this situation again. All of its officers and employees will work together to steadily implement the above improvement measures for preventing recurrence of incidents similar to the subject inappropriate accounting treatment, and eliminate previous various problems. We will also make every effort to restore the trust of all stakeholders and the market.

[Attachment 1] **Summary of Adjustments to Previous Earnings Results****1.Summary of adjustments to previous earnings results for JVC****Adjustments to Consolidated Earnings Results for FYE 3/'05** (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
FYE 3/'05	Net sales	840,590	840,581	△ 9
	Operating profit	10,369	10,236	△ 133
	Ordinary income	7,282	7,148	△ 134
	Net income	△ 1,857	△ 3,412	△ 1,555
	Total Asset	466,548	466,189	△ 359
	Net assets	158,235	156,673	△ 1,562

Adjustments to Consolidated Earnings Results for FYE 3/'06 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
1Q FYE 3/'06	Net sales	174,252	174,248	△ 4
	Operating profit	△ 2,763	△ 2,769	△ 6
	Ordinary income	△ 5,498	△ 5,503	△ 5
	Net income	△ 5,615	△ 5,620	△ 5
	Total Asset	456,249	455,885	△ 364
	Net assets	152,695	151,134	△ 1,561
1H FYE 3/'06	Net sales	387,264	387,256	△ 8
	Operating profit	△ 3,733	△ 3,774	△ 41
	Ordinary income	△ 8,467	△ 8,509	△ 42
	Net income	△ 15,310	△ 15,386	△ 76
	Total Asset	486,853	486,430	△ 423
	Net assets	145,864	144,229	△ 1,635
3Q FYE 3/'06	Net sales	627,808	627,795	△ 13
	Operating profit	△ 2,222	△ 2,412	△ 190
	Ordinary income	△ 8,340	△ 8,530	△ 190
	Net income	△ 15,235	△ 15,474	△ 239
	Total Asset	491,610	491,136	△ 474
	Net assets	150,748	148,942	△ 1,806
FYE 3/'06	Net sales	806,899	806,884	△ 15
	Operating profit	△ 6,890	△ 6,984	△ 94
	Ordinary income	△ 15,038	△ 15,132	△ 94
	Net income	△ 30,607	△ 30,870	△ 263
	Total Asset	446,812	446,333	△ 479
	Net assets	136,289	134,450	△ 1,839

Adjustments to Consolidated Earnings Results for FYE 3/'07 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
1Q FYE 3/'07	Net sales	176,095	176,092	△ 3
	Operating profit	△ 1,940	△ 2,446	△ 506
	Ordinary income	△ 2,938	△ 3,443	△ 505
	Net income	△ 3,410	△ 3,918	△ 508
	Total Asset	433,247	432,727	△ 520
	Net assets	135,148	132,784	△ 2,364
1H FYE 3/'07	Net sales	371,241	370,657	△ 584
	Operating profit	△ 684	△ 1,953	△ 1,269
	Ordinary income	△ 3,436	△ 4,705	△ 1,269
	Net income	5,025	4,126	△ 899
	Total Asset	470,136	469,169	△ 967
	Net assets	143,890	141,106	△ 2,784
3Q FYE 3/'07	Net sales	576,309	576,277	△ 32
	Operating profit	108	△ 1,280	△ 1,388
	Ordinary income	△ 3,757	△ 5,147	△ 1,390
	Net income	3,574	2,585	△ 989
	Total Asset	469,028	468,010	△ 1,018
	Net assets	144,892	141,958	△ 2,934
FYE 3/'07	Net sales	742,685	742,647	△ 38
	Operating profit	△ 5,656	△ 7,872	△ 2,216
	Ordinary income	△ 11,695	△ 13,910	△ 2,215
	Net income	△ 7,891	△ 12,531	△ 4,640
	Total Asset	420,707	415,643	△ 5,064
	Net assets	133,786	127,222	△ 6,564

Adjustments to Consolidated Earnings Results for FYE 3/'08 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
1Q FYE 3/'08	Net sales	159,027	159,017	△ 10
	Operating profit	△ 6,299	△ 6,876	△ 577
	Ordinary income	△ 7,722	△ 8,301	△ 579
	Net income	△ 12,958	△ 13,536	△ 578
	Total Asset	408,495	402,700	△ 5,795
	Net assets	128,257	120,803	△ 7,454
1H FYE 3/'08	Net sales	330,167	330,150	△ 17
	Operating profit	△ 5,380	△ 5,511	△ 131
	Ordinary income	△ 10,543	△ 10,769	△ 226
	Net income	△ 42,051	△ 42,523	△ 472
	Total Asset	405,366	399,891	△ 5,475
	Net assets	128,857	121,711	△ 7,146
3Q FYE 3/'08	Net sales	514,263	514,180	△ 83
	Operating profit	△ 599	△ 776	△ 177
	Ordinary income	△ 8,273	△ 8,549	△ 276
	Net income	△ 38,695	△ 39,311	△ 616
	Total Asset	380,372	374,894	△ 5,478
	Net assets	131,396	124,121	△ 7,275
FYE 3/'08	Net sales	658,449	658,286	△ 163
	Operating profit	3,262	2,729	△ 533
	Ordinary income	△ 7,951	△ 8,708	△ 757
	Net income	△ 47,521	△ 46,662	859
	Total Asset	315,003	311,271	△ 3,732
	Net assets	114,126	108,695	△ 5,431

Adjustments to Consolidated Earnings Results for FYE 3/'09 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
1Q FYE 3/'09	Net sales	132,738	129,878	△ 2,860
	Operating profit	△ 1,272	△ 3,748	△ 2,476
	Ordinary income	△ 2,378	△ 4,852	△ 2,474
	Net income	△ 6,902	△ 9,376	△ 2,474
	Total Asset	309,314	305,786	△ 3,528
	Net assets	110,083	101,408	△ 8,675
1H FYE 3/'09	Net sales	270,147	266,202	△ 3,945
	Operating profit	1,309	△ 2,469	△ 3,778
	Ordinary income	△ 2,691	△ 6,765	△ 4,074
	Net income	△ 8,095	△ 12,155	△ 4,060
	Total Asset	301,856	296,981	△ 4,875
	Net assets	106,280	96,833	△ 9,447
3Q FYE 3/'09	Net sales	/		
	Operating profit			
	Ordinary income			
	Net income			
	Total Asset			
	Net assets			
FYE 3/'09	Net sales	462,086	459,668	△ 2,418
	Operating profit	△ 933	△ 6,357	△ 5,424
	Ordinary income	△ 10,307	△ 16,520	△ 6,213
	Net income	△ 24,350	△ 33,336	△ 8,986
	Total Asset	257,977	247,402	△ 10,575
	Net assets	88,145	74,571	△ 13,574

(Note 1) As a result of the management integration effective October 1, 2008, submission of reports on earnings results for the third quarter of the fiscal year ended March 2009 and thereafter became unnecessary, and hence the data is not indicated

(Note 2) While a full-year report on earnings results for the fiscal year ended March 2009 was not submitted, the Securities Report was issued. The figures above are those on the Report. Effective from the third quarter of the fiscal year ended March 2009, the method of computing net sales was changed to the net method in which part of the amount discounted for clients is deducted from net sales).

2.Summary of adjustments to previous earnings results for JVC Kenwood

Adjustments to Consolidated Earnings Results for FYE 3/'09 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
3Q FYE 3/'09	Net sales	206,380	206,664	284
	Operating profit	3,452	2,399	△ 1,053
	Ordinary income	△ 309	△ 1,834	△ 1,525
	Net income	△ 3,337	△ 11,065	△ 7,728
	Total Asset	396,454	385,598	△ 10,856
	Net assets	97,053	90,332	△ 6,721
FYE 3/'09	Net sales	309,771	311,299	1,528
	Operating profit	107	△ 1,537	△ 1,644
	Ordinary income	△ 6,809	△ 9,760	△ 2,951
	Net income	△ 18,795	△ 30,734	△ 11,939
	Total Asset	354,652	344,077	△ 10,575
	Net assets	85,579	74,439	△ 11,140

Adjustments to Consolidated Earnings Results for FYE 3/'10 (Millions of yen)

		Prior to adjustments	After adjustments	Amount of adjustments
1Q FYE 3/'10	Net sales	99,109	98,578	△ 531
	Operating profit	△ 6,026	△ 6,873	△ 847
	Ordinary income	△ 7,061	△ 8,564	△ 1,503
	Net income	△ 8,041	△ 9,543	△ 1,502
	Total Asset	332,725	320,825	△ 11,900
	Net assets	78,437	65,484	△ 12,953
2Q FYE 3/'10	Net sales	203,950	203,324	△ 626
	Operating profit	△ 11,130	△ 7,809	3,321
	Ordinary income	△ 14,624	△ 10,955	3,669
	Net income	△ 21,521	△ 16,849	4,672
	Total Asset	314,093	305,343	△ 8,750
	Net assets	61,686	55,130	△ 6,556

