



JVCKENWOOD

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Notice on Revision of Earnings Forecast for the Fiscal Year Ending March 2014 and Revision of Dividend Forecast

JVC KENWOOD Corporation (“JVCKENWOOD”) hereby announces that at the Board of Directors meeting held today, JVCKENWOOD revised its earnings forecast for the fiscal year ending March 2014 announced on May 15, 2013. The revision was undertaken to reflect operating performance and foreign exchange movements during and after the third quarter of the fiscal year under review, as described below. Based on the above revision, JVCKENWOOD also revised its dividend forecast for the fiscal year ending March 2014 announced on April 26.

1. Revision of Earnings Forecast

(1) Revision of Earnings Forecast for the Fiscal Year Ending March 2014 (April 1, 2013 to March 31, 2014)

(Millions of yen)	Net Sales	Operating Income (Loss)	Ordinary Income	Net Income (Loss)	Net Income per Share (yen)
Previous Forecast (A) (Announced on May 15, 2013)	330,000	11,000	6,000	3,000	21.63
Revised Forecast (B)	310,000	1,000	(3,000)	(5,500)	(39.66)
Amount of Change (B - A)	(20,000)	(10,000)	(9,000)	(8,500)	
Rate of Change (%)	(6.1)	(90.9)	—	—	
(Reference) Results for the Fiscal Year Ended March 31, 2013	306,580	9,603	3,106	1,146	8.27

2. Revision of the Dividend Forecast

During the first six months of the fiscal year ending March 2014, sales increased in the Car Electronics segment and the Professional Systems segment. However, net sales fell below forecast because of a sales decrease in the Optical & Audio segment resulting from the effects of the economic slump in Europe and the realignment of some models, as well as a sales decline in the Entertainment business due to the effect from postponing the release of leading works until the second half of the fiscal year under review.

As for operating income, the Car Electronics segment and the Imaging business in the Optical & Audio segment experienced large operating losses in the domestic business with the sharp rise in the yen equivalent cost due to the weakening of the yen against the US dollar. As for the overseas business, sales were sluggish in the Car Electronics

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Consumer division, the Imaging business and other businesses, and the releases of leading works in the Entertainment business were postponed until the second half of the fiscal year under review, pushing all segments into losses. As a result, operating income fell short of the forecast.

During and after the third quarter of the fiscal year under review, we will implement the following short-term measures: 1) terminating the 2013 models earlier than initially planned at the end of the third quarter of the fiscal year under review, given their low profitability resulting from the depreciation of the yen against the US dollar; 2) moving up the schedule for launching the next models that accommodate the weak yen against the US dollar; and 3) pushing forward with structural reforms by the Business Restructuring Task Force. In the meantime, we expect that the business environment will continue to be difficult, and we have revised the earnings forecast for the fiscal year ending March 2014, announced on May 15, 2013.

We are closely examining the scale of structural reforms and the timing of their implementation, therefore, we have not factored in the temporary losses associated with structural reforms into the revised earnings forecast described above.

(1) Forecast for Dividend Per Share

	Annual Dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Previous Forecast (Announced on April 26, 2013)	—	—	—	yen 5.00	yen 5.00
Revised Forecast	/	/	—	yen 0.00	yen 0.00
Actual Dividend for the Current Fiscal Year	—	yen 0.00	/	/	/
(Reference) Actual Dividend for the Fiscal Year Ended March 2013	—	yen 0.00	—	yen 5.00	yen 5.00

(2) Reasons for Revised 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 accounting for profitability and financial conditions.

With regard to the dividend forecast for the fiscal year ending March 2014, we had announced a forecast for the annual dividend (year-end) of 5 yen per share. However, based on the revision to the earnings forecast described above, we are revising the forecast for the annual dividend (year-end) to 0 yen per share.