Translation for Reference Only

JVC Kenwood Group's Results and Forecast Briefing

Fiscal Year Ended March 2010

JVC KENWOOD Holdings, Inc
May 14, 2010

Financial Results Overview
for Fiscal Year Ended March 2010

Hiroshi Odaka, Director and CFO

Future Measures and Business Forecasts
for Fiscal Year Ending March 2011

Haruo Kawahara, Chairman, President and CEO

Financial Results Overview
for Fiscal Year Ended March 2010

Hiroshi Odaka, Director and CFO

Abbreviation:

CE: **Car Electronics**

H&M: **Home & Mobile Electronics**

DP: Display, CAM: Camcorder, HA: Home audio

PS: **Professional Systems**

COM: Communications, BS: Business solution

ET: **Entertainment**

FYE3/'10 - Summary of Financial Results

Net sales

* The CE business began to improve in 2Q.
* Affected by the curtailment of DP operations in Europe, delayed recovery of sales of CAMs, slow recovery of orders in the Professional Systems business, and a lack of blockbusters in the Entertainment business.

Profits and losses

* Exceeded original forecasts because the operating balance returned to surplus in 4Q.
* The CE business began to follow a positive trend in 2Q, and posted a surplus for the full fiscal year. The land mobile radio segment also began to improve in 2Q, and recorded a surplus for the full fiscal year.
* Affected by a deterioration of earnings due mainly to falling prices of CAMs, and weaker earnings caused by decreasing sales of BSs and the Entertainment business.

(billion yen)

	Net sales	Operating profit	Ordinary income	Net income	Exchange rate
FYE3/'10	398.7	-6.5	-14.8	-27.8	USD: JPY 93 Euro: JPY 131
Forecast as of March 12	400.0	-9.0	-17.5	-28.5	USD: JPY 93 Euro: JPY 131
FYE3/'09 (reference figures)	545.6	-4.0	-16.5	-42.9	USD: JPY101 Euro: JPY 144

(Reference: The figures above include those of JVC for the first half of the previous fiscal year.)

FYE3/'10 Financial Results - Quarterly Performance

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* Earnings began to recover in 2Q after hitting bottom in 1Q due to the effects of structural reforms and management integration.
* The operating balance returned to surplus for the first time since 3Q in FYE3/'10, and Operating profit was the largest since management integration.

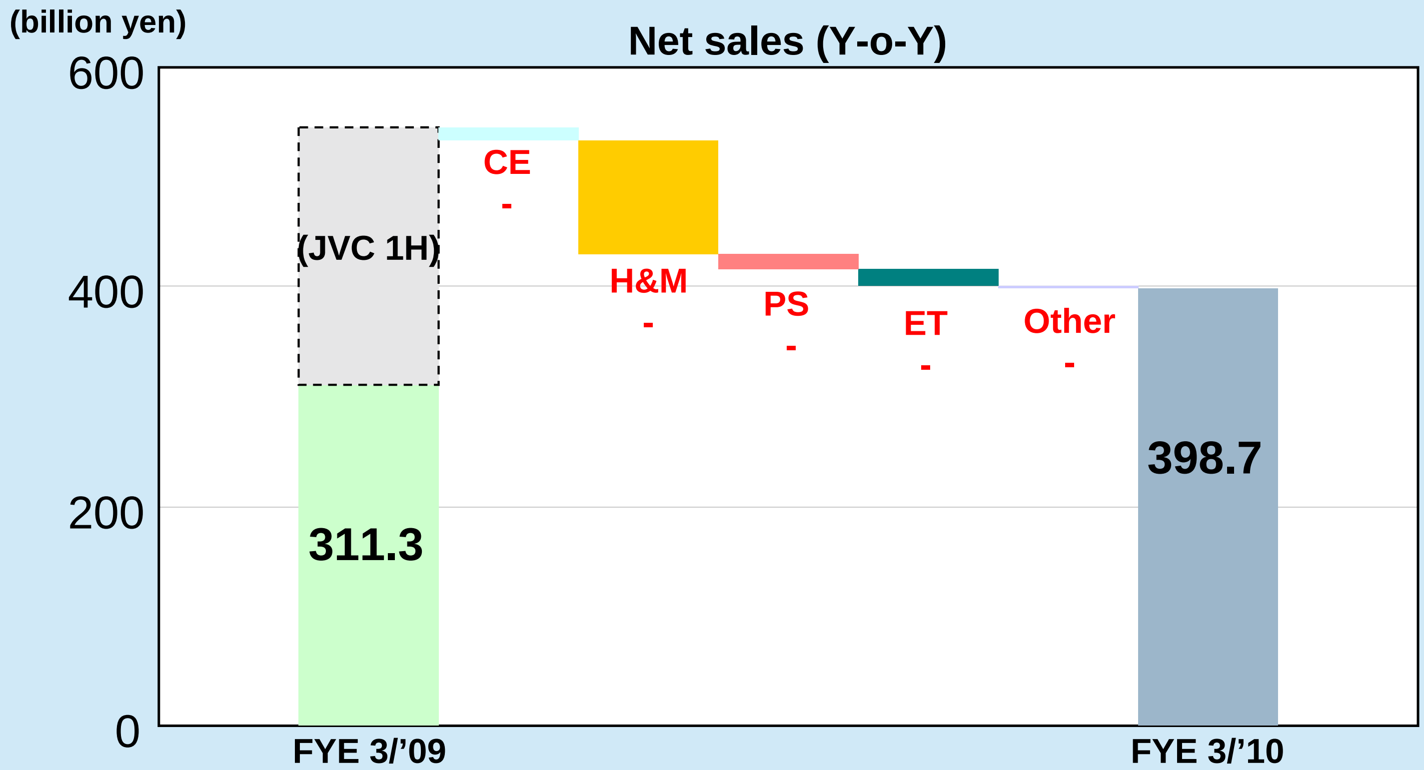
(billion yen)

	Net Sales	Operating profit	Ordinary income	Net income	Exchange rate
1Q	98.6	-6.9	-8.6	-9.5	USD: JPY 97 Euro: JPY 133
2Q	104.7	-0.9	-2.4	-7.3	USD: JPY 94 Euro: JPY 134
3Q	102.1	-0.9	-3.3	-5.4	USD: JPY 90 Euro: JPY 133
4Q	93.2	2.3	-0.5	-5.5	USD: JPY 91 Euro: JPY 125
Full Year	398.7	-6.5	-14.8	-27.8	USD: JPY 93 Euro: JPY 131

FYE3/'10 Financial Results - Net Sales

Results for FYE3/'10: JPY 398.7B

* The CE business began to improve in 2Q.
* Meanwhile, sales were affected by the curtailment of DP operations in Europe, delayed recovery of sales of CAMs, slow recovery of orders for BSs, among others, in the Professional Systems business, and a lack of blockbusters in the Entertainment business.



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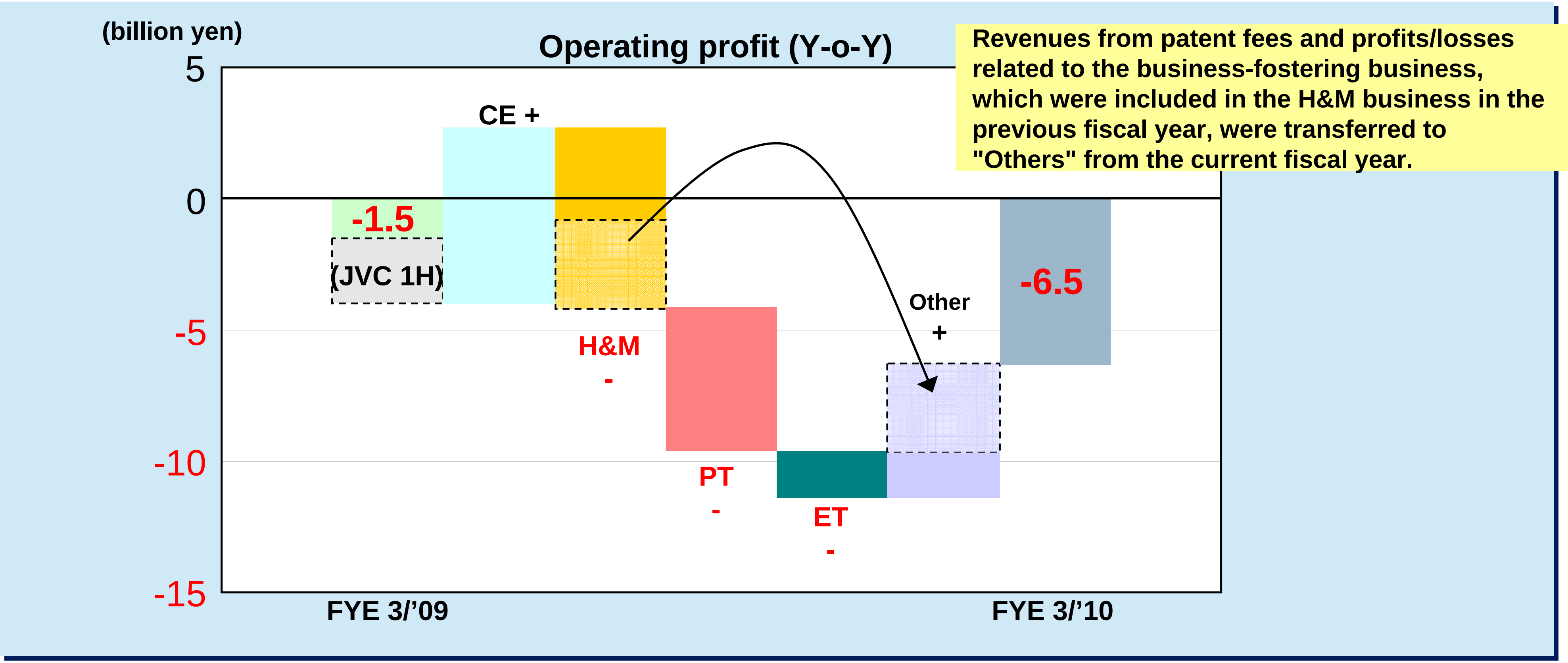
Results for FYE3/'10: JPY-6.5B

* Both the consumer and OEM segments of the CE business began to move into surplus in 2Q, and returned a profit for the full fiscal year.
* Operating profit was affected by a deterioration of earnings caused by falling prices of CAMs and an increase of sales promotion expenses, as well as by a slump in earnings caused by decreasing sales of BSs and the Entertainment business.
* Cost-reduction effects were JPY24.5B, cost-synergy effects were JPY7.8B, and accounting effects were JPY3.7B.



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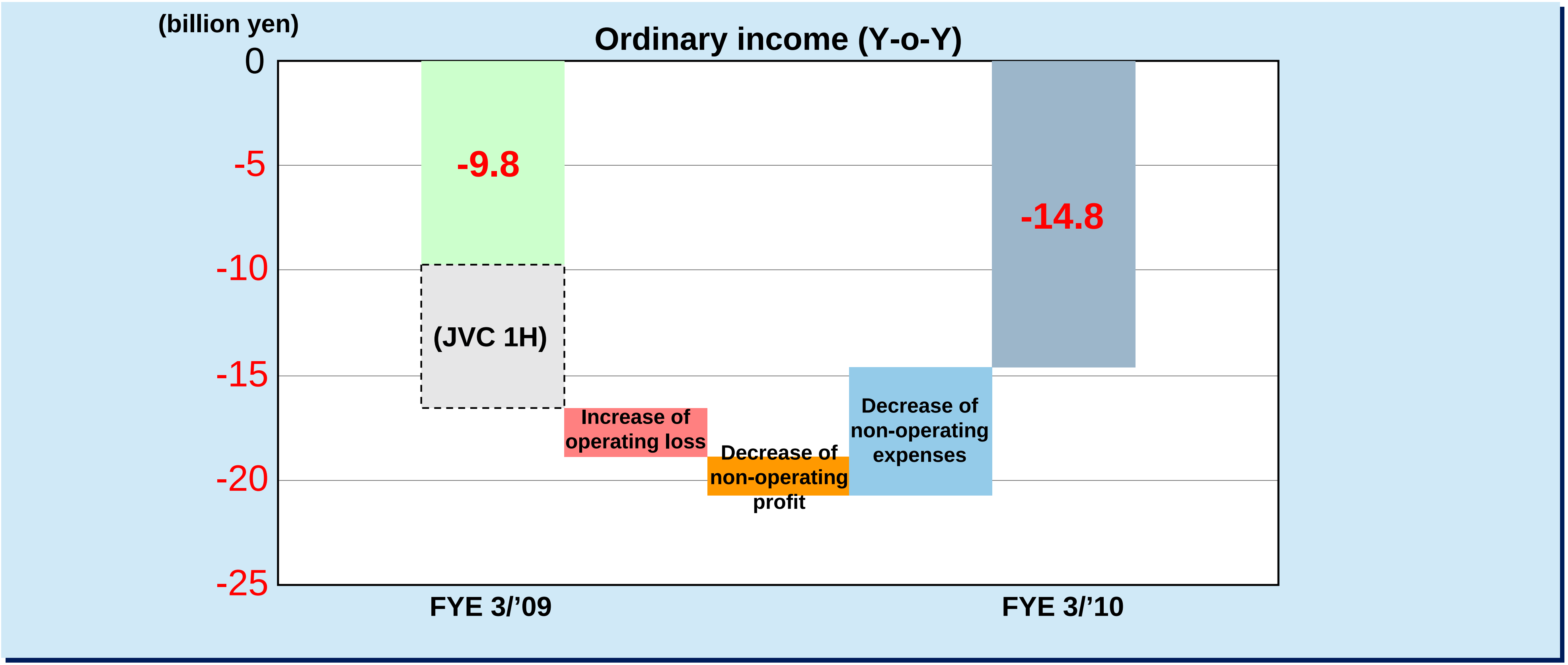
Results for FYE3/'10: JPY-14.8B

* Among non-operating expenses, interest expenses and loan commissions were JPY4.3B, foreign-exchange losses were JPY0.8B, and expenses for extended warranty services were JPY0.9B.

* Accounting effects were JPY0.6B, and cost-synergy effects were JPY0.2B.



FYE3/'10 Financial Results - Net Income

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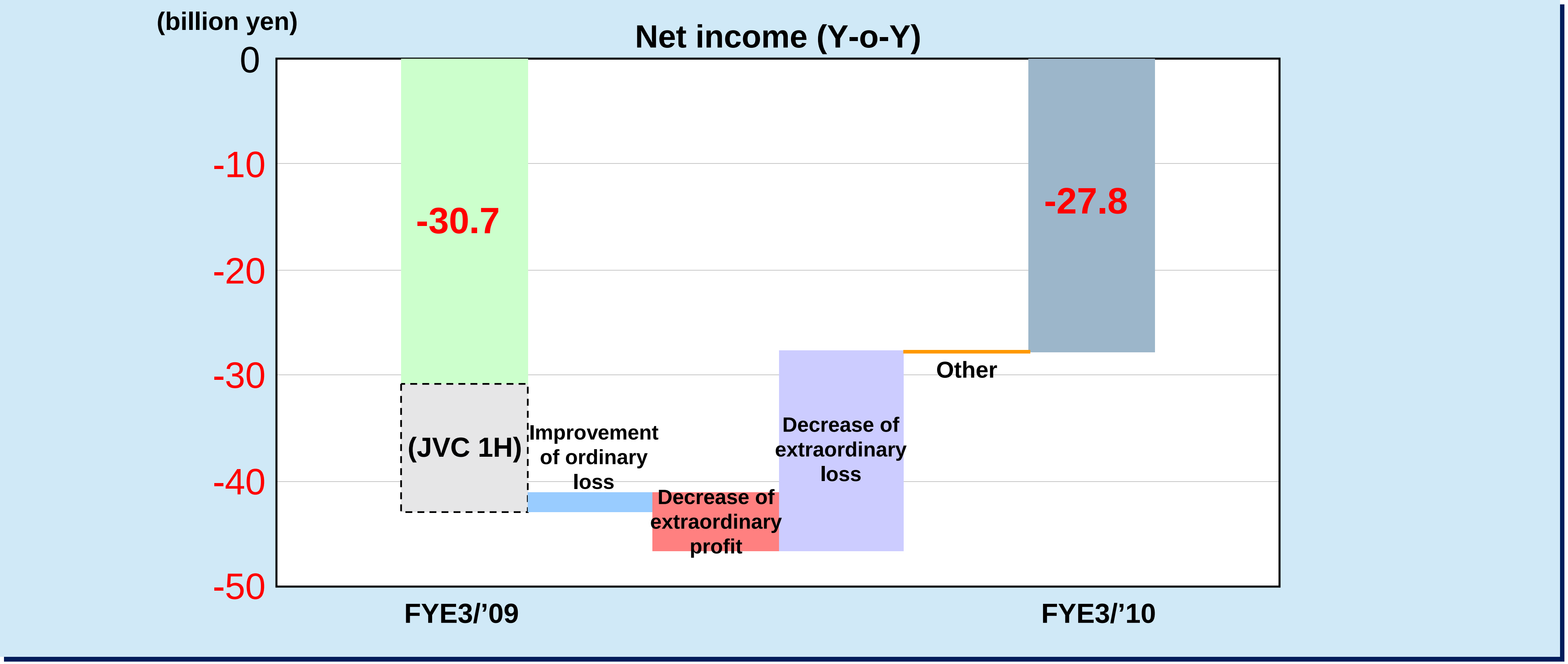
Results for FYE3/'10: JPY-27.8B

* Impairment losses were JYP4.4B, losses on sales and disposal of fixed assets were JPY3.1B, restructuring expenses were JPY1.8B, and corporate tax, etc., was JPY3.8B.

* Accounting effects, achieved by partially setting aside restructuring expenses and applying the consolidated taxation system, were JPY4.1B, and cost synergy effects were JPY0.7B.



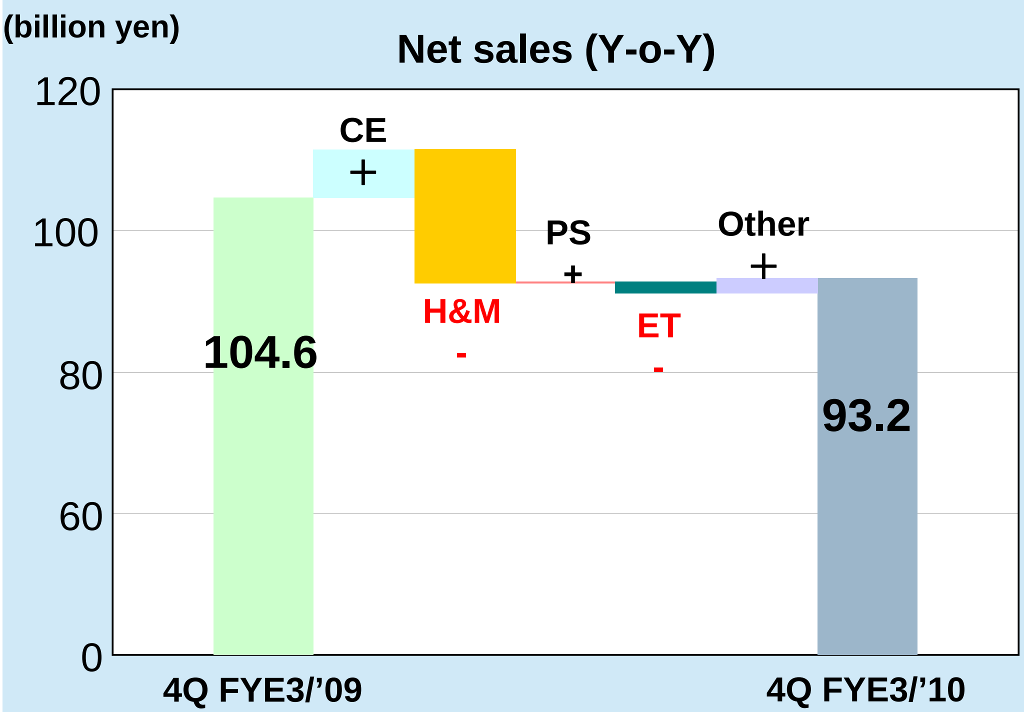
FYE3/'10 Financial Results - 4Q Results

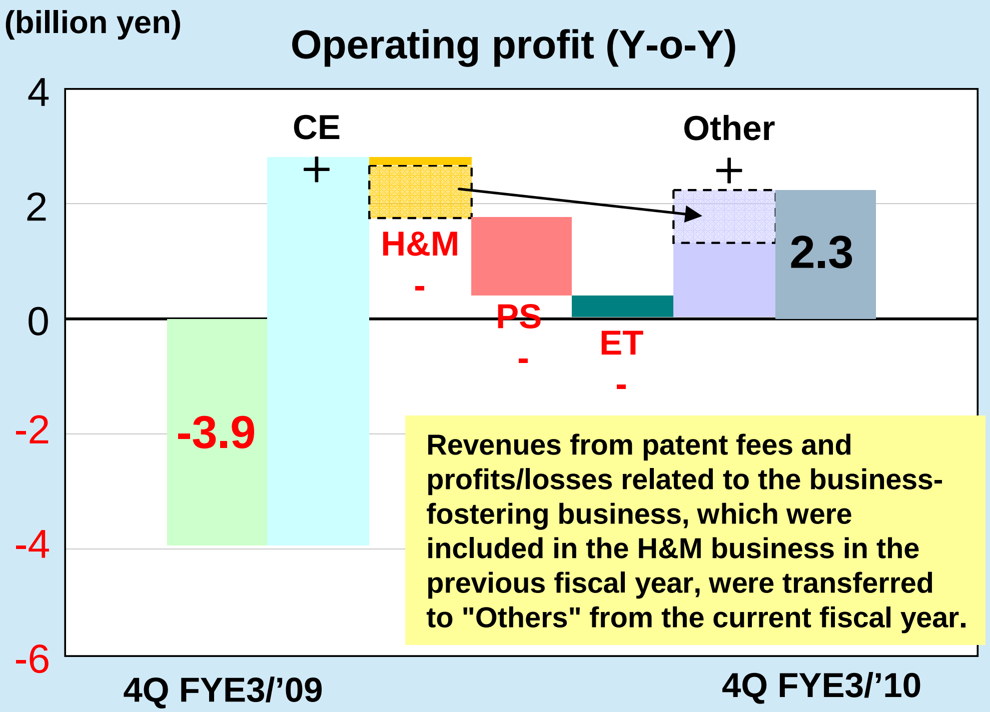
Net Sales: JPY93.2B

* Decreased from FYE3/'09, but the decrease was limited to JPY11.4B (10.9%) because sales of the CE business partially offset a decrease of sales of the H&M business.
* Dropped from 3Q, but the decline was limited to JPY8.9B (8.7%), due mainly to a recovery of sales of the Professional Systems business.

Operating profit: JPY2.3B

* Improved JPY6.2B from a year earlier as the CE business moved substantially into surplus and losses from DPs and HA systems decreased.
* Improved JPY3.2B from 3Q because of a sharp improvement of the CE business.





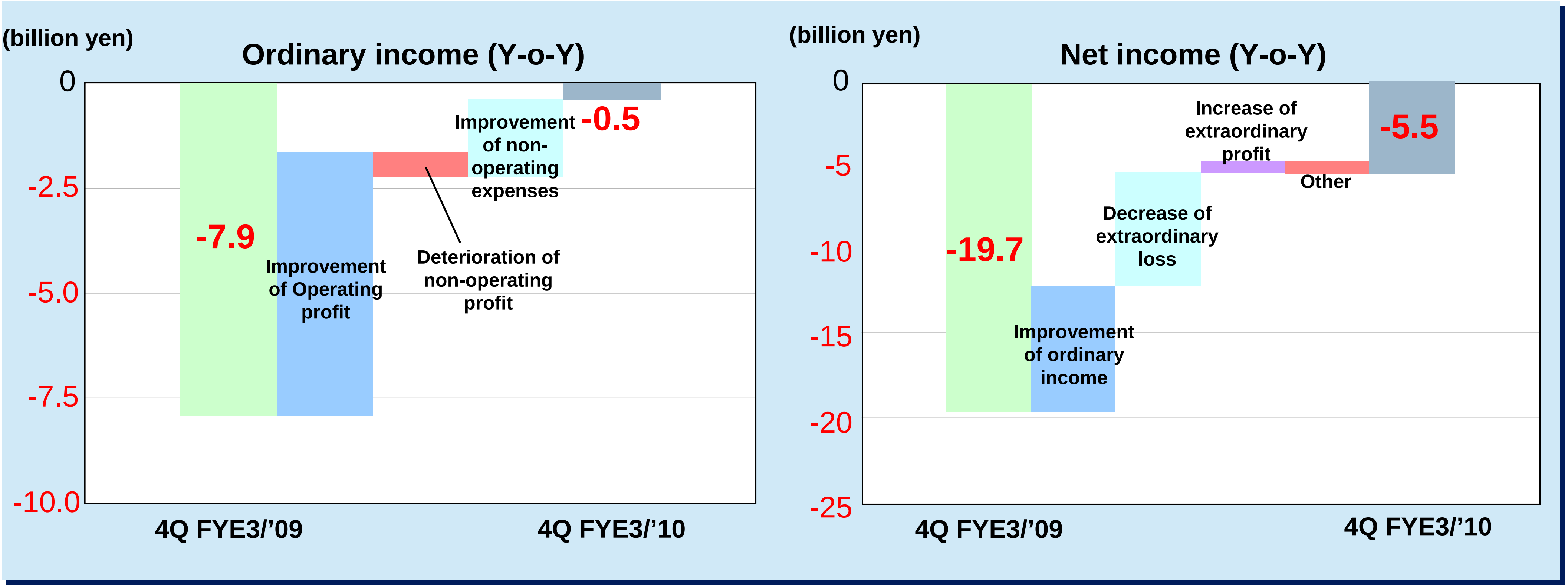
FYE3/'10 Financial Results - 4Q Results

Ordinary income: JPY-0.5B

* Improved JPY7.4B from a year ago due to improved Operating profit and non-operating profit and loss.
* Improved JPY2.8B from 3Q due to improved Operating profit.

Net income: JPY-5.5B

* Improved JPY14.2B from FYE3/'09 due to decreased ordinary loss and extraordinary loss.
* Remained almost unchanged from 3Q because increased extraordinary loss offset a decreased ordinary loss.



FYE3/'10 - Effects of Structural reforms and management integration

Effects of structural reforms (additional measures)

* Reform of business structure
* Reform of employment structure
* Emergency measures

Effects of integration

* Cost synergy (such as development, procurement and intellectual property)
* Accounting effects (purchase method)
* Effect of consolidated taxation

(billion yen)

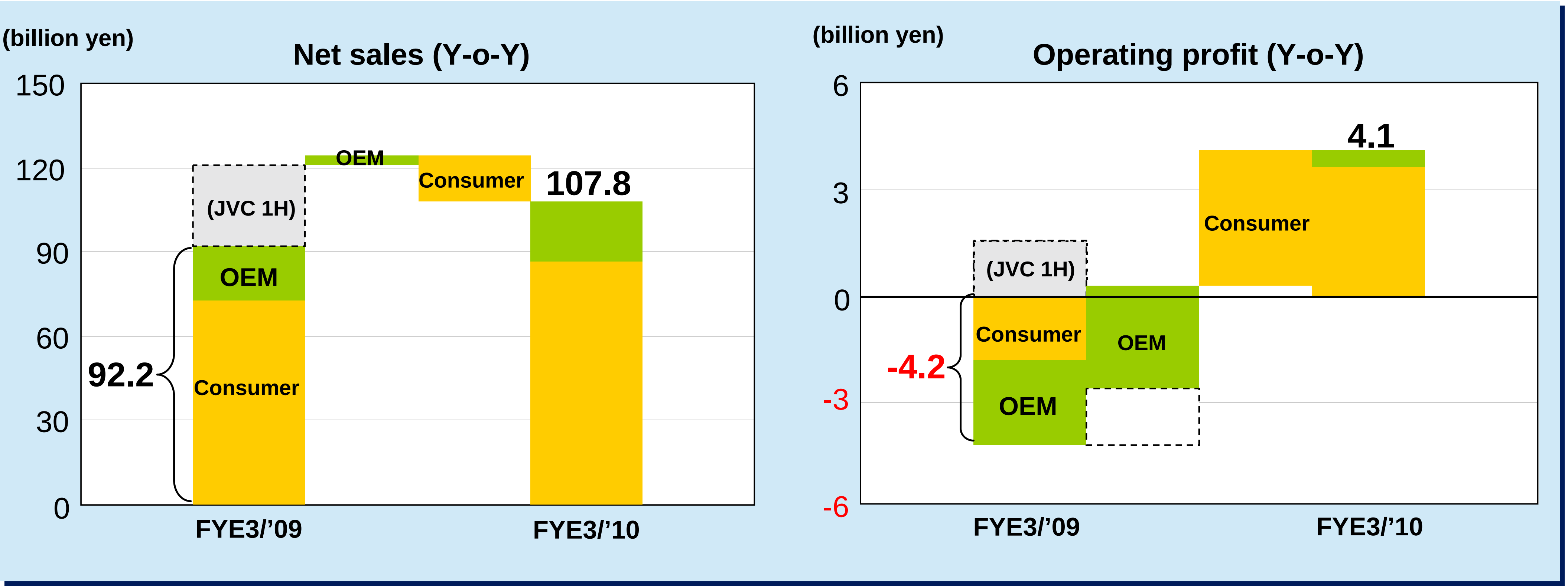
		Operating profit	Non-operating profit and loss	Extraordinary income and loss, corporate tax, etc.	Total
Effects of additional measures (Annual target of JPY 25.0B)	4Q	6.0	-	-	**6.0**
	1-4Q	24.5	-	-	**24.5**
Management integration	4Q	4.2	0.3	1.6	**6.1**
	1-4Q	11.4	0.8	4.9	**17.1**
Total	4Q	**10.2**	**0.3**	**1.6**	**12.1**
	1-4Q	**35.9**	**0.8**	**4.9**	**41.5**

* Cumulative figures for the first nine months changed due to an adjustment to previous earnings results.

FYE3/'10 - Car Electronics Business

Net sales: JPY107.8B (4Q: JPY30.1B)
Operating profit: JPY4.1B (4Q: JPY3.8B)

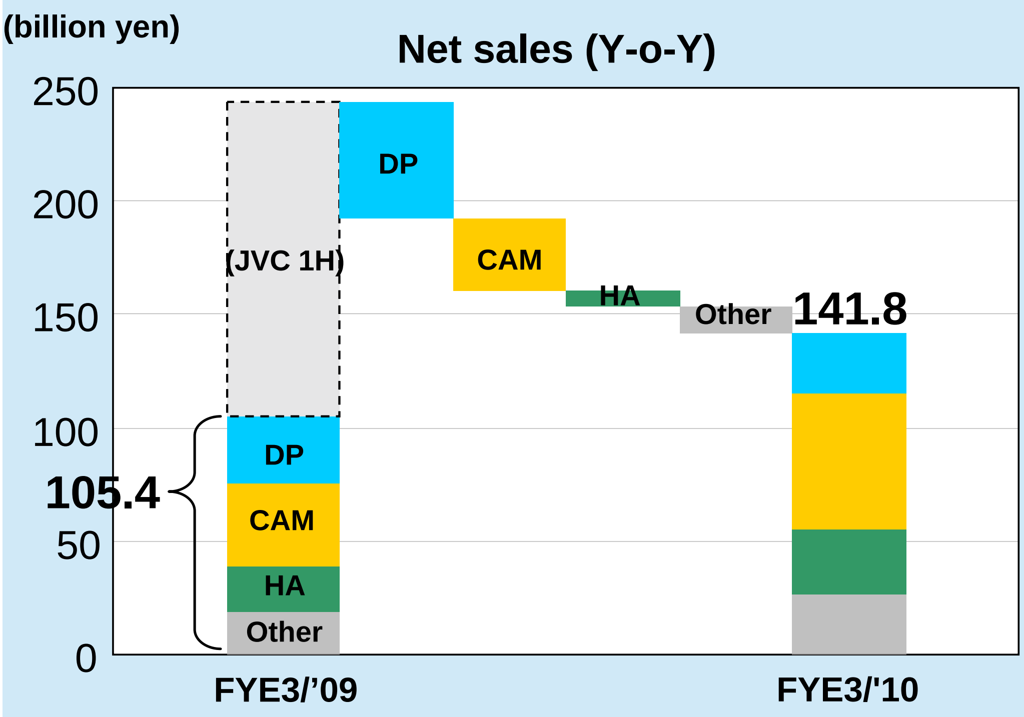
- * **Consumer:** Both net sales and profits increased sharply because sales continued to be strong after 2Q, and new product lineups for 2010 were launched smoothly, particularly in 4Q.
- * **OEM:** Sales of car navigation systems remained robust thanks to a recovery of auto sales, and shipments of CD/DVD mechanisms increased three times compared to FYE3/'09, contributing significantly to profit growth.
- * 4Q Y-o-Y: Net sales rose JPY6.9B (29.7%) and Operating profit improved JPY6.8B.

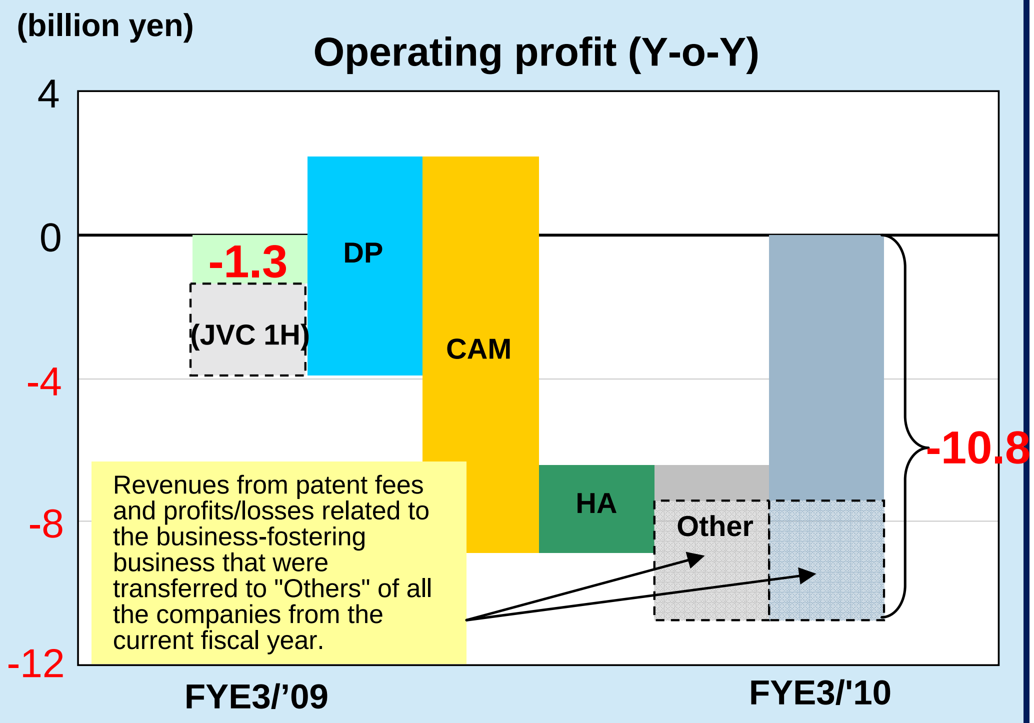


FYE3/'10 - Home & Mobile Electronics Business

Net sales: JPY141.8B (4Q: JPY24.1B)
Operating profit: JPY-10.8B (4Q: JPY-2.6B)

* **HA:** Returned a profit for the full fiscal year as earnings improved notably due to the effects of business structuring.
* **DP:** Losses decreased substantially, due to a significant reduction in the size of the DP segment in Japan in FYE3/'09, the effects of trimming sales channels in the U.S., plant shutdowns and rationalization of plant production in FYE3/'10, and dropping of product lines and sales channels in Europe.
* **CAM:** Earnings fell sharply, due to falling prices overseas, increased sales promotion expenses, decreased sales, and a delay in introduction of new product lineups for 2010.
* 4Q Y-o-Y under the conventional business classification: Net sales fell JPY18.1B (42.1%) and operating loss remained almost unchanged Y-o-Y.

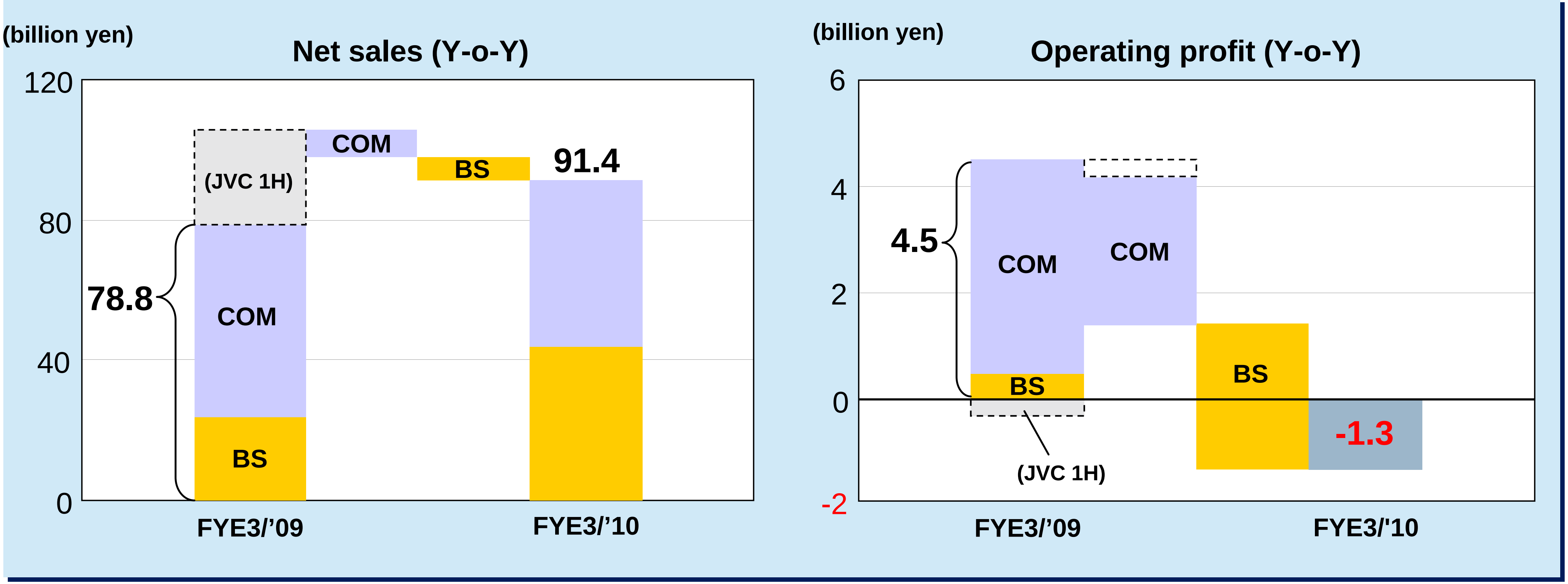




FYE3/'10 - Professional System Business

Net sales: JPY91.4B (4Q: JPY25.5B)
Operating profit: JPY -1.3B (4Q: JPY0.2B)

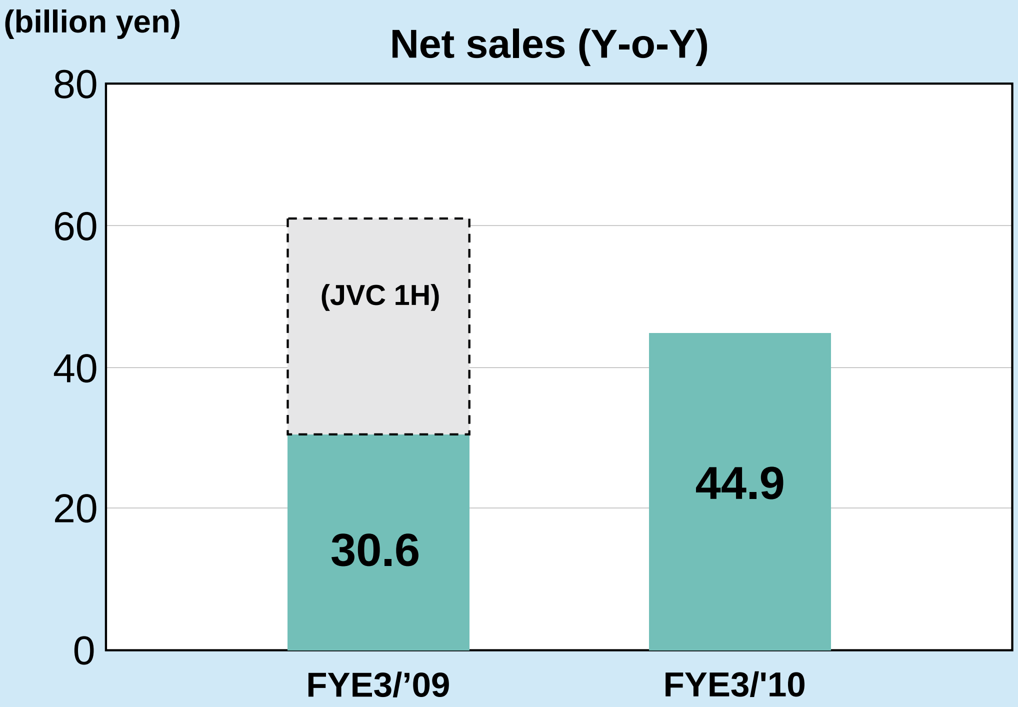
* **COM:** Returned a profit for the full fiscal year with a sharp increase of sales of digital radio equipment and strong sales in Europe and Asia, despite sluggish orders in the land mobile radio segment caused by a delayed recovery of investment budgets for public safety in the U.S. and postponed execution of such budgets.
* **BS:** Earnings fell into deficit for the full fiscal year, affected by a decline of demand due to cuts in private-sector capital spending and falling prices, although the effects of structural reforms became apparent during and after 2Q.
* 4Q Y-o-Y: Net sales remained almost unchanged from a year ago, and Operating profit remained in surplus, although it decreased JPY1.4B (89.9%).

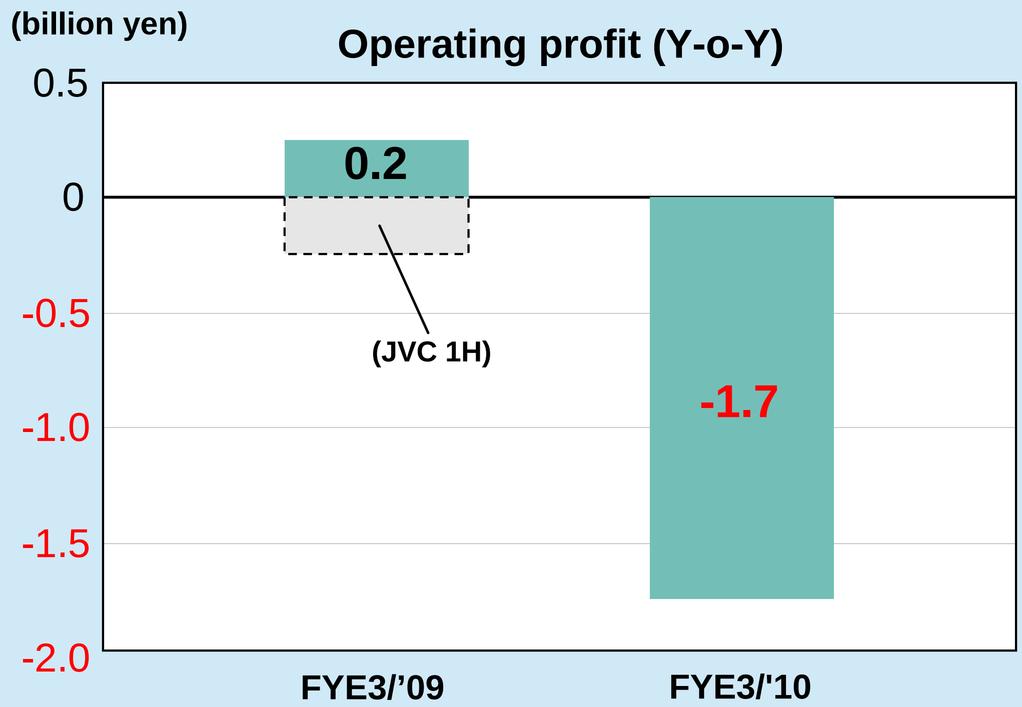


FYE3/’10 - Entertainment Business

Net sales: JPY44.9B (4Q: JPY9.9B)
Operating profit: JPY-1.7B (4Q: JPY-0.8B)

* **Contents:** **Animation-related products fared well. However, there were fewer new music albums in anticipation of the release of a new blockbuster, and sales of existing albums also weakened.**
* **Consignment:** **The volume of consignments fell due to fewer hit music products.**
* **4Q Y-o-Y: Net sales decreased JPY1.7B (14.5%) and operating loss increased JPY0.4B.**





FYE3/'10 Financial Results - Financial Status

Balance Sheets

* Total assets decreased JPY69.3B from the end of the previous fiscal year due to a decline in trades notes and accounts receivable, a reduction in inventories, and sales of tangible fixed assets.

* Interest-bearing debt (total of borrowings and corporate bonds) dropped JPY25.8B from the end of the previous fiscal year due to a redemption of bonds by JVC (JPY20B), and the repayment of short-term borrowing. Total debt fell JPY41.7B from the end of the previous fiscal year, and net debt fell JPY16.9B.

* Shareholders' equity declined JPY27.5B due to the booking of a net loss, and net assets decreased JPY27.6 B from the end of FYE3/'09.

(billion yen)

	End of FYE3/'09	End of 3Q	End of 4Q	Change from end of FYE3/'09
Total assets	344.1	291.7	274.8	-69.3
Interest-bearing debt	134.1	118.2	108.3	-25.8
Net debt	81.7	74.9	64.8	-16.9
Capital stock	10.0	10.0	10.0	0
Shareholders' equity	90.1	68.1	62.6	-27.5
Net assets	74.4	51.4	46.8	-27.6
Equity ratio (%)	21.1	17.3	16.7	-4.4
Net assets per share (yen)	75.08	52.21	47.45	-27.63

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Cash flows   Key measures: "Increase of Cash"

Cash flows from operating activities

* Net cash provided by operating activities was JPY21.5B, a decrease in required operating funds due to a substantial reduction in trade notes and accounts receivable and inventories, although net income before taxes, etc. recorded a loss of JPY24.0B.

Cash flows from investing activities

* Net cash spent in investing activities was JPY3.2B owing to the acquisition of tangible and intangible fixed assets, despite proceeds of JPY7.5B from sales of land and buildings.

Cash flows from financing activities

* Net cash spent in financing activities was JPY27.1B primarily because of a redemption in bonds and a reduction in interest-bearing debt resulting from the repayment of borrowings.

As of the end of the fiscal year under review, cash and cash equivalents totaled JPY43.4B.

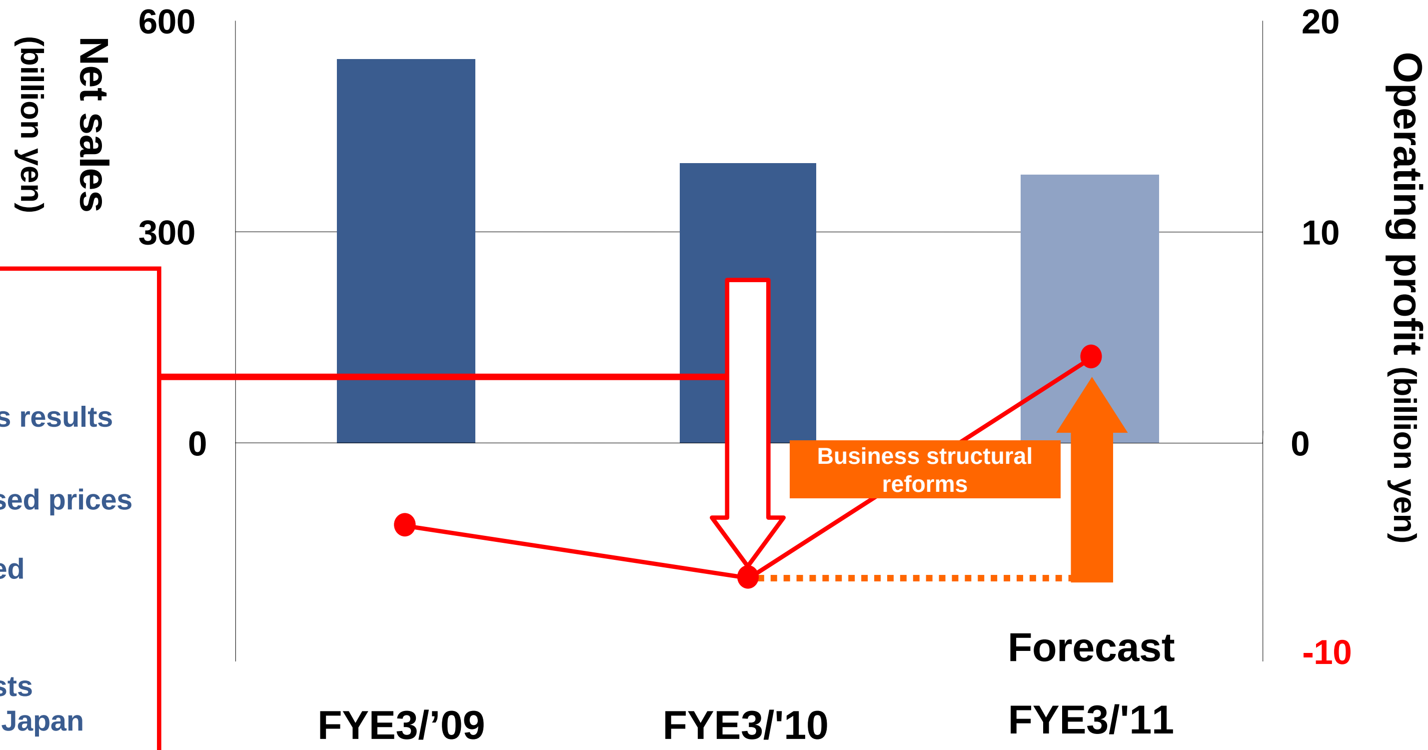
Future Measures and Business Forecasts for Fiscal Year Ending March 2011

Haruo Kawahara, Chairman, President and CEO

Looking Back on FYE3/’10

Major factors underlying the deficit

DP, CAM, and BS segments: JPY-14.5B



DP: -5.7

- Deterioration of earnings
- Increased costs of panels
- Problem of adjustment of previous earnings results

CAM: -4.4

- Weak performance of 2009 models (decreased prices and sales)
- Failure to achieve the goals of reducing fixed expenses

BS: -4.4

- Failure to achieve the goals of reducing costs
- Decrease of sales (weak orders received in Japan and slow sales in Europe and the U.S.)
- Failure to achieve the goals of reducing fixed expenses

* Revenues from patent fees related mainly to a segment are allocated to that segment.

* Earnings of the BS segment include earnings of the business-fostering business.

Progress in and Results of Business Structural Reform Action Plan

Under the "Business Structural Reform Action Plan," which was formulated in October 2009, we implemented:

* Business structural reforms in the DP, CAM, and BS segments; and,
* "Structural reforms in Europe," with common measures in the three segments.

We completed key measures by the end of FYE3/'10.

We expect earnings of the three segments for FYE'11/3 to improve JPY8.0B in total.

Progress in and Results of Business Structural Reform Action Plan

1. Home & Mobile Electronics business (DP, CAM)

(Key measures implemented in FYE3/'10 resulted in earnings improving JPY7.0B.)

(1) Structural reform in Europe - Slated to be completed at the end of 4Q

(Key measures implemented in FYE3/'10 resulted in earnings improving JPY3.0B, which are included in the earnings improvement effects of each segment)

- Substantial reduction in the size of the DP segment
- Reduction in the number of employees in the sales system to about 500 from 900, and reorganization of the sales system (shift to units with branch functions)
- Reforms of logistics and services systems
- Reforms using IT and reforms of back-office operations

(2) Structural reform of the display segment - Slated to be completed at the end of 4Q

(Key measures implemented in FYE3/'10 resulted in earnings improving JPY4.0B.)

- Structural reform in Europe
- End of production at the Mexican plant; use of EMS in the Americas following Europe
- Reduction in the number of employees at the Thai plant to about 600 from 1,000

(3) Structural reform of the camcorder segment

(Key measures implemented in FYE3/'10 resulted in earnings improving JPY3.0B.)

- Structural reforms in Europe
- Structural reforms in China
- Implementation of fixed-cost cuts partly through a reduction in the number of employees at the Malaysian plant to about 1,300 from 1,900
- Increase in the competition of models for 2010

Progress in and Results of Business Structural Reform Action Plan

2. Professional Systems business (mainly BS)

(Key measures implemented in FYE3/'10 resulted in earnings improving JPY1.0B.)

(1) Reorganization of BS business structure

* Centralization of the sales, technology, and service departments and the Business Incubation Division at the Head Office of JVC in Yokohama
* Reinforcement of sales structure through transfers of employees of technical department to sales department

(2) Reinforcement of solutions system

* Establishment of J&K Business Solutions Corporation in December 2009 through the integration of the maintenance, construction, and repair departments of Victor Service & Engineering Co., Ltd. and Kenwood Core Corporation
* Generation of synergies through cooperation between BS segment and land mobile radio segment

(3) Reorganization of BS production structure

* Sale of the Hachioji Plant concentrated production function at the Yokosuka Plant in September 2009
* Integration of the above production function into the production division of the Digital Imaging business of the Yokosuka Plant in November 2009

Progress in and Results of Business Structural Reform Action Plan

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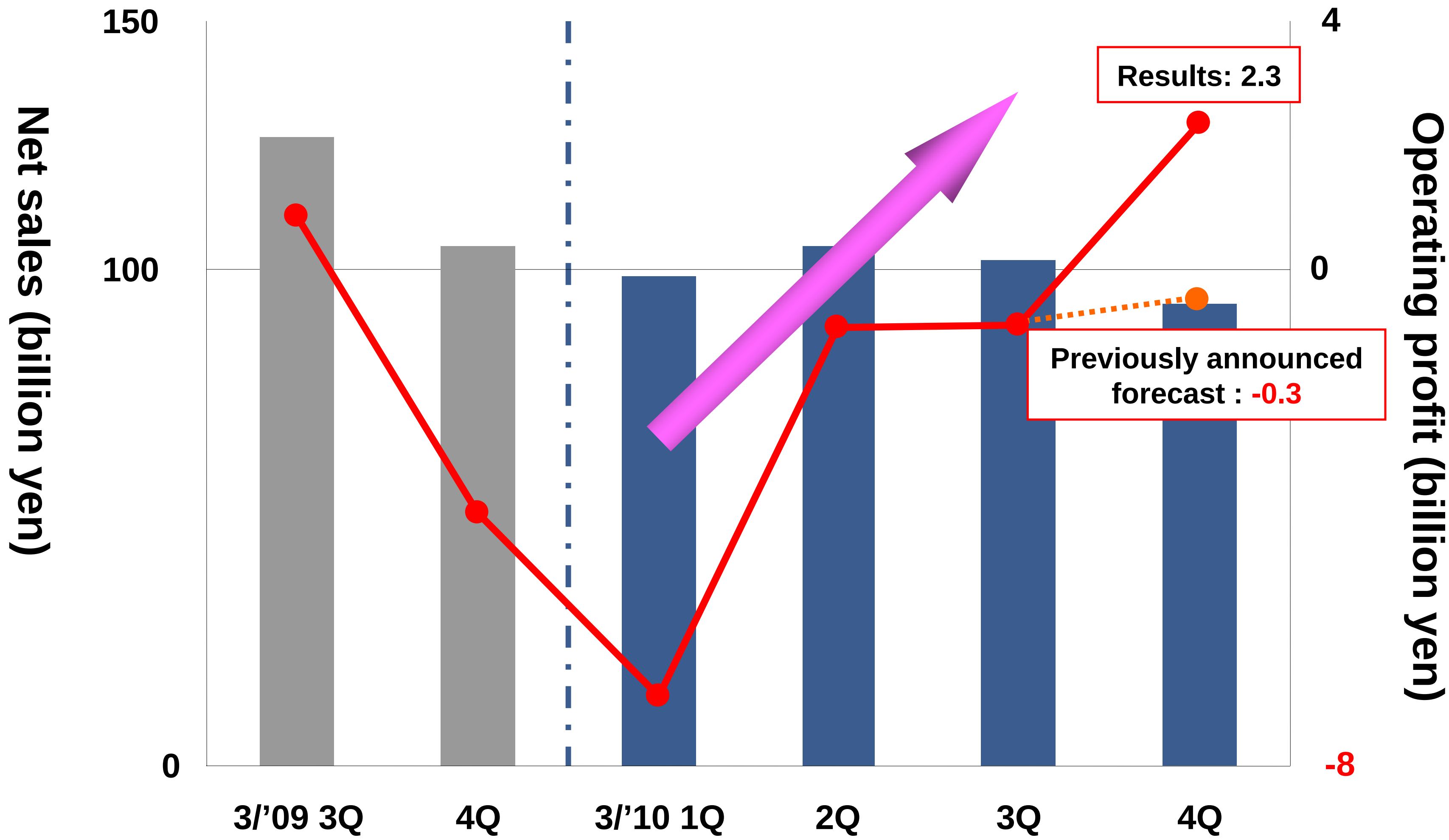
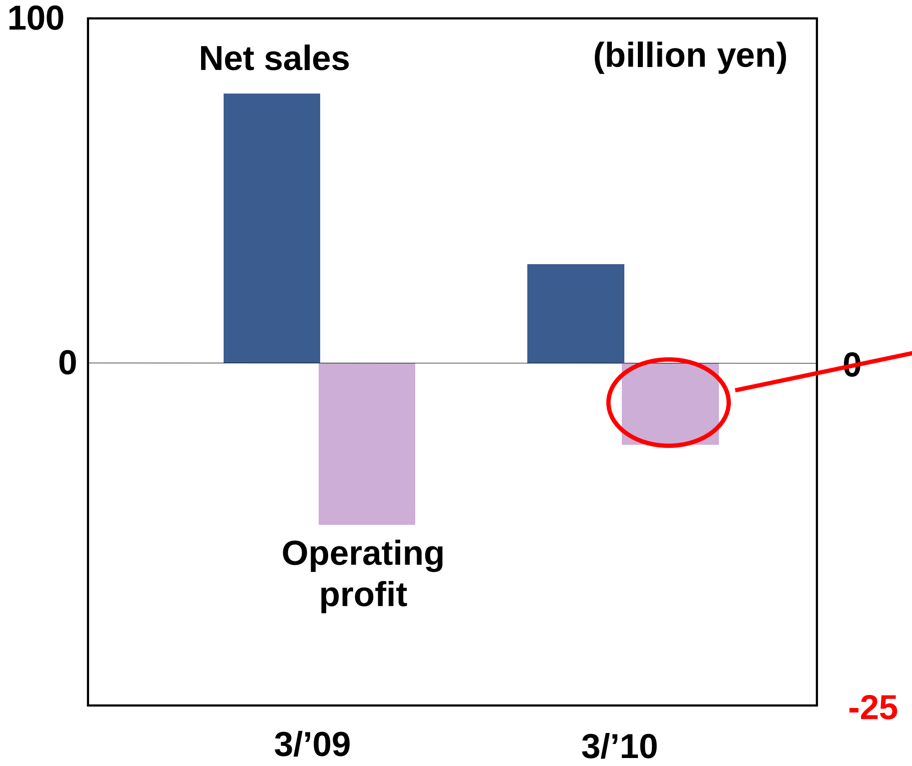
* Key measures were completed by the end of FYE3/'10. Operating profit for 4Q returned to surplus for the first time since 3Q of FYE3/'09, marking a record high since management integration.

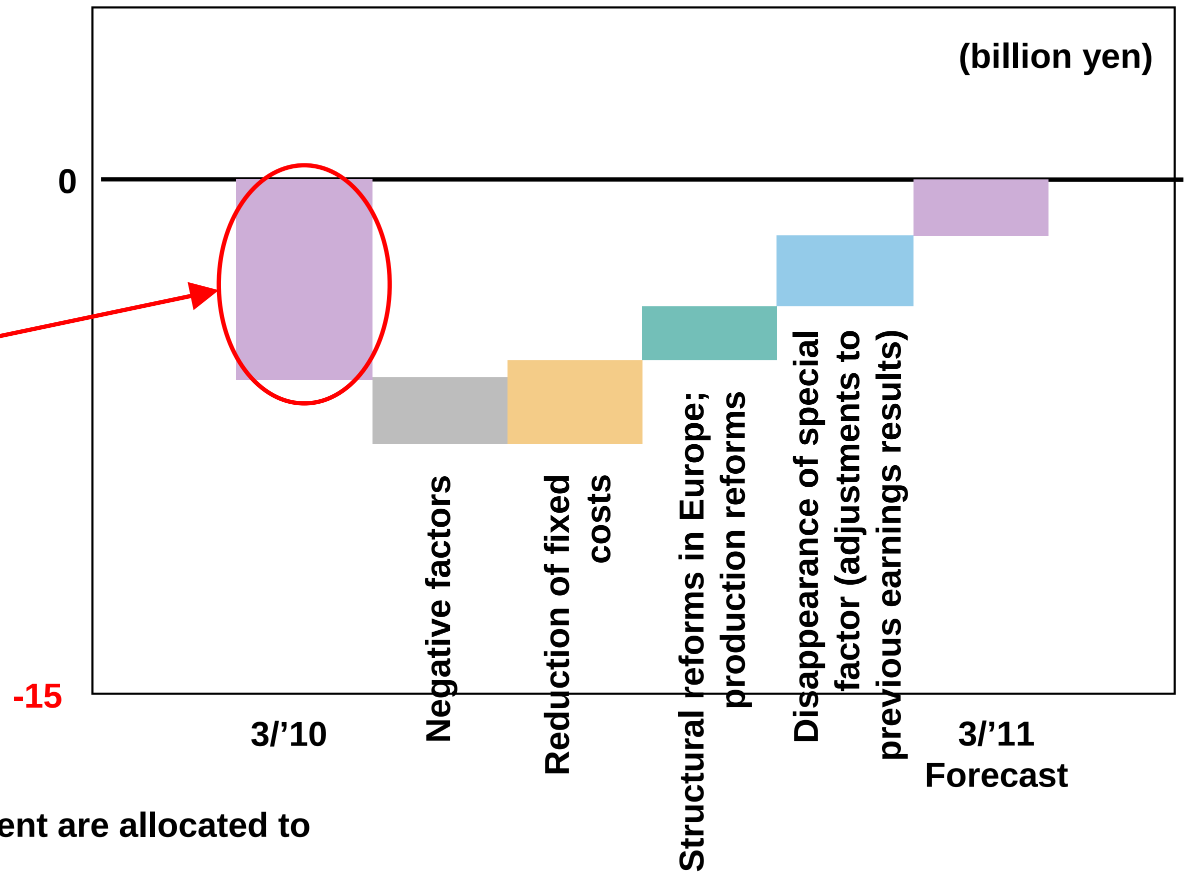


Progress in and Results of Business Structural Reform Action Plan

DP

* FYE3/'10: Business downsizing in the Japanese market; conversion of businesses in North America and Europe → Substantial decrease of losses
* FYE3/'11: Further decrease of losses expected due to the effects of structural reforms in Europe, one of the measures implemented in FYE3/'10, production reforms in Mexico and Thailand, and direct-marketing schemes in Europe and the U.S.

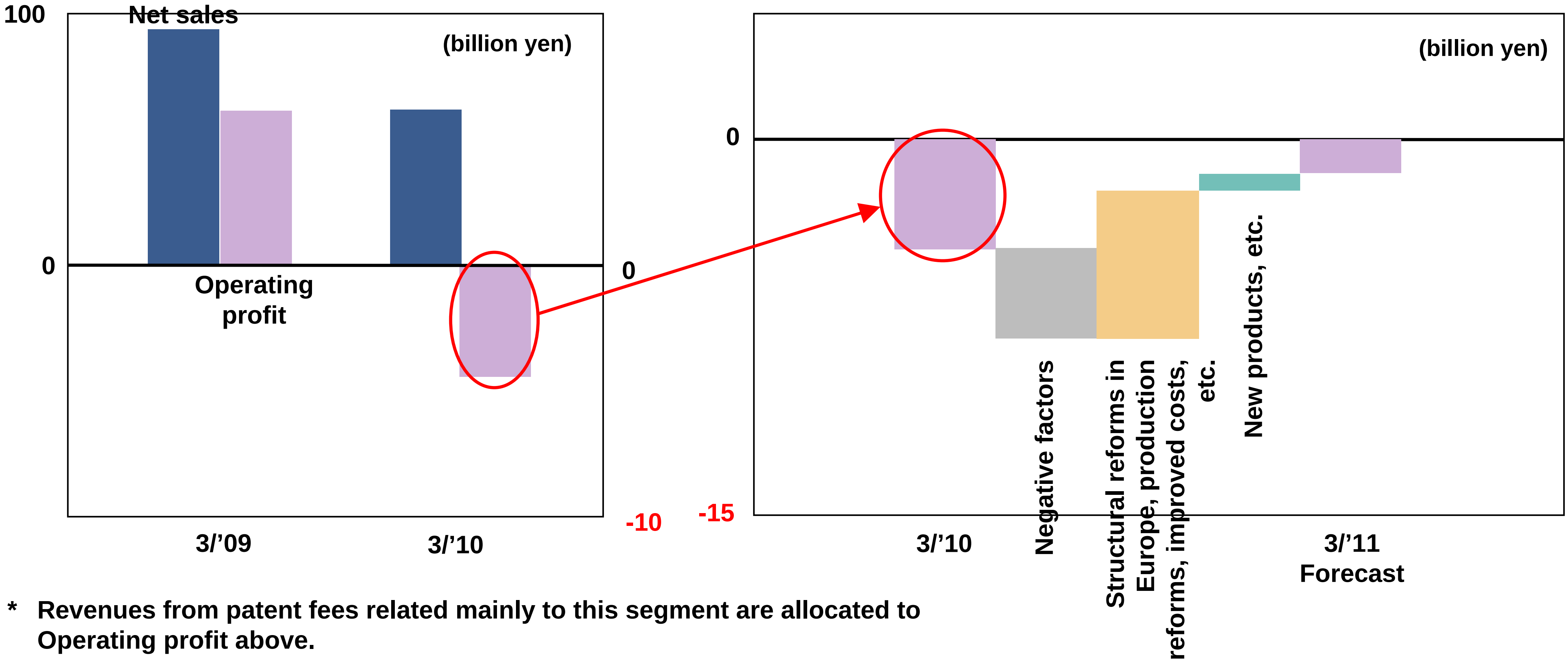




* Revenues from patent fees related mainly to this segment are allocated to Operating profit above.

CAM

- FYE3/'10: Sharp deterioration of earnings due to weak performance of 2009 models, increased sales promotion expenses, declining prices, and deterioration of fixed-cost ratio
- FYE3/'11: Reduction of losses due to the effects of structural reforms in Europe and production reforms in Malaysia, improved costs for 2010 models, and enhanced competitiveness

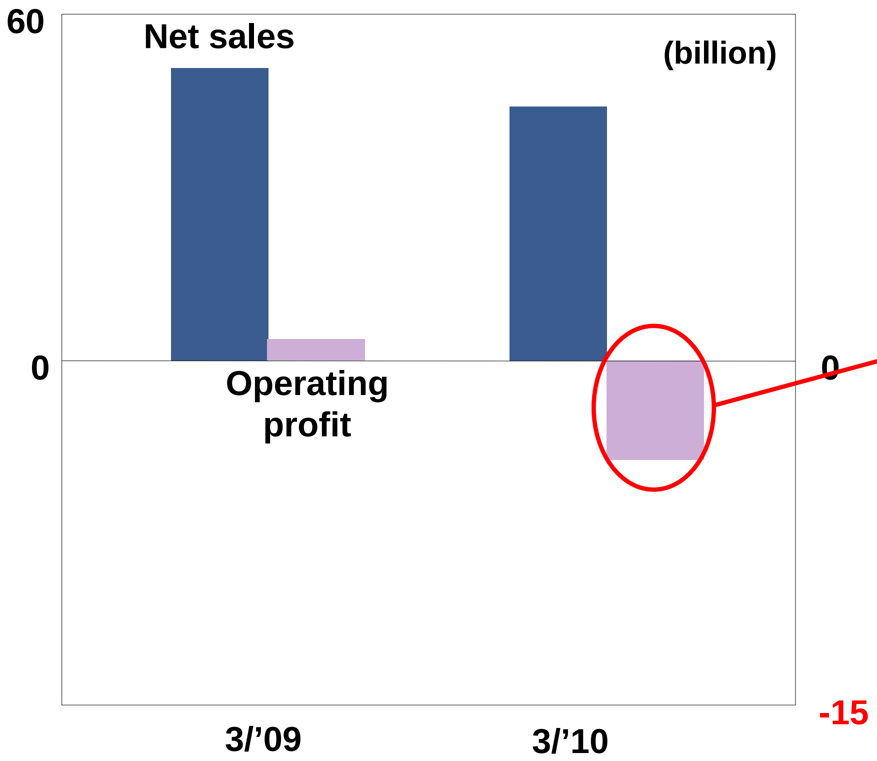


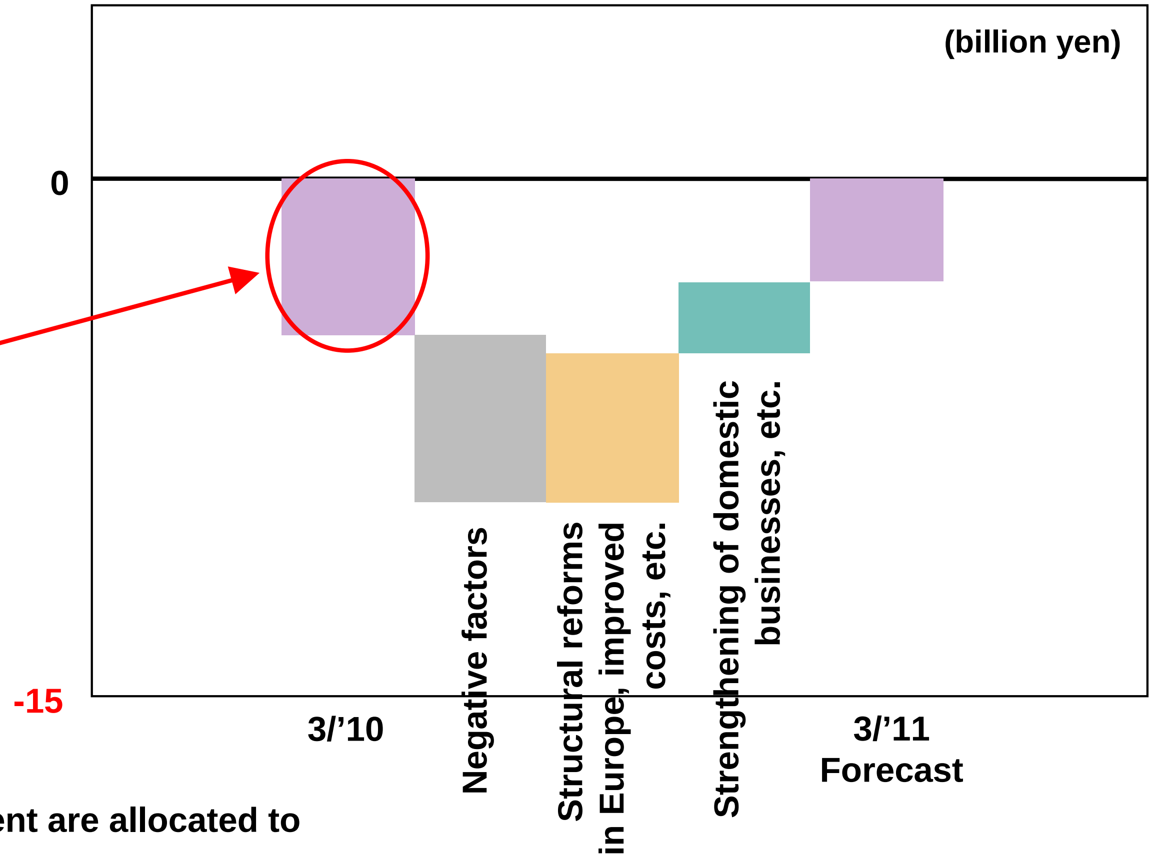
* Revenues from patent fees related mainly to this segment are allocated to Operating profit above.

Progress in and Results of Business Structural Reform Action Plan

BS

* FYE3/'10: Substantial deterioration of earnings because of decreased sales, failure to reduce costs, and increased fixed costs
* FYE3/'11: Reduction of losses due to the effects of structural reforms in Europe and the redesign of strategies by market to apply synergies of the new structure (solution project activities)





* Revenues from patent fees related mainly to this segment are allocated to Operating profit above.

Earnings Forecast for FYE3/'11

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* Sales are projected to decrease, affected chiefly by the curtailment of DP operations in FYE3/'10.
* We will focus on strengthening earnings capabilities in the CE segment, a source of profitability, and the land mobile radio segment.
* We forecast operating balance will return to surplus for the full fiscal year, due to the effects of improved earnings totaling JPY8.0B under the Business Structural Reform Action Plan

(billion yen)

	Net sales	Operating profit (Operating profit margin (%))	Ordinary income (Ordinary income margin (%))	Net income (Net income margin (%))	
1H FYE3/'11	180.0	-2.5 (-1.4)	-6.5 (-3.6)	-14.5 (-8.1)	
1H FYE3/'10	203.3	-7.8 (-3.8)	-11.0 (-5.4)	-16.8 (-8.2)	
2H FYE3/'11	200.0	6.5 (3.3)	3.0 (1.5)	1.5 (0.8)	
2H FYE3/'10	195.3	1.4 (0.7)	-3.8 (-1.9)	-10.9 (-5.6)	
FYE3/'11	380.0	4.0 (1.1)	-3.5 (-0.9)	-13.0 (-3.4)	USD: JPY90 Euro: JPY125
FYE3/'10	398.7	-6.5 (-1.6)	-14.8 (-3.7)	-27.8 (-7.0)	USD: JPY93 Euro: JPY131

Reconstruction of Corporate Base for New Growth

We are committed to corporate reconstructing to achieve new growth, thus generating profits in all segments including DP, CAM, and BS, and reorganizing our financial foundations.

*** Specific measures will be announced by the end of May.**

(1) Reforms to unprofitable businesses

DP: Change of business model

- **Change of business model through promotion of fabless and thorough cost structure reforms including fixed-cost reductions**

CAM: Reforms of sales system, product competitiveness, and cost structure

*** Reorganization and strengthening of sales system**

- **Reinforcement of sales capabilities and reduction of sales and administration expenses through a reorganization of local sales companies**

*** Enhancement of product competitiveness**

- **Strengthening market presence through the launch of new-category products**

*** Reforms of cost structure**

- **Overhauling materials procurement, product design, and investments in molds**
- **Reorganizing production systems in Japan and overseas, reducing fixed costs, etc.**

BS: Deepening cooperation with other segments such as Professional Systems business

- **Deepening of cooperation with land mobile radio segment in the fields of development, sales, and production**

Reconstruction of Corporate Base for New Growth

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(2) Cost reform

- Establishment of a cost structure, which corresponds to the corporate and business structures with net sales of 400 billion yen

(3) Financial and capital reforms

- Downsizing of the management system through sale of fixed assets and improvement of current balance through reduction of interest-bearing liabilities
- Share consolidation and capital policies toward reconstruction of corporate value (See "Notice on Share Consolidation," to be announced May 14, 2010)

(4) Management reform

- Review of the business portfolio through reorganization within the Group
- Study of integration of operating companies toward maximization of integration effects

Medium-Term Management Plan

The JVC Kenwood Group will formulate a medium-term management plan, running through the fiscal year ending March 2013, based on the corporate base for new growth, which will be established by the completion of the policies mentioned above, and with the **concentration on businesses to be strengthened** and the **conversion of the business model of the Consumer Electronics business** as the key points, and will focus on growth strategies toward expansion of corporate value.

We will publicly announce the details of the medium-term management plan by the end of May.

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