(Translation)

Report for 1st Business Term

(From October 1, 2008 to March 31, 2009)

BUSINESS REPORT

Consolidated Balance Sheets
Consolidated Statement of Income
Consolidated Statement of Changes in Shareholders' Equity

Non-consolidated Balance Sheets
Non-consolidated Statement of Income
Non-consolidated Statement of Changes in Shareholders' Equity

JVC KENWOOD Holdings, Inc.

(Translation)

(Document Provided Based on Article 437, Article 444 of the Corporate Act)

BUSINESS REPORT

(From October 1, 2008 to March 31, 2009)

1. Matters Concerning the Current Situation of the Group

[1] Course of Business and the Results

JVC KENWOOD Holdings, Inc. (JVC Kenwood) was established on October 1, 2008 as a joint holding company of Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood), following the integration of their management.

When established, JVC Kenwood adopted the business-combination accounting method with Kenwood as the acquiring company. Hence, the consolidated operating results of JVC Kenwood for the fiscal year ended March 2009 (from April 1, 2008 to March 31, 2009) are the sum of Kenwood's consolidated operating results for the year under review and JVC's consolidated operating results for the second half of the year under review (from October 1, 2008 to March 31, 2009).

In the fiscal year under review, the U.S.-originated financial turmoil affected the real economy around the world in the second half, and the global economy further worsened toward the end of the period. The yen strengthened sharply against other currencies.

Under such circumstances, the Group, anticipating deterioration in the business environment, established the "Profitability Structural Reform Conference" at the time of management integration to quickly realize synergies, while forcefully implementing profitability structural reforms including emergency measures. In the fourth quarter of the year under review, however, the business environment of the Group became even worse due to the deteriorated real economy and the yen's further appreciation, which forced the Group to revise its earnings forecast announced at the time of the management integration. Against this backdrop, the Group implemented more thorough emergency measures as well as additional measures focusing on structural reforms of the display sector, the car electronics OEM sector and the home audio sector, where profitability issues remain, reforms of affiliated companies, and employment structural reforms including the adoption of early retirement preferential treatment programs.

The above structural reforms produced favorable effects, resulting in an operating profit of more than 10.0 billion yen for the second half, which exceeded our original projections, reducing fixed expenses on a company-wide basis, and improving earnings of the above business sectors. However, such restructuring effects were offset by the yen's sharp appreciation compared with the previous term and a fall in sales for the second half of the year under review. As a result, consolidated earnings results for the term under review were lower than the sum of earnings results of Kenwood for the previous term and earnings results of JVC for the second half of the previous term, in terms of sales and profits.

In preparing consolidated operating results for the fiscal year under review, the exchange rates the Group uses (excluding those for forward exchange contracts) are as follows:

	1Q	2Q	3Q	4Q
U.S. dollar	105 yen	108 yen	96 yen	94 yen
Euro	163 yen	162 yen	127 yen	122 yen

*** Net Sales**

Net sales for the fiscal year under review were 309,771 million yen. This reflects a change in the calculation method for JVC's net sales to the net method at the time of management integration, as well as transfer and cessation of non-core businesses and curtailment of unprofitable operations, which were carried out under the structural reforms before the management integration. In addition to these factors that we had expected would weigh down net sales, net sales were adversely affected by the yen's sharp rise and a fall in sales of products.

For reference, when adding JVC's net sales for the first half of the fiscal year under review, combined net sales of both JVC and Kenwood were approximately 549.5 billion yen for the full fiscal year.

*** Operating Profit**

Operating profit for the year under review decreased from a year ago due to the yen's steep rise and a drop in sales amid the economic deterioration. In the fourth quarter, particularly, the Group, aiming to cope with excessive inventories in the entire consumer electronics market, reduced inventories of products substantially and achieved proper levels of inventories, by focusing on promoting sales of products already on the market while adjusting production, for example, through laying off workers at domestic and overseas plants.

However, earnings worsened owing to further price declines. In addition, the effect of the launch of new products such as car electronics for the consumer market and camcorders (video cameras), which we had pinned our hopes on, did not become apparent until March 2009 affected by the stock of products already on the market, resulting in a delay in the improvement of earnings.

However, the profitability structural reform, which was launched at the same time as the management integration, generated cost reduction effects (about 9.0 billion yen) and cost synergy effects (around 1.4 billion yen), and the management integration produced accounting effects (approximately 1.4 billion yen). These effects were total approximately 11.8 billion yen. For March 2009, the Group posted a substantial operating profit. As a result, operating profit for the year under review was about 107 million yen.

For reference, when adding JVC's operating profit for the first half of the fiscal year under review, the combined operating profit of both JVC and Kenwood was about 1.4 billion yen for the full fiscal year.

*** Ordinary Income**

Ordinary income for the fiscal year under review was minus 6,809 million yen. This reflects mainly a decrease in operating profit. However, non-operating income and expenses improved, despite our booking of temporary expenses and others in relation to the management integration, chiefly because of accounting effects (about 1.9 billion yen), such as the amortization of negative goodwill resulting from the management integration, and cost synergy effects (around 0.3 billion yen).

For reference, when adding JVC's ordinary income for the first half of the fiscal year under review, the combined ordinary income of both JVC and Kenwood was about minus 9.5 billion yen for the full fiscal year.

*** Net Income**

Net income for the fiscal year under review was minus 18,795 million yen. *This reflects a decrease in ordinary income, booking of extraordinary loss in association with expenses for additional measures implemented during the fourth quarter, such as business structure reforms and employment structure reforms, and the lack of gains on sales of securities, which was seen in the previous term. Meanwhile, favorable factors are that we had provided allowances for expenses for additional measures that satisfy requirements to be recorded as allowance, and accounting effects (about 6.6 billion yen) were generated through the adoption of the consolidated taxation system in relation to the management integration.

For reference, the combined net income of both JVC and Kenwood was about minus 26.9 billion yen for the full fiscal year due mainly to extraordinary losses resulting from a sharp decline in domestic sales of consumer LCD TVs by JVC in the first half of the fiscal year under review.

Net sales and operating profit by business segment are as follows:

*** Car Electronics Business**

The Car Electronics business, though susceptible to new car sales fluctuations, is a business sector that is the most expected to realize integration effects. In the mainstay consumer car audio sector, we implemented sales activities by leveraging the strengths of JVC- and Kenwood-brand products while enhancing cost competitiveness with cost synergy effects, despite the deteriorating economy. As a result, our market shares increased in the world's principal markets from the previous fiscal year. Meanwhile, in the consumer car multimedia sector, sales of AV-integrated car navigation systems expanded largely in overseas markets through our collaboration with Garmin Ltd., a market leader of PNDs*, and sales of such systems rose sharply from the previous year in terms of volume.

In the fourth quarter, however, prices of products already on the market dropped steeply due to excessive inventories in the entire market. To cope with this, the Group focused on promoting sales of product lines for 2008 while adjusting production, which resulted in reducing inventories significantly and achieving a proper level of inventories. However, earnings worsened due to further price drops. Besides, the effect of the launch of new product lines for 2009 did not become apparent until March 2009, and improvement of earnings was delayed. On top of this, sales slowed in fast-growing markets hurt by the financial crisis and the strong yen.

Meanwhile, single-month sales of the consumer sector for March 2009 hit the highest level since the management integration, and the said sector posted an operating profit, which, however, failed to offset earnings that continued to worsen until February.

In the OEM sector, shipments of CD/DVD mechanisms for on-board equipment increased sharply, while sales of genuine products decreased substantially due to a drop in new car sales and a decline in the use of genuine products by automakers. To cope with this, the Group reviewed development and production systems, and implemented additional measures in the fourth quarter. With these efforts, we could minimize the increase of losses.

As a result, net sales of this business for the fiscal year under review were 92,237 million yen, and

operating profit was minus 4,182 million yen.
For reference, when adding JVC's consolidated earnings results for the first half, combined net sales of this business of both JVC and Kenwood for the full fiscal year were about 120.8 billion yen and the combined operating profit of the two companies for the said period was around minus 2.6 billion yen.
* PND stands for "portable/personal navigation device".

*** Home & Mobile Electronics Business**

In the display sector, the market environment deteriorated due mainly to price drops amid the fierce competition. However, the most unprofitable operations in the domestic market were curtailed significantly before the management integration, and the effects of restructuring, in which we shifted in-house production at the U.K. plant (that was closed) to outsourced production in Eastern Europe, and additional measures were materialized. Consequently, earnings of this sector improved nearly as planned.

The home audio sector also suffered a fall in sales affected by the economic downturn and a change in consumer demand. Against this backdrop, the Group curtailed unprofitable models and strengthened the profitable AV accessory operations, while implementing additional measures, such as spinning off the home audio sector of Kenwood, and shifting to a development and production system that makes the most of JVC's factory in Malaysia. Consequently, earnings of this sector improved nearly as planned.

With respect to the camcorder sector, sales of standard type models were strong in the worldwide market, and we focused on selling hi-vision type models in the domestic market. As a result, the lineup of camcorders became high-value-added, and our market share for camcorders expanded. In the fourth quarter, however, the Group focused on promoting sales of product lines for 2008 while adjusting production, as it did for consumer car electronics, which resulted in us reducing inventories of product lines for 2008 and achieving a proper level of inventories. However, earnings worsened owing to further price falls. Besides, the effect of the launch of new product lines for 2009 did not become apparent until March 2009, and improvement of earnings was delayed.

As a result, net sales of this business for the fiscal year under review were 103,885 million yen, and operating profit was 74 million yen.

For reference, when adding JVC's consolidated earnings results for the first half, the combined net sales of this business of both JVC and Kenwood for the full fiscal year were about 247.8 billion yen and the combined operating profit of the two companies for the said period was around 1.2 billion yen.

*** Professional systems Business**

The professional wireless equipment sector, a profitability base, was affected by the yen's appreciation in general, and sales of equipment for private industries sustained adverse effects of the slumping economy. In the latter half of the third quarter, orders received in the U.S. for products for public safety communications, which had been strong thanks to the diffusion of digital, professional wireless equipment, slowed down prior to the new U.S. fiscal year. However, such orders received recovered in March 2009, and single-month sales in local currency of the professional wireless equipment sector marked a record high.

In the professional systems sector, overall sales weakened hurt by the deteriorated economy. However, sales of new models of professional cameras were robust in the overseas markets, and orders received increased centering on professional cameras for the electric installation industry in the domestic market in March 2009. Hence, sales of this sector picked up.

As a result, net sales of this business for the fiscal year under review were 78,758 million yen, and operating profit was 4,552 million yen.

For reference, when adding JVC's consolidated earnings results for the first half, the combined net sales of this business of both JVC and Kenwood for the full fiscal year were about 105.6 billion yen and the combined operating profit of the two companies for the said period was around 4.1 billion yen.

*** Entertainment Business**

In the content sector, sales of old releases fell while sales of new releases were steady thanks to the massive popularity of some releases related to blockbuster movies and animation. Sales in the businesses on consignment, such as pressing, distribution and production of music software, decreased, but earnings improved due to cost reduction effects.

As a result, net sales of this business for the fiscal year under review were 30,616 million yen, and operating profit was 33 million yen.

For reference, when adding JVC's consolidated earnings results for the first half, the combined net sales of this business of both JVC and Kenwood for the full fiscal year were about 61.0 billion yen and the combined operating profit of the two companies for the said period was around minus 0.2 billion yen.

(Translation)

[2] Issues

Since the management integration, the JVC Kenwood Group has pushed forward with profit structural reforms to cope with the deterioration of the economic environment, while making efforts for early materialization of integration effects. In the fourth quarter of the fiscal year under review, however, our business environment further worsened due to the deteriorated real economy and the yen's appreciation. In response, the Group carried out additional bold measures, and completed major measures by the end of the term under review.

The Group has launched measures for future growth by redistributing management resources created by these measures.

For the next term (the fiscal year ending March 2010), to cope with the deteriorated business environment, we will accelerate business activities with emphasis on cash management, as we did in the term under review, create cost improvement effects of 20.0 billion yen or more through additional measures, and promote measures that are expected to contribute to earnings in early stages and growth over the medium and long term.

1. Priority Measures

1) Increase and creation of cash

During the fiscal year under review, the JVC Kenwood Group implemented cash management-focused business activities on a group wide basis, producing cash (of about 5.6 billion yen) through sales of fixed assets such as the Victor Shimbashi Building and the former site of JVC's Moriya Plant, and increasing cash flows through a substantial reduction of inventories. Following the fiscal year under review, the Group will accelerate business activities focused on cash management for the next term, decreasing the number of inventory days through inventory reforms and innovating management of funds, aiming to create free cash flows of at least 20.0 billion yen annually.

2) Closing of structural reforms

*** Profit structural reform**

With the management integration on October 1, 2008, the Group launched a profit structural reform project, anticipating deterioration of the economic environment. The project included cost structural reforms designed to overhaul the corporate and business divisions in terms of expenses, review development costs and IT-related investments, and reform transactions within the group by strengthening consolidated management, as well as emergency measures such as partial return of executives' remuneration and review of events. As a result, we produced cost reduction effects of about 9.0 billion yen at the stage of calculation of operating profit for the fiscal year under review.

For the next term, we will continue and enhance emergency measures, aiming to gain substantial effects from the following additional measures.

*** Additional measures**

During the fourth quarter of the term under review, the Group implemented additional measures centering on: restructuring of JVC's display sector, Kenwood's car electronics OEM sector and the home audio sector, the common business area of both companies, where profitability issues remain; structural reforms of related production/sales systems and affiliated logistics/services firms; employment structural reforms including reduction of approximately 2,950 group employees (as of April 20, 2009), 12.8% of the total 23,089 at the time of management integration; and further emergency measures such as partial return of executives' remuneration. Of these measures, major ones were completed by the end of the term under review.

For the next term, the Group will aim to produce cost improvement effects of 20.0 billion yen or more by combining the cost reduction effects gained from the above-mentioned profit structural reform and the said additional measures.

In a series of restructuring, we restructured the manufacturing system of Kenwood Nagano Corporation ("Kenwood Nagano"), the main domestic factory of the car electronics OEM sector, including labor cutbacks. Accordingly, we decided not to reorganize Kenwood's domestic production system through merger between Kenwood Nagano and Kenwood Yamagata Corporation, which Kenwood announced April 15, 2008.

3) Expansion of profitable sales

*** Revitalization of existing businesses by deepening the integration**

Centering on J&K Technologies Corp. ("J&K Technologies"), a join venture between JVC and Kenwood established by combining development and production functions in both companies' car electronics business, the Group generated a cost synergy effect of about 1.7 billion yen in the second half of the fiscal year under review, through joint development, joint procurement of parts, and mutual use of intellectual property.

For the next term, we will integrate the remaining product planning and marketing functions of JVC and Kenwood into J&K Technologies, aiming to turn J&K Technologies into a virtually independent corporation.

In the home audio sector, another common business, we also plan to unite both companies' management resources in order to deepen business integration.

With respect to the professional systems business, the Group will accelerate measures for early maximization of integration effects, mainly by promoting sales activities of a new multimedia security system that combines Kenwood's professional wireless terminal, a command and control system of Zetron Inc. ("Zetron"), Kenwood's U.S. subsidiary specializing in wireless communications systems, and JVC's security system.

On April 1, 2009, we integrated JVC's subsidiary Victor Kosan Co., Ltd. and Kenwood's subsidiary Kenwood Admi Corporation, both engaged chiefly in welfare services, and established J&K Partners. For the next term, we will further promote integration of affiliated companies, through consolidation of domestic service bases and reorganization of overseas logistics bases.

*** Implementation of growth strategy with development investments**

With the market environment expected to be further severe from now on, the JVC Kenwood Group has selected its powerful products and services, which provide differentiation from rivals by leveraging its technical capabilities and can be the growth engine of the Group, as top strategic products that can quickly contribute to its earnings.

JVC Kenwood and companies under its umbrella, JVC, Kenwood and J&K Technologies, will do their utmost to support these products and services with funds, technologies and personnel to develop chosen products and technologies, and conduct their sales promotion. Through these efforts, we will expand sales globally and improve profitability.

In the medium to long term, the Group will accelerate the development of new unconventional products in line with our Corporate Vision, centering on the New Business Development Center.

2. Priority Measures by Business Sector

*** Car Electronics Business**

We accelerate the reform of the Car Electronics business which is the biggest issue during the fiscal year under review.

In the Car Electronics business, the largest common business between JVC and Kenwood where integration effects are the most expected to be produced, the JVC Kenwood Group will integrate the product planning and marketing functions of JVC and Kenwood into J&K Technologies, aiming to turn J&K Technologies into a virtually independent corporation, as well as strengthen the business structure by promoting all-out personnel exchanges between both companies. Through these measures, the Group will develop the status of its management from cooperation into complete business integration, and endeavor to maximize integration effects at the earliest possible time through combination of the development, production, product planning and sales functions, including integration of platforms for car audio and car navigation systems. Based on these results, in the consumer sector, we will further heighten cost synergy effects while expanding product lineups, centering on car navigation systems, pursuing the top global position. In the OEM sector, we will complete structural reforms, and develop new car navigation systems and devices for car-mounted equipment by using both companies' management resources.

*** Home & Mobile Electronics Business**

In the display sector, we improved earnings, by reducing in-house development and production of consumer LCD TVs for the overseas markets through use of outsourcing, ODM (original design manufacturing: production outsourcing including the design phase) and EMS (electronics manufacturing service), reconstructing our domestic production system, concentrating the earlier process for substrate production in the Thai plant, reforming sales structures in Japan, the Americas and Europe, and reorganizing the systems of logistics and services. Thanks to these efforts, we cut development personnel for conventional types of consumer LCD TVs by about 70%, and assigned the saved employees to sectors engaged in, for example, development of next-generation displays. By making use of hopeful results, we will manufacture and sell full hi-vision 3D LCD monitors and thin LCD monitors (the thinnest part is 7 mm thick), both for professional use, accelerating improvement of earnings through optimization of product lineups.

As for the home audio sector, we split Kenwood's home audio division and shifted to a fabless structure specializing in planning and sales of products, accelerated joint development, production and parts procurement by using JVC's plant in Malaysia, while JVC reduced unprofitable models and curtailed in-house development and production of commodity models. From now on, we will further deepen business integration by combining both companies' management resources, while increasing sales of high-value-added products, such as home theater systems with a blue-ray disc player, and AV accessories. Thus, we will accelerate improvement of earnings.

In the camcorder sector, the entire market suffered excessive inventories and sales continued to be weak mainly in Europe. Under such circumstances, the JVC Kenwood Group focused on sales of product lineups for 2008 while adjusting production, which resulted in reducing inventories substantially by the end of the fiscal year under review. In the future, we will introduce new hi-vision models, which are being sold well in the domestic market, in the worldwide market on a full-scale basis, and launch new concept products as well, aiming to heighten the added value of our product lineups.

*** Professional Systems Business**

As for the professional wireless sector, boasting world's second largest market share, sales of products for the public safety market (police, fire department and public transportation, such as railways and buses) are robust mainly in the overseas markets. Given that investments are expected to increase in the public, safety and environment fields worldwide, the JVC Kenwood Group will boost sales of digital professional wireless equipment, for which demand is on the rise due to advanced features such as high privacy functions, and expand business domains from supply of wireless terminals to supply of system solutions that use wireless communications command and control systems of Zetron.

In the professional systems sector, the Group will strive to win more orders for security cameras by introducing new lineups, and will proactively implement sales activities of a new multimedia security system that combines a professional wireless terminal, a wireless communications command/control system and a security camera. Through these initiatives, we will aim to raise the ratio of B to B business, particularly for the public safety market, in the entire Group, and to establish a stable earnings structure that is strong against economic fluctuations.

*** Entertainment Business**

Regarding the Entertainment business, the JVC Kenwood Group implemented restructuring in January 2009 through integration and reorganization of Victor Entertainment, Inc. and JVC Entertainment Company, LTD. to strengthen the base for creating hit content.

Under the new framework, we will create much hit content on a group wide basis while developing the net media business centering on a newly established network/distribution company, aiming to improve profitability.

We will expand the media business by integrating the operations of pressing of entertainment and non-entertainment CDs/DVDs. To this end, we will make the most of a capital and business alliance concluded today among JVC, Victor Creative Media Co., Ltd., a subsidiary of JVC which engages in pressing of CDs/DVDs, Toppan Printing Co., Ltd. and its subsidiary Toppan Seihon Co., Ltd.

[3] State of Capital Investments

The total amount of capital investments implemented in this consolidated fiscal year is about JPY9,000 million. The main subjects of the investments are for the expansion/improvement and upgrade of production facilities, including tools and equipment.

[4] State of Financing

In October 2008 in this consolidated fiscal year, Kenwood Corporation, a subsidiary of JVC Kenwood, made refinance of JPY6.9 billion, which is a part of the fund used to acquire the stocks of Zetron Inc., and JPY15.0 billion, which is a part of the fund used to acquire the stocks of Victor Company of Japan, Limited.

Other than the above, JVC Kenwood itself did not make any fund procurement from outside by means of issuing shares, corporate bonds or the like.

[5] State of Transfer of Business, Merger & Division, or New Establishment & Division

Victor Company of Japan, Limited, and Kenwood Corporation, subsidiaries of JVC Kenwood, assigned a part of the rights and responsibilities that the two companies have with regard to the car electronics business and a part of the rights and responsibilities with regard to the management of the shares, etc., of the two companies' subsidiaries to J&K Technologies Corp., which is a technical development firm jointly owned by the two companies, by means of merger and demerger with an effective date of October 1, 2008.

Victor Company of Japan, Limited, spun off its recording media business into Victor Advanced Media Co., Ltd. (a wholly owned subsidiary of Victor Company of Japan, Limited) by means of establishment and demerger before the management integration on July 1, 2008, and assigned 65% of the shares of the company in question to Taiyo Yuden Co., Ltd. on October 1, 2008.

In addition, Kenwood Corporation assigned a part of the rights and obligations that the company has with regard to the home electronics business to Kenwood Home Electronics Co., Ltd., which was newly established by the company, by means of establishment and demerger with an effective date of December 1, 2008.

[6] State of Transfer of Business from Other Companies

Not applicable.

[7] State of Succession of Rights and Obligations Regarding Other Corporations in Relation to the Merger & Acquisition or Merger & Division

Not applicable.

[8] State of Ownership of Other Company Shares or Acquisition/Disposal of Share Options

Not applicable.

[9] Transition of Assets and Profit & Loss (Corporate group)

(1) State of Assets and Profit & Loss

(Millions of yen)

Items	1st Term (current) (March 2009)
Net sales	309,771
Operating profit	107
Ordinary income (loss)	(6,809)
Net income (loss)	(18,795)
Net income (loss) per share (yen)	(28.22)
Total assets	354,652
Net assets	85,579
Net assets per share (yen)	86.60

(Notes) 1. As JVC Kenwood was established on October 1, 2008, there is no data for the preceding fiscal year and the years before.

2. Net current loss per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.

(2) State of Assets and Profit & Loss (the Company)

(Millions of yen)

Items	1st Term (current) (March 2009)
Net sales	3,983
Operating profit	125
Ordinary income (loss)	(438)
Net income (loss)	(1,468)
Net income (loss) per share (yen)	(1.36)
Total assets	134,467
Net assets	110,436
Net assets per share (yen)	114.22

(Notes) 1. As JVC Kenwood was established on October 1, 2008, there is no data for the preceding fiscal

year and the years before.
2. Net current loss per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.

[10] State of Important Parent Companies and Subsidiaries, etc

(1) State of Parent Companies

Not applicable.

(2) State of Important Subsidiaries

Name	Capital	Ratio of the Company's Capital Contribution	Major Businesses
Victor Company of Japan，Limited	51,615 Million JPY	100.0%	Research, development, manufacturing and sales of audio, visual, computer-related consumerand professional equipment, andmagnetic tapes and disks, etc.
Kenwood Corporation	22,059 Million JPY	100.0%	Manufacturing and sales of products related to car electronics, communications and home electronics, and other related businesses
J&K Technologies Corporation	445 Million JPY	100.0% (100.0%)	Research, development, design and manufacturing of automotive electric components, other automotive parts, audio equipment, visual equipment and electric and electronic machinery and appliances, and other related businesses

(Note) Numbers in parentheses under the column of capital contribution show the ratio of indirect investment by JVC Kenwood.

[11] Major Businesses (As of March 31, 2009)

Business Segment	Key Products
Car Electronics Business	Car Audio, Car AV System and Car Navigation System
Home & Mobile Electronics Business	Car Audio, Car AV System and Car Navigation System
Professional systems business	Land Mobile Radio Equipment, Video Surveillance Equipment, Video Equipment, Audio Equipment and Display Equipment
Entertainment business	Music and video software, such as CDs and DVDs
Other	Optical pickups, Non-contact mobile identification system, Meteorological-satellite data receiving system, Other electronics, Blank-media, home furniture, etc.

[12] Main Offices and Factories (As of March 31, 2009)

(1) Head Office

12, 3-chome, Moriya-cho, Kanagawa-ku, Yokohama, Kanagawa, Japan

(2) R&D Center

Name		Location
JVC KENWOOD Holdings, Inc.		
	New Business Development Center	Yokohama, Kanagawa
Victor Company of Japan，Limited		
	JVC Head Office & Yokohama Plant	Yokohama, Kanagawa
	JVC Kurihama R&D Center	Yokosuka, Kanagawa
Kenwood Corporation		
	Kenwood Hachioji Business Center	Hachioji, Tokyo
	Kenwood Yokohama Business Center	Yokohama, Kanagawa

(Translation)

(3) Main Japanese Manufacturing Sites

Name		Location
Victor Company of Japan，Limited		
	JVC Yokosuka Plant	Yokosuka, Kanagawa
	JVC Maebashi Plant	Maebashi, Gunma
	JVC Yamato Plant	Yamato, Kanagawa
	JVC Hachioji Plant	Hachioji, Tokyo
Victor Creative Media Co., Ltd.		Yamato, Kanagawa
Victor Interior Furniture Co., Ltd.		Fukuroi, Shizuoka
Kenwood Yamagata Corporation		Tsuruoka, Yamagata
Kenwood Nagano Corporation		Ina, Nagano

(4) Japanese Business sites

Name	Location
Victor Company of Japan，Limited	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
Kenwood Corporation	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
Victor Entertainment, Inc.	Minato-ku, Tokyo

(5) Main Global Manufacturing Sites

Name	Location
JVC America, Inc.	U.S.A.
JVC Industrial De Mexico, S.A. de C.V.	Mexico
JVC Electronics Singapore Pte. Ltd.	Singapore
JVC Manufacturing Malaysia Sdn. Bhd.	Malaysia
JVC Manufacturing (Thailand) Co., Ltd.	Thailand
P.T. JVC Electronics Indonesia	Indonesia
Kenwood Electronics Technologies (S) Pte. Ltd.	Singapore
Kenwood Electronics Technologies (M) Sdn. Bhd.	Malaysia
Shanghai Kenwood Electronics Co. Ltd.	China

(6) Main Regional Company and Regional Head Quarter

Name	Location
JVC Europe Ltd.	United Kingdom
JVC Americas Corp.	U.S.A.
JVC Asia Pte. Ltd.	Singapore
JVC (China) Investment Co., Ltd.	China
Kenwood U.S.A. Corporation	U.S.A.
Kenwood Electronics Europe B.V.	Netherlands
Kenwood Electronics Singapore Pte. Ltd.	Singapore

(Translation)

[13] State of Employees (As of March 31, 2009)

(1) State of Employees at the Group

Number of employees	Number of increase/decrease in comparison with end of previous consolidated fiscal year
19,540	N/A

(Note) The number of employees excludes employees transferred from a JVC KENWOOD Group Company to a non-JVC KENWOOD Group company, but includes employees transferred from a non-JVC KENWOOD Group Company to a JVC KENWOOD Group company.

(2) State of Employees at the Company

Number of Employees	Number of Increase/decrease in Comparison with End of Previous Fiscal Year	Average Age	Average Years of Service
632	N/A	42	18

(Notes)1. As the employees of JVC Kenwood are loaned employees from Victor Company of Japan, Limited, and Kenwood Corporation, their average years of service are calculated by adding the years of service at those companies.

2. The number of employees excludes employees transferred from JVC KENWOOD to an outside company, but includes employees transferred from an outside company to JVC KENWOOD.

[14] State of Major Borrowing Companies (As of March 31, 2009)

(Millions of yen)

Borrowing Companies	Debt Balance
Sumitomo Mitsui Banking Corporation	15,161
Resona Bank, Ltd.	13,372
The Sumitomo Trust & Banking Co., Ltd.	9,505
Mitsubishi UFJ Trust and Banking Corporation	8,874
Bank Austria Creditanstalt AG	5,210
The Chuo Mitsui Trust and Banking Company, Limited.	3,599
The Bank of Tokyo-Mitsubishi UFJ,Ltd.	3,267
The Hachijuni Bank, Ltd.	3,005
Aozora Bank, Ltd.	3,000
Shinsei Bank, Limited	2,500

(Translation)

2. Matters Regarding the Company's Shares (As of March 31, 2009)

[1] Total number of authorized shares 4,000,000,000

[2] Total number of outstanding shares 1,090,002,015
(Treasury stock 123,115,713)

[3] Number of shareholders 66,222

[4] Major shareholders (Top 10) (As of March 31, 2009)

Name of Shareholder	State of Capital Contribution	
	Number of Shareholding	Ratio of Capital Contribution
Panasonic Corporation	266,454,660	27.56%
HSBC - FUND SERVICES, SPARX ASSET MANAGEMENT CO LTD	57,234,500	5.92%
STATE STREET BANK AND TRUST COMPANY 505103	48,964,500	5.06%
Japan Trustee Services Bank, Ltd. (Trust Account)	32,296,000	3.34%
Japan Trustee Services Bank, Ltd. (Trust Account 4)	32,273,400	3.34%
The Dai-ichi Mutual Life Insurance Company	18,522,680	1.92%
The Master Trust Bank of Japan, Ltd. (Trust Account)	13,741,700	1.42%
Resona Bank, Ltd.	13,724,559	1.42%
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	10,357,400	1.07%
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	6,796,200	0.70%

(Note) Ratio of Capital Contribution is calculated deducting the treasury stock (123,115,713).

3. Matters Regarding the Company's Share Options

Not applicable.

(Translation)

4. Matters Regarding Company Officers

[1] State of Directors and Auditors (As of March 31, 2009)

Name	Position and Responsibilities	State of Representation of Other Corporations
Haruo Kawahara	Chairman, (Representative Director of the Board) Executive Officer (CEO)	Representative Director, Victor Company of Japan , Limited
Kunihiko Sato	President, (Representative Director of the Board) Executive Officer (Operating Officer)	Director , Kenwood Corporation,
Hiroshi Odaka	Deputy President, Director of the Board Executive Officer CFO General Executive, Strategic Corporate Planning Division	
Motoyoshi Adachi	Senior Vice President, Director of the Board Strategic Business Development, General Executive, Business Development & Strategy Division	
Koji Kashiwaya	Director of the Board (External)	Director, Maruzen Textile Co. Director, Busou Real Estate Co. Visiting professor, Tokyo University of Agriculture and Technology,
Makoto Matsuo	Director of the Board (External)	Partner; Momoo, Matsuo & Namba Law Firm External Auditor, Victor Company of Japan , Limited External Director, Capcom Co., Ltd. External Director, Astellas Pharma Inc. External Auditor, Billing System Corporation External Auditor, Aquacast Corporation
Jiro Iwasaki	Director of the Board (External)	External Auditor, GCA Savvian Corporation Advisor, TDK Corporation
Shigeharu Tsuchitani	Auditor	Auditor, Victor Company of Japan, Limited.
Hideaki Kato	Auditor	Auditor, Kenwood Corporation
Noriyuki Shouyama	Auditor	External Auditor, Victor Company of Japan, Ltd. Regularly attending auditor, The Shinsen Company, Limited
Akihiko Washida	Auditor	Auditor, Cool.revo Inc.
Norimichi Saito	Auditor	Advisor, Corporate Legal Affairs Division, Panasonic Corporation

(Notes) 1. Directors Mr. Koji Kashiwaya, Mr. Makoto Matsuo, and Mr. Jiro Iwasaki are external directors stipulated in Article 2-15 of the Corporate Act.

2. Auditors Mr. Noriyuki Shouyama, Mr. Akihiko Washida, Mr. Norimichi, Saito are external auditors stipulated in Article 2-16 of the Corporate Act.

3. Auditor Mr. Hideaki Kato has been responsible of accounting operations at the Company for 26 years and has sufficient knowledge concerning finances and accounting.

4. The Company adopts the Executive Officer System.
There are a total of 10 executive officers including the aforementioned Directors Mr. Haruo Kawahara, Mr. Kunihiko Sato, Mr. Hiroshi Odaka and Mr. Motoyoshi Adachi.

Name	Position and Responsibilities
Masaaki Takeda	General Executive, Strategic Finance & Accounting Division, Managing Director, Victor Company of Japan, Limited.
Naomasa Mizuno	General Executive, Strategic Human Resources & General Affairs Division
Osamu Ueda	Deputy General Executive, Strategic Human Resources & General Affairs Division, Director, Victor Company of Japan, Limited.
Hiroyuki Taki	General Executive, Integrated Synergy Development Division
Satoru Maeda	General Executive, New Business Development Center
Keiichiro Doi	Deputy General Executive, New Business Development Center, Managing Director, Victor Company of Japan, Limited.

(Translation)

[2] Amount of Compensations of Directors and Statutory Auditors

Title	Number of Relevant Personnel	Amount of Compensation (Millions of yen)
Director (External Director)	7 (3)	92 (21
Statutory Auditor (External Auditor)	5 (3)	27 (7)
Total	12	119

(Notes)1. As JVC Kenwood was established on October 1, 2008, the above amounts of compensation are the amounts for 6 months counted from the establishment day to March 31, 2009.

2. The amount of compensation for the Directors does not include Employee compensation for ‘Director and Employee.’

3. According to Article 40 of JCV Kenwood’s Articles of Incorporation, which was approved as a part of the proposal regarding the share transfer plan at the 119th Ordinary General Meeting of Shareholders of Victor Company of Japan, Limited, and the 79th Ordinary General Meeting of Shareholders of Kenwood Corporation, both held on June 27, 2008, the amount of compensation for directors from the establishment day (October 1, 2008) to the 1st Ordinary General Meeting of Shareholders has been set at up to JPY 36 million per month and the amount of compensation for auditors for the same period has been set at up to JPY9 million per month.

[3] Matters Regarding External Officers

(1) State of Important Concurrency of External Officers

<table>
<tr><th>Position</th><th>Name</th><th>Company of Concurrent Office</th><th>Responsibilities of Concurrent Office</th><th>Relationship</th></tr>
<tr><td rowspan="10">External Director</td><td rowspan="3">Koji Kashiwaya</td><td>Maruzen textile Co.</td><td>Director</td><td rowspan="3">No significant business relationship with JVC KENWOOD Holdings, Inc.</td></tr>
<tr><td>Busou Real Estate Co.</td><td>Director</td></tr>
<tr><td>Tokyo University of Agriculture and Technology,</td><td>Visiting professor</td></tr>
<tr><td rowspan="5">Makoto Matsuo</td><td>Victor Company of Japan , Limited</td><td>External Auditor</td><td>Subsidiary Company of JVC KENWOOD Holdings, Inc.</td></tr>
<tr><td>Capcom Co., Ltd.</td><td>External Director</td><td rowspan="6">No significant business relationship with JVC KENWOOD Holdings, Inc.</td></tr>
<tr><td>Astellas Pharma Inc.</td><td>External Director</td></tr>
<tr><td>Billing System Corporation</td><td>External Auditor</td></tr>
<tr><td>,Aquacast Corporation</td><td>External Auditor</td></tr>
<tr><td rowspan="2">Jiro Iwasaki</td><td>GCA Savvian Corporation</td><td>External Auditor</td></tr>
<tr><td>TDK Corporation</td><td>Advisor</td></tr>
<tr><td rowspan="4">External Auditor</td><td rowspan="2">Noriyuki Shouyama</td><td>Victor Company of Japan, Limited.</td><td>External Auditor,</td><td>Subsidiary Company of JVC KENWOOD Holdings, Inc.</td></tr>
<tr><td>The Shinsen Company, Limited</td><td>Regularly attending auditor</td><td rowspan="2">No significant business relationship with JVC KENWOOD Holdings, Inc.</td></tr>
<tr><td>Akihiko Washida</td><td>Cool.revo Inc.</td><td>Auditor</td></tr>
<tr><td>Norimichi Saito</td><td>Panasonic Corporation</td><td>Advisor, Corporate Legal Affairs Division</td><td>Panasonic owns 27.6% (266,454,660 shares) of the Company’s voting rights and has business transactions with subsidiaries of the Company.</td></tr>
</table>

(Translation)

(2) Major Activities of External Officers

Position	Name	Major Activities
External Director	Koji Kashiwaya	Attendance for the meeting of the Board of Directors in the current fiscal year: 11 (Attendance rate: 100%) Mr. Kashiwaya provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner based on his plentiful experience, performance records and insight in areas such as finance and taxation.
	Makoto Matsuo	Attendance for the meeting of the Board of Directors in the current fiscal year: 11 (Attendance rate: 100%) Mr. Matsuo provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner based on his plentiful experience, knowledge and professional views from a legal aspect as a lawyer.
	Jiro Iwasaki	Attendance for the meeting of the Board of Directors in the current fiscal year: 11 (Attendance rate: 100%) Mr. Iwasaki provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner based on his plentiful experience, performance records and insight regarding the management of company.
External Auditor	Noriyuki Shouyama	Attendance for the meeting of the Board of Directors in the current fiscal year: 11 (Attendance rate: 100%) Attendance for the meeting of the Board of Auditors in the current fiscal year: 8 (Attendance rate: 89%) Mr. Shouyama has a background of working for a financial institution (a trust bank) and provides the necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight.
	Akihiko Washida	Attendance for the meeting of the Board of Directors in the current fiscal year: 11 (Attendance rate: 100%) Attendance for the meeting of the Board of Auditors in the current fiscal year: 9 (Attendance rate: 100%) Mr. Washida provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight regarding business management.
	Norimichi Saito	Attendance for the meeting of the Board of Directors in the current fiscal year: 9 (Attendance rate: 82%) Attendance for the meeting of the Board of Auditors in the current fiscal year: 9 (Attendance rate: 100%) Mr. Saito provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight in the legal field.

(Note) During the current fiscal year, there were 11 meetings of the Board of Directors and there were 9 meetings of the Board of Auditors.

(3) Matters Regarding the Liability Limitation Agreement (Overview of the Liability Limitation Agreement of External Directors and External Auditors)

The Company prescribes the provision regarding the liability limitation agreement to be concluded with external directors and external auditors in the Articles of Incorporation.

An outline of the contents of liability limitation agreements that the Company concluded with all external directors and external auditors in accordance with the Articles of Incorporation is as follows:

The amount of indemnity liability provided under Article 423-1 of the Corporate Act is limited to JPY5 million or the minimum liability limitation provided by the law, whichever is higher, provided that the external directors and external auditors have conducted their duty faithfully and without gross negligence.

(4) Amount of Compensation Received as Executive Officer for Current Fiscal Year from Parent Company or Subsidiary of Parent Company

Not applicable.

(5) Opinions from External Officers in Relation to the Description

Not applicable.

5. State of Accounting Auditor

[1] Name of Accounting Auditor

Deloitte Touche Tohmatsu

[2] Overview of Liability Limitation Agreement

Not applicable.

[3] Amount of Compensation for Accounting Auditor for Current Fiscal Year

(Millions of yen)

Amount of compensation for accounting auditor for current fiscal year	27
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	171

(Notes) 1. The Company pays to the accounting auditor, in consideration of the consulting service concerning internal control upon financial reporting, which is a service other than those stipulated in Article 2 Clause 1 of the Certified Public Accountants Law.

2. In the audit agreement between the Company and the accounting auditor, the amounts of compensations for the audit based on the Corporate Act and the audit based on the Financial Instruments Exchange Law is not distinguished, and also substantively undistinguished. Therefore the total amount of these compensations is stated as the amount of compensation for accounting auditor for current fiscal year.

3. Victor Company of Japan, Limited, a subsidiary of the Company, is being audited by an auditing firm which is different from the auditing firm of the Company.

(4) Policy for Dismissal and Non-reappointment Decisions

At the Company, if the accounting auditor falls under the items stipulated in Article 340-1 of the Corporate Act, the Board of Auditors shall dismiss the accounting auditor based on the unanimous consent of the Board of Auditors. Also, in principle, in case the accounting auditor falls into a condition that is seriously detrimental to performing the auditing service, such as receiving an audit business suspension order from a regulatory authority, the Board of Auditors shall propose to the general meeting of shareholders, a bill concerning the dismissal or non-reappointment of the accounting auditor.

(Translation)

6. Framework and Policies of the Company

[1] Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations and the Articles of Incorporation/Framework to Ensure Propriety of Other Operations

The matters which the Company set forth at the Board of Directors as "an establishment of framework necessary to ensure propriety of the operations of a stock corporation" stipulated in Article 362-4-6 of the Corporate Act and in Article 100-1 and 100-3 of the Ordinance for Enforcement of the Corporate Act are as follows:

1) Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations and the Articles of Incorporation

(1) To concretely lay down the guideline for practicing the management principles and abide thereby
(2) To establish rules regarding the directors' ethics and abide thereby
(3) To prescribe the "Board of Directors Regulation" and properly supervise the decision-making by the management and execution of duty by the directors
(4) To let the auditors audit the directors' execution of their duties from an independent position

2) Framework for the Storage and Management of Information in Relation to the Directors' Exercise of Function

(1) To create Minutes of Board of Directors in accordance with the "Board of Directors Regulation" and permanently store the minutes at the head office
(2) To establish rules for the decision-making (*ringi*) system, safe-keeping of important information related to finance, etc., and creation/storage of documents and handle them determinately

3) Framework for Regulations and Such Concerning the Management of Risk of Loss

(1) To prescribe rules regarding the compliance and risk management, establish a company-wide structural system to monitor them and clarify the responsibility
(2) To update risk management rules classified for types of risk and apply them for the prevention of various risks, clarification of actions to be taken and measures for restoration

4) Framework to Ensure the Efficient Exercise of Function of the Directors

(1) To clarify the management objectives by the establishment of a business plan or such like, and verify the accomplishment status thereof
(2) To prescribe the "Board of Directors Regulation" and the "Administrative Authority Regulation" and clarify the management decision-making method
(3) To establish rules regarding the segregation of authority and duty for each department and implement them determinately

5) Framework to Secure Compliance of Employees' Execution of Duty with Laws/Regulations and Articles of Incorporation

(1) To establish standards which indicate the corporate philosophy and action guidelines for employees, nominate the department to manage the observation of corporate ethics and let the standard and the organization be fully recognized by all employees including those of domestic and overseas group companies
(2) To update various internal rules, guidelines, and such like, and make them as the guidelines for the execution of duties by the employees
(3) To execute the internal audit and make the internal notification system fully workable

6) Framework to Ensure Propriety of Business Operation for the Corporate Group Consisting of the Company and Its Subsidiaries

(1) To share the corporate philosophy and management policies with subsidiary group companies and expand the application of the "Administrative Authority Regulation," the "Decision-making Authority Standards" and the "Decision-making Items Table" to subsidiary group companies in order to ensure the propriety of business operations as a whole corporate group
(2) To dispatch directors or business supervising officers to main group subsidiary companies in order to ensure the propriety of business operation
(3) To execute the audit of subsidiary group companies by the internal audit department

7) System Related to Employees to Assist Auditors' Duty and Matters Regarding Independency of Such Employees from Directors' Control

(1) To assign employees to support the auditing work as staffs of auditors
(2) To let auditors evaluate the performance of employees exclusively assigned as staff of auditors and to have prior discussion with auditors with regard to the assignment of such staff

8) Framework for the Reporting of Directors and Assistants to Auditors/Framework for Other Reporting to Auditors

(1) To let auditors attend the Board of Directors meetings and other important meetings and listen to reports there
(2) To let directors and general managers of head office departments report their business execution status periodically and as required
(3) To let auditors execute auditing of every business units and domestic/overseas group companies based on the annual audit plan, including the above, and listen to reports there.
(4) To provide a notification system, by which parties such as employees can directly notify any fraudulent activities and concerned issues regarding accounting and auditing to the board of auditors

9) Framework to Ensure Effective Auditing of Auditors

(1) To let directors prepare conditions to enable the execution of effective audit in accordance with the audit plan to be made up by auditors.
(2) To let representative directors and auditors have periodical meetings in order to enhance mutual communication
(3) To let directors prepare conditions to enable auditors to cooperate with the departments in charge of legal affairs, accounting and internal auditing as well as external experts for the implementation of their duty

10) Framework to Ensure Propriety of financial Reports

(1) To prepare the system to ensure the propriety of financial reports of the corporate group consisting of the company and its subsidiaries based on the Financial Instruments and Exchange Act and related laws and regulations
(2) To evaluate the enhancement and operation of the system to ensure the propriety of financial reports periodically and promote the improvement

11) Basic Policy for the Elimination of Antisocial Forces

The JVC Kenwood Group shall block off any and all transactions, including the provision of funds and backstage deals, with all antisocial organizations which could possibly cause damage to the whole JVC Kenwood Group, including its stakeholders by making unjustifiable requests to the group's officers and employees or by obstructing healthy business activities, by means of tying up with external professional organizations as needed and taking appropriate measures including legal actions. The JVC Kenwood Group recognizes that the exclusion of such antisocial forces is essential for ensuring the propriety of JVC Kenwood's businesses.

(2) Basic Policy Regarding the Control of a Stock Company

In a case where share acquisition by a specific individual or group may risk damaging the corporate value or the common interests of shareholders, it is considered necessary to take appropriate measures to ensure the corporate value and the common interests of shareholders to the extent that can be tolerated by laws and regulations and the Articles of Incorporation. The Company also acknowledges the importance of ensuring the corporate value and the common interests of shareholders, and is carefully continuing reviews on the matter, but at this point no introduction of any concrete defense measures have been implemented.

(3) Basic Policies for Distribution of Profits

JVC Kenwood considers it one of the most important managerial issues to provide shareholders with stable returns on their investments, and decides on details such as the distribution of retained earnings by comprehensively taking into account profitability and financial conditions.

For the term under review (the fiscal year ended March 2009), Kenwood paid an interim dividend of two yen per share, the same amount as its annual dividend for the year through March 2008, with September 30, 2008 as the record date, prior to the management integration. In the second half of the term under review, the economic environment deteriorated more than had expected, and this eliminated restructuring effects and integration effects. Against this backdrop, we have to concentrate our management resources to accomplish an earnings recovery in the future. Hence, JVC Kenwood will refrain from paying term-end dividends.

END

(Translation)

Consolidated Balance Sheets

(As of March 31, 2009)

(Millions of yen)

Accounting Items	Amount	Accounting Items	Amount
(Assets)		(Liabilities)	
Current assets	**213,588**	**Current liabilities**	**215,892**
Cash and cash equivalents	52,417	Trade notes and accounts payable	30,391
Trade notes and accounts receivable	78,743	Short-term borrowings	91,101
Finished goods	48,843	Bonds due within one year	20,960
Work in process	5,314	Income taxes payable	1,457
Raw materials and supplies	14,305	Provision for product warranties	3,452
Other	16,876	Provision for returned goods adjustment	1,401
Allowance for doubtful receivables	(2,911)	Provision for Structural reform	3,744
		Accrued expenses	48,731
Fixed assets	**140,441**	Other	14,650
Tangible fixed assets	**103,134**		
Buildings and structures	22,765	**Long term liabilities**	53,181
Machinery and equipment	8,172	Bonds	20,600
Tools, furniture and fixtures	10,514	Liability for employee's retirement benefits	17,422
Land	57,508	Negative goodwill	2,433
Construction in Process	4,172	Other	12,725
Intangible fixed assets	**20,100**	**Total Liabilities**	**269,073**
Software	9,015	(Net Assets)	
Goodwill	5,580	**Shareholders' equity**	**102,055**
Other	5,503	Paid-in capital	10,000
Investments and other assets	**17,206**	Capital surplus	111,143
Investment securities	4,468	Retained earnings	1,174
Other	13,476	Treasury stock	(20,261)
Allowance for doubtful receivables	(738)	**Valuation and translation adjustment**	**(18,320)**
		Unrealized gain and loss on available-for-sale securities	(401)
Deferred assets	**622**	Deferred hedge gain and loss	39
Bond issuing expenses	463	Land revaluation surplus	2,954
Stock issuing expenses	158	Foreign currency translation adjustments	(20,912)
		Minority interests	**1,843**
		Total Net Assets	**85,579**
Total Assets	**354,652**	**Total Liabilities and Net Assets**	**354,652**

(Translation)

Consolidated Statement of Income

(From April 1, 2008 to March 31, 2009)

(Millions of yen)

Accounting Items	Amount	
Net sales		**309,771**
Cost of sales		**216,037**
Gross profit		**93,734**
Selling, general and administrative expenses		**93,626**
Operating profit		**107**
Non-operating profit		
Interest	301	
Dividends income	82	
Amortization for Negative goodwill	819	
Other	1,775	2,979
Non-operating expense		
Interest expense	2,311	
Sales discount	846	
Foreign currency loss	2,578	
Other	4,159	9,896
Ordinary profit (loss)		**(6,809)**
Extraordinary profit		
Gain on sales of fixed assets	1,323	
Gain on sales of investment securities	372	
Other	87	1,783
Extraordinary loss		
Loss on disposal of fixed assets	661	
Loss on appraisal of inventory	740	
Loss on sales of fixed assets	3,332	
Loss on decrease	3,526	
Other	3,465	11,726
Income (loss) before income taxes		**(16,752)**
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,073	
Corporate tax and other adjustment	35	2,109
Minority interests (loss)		(66)
Net income (loss)		**(18,795)**

(Translation)

Consolidated Statement of Changes in Shareholders' Equity

(From April 1, 2008 to March 31, 2009)

(Million of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2008	11,059	13,373	21,534	(118)	45,848
Changes during the consolidated fiscal year					
The amount of decrease of retained earnings with the application (ASBJ PITF No. 18)			(96)		(96)
Increase (decrease) by Share transfer	(1,059)	97,894		(20,260)	76,575
Payment of dividends			(1,467)		(1,467)
Net income (loss)			(18,795)		(18,795)
Acquisition of treasury stocks				(8)	(8)
Cancellation of treasury stocks		(125)		125	-
Changes (net amount) of items other than shareholders' equity during the fiscal year					-
Total changes during the fiscal year	(1,059)	97,769	(20,360)	(20,143)	56,206
Balance as of March 31, 2009	10,000	111,143	1,174	(20,261)	102,055

	Valuation and translation adjustments					Minority interests	Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Foreign currency translation adjustments	Total valuation and translation adjustment		
Balance as of March 31, 2008	(7,319)	-	2,954	(11,558)	(15,923)	-	29,925
Changes during the consolidated fiscal year							
The amount of decrease of retained earnings with the application (ASBJ PITF No. 18)							(96)
Increase (decrease) by Share transfer							76,575
Payment of dividends							(1,467)
Net income (loss)							(18,795)
Acquisition of treasury stocks							(8)
Cancellation of treasury stocks							-
Changes (net amount) of items other than shareholders' equity during the fiscal year	6,918	39	-	(9,354)	(2,396)	1,843	(553)
Total changes during the fiscal year	6,918	39	-	(9,354)	(2,396)	1,843	55,653
Balance as of March 31, 2009	(401)	39	2,954	(20,912)	(18,320)	1,843	85,579

(Translation)

Non-consolidated Balance Sheets

(As of March 31, 2009)

(Millions of yen)

Accounting Items	Amount	Accounting Items	Amount
(Assets)		(Liabilities)	
Current assets	**743**	**Current liabilities**	**2,019**
Cash and cash equivalents	249	Short term bank borrowings in affiliated companies	367
Prepaid expenses	8	Debt for lease	2
Accrued revenue	485	Accounts payable (not trade)	794
		Accrued expenses	684
Fixed assets	**133,723**	Income taxes payable	10
Tangible fixed assets	**22**	Other	159
Machinery and equipment	9		
Vehicle equipment	5	**Long term liabilities**	**22,011**
Tools, furniture and fixtures	7	Long term debt in affiliated companies	22,000
Intangible fixed assets	**35**	Debt for lease	11
Software	35	**Total Liabilities**	**24,030**
Investments and other assets	**133,365**	(Net Assets)	
Investments in affiliated companies	133,665	**Shareholders' equity**	**110,436**
		Paid-in capital	**10,000**
		Capital surplus	**122,166**
		Capital reserve	10,000
		Other capital surplus	112,166
		Retained earnings	**(1,468)**
		Other retained earnings	(1,468)
		Cumulative retained earnings	(1,468)
		Treasury stock	**(20,261)**
		Total Net Assets	**110,436**
Total Assets	**134,467**	**Total Liabilities and Net Assets**	**134,467**

(Translation)

Non-consolidated Statement of Income

(From October 1, 2008 to March 31, 2009)

(Millions of yen)

Accounting Items	Amount	
Operating revenue		**3,983**
Operating cost		**3,857**
Operating profit		**125**
Non-operating profit		0
Non-operating expense		
Interest expense	15	
Expense for the integration management	550	565
Ordinary profit (loss)		**(438)**
Extraordinary loss		
Loss on extinction Tie-in stocks	1,131	1,131
Income (loss) before income taxes		**(1,570)**
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(101)	(101)
Net income (loss)		**(1,468)**

Non-consolidated Statement of Changes in Shareholders' Equity

(From October 1, 2008 to March 31, 2009)

(Unit: million yen)

	Shareholders' equity							Total net assets
	Paid-in capital	Capital surplus			Retained earnings	Treasury stock	Total share-holders' equity	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings / Cumulative retained earnings			
Balance as of previous FYE	-	-	-	-	-	-	-	-
Changes during the fiscal year								
Increase by Share transfer	10,000	10,000	112,166	122,166			132,166	132,166
Net income (loss)					(1,468)		(1,468)	(1,468)
Acquisition of treasury stocks						(20,261)	(20,261)	(20,261)
Total changes during the fiscal year	10,000	10,000	112,166	122,166	(1,468)	(20,261)	110,436	110,436
Balance as of March 31, 2009	10,000	10,000	112,166	122,166	(1,468)	(20,261)	110,436	110,436

(Translation)

SHAREHOLDERS' MEMO

- Fiscal year	April 1 to March 31
- Ordinary general meeting of shareholders	Some time in June
- Record date with respect to voting rights to be exercised at the ordinary general meeting of shareholders	March 31
- Base dates for dividends of surplus	September 30 March 31 Dividends of surplus may be paid on base dates other than the above base dates.
- Method of public notice	Public notice will be made electronically. Electronic public notices will be posted on our website: (http://www.jk-holdings.com) However, in the event that electronic public notices are not available for reasons such as accidents or other contingencies, the public notice will be posted in the Nikkei (the Nihon Keizai Shimbun)
- Stock listing market	1st Section of Tokyo Stock Exchange
- Securities Code	6632
- Administrator of shareholder registry	5-33, 4-chome, Kitahama, Chuo-ku, Osaka The Sumitomo Trust & Banking Co., Ltd.
Service location	4-4, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd.
Contact (Inquires/Sending address)	1-10 Nikkoucho, Fuchu-shi, Tokyo, 183-8701 Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd. (Telephone inquires) 0120-176-417 (URL) http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html

<Contact>
Public and Investor Relations, Strategic Corporate Planning Division, JVC KENWOOD Holdings, Inc.
Address: 12, 3-chome, Moriya-cho, Kanagawa-ku, Yokohama, Kanagawa, 221-0022, Japan
TEL: +81-45-444-5232 (direct)

Forward-looking Statements
When included in this convocation notice, the words "will," "should," "expects," "intends," "anticipates," "estimates," and similar expressions, among others, identify forward-looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in this document. These forward-looking statements are made only as of the date of this document. JVC KENWOOD Holdings, Inc. expressly disclaim any obligations or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Actual results may vary widely from forecasts due to the following factors: 1) drastic changes in economic conditions and product supply and demand in major markets (Japan, Europe, The Americas, Asia etc.), 2) changes in trade regulations and other regulatory changes in major domestic and international markets, 3) drastic changes in foreign exchange rates (yen-dollar, yen-euro etc.), 4) sharp moves in the capital markets, and 5) changes in social infrastructure caused by drastic changes in technology etc. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.

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