

JVC Kenwood Group's Results and Forecast Briefing

Fiscal Year Ended March 2011

JVC KENWOOD Holdings, Inc
April 28, 2011

- 1. Financial Results for
Fiscal Year Ended March 2011**

Hisayoshi Fuwa, Director and CFO

- 2. Business Forecasts for
Fiscal Year Ending March 2012
Review of Mid-Term Business Plan**

Haruo Kawahara, Chairman, President and CEO

1. Financial Results for FYE 3/'11

Hisayoshi Fuwa, Director and CFO

Abbreviations

CE: Car Electronics (Business)

PS: Professional Systems (Business)

COM: Communications Equipment (Segment)

BS: Business Solutions (Segment)

HM: Home & Mobile Electronics (Business)

DP: Displays (Segment), **CAM:** Camcorders (Segment),

HA: Home Audio (Segment), **AVC:** AV Accessories (Segment)

SE: Entertainment (Business)

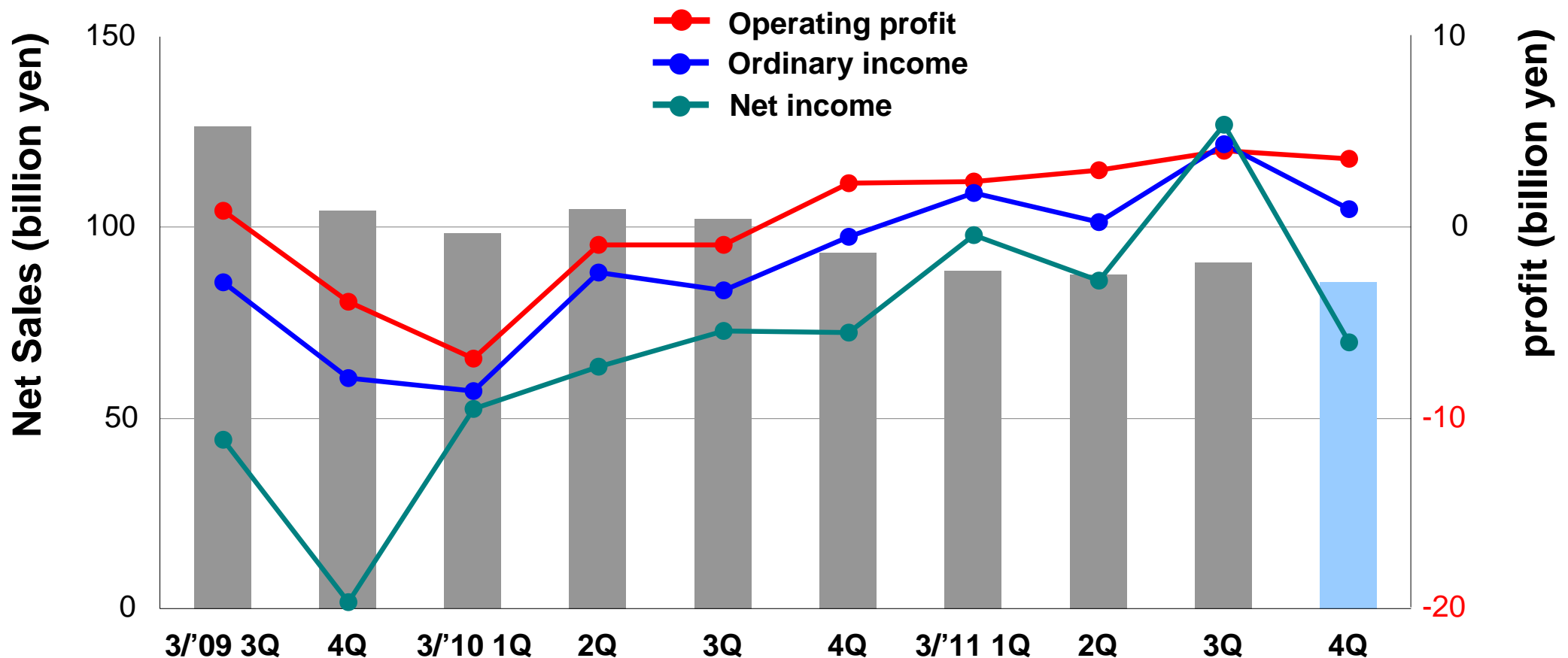
FYE 3/'11 Financial Results - Summary

- * CE and PS remained firm in spite of the strong yen and the Tohoku Pacific Earthquake.
- * Cost reduction effects through structural reforms in the previous fiscal year; consolidated income significantly improved on YoY.

	(Billion yen)				
	Net sales	Operating profit	Ordinary income	Net income	Exchange rate
3/'11	352.7	13.0	7.6	-4.0	USD: JPY 86 Euro: JPY 113
Revised forecast on 4/15	352.0	12.5	7.0	-4.0	USD: JPY 80 Euro: JPY 110
Original forecast on 28/10/'10	360.0	11.0	4.5	-8.0	USD: JPY 80 Euro: JPY 110
3/'10	398.7	-6.5	-14.8	-27.8	USD: JPY 93 Euro: JPY 131

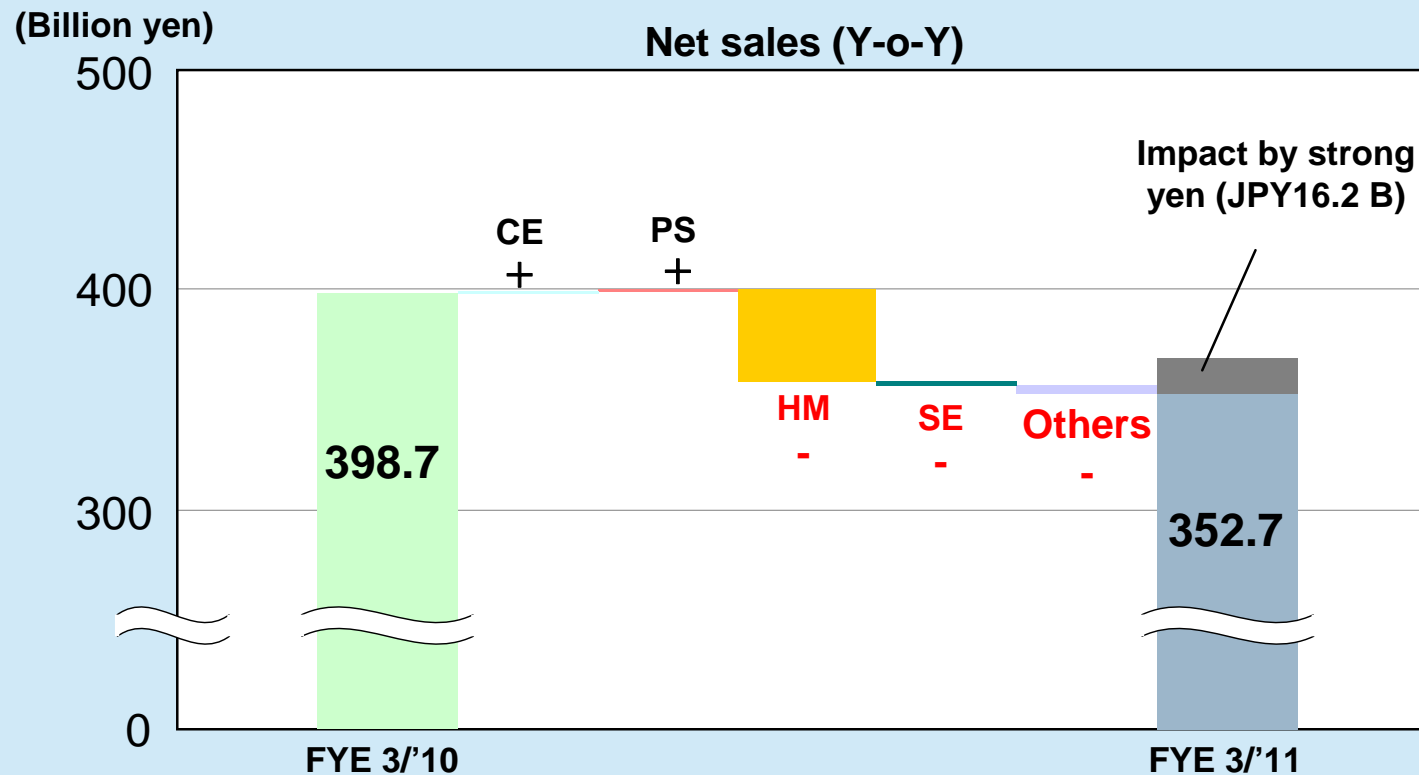
FYE 3/'11 Financial Results - Quarterly Financial Results

- * **Operating Profit and Ordinary Income remained black in all quarters; a full-year black** for the first time after the management integration.
- * **Net income** resulted in a full-year loss due to non-recurring expenses in the 4th quarter, but **loss significantly decreased** on YoY.



FYE 3/'11 results : JPY352.7B

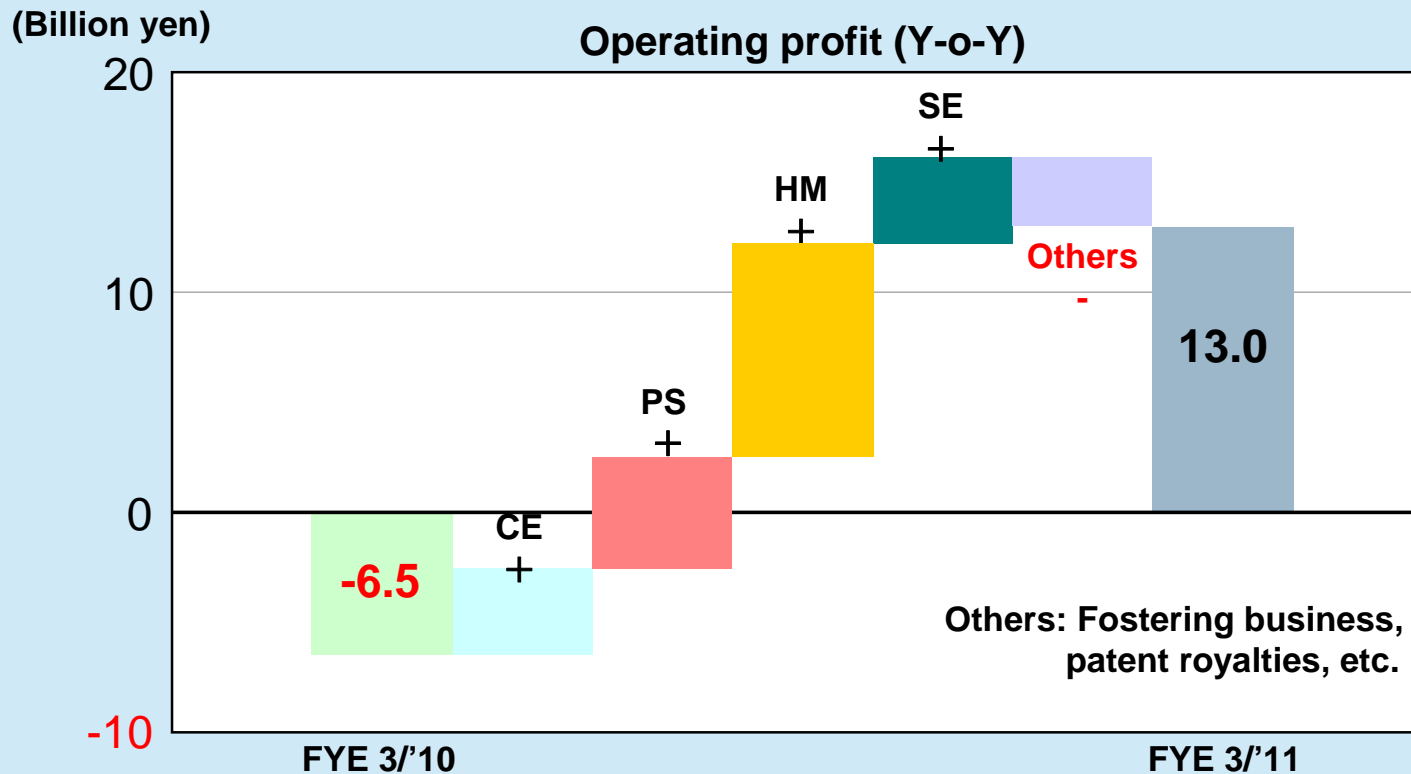
- * CE; sales remained strong in both After-market and OEM.
- * PS; sales of COM recovered in the US and expanded within emerging countries.
- * The strong yen and the narrowing-down of DP and CAM.
- * The Earthquake decreased sales opportunities in HM and delayed the release of new albums in SE.
 - ▶ Consolidated net sales decreased by JPY46.0 B (Down 11.5%)



FYE 3/'11 - Operating profit

FYE 3/'11 results : JPY13.0B

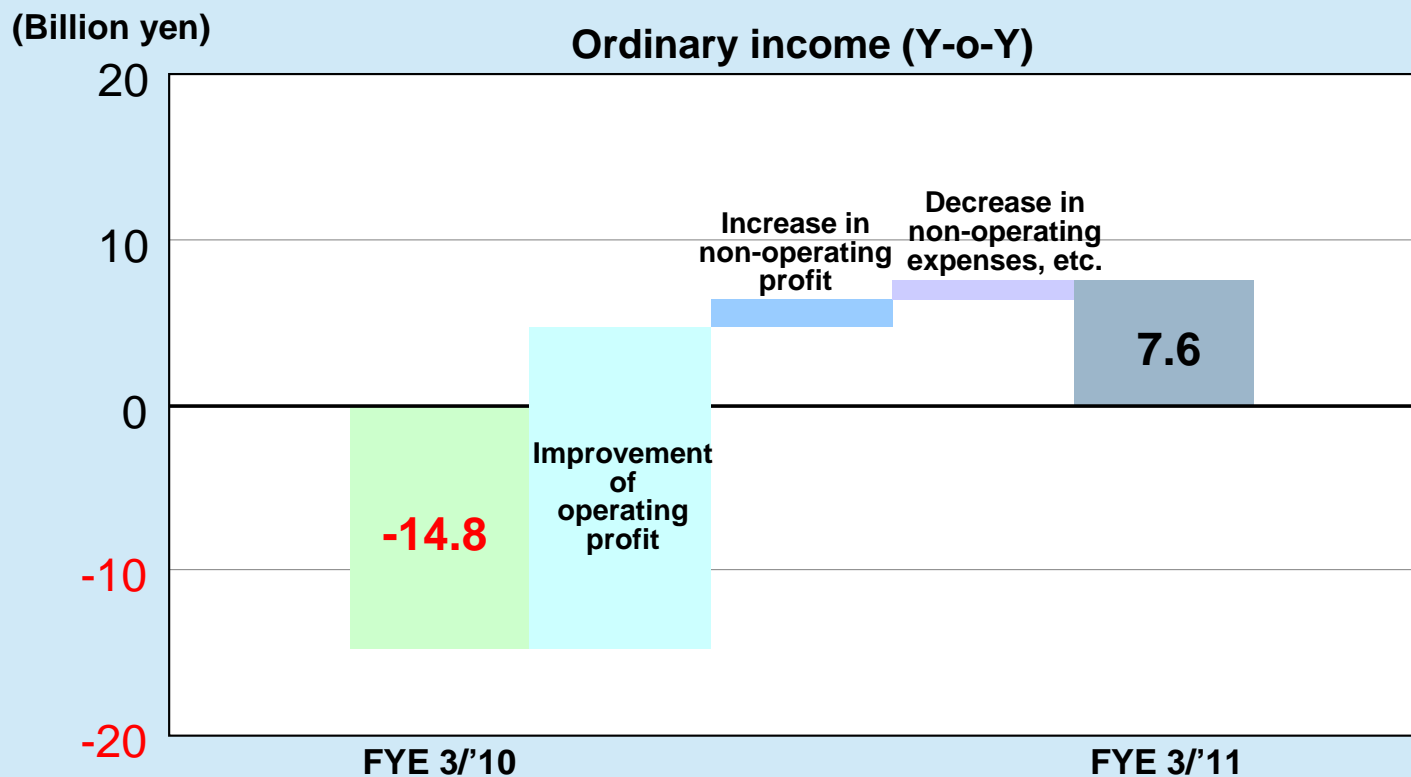
- * CE; the profit increased by high profitability of after-market and sales expansion of OEM.
 - * PS; returned to the black by recovery of COM and improvement of BS.
 - * SE; returned to the black by hit movies and music and cost reduction.
 - * HM; losses shrank to below one tenth by reduction of fixed expenses.
- Consolidated operating profit improved by JPY19.4 B,
Full-year black for the first time after the management integration.



FYE 3/'11 - Ordinary income

FYE 3/'11 results : JPY7.6B

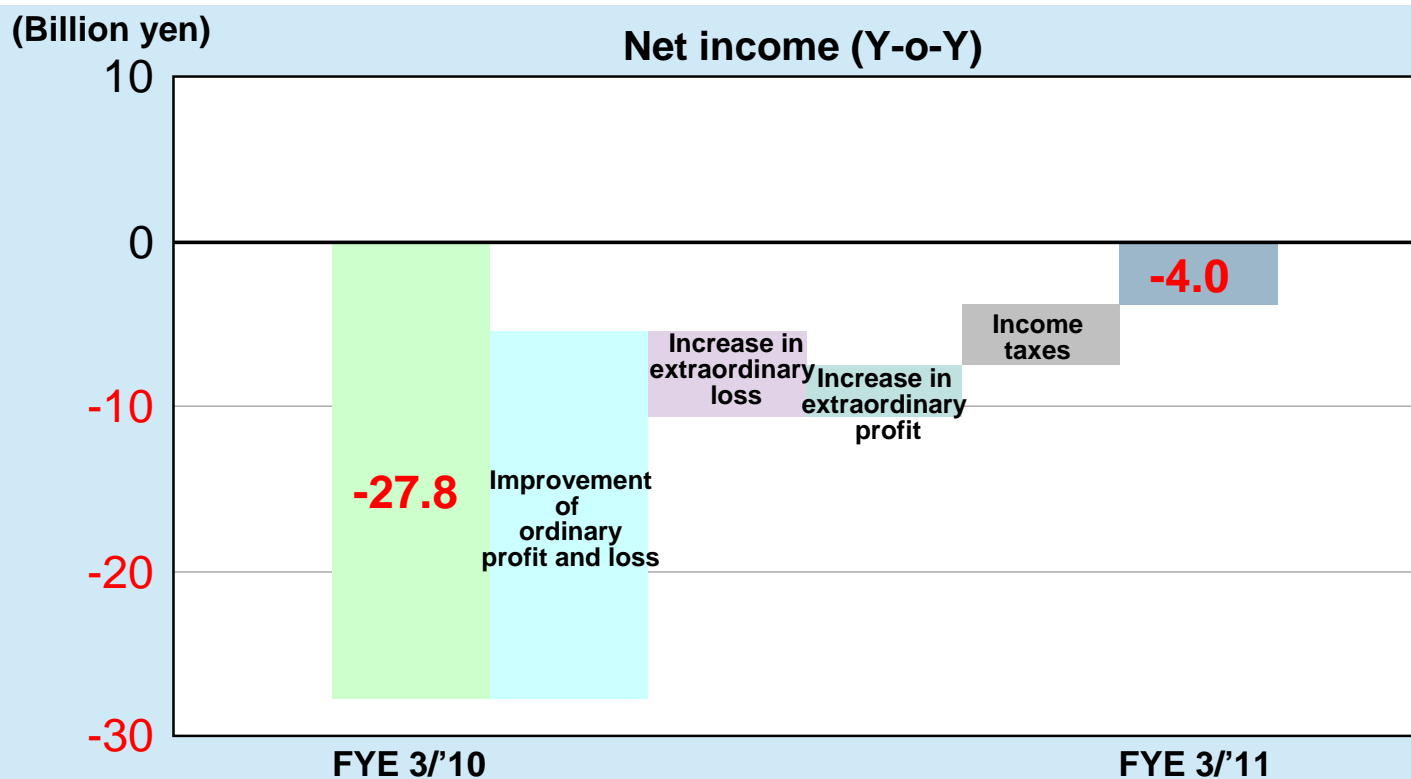
- * Non-operating income totaled JPY2.9 B, an increase of JPY1.5 billion on YoY.
- * Non-operating expenses totaled JPY8.3 B, a decrease of JPY1.4 B on YoY.
- ▶ Ordinary income improved by JPY22.3 B,
Full-year black for the first time after the management integration,
by positive operating profit and improvements in non-operating profit and expenses.



FYE 3/'11 - Net Income

FYE 3/'11 results : -JPY4.0B

- * Extraordinary loss totaled JPY19.7 B, an increase of JPY7.2 B on YoY.
- * Extraordinary profit totaled JPY8.2 B, an increase of JPY4.9 B on YoY.
- ▶ Consolidated net income improved by JPY23.8 B, by positive ordinary income, extraordinary profit and decrease of corporate tax associated with sales of assets.



Information by Business Segment

Net Sales, Profits and Losses by Business Segment

- * CE and PS; both sales and P/L increased.
- * HM and SE; P/L improved significantly although sales decreased
- * Most results of the Others are transferred to HM and PS.

(Million Yen)

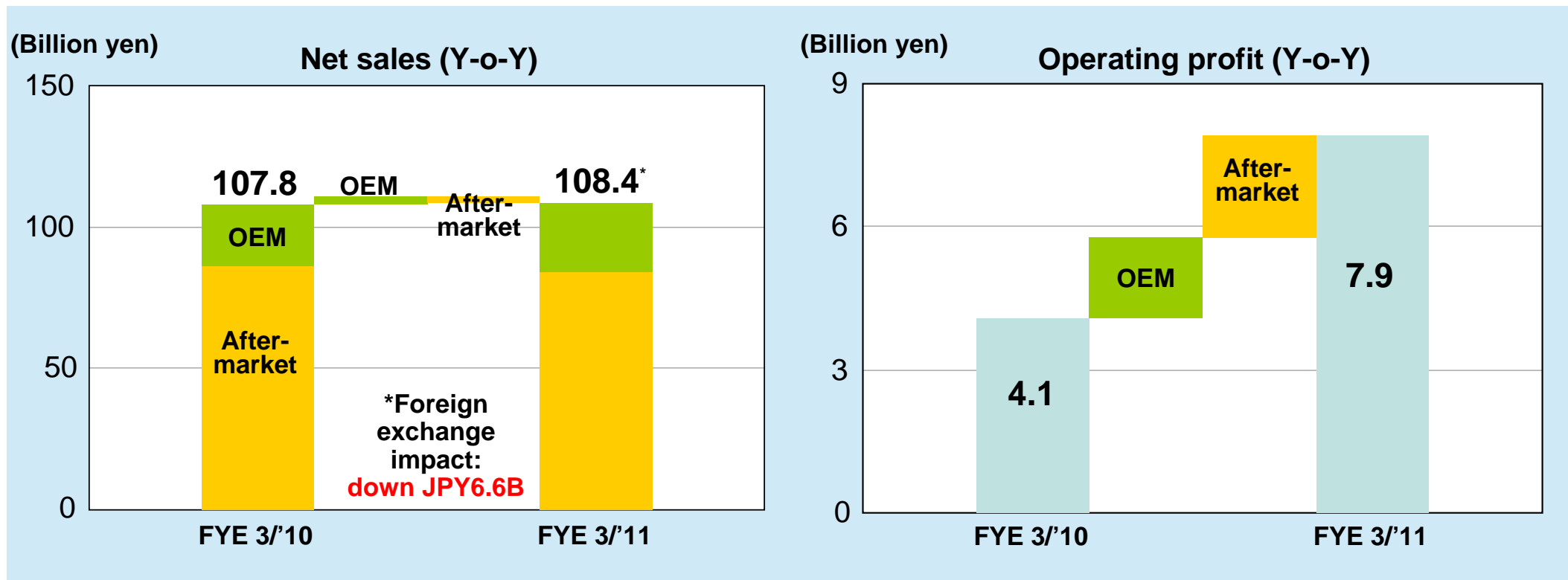
Segment		FYE3/'11	FYE3/'10	Y-o-Y basis
Car Electronics business (CE)	Net sales	108,449	107,813	+636
	Operating profit	7,894	4,090	+3,804
Professional Systems business (PS)	Net sales	92,545	91,389	+1,156
	Operating profit	3,594	(1,321)	+4,915
Home & Mobile Electronics (HM)	Net sales	100,101	141,772	(41,671)
	Operating profit	(835)	(10,752)	+9,917
Entertainment (SE)	Net sales	42,909	44,933	(2,024)
	Operating profit	2,177	(1,743)	+3,920
Others	Net sales	8,666	12,752	(4,086)
	Operating profit	125	3,273	(3,148)
Total	Net sales	352,672	398,663	(45,991)
	Operating profit	12,956	(6,453)	+19,409

* In FYE 3/'10, profit/Loss pertaining to patent royalty income and the fostering of operations are included in the "Others" segment. In FYE 3/'11, profit/loss from patent royalties are allocated to each business and profit/loss associated with fostering operations are included in the Professional Systems (PS) segment.

FYE 3/'11 - Car Electronics Business

Net sales: JPY108.4B **Operating profit: JPY7.9 B**

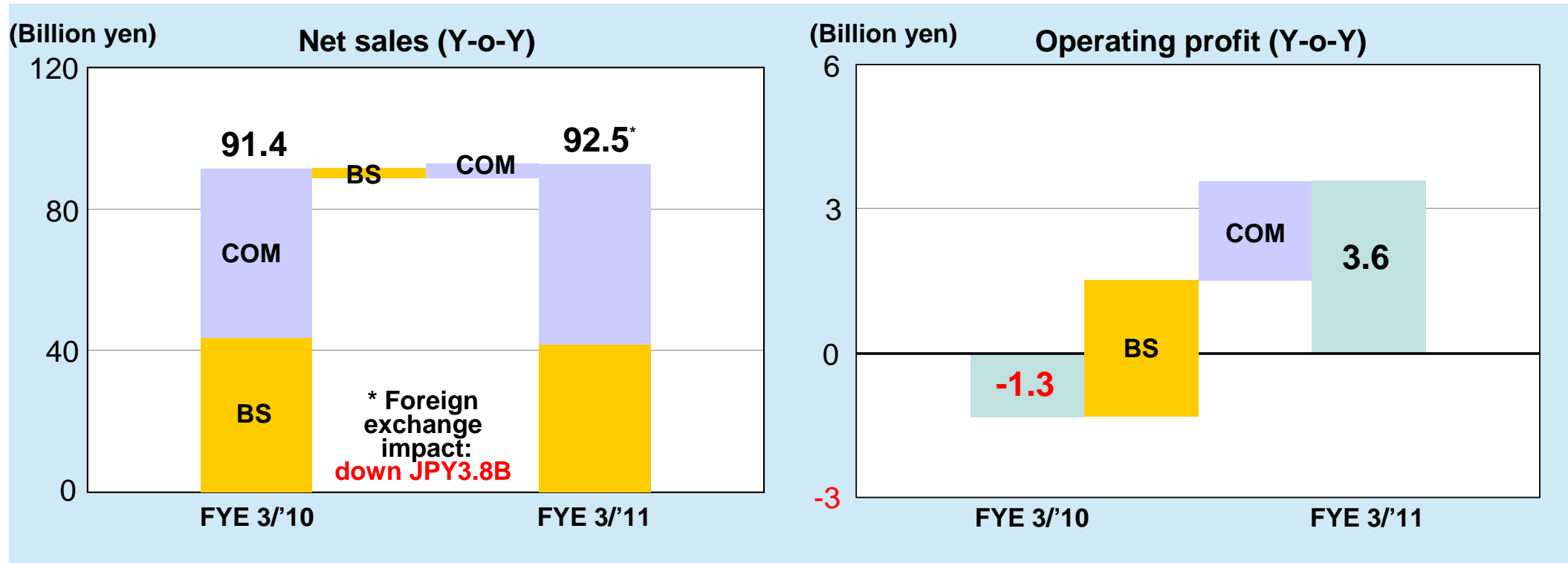
- * **After-market**: Growth of sales realized by the strength through the management integration such as high competitiveness of products in the Americas, in Europe and in Asia and a hit of memory navigation systems in Japan.
 - * **OEM**: Factory-installed and dealer-option products remained firm and shipments of CD/DVD devices were 1.8 times on YoY.
- ▶ Net sales increased by JPY0.6 B, Operating profit by JPY3.8 B.



FYE 3/'11 -Professional Systems Business

Net sales: JPY92.5B Operating profit: JPY3.6B

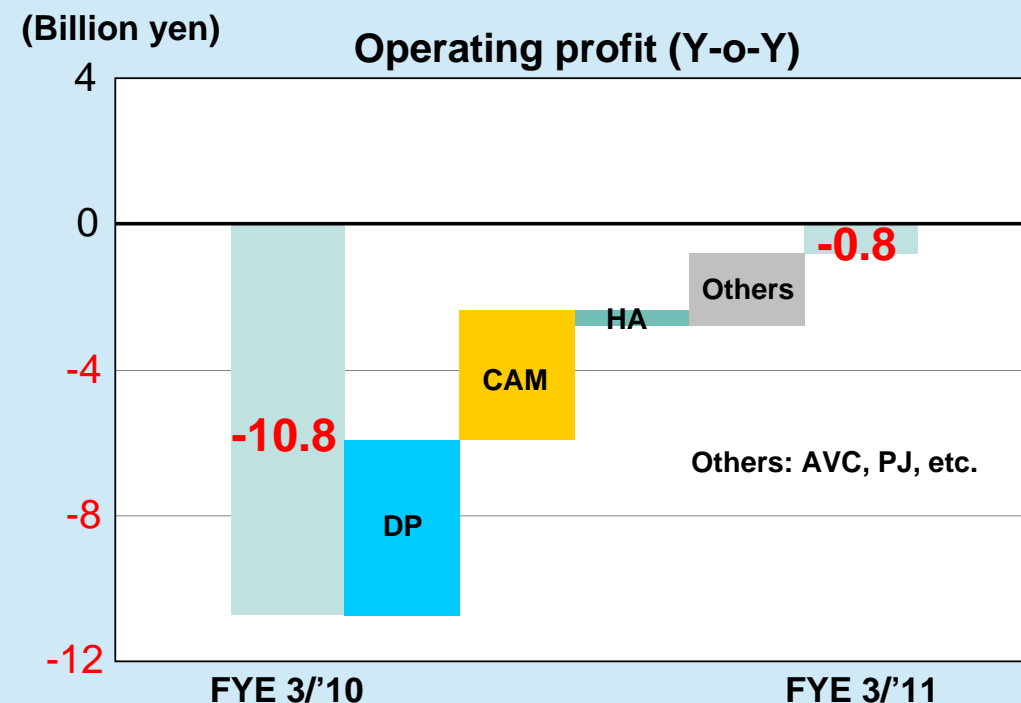
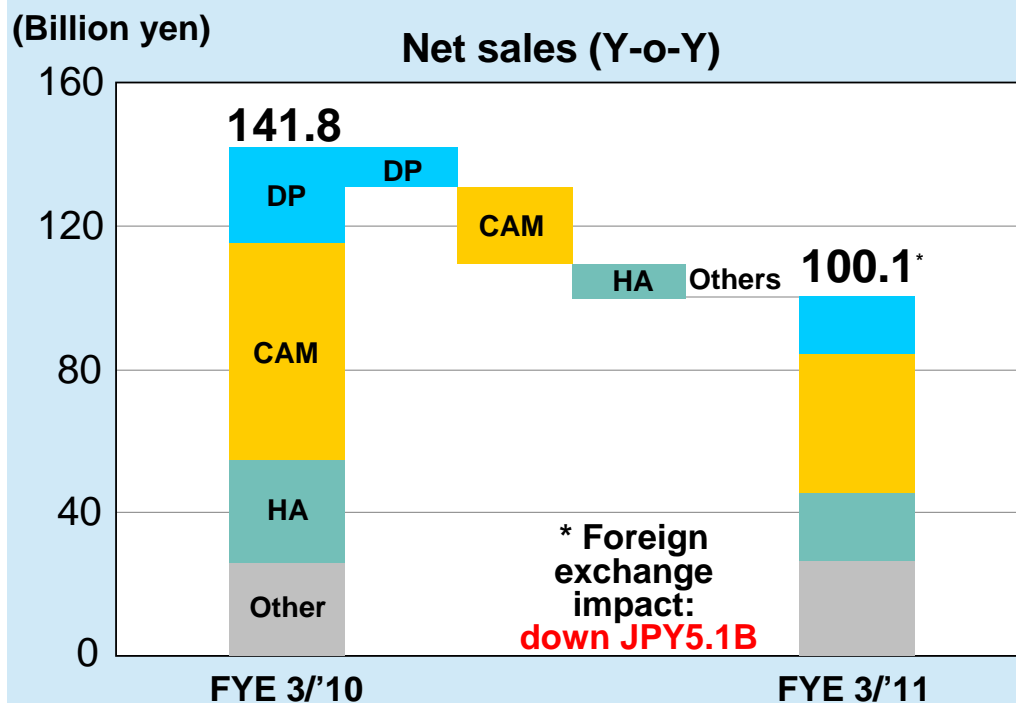
- * **COM**: Both net sales and operating profit grew by recovery in public safety sector in the US, the expansion of digital Land Mobile Radio for the business & industry sector, and the launch of new products in China and other Asian countries.
- * **BS**: Operating profit returned to the black after 2Q and recorded a full-year black by consistent orders for video cameras, audio systems and card printers and cost-down.
 - ▶ Net sales improved by JPY1.2 B and Operating profit by JPY4.9 B, returned to the black.



FYE 3/'11 - Home & Mobile Electronics Business

Net sales: JPY100.1B Operating profit: -JPY0.8B

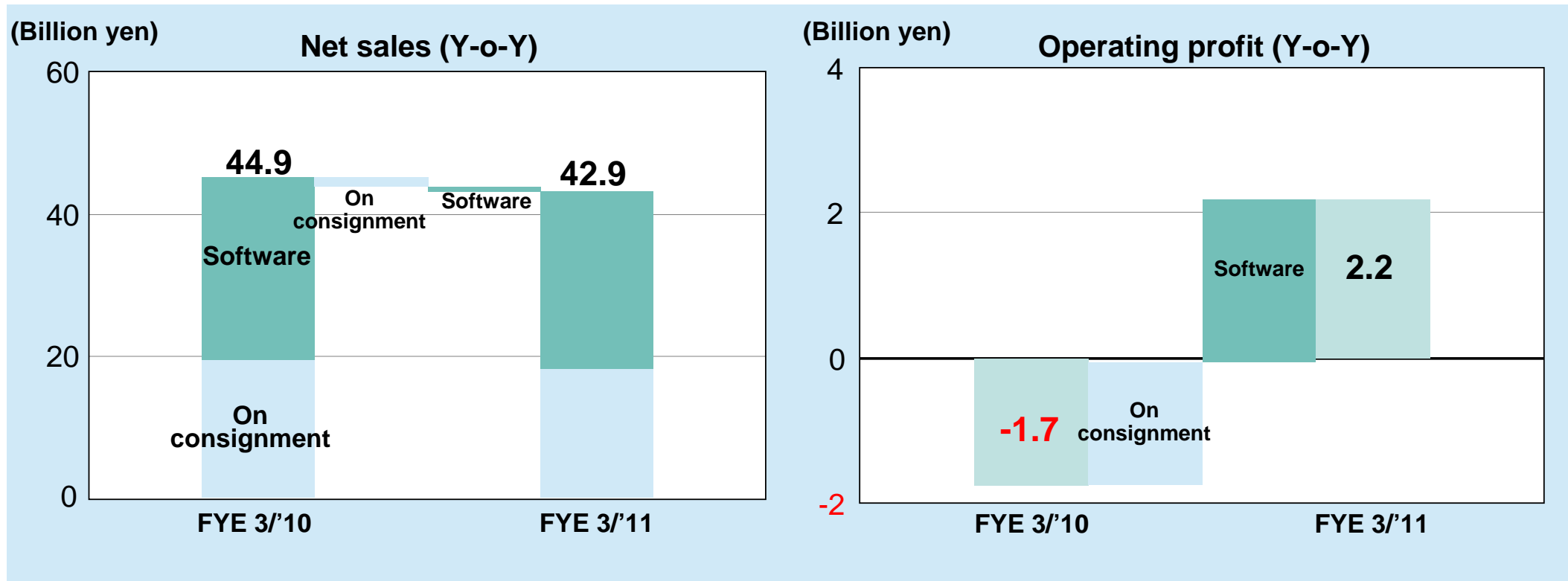
- * **DP**: Net sales were halved and operational loss significantly shrank --- production and sales activities by JVC Kenwood ended in all areas excluding Asia.
 - * **CAM**: Operating loss significantly decreased in spite of a decrease in net sales.
 - * **HA**: Slight operating loss was recorded.
 - * **Others**: AVC sustained high profitability. Sales of **3D projectors** also contributed.
- ▶ Net sales decreased by JPY41.7 B while operating loss significantly improved by JPY9.9 B.



FYE 3/'11 - Entertainment Business

Net sales: JPY42.9B Operating profit: JPY2.2B

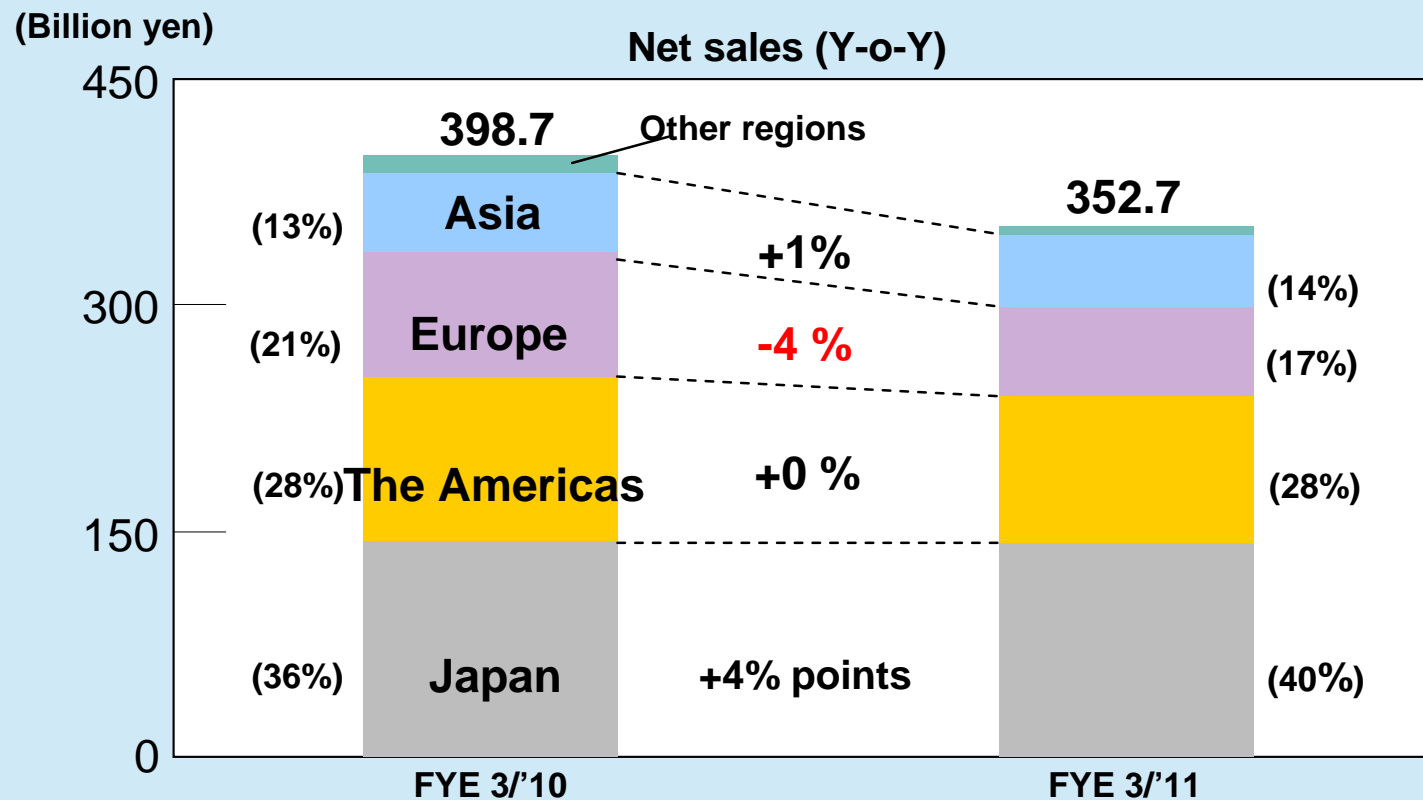
- * **Software:** Net sales remained at the same level on YoY and internal reforms made progress such as hit music and animation works and earnings from music related rights in spite of delay of the release of new albums due to the Earthquake.
- * **On consignment (e.g. optical disk manufacturing):** Profitability was improved by consistent order-receiving and reduction of fixed expenses.
 - ▶ Net sales decreased JPY2.0 B while operating income greatly improved by JPY3.9 B, returned to the black.



FYE 3/'11 - Sales by Region (Reference)

* The strong yen caused an income decrease of JPY16.2 B.

Japan Sales increased in CE and BS but decreased in HM.
Americas Sales increased in COM but decreased in HM.
Europe Sales decreased in HM and CE.
Asia Sales increased in CE but decreased in HM



Balance Sheets

- * Total assets decreased by JPY14.1 B due to assets compression while after cash and deposits increased through fund procurement.
- * Interest-bearing debt decreased JPY15.3 B mainly owing to the repayment of loans payable. Total liabilities fell JPY20.0 B. Net debt fell JPY36.7 B.
- * Shareholders' equity increased by JPY10.9 B through the equity finance. Net total assets increased by JPY5.9 B.
- * The shareholders' equity ratio was 20.0%, up 3.3% and net D/E ratio was 0.53.

	End of FYE3/'09	End of FYE3/'10	End of FYE3/'11	(Billion yen) Change from end of FYE3/'10
Total assets	344.1	274.8	260.7	(14.1)
Interest-bearing debt	134.1	108.3	93.1	(15.3)
Net debt	81.7	64.8	28.1	(36.7)
Capital stock	10.0	10.0	10.0	0
Capital surplus	111.1	111.1	105.3	(5.8)
Treasury share	(20.3)	(20.3)	(0.5)	+19.7
Shareholders' equity	90.1	62.6	73.5	+10.9
Net assets	74.4	46.8	52.7	+5.9
Equity ratio (%)	21.1	16.7	20.0	+3.3
Net assets per share (yen)	*75.08	*47.45	375	-

* Figures were calculated based on the number of issued and outstanding shares as of FYE 3/'09 and FYE 3/'10 prior to the share consolidation (at the rate of 10 shares for 1)

Cash Creation

Cash flow from operating activities

Net cash generated totaled JPY20.0 B, down JPY1.5 B on YoY.

- * Compressing inventory assets was almost complete.
- * Income decreased due to increase of expenses pertaining to advance payment of retirement allowances.

Cash flow from investing activities

Net cash generated amounted to JPY5.4B, up JPY8.5 B on YoY.

- * Expenditures associated with the acquisition of fixed assets decreased JPY1.8 B.
- * Earnings from sales of fixed assets increased JPY6.7 B.

Cash flow from financing activities

Net cash spent totaled JPY2.3B, down JPY24.8 B on YoY.

- * Cash inflow increased by JPY13.9 B through the equity finance.
- * Decrease of JPY34.8 B in expenditures associated with the repayment of long-term borrowings and the redemption of corporate bonds.

**Cash and cash equivalents at the fiscal year-end was JPY64.9B,
an increase of JPY21.5B on YoY.**

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2. Earnings Forecast for FYE 3/'12 Review of Mid-Term Business Plan

Haruo Kawahara, Chairman, President and CEO

Major measures were completed by the end of FYE3/'11

(Positive effect of JPY1.5 B for FYE 3/'11 and Forecast of JPY12.7 B for FYE 3/'12)

1. Reforming unprofitable businesses

- * DP: Fabless production of consumer-use TVs worldwide.
- * CAM: Sales reforms in the Americas and Europe and production transfer from Japan to Malaysia.
- * BS: Professional-use CAMs production transfer from Japan to Malaysia, enhancement of cost competitiveness.

2. Reconstructing the global operation system

- * Sold and relocated the Head Office, relocated business units.
- * Reorganization of the production system (Japan to overseas)
- * Reduced 1,000 employees overseas and 1,300 in Japan.

3. Increase in cash flow and reducing total assets

- * Operating cash flow increased by JPY20.0 B.
- * Cash increased by JPY14.2 B through sales of fixed assets and total assets reduced by JPY14.1 B.
- * Free cash flow of JPY25.3 B including the equity finance of JPY13.9 B through.

Earnings Forecast for FYE3/'12

- * Both sales and profit are expected to increase, because of
 - Positive effect of JPY12.7 B through the action plan.
 - Promotion of growth strategies in CE and PS.
- * Factors in the decrease of earnings are incorporated, such as
 - Strategic investment and the relief of salary-cut and impacts of the Earthquake
- * The forecast for the 1H is not disclosed since it is difficult to identify when impact of the Earthquake occurs at this time.

	Net sales	Operating profit (Operating profit %)	Ordinary income (Ordinary income %)	Net income (Net income %)	Exchange rate
FYE 3/'12	360.0	13.5 (3.8)	8.0 (2.2)	4.0 (1.1)	USD: JPY 85 Euro: JPY 113
FYE 3/'11	352.7	13.0 (3.7)	7.6 (2.1)	-4.0 (-1.1)	USD: JPY 86 Euro: JPY 113
Y-o-Y	+7.3	+0.5	+0.4	+8.0	

(Billion yen)

Revision of “Mid-term Business Plan”

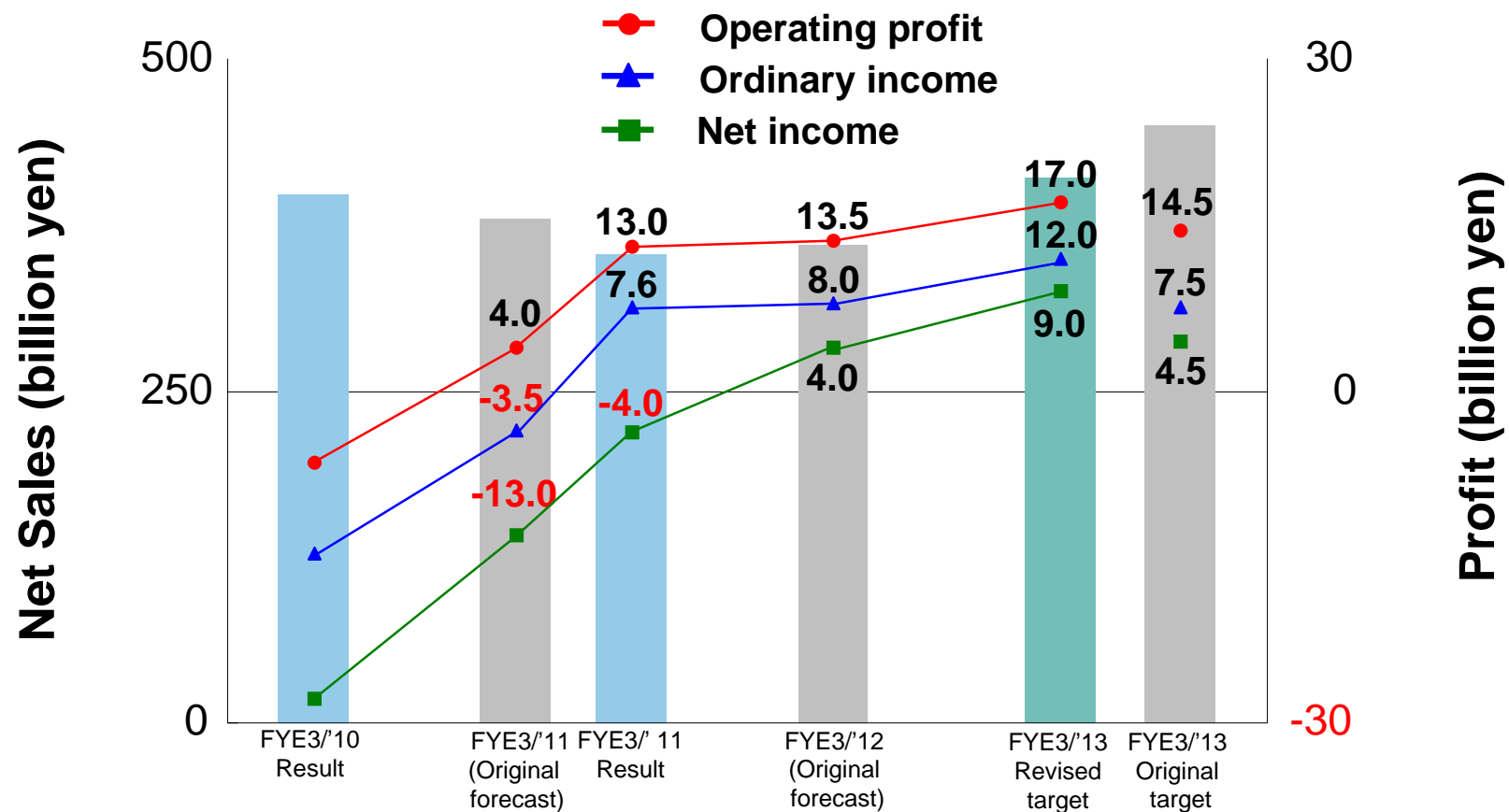
- * Operating profit and net income are up-dated to JPY17.0 B and JPY9.0 B, based on
 - the effect of the action plan
 - the actual results in CE and PS
- * Sales target of Mid-term Business Plan was up-dated to JPY410.0 B from JPY450.0 B, based on
 - the strong yen
 - an advanced shift of business models in HM resulted from FYE 3/'11
 - the impact of sale of a subsidiary.

(Billion yen)

Business segment		FYE3/'10 (For reference)	FYE3/'11 (For reference)	FYE3/'12 Forecast	FYE3/'13		
					Revised target (a)	Initial target (b)	Difference (a – b)
Car Electronics + Professional Systems	Net sales	200.3	201.0		265.0	280.0	(15.0)
	Operating profit	1.7	11.5		13.0	13.0	0
Home & Mobile Electronics + Entertainment	Net sales	186.7	143.0		140.0	160.0	(20.0)
	Operating profit	(8.5)	1.3		4.0	1.5	+2.5
New business and others	Net sales	11.7	8.7		5.0	10.0	(5.0)
	Operating profit	0.5	0.1		0	0	0
Total	Net sales	398.7	352.7	360.0	410.0	450.0	(40.0)
	Operating profit	(6.5)	13.0	13.5	17.0	14.5	+2.5
	Ordinary income	(14.8)	7.6	8.0	12.0	7.5	+4.5
	Net income	(27.8)	(4.0)	4.0	9.0	4.5	+4.5

Progress of the “Mid-term Business Plan”

- * FYE 3/'11: Completed the “Action Plan for Reconstructing Corporate Bases” and achieved ordinary income to be in the black as planned.
- * FYE 3/'12: Aim to get net income into the black
- * FYE 3/'13: Aim to achieve net sales of JPY410.0 B, operating profit of JPY17.0 B (operating profit ratio of 4.1%) and net income of JPY9.0 B.
Shareholders' equity ratio: 25% (FYE 3/'11: 20%)
Net debt-equity ratio: 0.5 times or below (FYE 3/'11: 0.53)



Application of Funds from Equity Finance to Growth Strategies

“Discovery, Inspiration and Peace of Mind to People World-wide”

JPY13.9B, received through the equity finance in Jan '11, to the growth strategies:

Aim to establish a new position as a Japan-based specialized (non-diversified) manufacturer that share “Discovery, Inspiration and Peace of Mind” focusing on selected AV and security products, and to realize renewed growth by;

- Focusing on businesses with a competitive advantage
- Synergy effects of integration and development within the emerging markets.

Carry out strategic investment in addition to ordinary investments from FYE 3/'12.

1 Growth strategy of Car Electronics Business

Make use of our strong position in the US and European after market.

2 Growth strategy of Professional Systems Business

Make use of the strength of COM in public safety sector and the global presence of BS

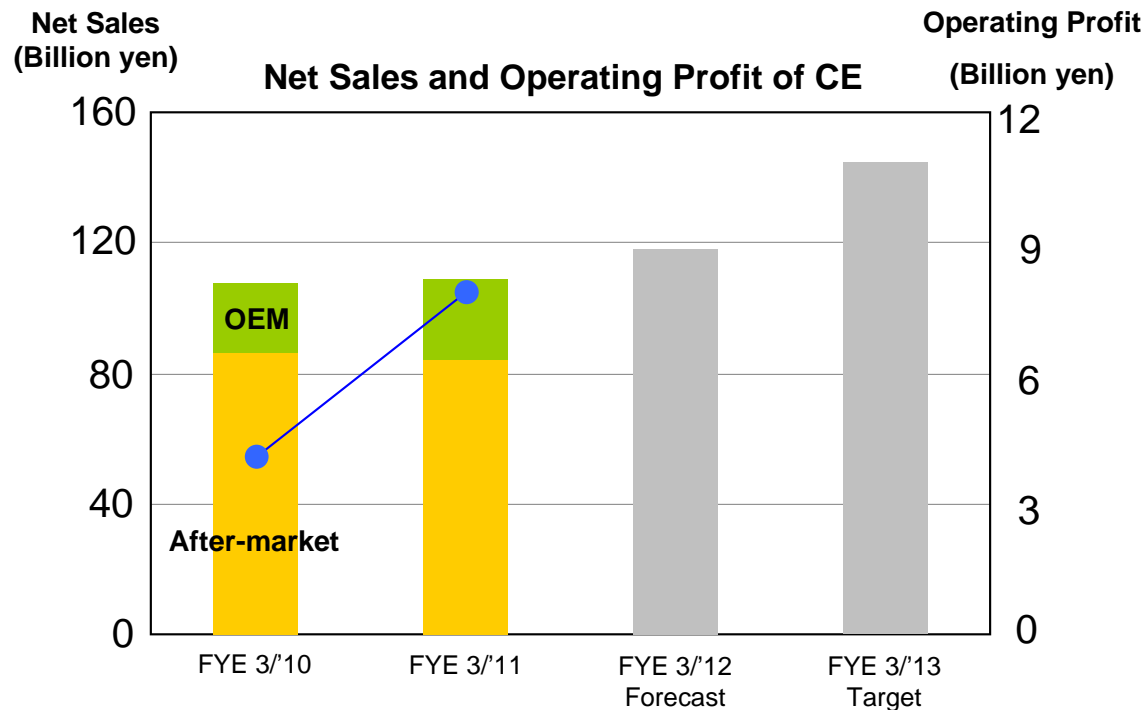
3 Enter new business domains and promote strategic business alliances

Medical/health care, education, aging population, ecobusiness and personal safety and security

1. The Car Electronics Business - Growth Strategy

Make use of our strong position in the US and European after market.

1. Expand sales in emerging markets
2. Expand sales of car navigation systems through integrated resources and partnership strategies
3. Be among the first to develop next-generation car electronics



Memory navi for Japanese after markets developed by Kenwood and JVC under integrated management



Memory navi for overseas after markets developed in collaboration with Garmin

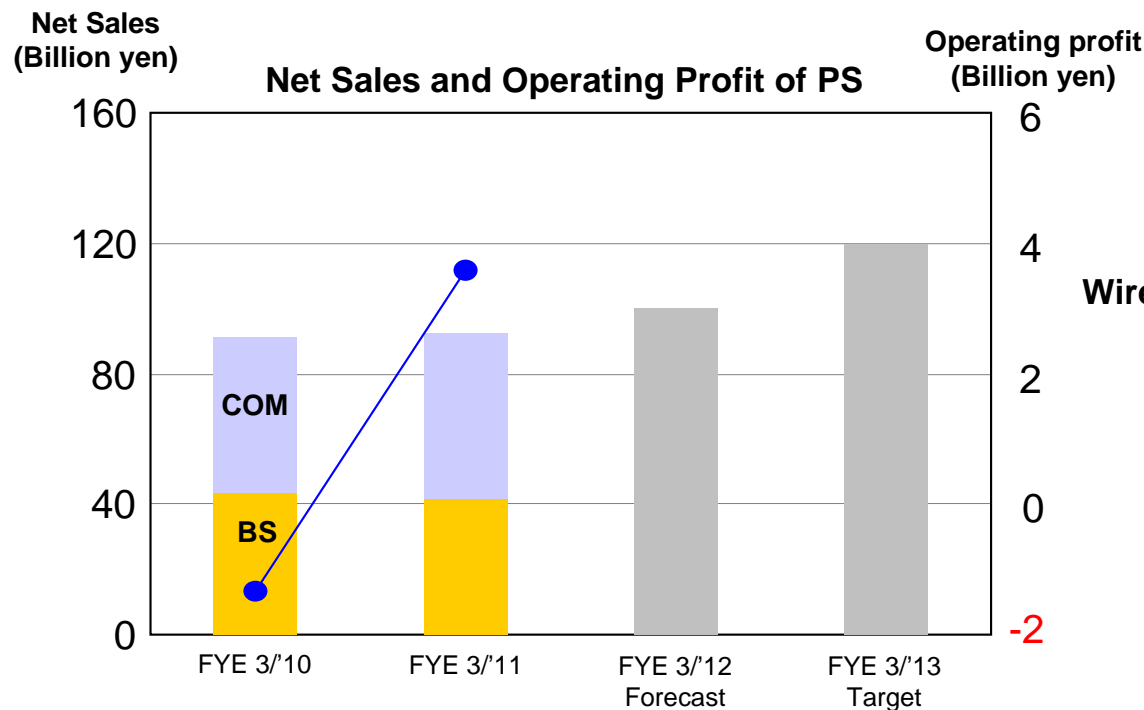


2. Professional Systems Business

- Growth Strategy for COM

Make use of our strength in the public safety sector.

1. Expand sales of digital radio equipment
2. Expand business fields so as to become a provider of wireless communications system solutions
3. Expand sales in emerging markets



2. Professional Systems Business

- Growth Strategy for BS

Make use of global presence

1. Implement growth strategy with security-related products as a driver of growth
2. Implement growth strategy through integrated operations and partnerships



Professional memory card camera
recorder
GY-HM790 series



Professional memory card camera
recorder supplied to CNN
GY-HM100



Hibino wide-screen 3D LED display system
based on JVC in-house technology

3. New Business Domains and Strategic Business Alliances

Medical/health care, education, aging population, eco-business and personal safety and security

1. Medical/health care, education and aging population
2. Eco-business and personal safety and security
3. Expand joint research and development

Strategic Business Alliances

Such as strategic alliance with Hibino Corporation

8K4K super hi-vision jointly developed with NHK



High-definition 3D image system for remote medical treatment



Wide-screen unaided 3D display jointly developed with the National Institute of Communications Technology (NICT)



Photo source: NICT

Integrated Management System for Merger/Integration

1. Policy

Overcoming the Lehman financial crisis and the accounting restatement since management integration, operating results for FYE 3/2011 exceeded the initial forecast and stable funds were also secured.

>> Going Concern Reservation were eliminated. JVC KENWOOD has finally arrived at the end of the tunnel.

On the basis that JVC KENWOOD and three operating subsidiaries will merge in Oct '11, we accelerate the profitable growth strategy as a Group.

>> An integrated management organization structure has been established as of May 1, '11 so that measures can be taken to speedily and flexibly respond to change in the business environment.

Integrated Management System for Merger/Integration

2. Integrated Management System

* Management top of JVC KENWOOD

The current structure of Chairman, President and CEO shifts to a structure in which **integrated management and Merger/Integration preparations are separated from business operations.**

Haruo Kawahara: Chairman and Executive Officer Responsible for Integrated Management, Chairman of Merger/Integration Preparation Committee, Chairman of the Board of Directors

Hisayoshi Fuwa: President and Chief Executive Officer (CEO), Chairman of the Growth Strategy Committee.

Satoshi Fujita is appointed as the Chief Financial Officer (CFO)

* Reorganization of the management structures and establishment of Business Group COO

Four Business Groups are established corresponding to four business segments. **CEO serves as President of three operating subsidiaries**, and under the CEO, **a Chief Operating Officer (COO) is deployed within each Business Group.** COOs lead business operations.

Shoichiro Eguchi: COO of Car Electronics Business Group

Kazuhiro Aigami: COO of Professional Systems Business Group

Hisayoshi Fuwa: COO of Home & Mobile Electronics Business Group

Masaki Imai: COO of Soft Entertainment Business Group

Integrated Management System for Merger/Integration

3. Establishment of Merger/Integration Preparation Committee and Growth Strategy Promotion Committee

* Merger/Integration Preparation Committee

Proceed with preparations for merger/integration under the Board of Directors

- Corporate principles and visions
- Merger/Integration procedures
- Brand strategy, marketing strategy
- Integration of consolidated management systems, innovation of production systems and activities
- Research & Development system, business-making, M&A, etc.

* Growth Strategy Promotion Committee

Promotes strategic investments and growth strategies as well as the Mid-term Business Plan Under the CEO

- Growth strategies by Business Groups
- Business expansion to emerging markets
- Growth strategies taking advantage of integration synergies
- Promotion of strategic business alliances, entry into new business domains, etc.



Expressions contained in this presentation referring to the Company's future plans, intentions and expectations are categorized as future forecast statements. Such statements reflect management expectations of future events, and accordingly, they are inherently susceptible to risk, uncertainty and other factors, whether known or unknown, and may be significantly different from future performance. These statements represent management targets as of the time of issuing of these presentation materials, and the Company is under no obligation and expressly disclaims any such obligation, to update, alter and publicize its future forecast statements in the event of changes in the economic climate and market conditions affecting performance of the Company. Risk factors and other uncertainty which may affect the Company's actual performance include: (1) violent fluctuations in economic circumstances and supply and demand systems in major markets (in Japan, the U.S, the EU and Asia); (2) restrictions including trade regulations applicable to major markets including Japan and other foreign countries; (3) sharp fluctuations in the exchange rate of the dollar, euro, etc. against the yen; (4) marked fluctuations in exchange rates in capital markets; and (5) change in social infrastructure due to short term changes in technology, etc.; provided, however, that above is not a comprehensive list of all the factors which may exert a significant influence on the Company's performance.