TRANSLATION - FOR REFERENCE ONLY -

April 25, 2013

Company	JVC KENWOOD Corporation
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Notice on Revision of Consolidated Earnings Forecast for the Fiscal Year Ended March 2013 and Incurrence of Non-Operating Expenses (Foreign Exchange Losses)

JVC KENWOOD Corporation ("JVCKENWOOD") hereby announces that at the Board of Directors meeting held today, JVCKENWOOD revised the consolidated earnings forecast for the fiscal year ended March 2013 announced on February 1, 2013 as described below. JVCKENWOOD is also expected to post non-operating expenses (foreign exchange losses) for the fiscal year ended March 2013.

There is no change to the dividend forecast announced on February 1, 2013.

1. Revision of Consolidated Earnings Forecast

(1) Revision of Consolidated Earnings Forecast for the Fiscal Year Ended March 2013 (April 1, 2012 to March 31, 2013)

(Millions of yen)	Net Sales	Operating Income (Loss)	Ordinary Income	Net Income (Loss)	Net Income per Share (yen)
Previous Forecast (A) (Announced on February 1, 2013)	310,000	10,000	5,000	3,000	21.63
Revised Forecast (B)	306,500	9,600	3,100	1,100	7.93
Amount of Change (B – A)	(3,500)	(400)	(1,900)	(1,900)	
Rate of Change (%)	(1.1)	(4.0)	(38.0)	(63.3)	
(Reference) Results for the Fiscal Year Ended March 31, 2012	320,868	12,813	6,420	6,032	43.50

(2) Reasons for Revision

On February 1, 2013, JVCKENWOOD revised the earnings forecast for the fiscal year ended March 2013 to reflect earnings and business environments for the period until the third quarter of the fiscal year under review.

The economic recession in Europe during the third quarter continued into the fourth quarter, affecting the performance of JVCKENWOOD, but its full-year net sales and operating income are expected to be at levels close to the forecasted amounts announced on February 1, 2013. This is a result of focusing on a new commercial product launch at the Car Electronics business, new order acquisition at the Professional Systems business, and new camcorder launch at the Home & Mobile Electronics business, as well as actions taken for company-wide cost reductions. In addition, seasonal factors that help us to generate more revenue during the year were also utilized.

On the other hand, JVCKENWOOD posted foreign exchange losses as non-operating expenses which were initially embedded in a part of extraordinary losses in the earnings forecast announced on February 1, 2013. Additionally, the difference for settlement of foreign-currency-denominated claims/obligations (excluding foreign-currency-denominated loans receivable and loans payable) and the foreign exchange losses related to forward foreign exchange contracts were larger than our estimates. As a result, ordinary income fell short of the forecast due to such a non-operating expense increase, etc.

Also as described above, while extraordinary losses were lower than expected, income taxes were higher than estimates in line with taxable income increase, resulting in net income being lower than expected.

In addition, as described in “2. Incurrence of Non-Operating Expenses (Foreign Exchange Losses),” JVCKENWOOD significantly reduced the yen equivalent of foreign-currency-denominated loans receivable and loans payable on March 8, 2013 to reduce the risk of foreign exchange revaluation losses (gains) in the future.

2. Incurrence of Non-Operating Expenses (Foreign Exchange Losses)

(1) Non-Operating Expenses (Amount)

Foreign exchange losses for the current fiscal year are expected to be 2,819 million yen, because the difference of the yen equivalent amount of foreign-currency-denominated loans receivable and loans payable as well as the settlement difference of foreign-currency-denominated claims and debts (excluding foreign-currency-denominated loans receivable and loans payable) were approximately 1.5 billion yen higher than anticipated due to the effects of foreign exchange fluctuations in and after the third quarter.

(2) Effects on Earnings

As described in “Notice on Reduction of Foreign Exchange Revaluation Losses (Gains) as a result of Eliminating Inter-company Loans between the Parent Company and its Subsidiary” announced on March 8, 2013, JVCKENWOOD posts valuation differences, etc. arising from exchange fluctuations — valuation differences resulting from converting foreign-currency-denominated loans receivable and loans payable into yen — as foreign exchange losses (gains).

As part of measures to respond to the risk of foreign exchange revaluation losses (gains), JVCKENWOOD significantly decreased the valuation difference resulting from converting such receivables and payables into yen that accounted for nearly a half of foreign exchange losses posted for the current fiscal year by eliminating USD99 million, which is approximately equivalent to the loan overbalance in the foreign-currency-denominated loan transactions between the Company and its overseas subsidiaries, by distributing claims from the subsidiaries to the Company on March 8, 2013, and by balancing foreign-currency-denominated loans payable and loans receivable.

As a result, the Company has significantly reduced the risk of exchange revaluation losses (gains) for the Group’s foreign-currency-denominated loan transactions which is expected to occur in the future.

3. Dividend Forecast

JVCKENWOOD considers that one of its most important management objectives is to provide shareholders with a stable return on their investments, and decides on how to distribute and otherwise appropriate retained earnings by comprehensively taking into account its profitability and financial conditions.

JVCKENWOOD announced a revision of the dividend forecast for the fiscal year ended March 2013 on February 1, 2013, together with a revision of the earnings forecast for the same year.

As described above in “1. (2) Reasons for Revision,” the consolidated net income for the fiscal year ended March 2013 was below the forecast, but the annual dividend forecast (year-end) of 5 yen per share which is the same amount as the actual dividend for the fiscal year ended March 2012 remains unchanged. In this way, we will provide shareholders with a stable return on their investments, because the level of consolidated net income is sufficient for paying dividends.

Note: Forward-looking statements such as the earnings forecast contained in this document are based on information available as of the date hereof along with a certain set of assumptions that are deemed rational. Actual results may differ significantly from these forecasts due to various factors.