

Earnings Briefing for Third Quarter

Fiscal Year Ending March 2009

JVC KENWOOD Holdings, Inc.
January 30, 2009

Overview of Earnings Results for Third Quarter

Hiroshi Odaka, Deputy President and CFO

Outlook of Earnings and Additional Measures

Haruo Kawahara, Chairman and CEO

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Earnings Results for 3Q of FYE'09/3 - Summary

Comparison with previous fiscal year

Both net sales and profits decreased due to strong yen and worsened economy, despite substantial cost cut.

Comparison with original forecast

Earnings results fell short original forecast.

| | (Billion yen) | | | |
|--------------------------|---------------|---|---|-----------------------------------|
| | Net sales | Operating profit (Operating profit margin) | Ordinary income (Ordinary income margin) | Net income (Net income margin) |
| Third quarter (3Q) | 126.3 | 1.9 (1.5%) | -1.4 (-1.1%) | -3.4 (-2.7%) |
| Kenwood (First half) | 80.1 | 1.5 (1.9%) | 1.1 (1.4%) | 0.1 (0.1%) |
| Nine months (1Q - 3Q) | 206.4 | 3.5 (1.7%) | -0.3 (-0.1%) | -3.3 (-1.6%) |

* JVC Kenwood's earnings results for FYE '09/3 **lack continuity from the simple combination of results of Victor Company of Japan, Limited (JVC) and Kenwood Corporation (Kenwood)** up to the first half of FYE '09/3, due to applying the purchase method accounting.

* Currency translation rate for settlement of accounts for 3Q:

>> About 96 yen per dollar and about 127 yen per euro (excluding settlement of forward contracts)

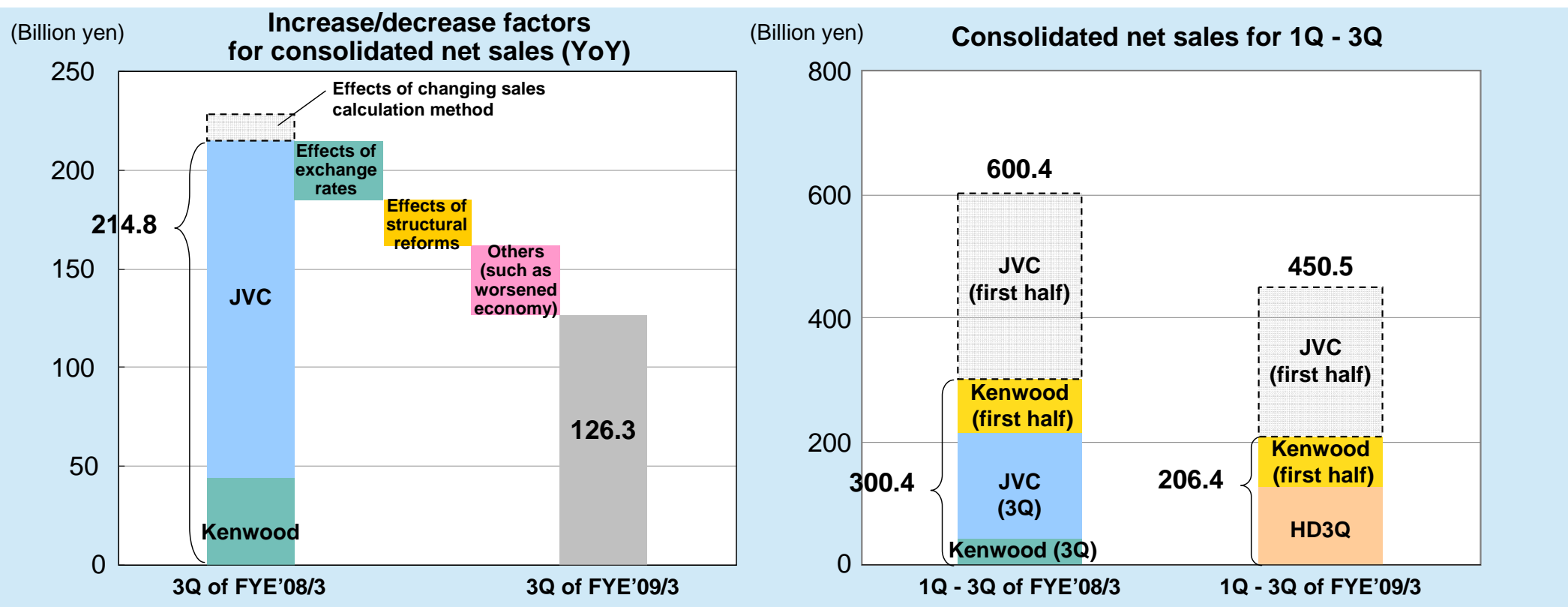
Assumed exchange rates for 3Q:

>> 100 yen per dollar and 130 yen per euro

Earnings Results for 3Q of FYE'09/3 - Consolidated Net Sales

3Q: 126.3 billion yen 1Q - 3Q: 206.4 billion yen

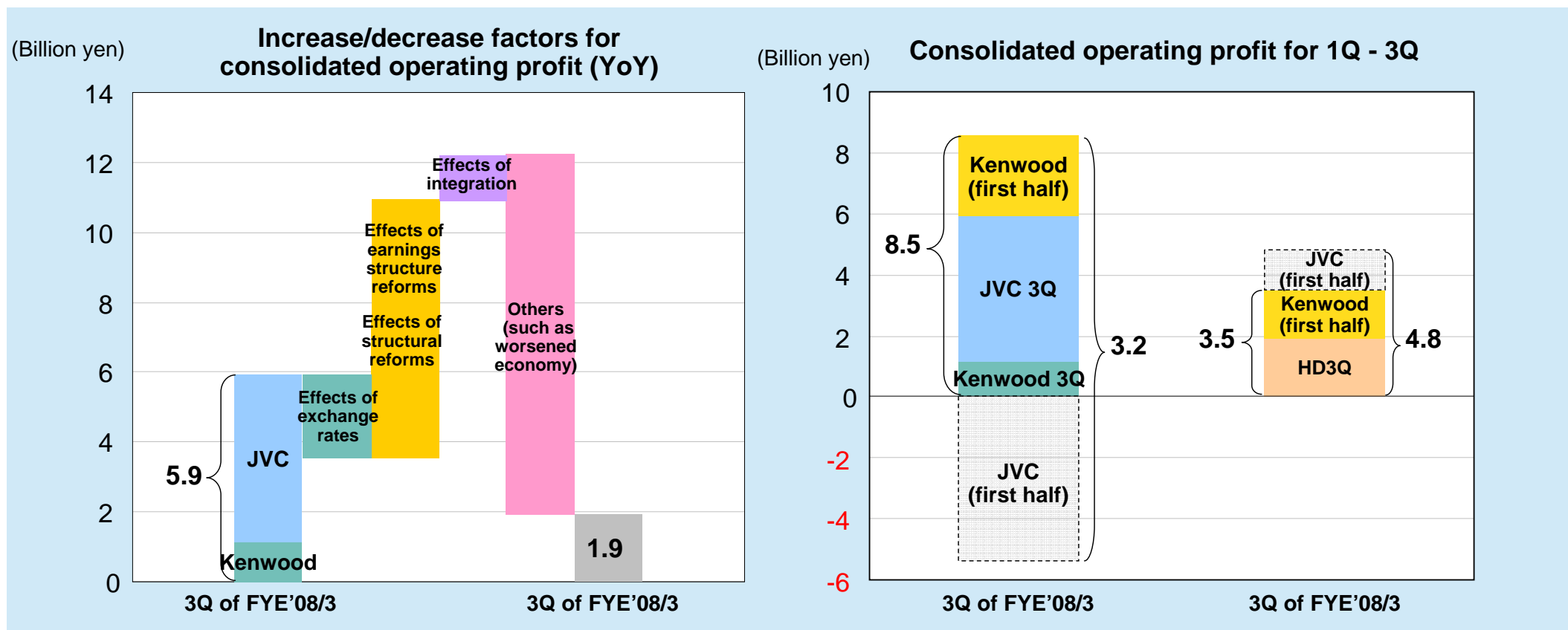
- * Effects of changing the sales calculation method for JVC into the net method: -14.0 billion yen
- * Effects of yen's appreciation: -23.0 billion yen
(3Q of FYE'08/3: 113 - 114 yen per dollar and 164 - 167 yen per euro >> 3Q of FYE'09/3: 96 yen per dollar and 127 yen per euro)
- * Effects of sale/cessation of non-core businesses and curtailment of unprofitable businesses through structural reforms enacted before the management integration: -23.0 billion yen
- * Effects of decrease in sales due to worsened economy: -43.0 billion yen



Earnings Results for 3Q of FYE'09/3 - Consolidated Operating Profit

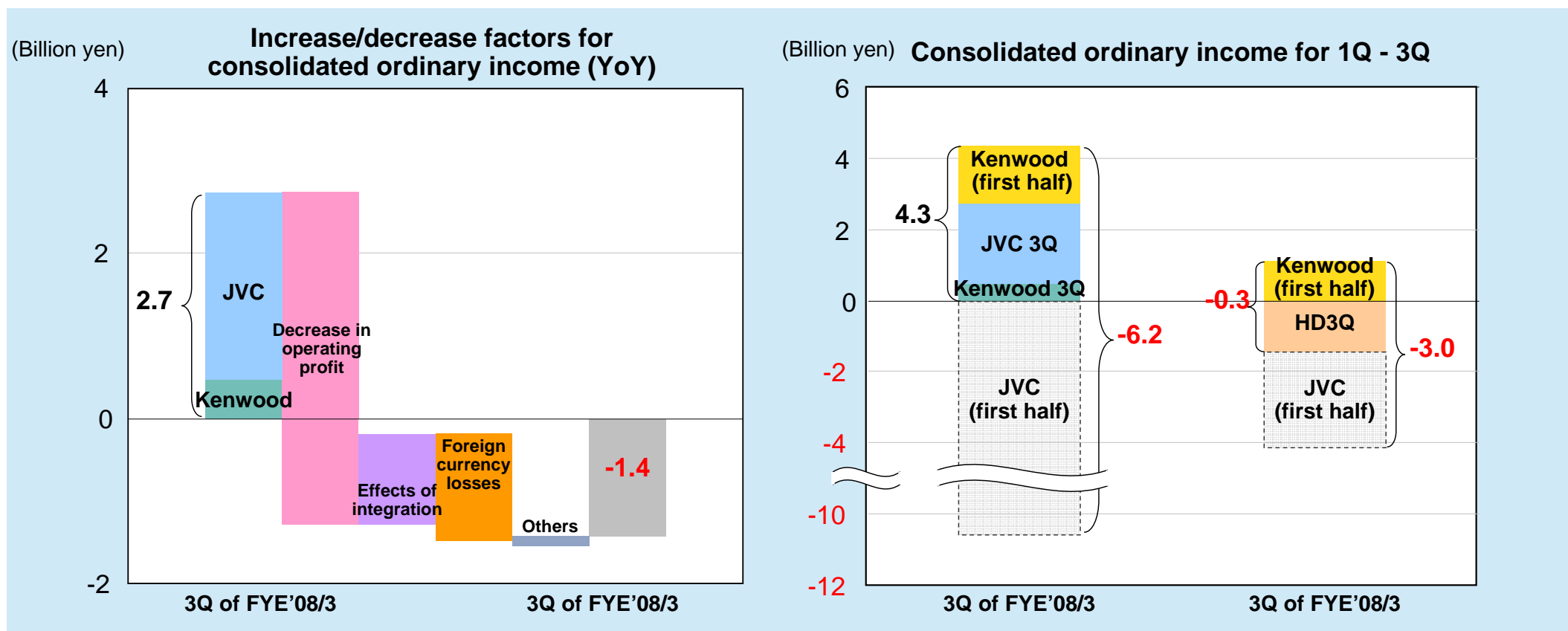
3Q: 1.9 billion yen, 1Q - 3Q: 3.5 billion yen

- * Factors for decrease: Effects of strong yen (-2.4 billion yen) and effects of slackened sales (-9.5 billion yen)
- * Emergence of the effects of structural reforms conducted before management integration and earnings structure reforms promoted after the integration (6.6 billion yen in total)
- * Effects of integration (1.3 billion yen), including effects from cost synergies and accounting effects



3Q: -1.4 billion yen, 1Q - 3Q: -0.3 billion yen

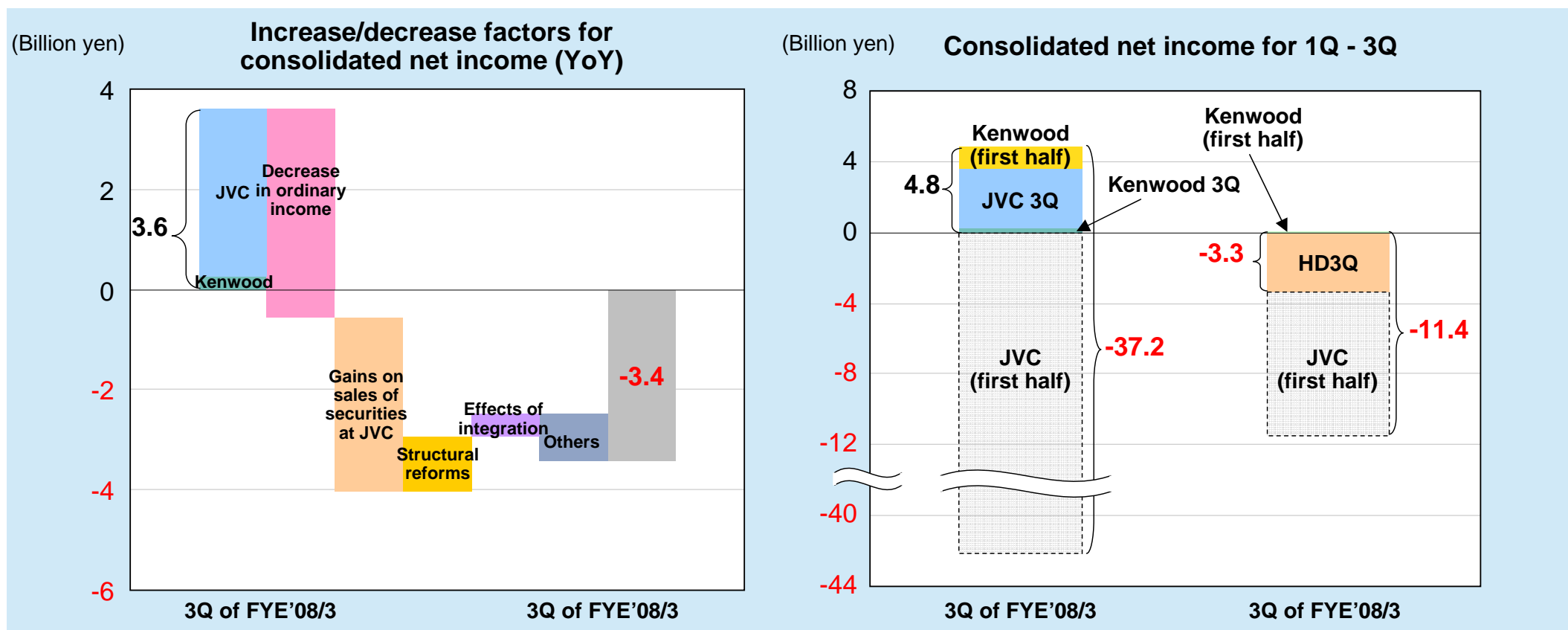
- * Factors for decrease: Decline in operating profit (-4.0 billion yen) and non-operating expenses such as foreign currency losses (-1.3 billion yen)
- * Booking of accounting effects (1.1 billion yen) such as amortization of negative goodwill as non-operating profit



Earnings Results for 3Q of FYE'09/3 - Consolidated Net Income

3Q: -3.4 billion yen, 1Q - 3Q: -3.3 billion yen

- * Emergence of accounting effects (0.5 billion yen) in addition to decrease in restructuring expenses at JVC (1.1 billion yen)
- * Factors for decrease: Decline in ordinary income (-4.2 billion yen), and the lack of gains on sales of securities at JVC (-3.5 billion yen), which were recorded in the same period of the previous year



Earnings Results for 3Q of FYE'09/3 - Car Electronics Business

**3Q: net sales: 23.4 billion yen (effects of exchange rates: -5.0 billion yen);
operating profit: -0.9 billion yen**

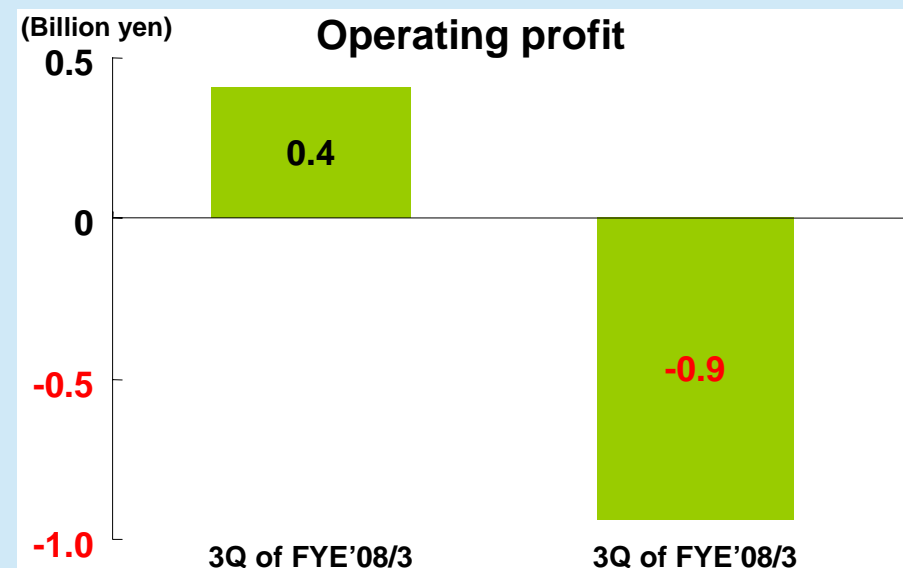
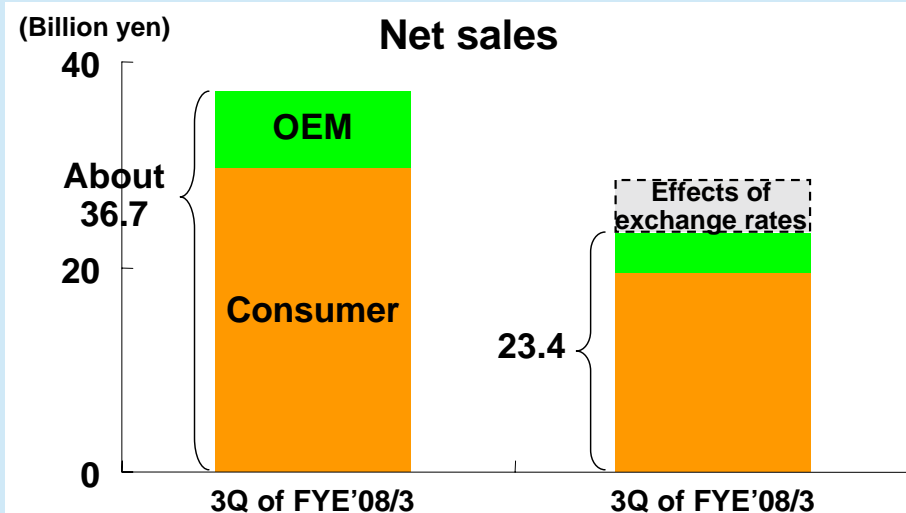
1Q - 3Q: net sales: 69.1 billion yen; operating profit: -1.3 billion yen

Consumer

- * Continued to increase market share in major world markets by taking advantage of both brands' strength.
- * Sales of car navigation system units integrated with audio visual equipment (developed in cooperation with Garmin Ltd.) remained relatively robust in overseas markets.
- * Hurt by the worsened economy, however, both sales and prices increasingly dropped in the latter half of 3Q.

OEM

- * Losses increased due to a precipitous fall in sales of genuine products, despite rise in sales of devices for car-mounted equipment.



Earnings Results for 3Q of FYE'09/3 - Home & Mobile Electronics Business

**3Q: net sales: 58.4 billion yen (effects of exchange rates: -13.2 billion yen);
operating profit: 1.9 billion yen**

1Q - 3Q: net sales: 62.0 billion yen; operating profit: 1.2 billion yen

Display

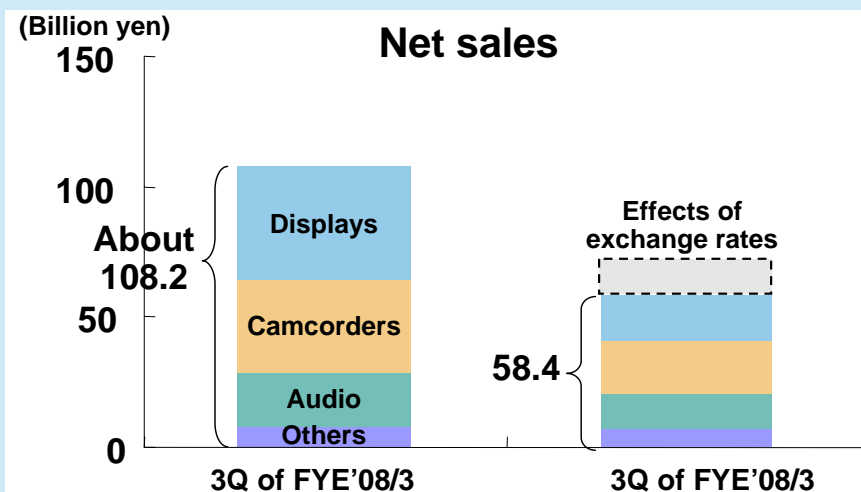
* Emergence of effects of structural reforms such as drastic curtailment of the domestic consumer business and promotion of EMS of production in Europe

Audio

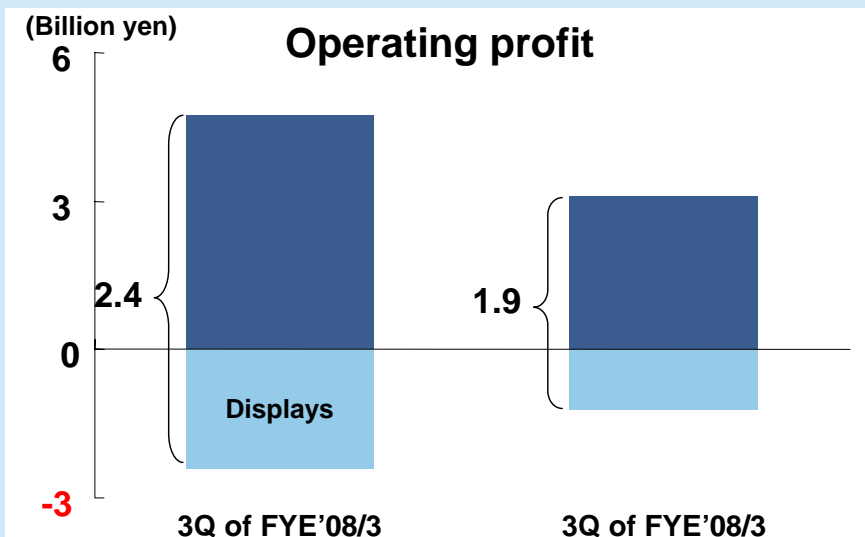
* Curtailment of unprofitable products, strengthening of AV accessories and split-up of Kenwood's audio business. This failed, however, to offset the effects of the economic downturn.

Camcorder

* Standard Definition models proved a worldwide hit, and High Definition models increased Japan domestic market share. This failed, however, to offset the effects of the worsened economy and yen's appreciation.



* 3Q of the FYE '08/3:
on a net basis



Earnings Results for 3Q of FYE'09/3 - Professional System Business

3Q: net sales: 23.8 billion yen (effects of exchange rates: -2.6 billion yen);

operating profit: 0.5 billion yen

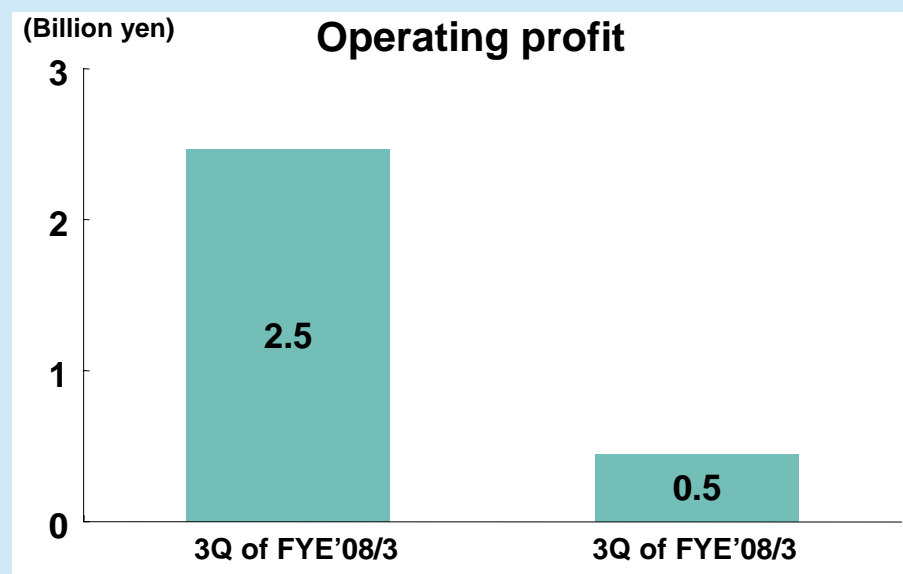
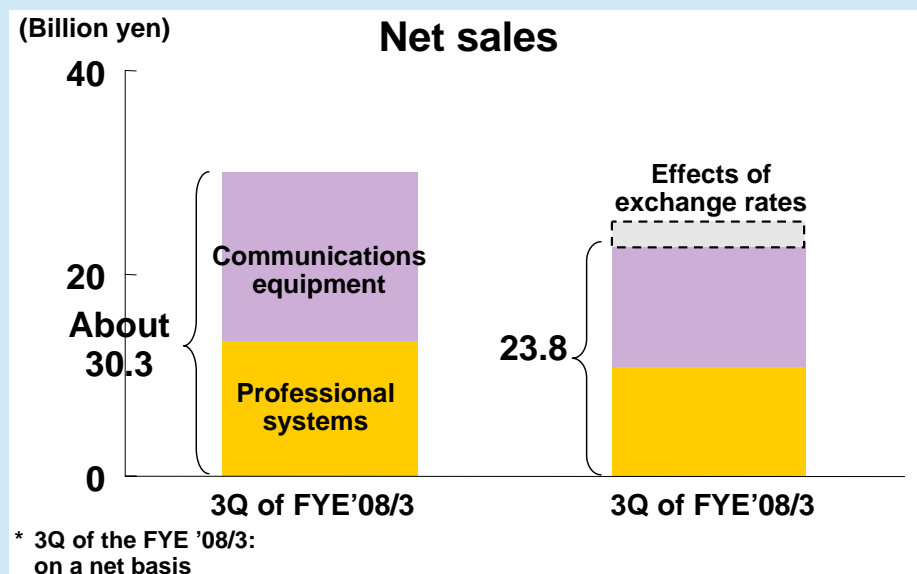
1Q - 3Q: net sales: 53.4 billion yen; operating profit: 3.0 billion yen

Communications Equipment

- * Relatively strong sales of products for public safety, which offset effects of the worsened economy on products for private industry
- * Decrease in sales due to slowed orders in the U.S. in the latter half of 3Q prior to new budget year

Professional Systems

- * Sluggish sales amid slowing economy, despite exploring new demand by introducing new products



Earnings Results for 3Q of FYE'09/3 - Entertainment Business

3Q: net sales: 19.0 billion yen; operating profit: 0.7 billion yen

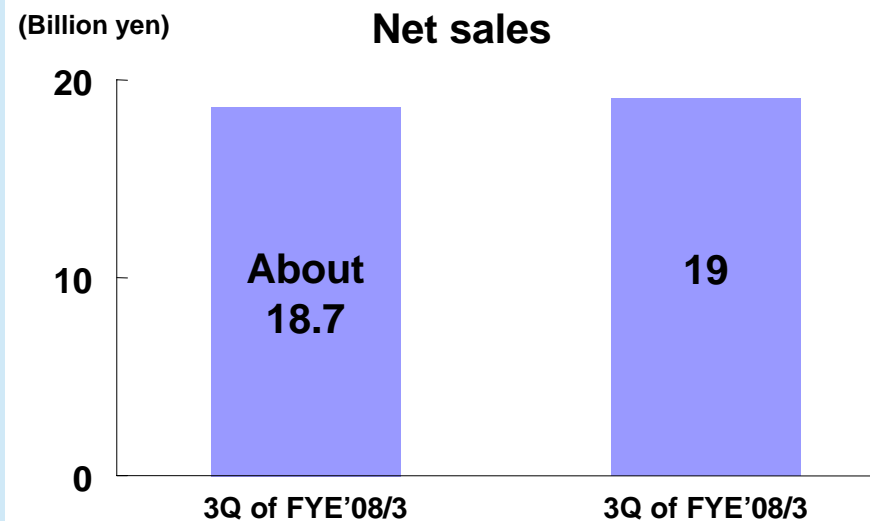
1Q - 3Q: net sales: 19.0 billion yen; operating profit : 0.7 billion yen

Contents

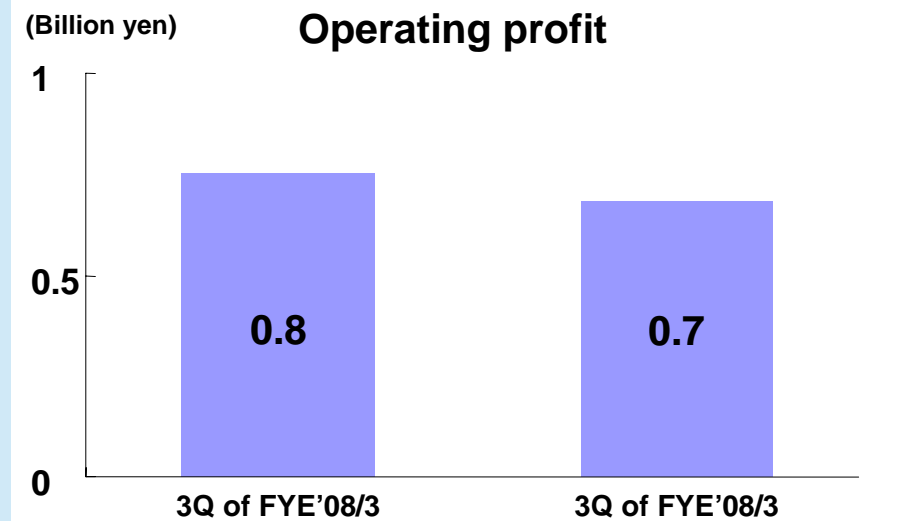
* Fall in sales of old CDs; robust sales of new CDs thanks to some blockbuster and animation related CD hits

Consignment

* Increase in sales partly due to effects of business expansion



* 3Q of the FYE '08/3:
on a net basis



Balance sheets

- * Total assets were 396.5 billion yen, reflecting a decrease in foreign-currency denominated assets (such as trade notes and accounts receivable and inventories) due to the strong yen, and a fall in market value of investment securities hurt by declined stock prices.
- * Total liabilities were 299.4 billion yen, including interest-bearing debts of 133.7 billion yen and net debts of 86.5 billion yen.
- * Net assets totaled 97.1 billion yen, as a foreign currency translation adjustment account was booked because of the yen's appreciation.

(Billion yen)

| | JVC End of '08/9 | Kenwood End of '08/9 | Company '08/10/01 | Company End of '08/12 | Change during 3Q |
|--|---------------------|-------------------------|----------------------|--------------------------|---------------------|
| Total assets | 301.9 | 115.3 | 431.6 | 396.5 | -35.2 |
| Interest-bearing debts | 74.3 | 48.8 | 123.1 | 133.7 | +10.6 |
| Net debts | 41.9 | 32.9 | 74.8 | 86.5 | +11.7 |
| Common stock | 51.6 | 11.1 | 10.0 | 10.0 | 0.0 |
| Retained earnings and treasury stock | 65.9 | 34.0 | 110.9 | 107.5 | -3.4 |
| Evaluation and translation adjustments | -11.2 | -19.7 | -7.1 | -20.5 | -13.4 |
| Net assets | 106.3 | 25.4 | 113.9 | 97.1 | -16.8 |
| Shareholders' equity ratio (%) | 3.5 | 2.2 | 2.6 | 2.4 | - |
| Net assets per share (yen) | 28.8 | 6.9 | 11.6 | 9.9 | -1.7 |

Cash Flow (for 1Q - 3Q)

Cash flows from operating activities

- * Net inflow of 0.8 billion yen, reflecting net income before income taxes of -1.7 billion yen, and only a slight rise in necessary working funds due to decreases in trade notes and accounts receivable and inventories

Cash flows from investing activities

- * Net outflow of 8.0 billion yen, reflecting payments for acquisition of tangible and intangible fixed assets and proceeds from sales of fixed assets

Cash flows from financing activities

- * Net inflow of 11.7 billion yen, mainly because of an increase in short-term borrowing
- * Cash and cash equivalents at the end of 3Q were 47.2 billion yen, up 32.8 billion yen, as a result of management integration.

Earnings Forecasts and Additional Measures

Fiscal Year Ending March 2009

JVC KENWOOD Holdings, Inc.

Haruko Kawahara,
Chairman and CFO

January 30, 2009

JVC Kenwood will implement additional measures as a whole group including JVC and Kenwood to cope with the deteriorated business environment and to secure profits in 4Q and the next fiscal year onward.

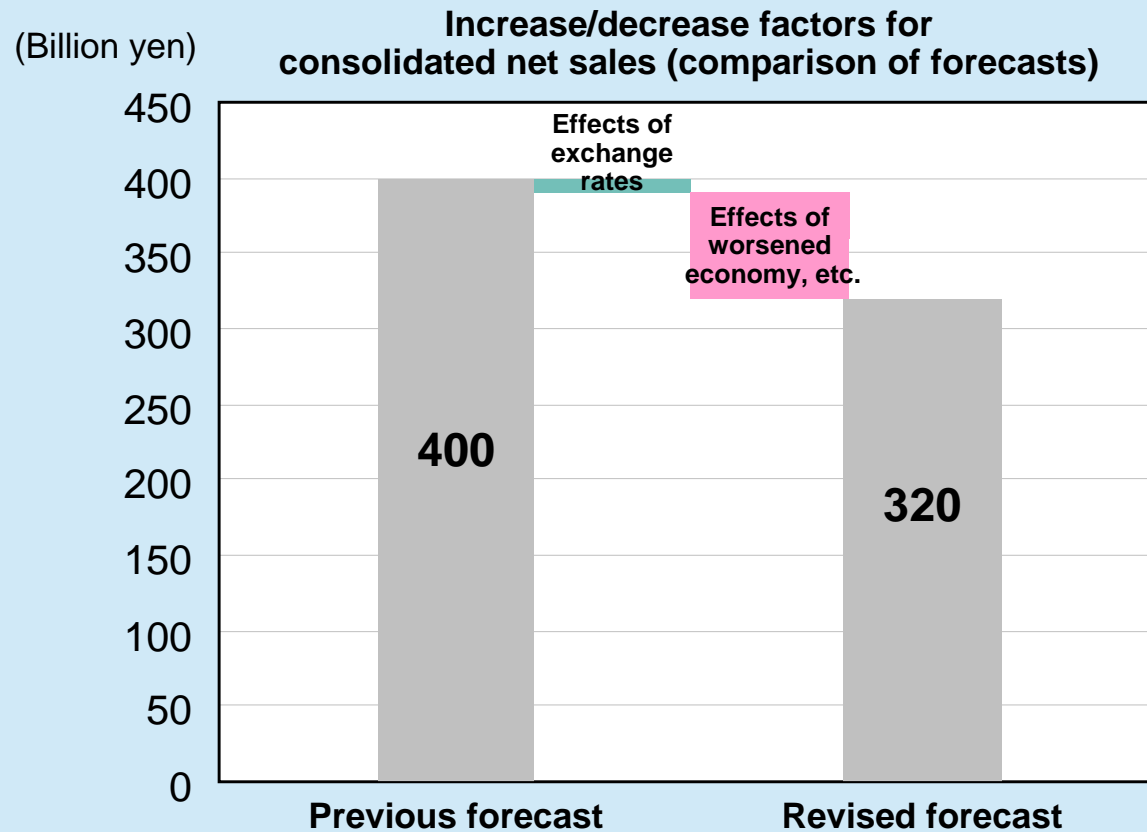
JVC Kenwood will revise its earnings forecast accordingly for FYE '09/3.

| | (Billion yen) | | | | |
|---------------------|---------------|---|---|-----------------------------------|------------------------------|
| | Net sales | Operating profit (operating profit margin) | Ordinary income (ordinary income margin) | Net income (net income margin) | Exchange rates |
| (Previous forecast) | 400.0 | 12.5 (3.1%) | 7.5 (1.9%) | 5.0 (1.3%) | USD: 100 yen EUR: 130 yen |
| (Revised forecast) | 320.0 | 3.0 (0.9%) | -3.0 (-0.9%) | -15.0 (-4.7%) | USD: 90 yen EUR: 120 yen |

* Sum of earnings results for 1Q - 3Q of Kenwood (the acquiring company in business combination accounting terms) and earnings results of JVC for 3Q

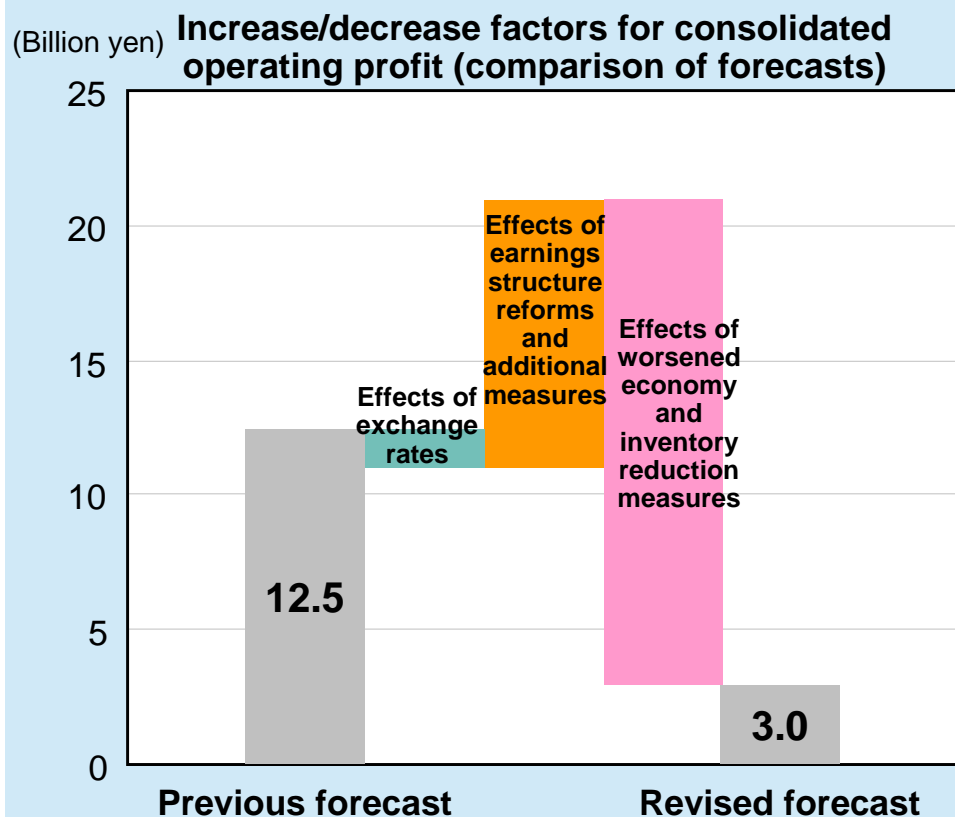
Net sales

- * Effects of exchange rates: -10.0 billion yen
(Changes in assumed exchange rates: 100 yen to 90 yen per dollar; 130 yen to 120 yen per euro)
- * Effects of worsened economy, etc.: -70.0 billion yen



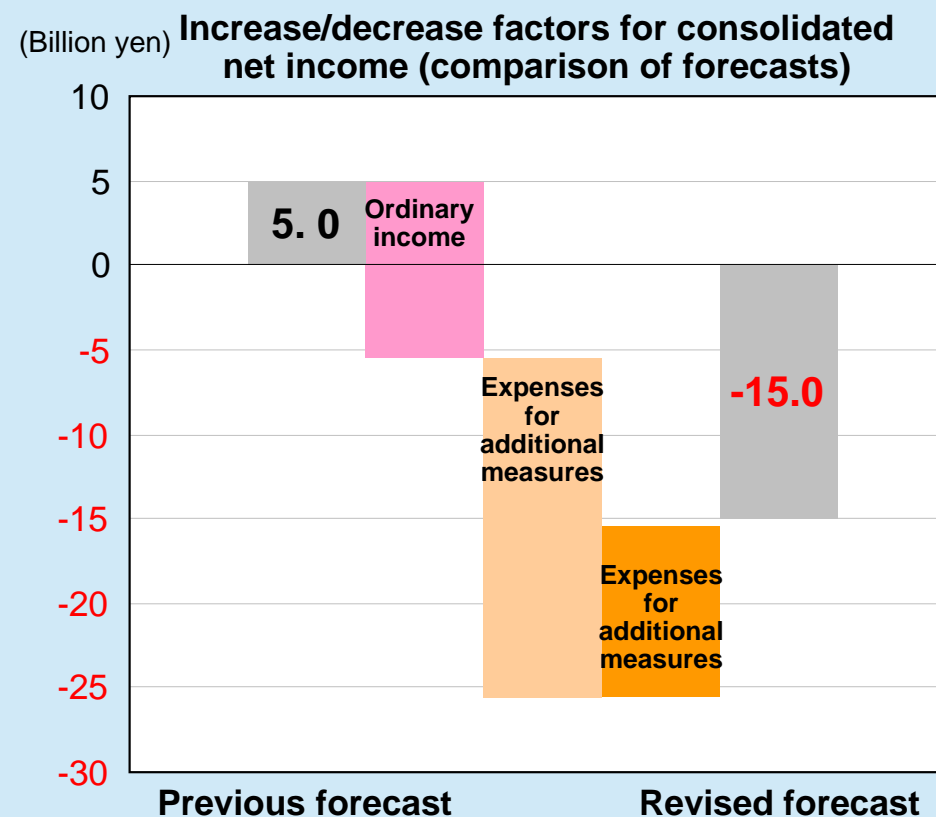
Operating profit

- * Effects of exchange rates: -1.5 billion yen
- * Effects of earnings structure reforms and additional measures: 10.0 billion yen
- * Effects of worsened economy and inventory reduction measures: -18.0 billion yen



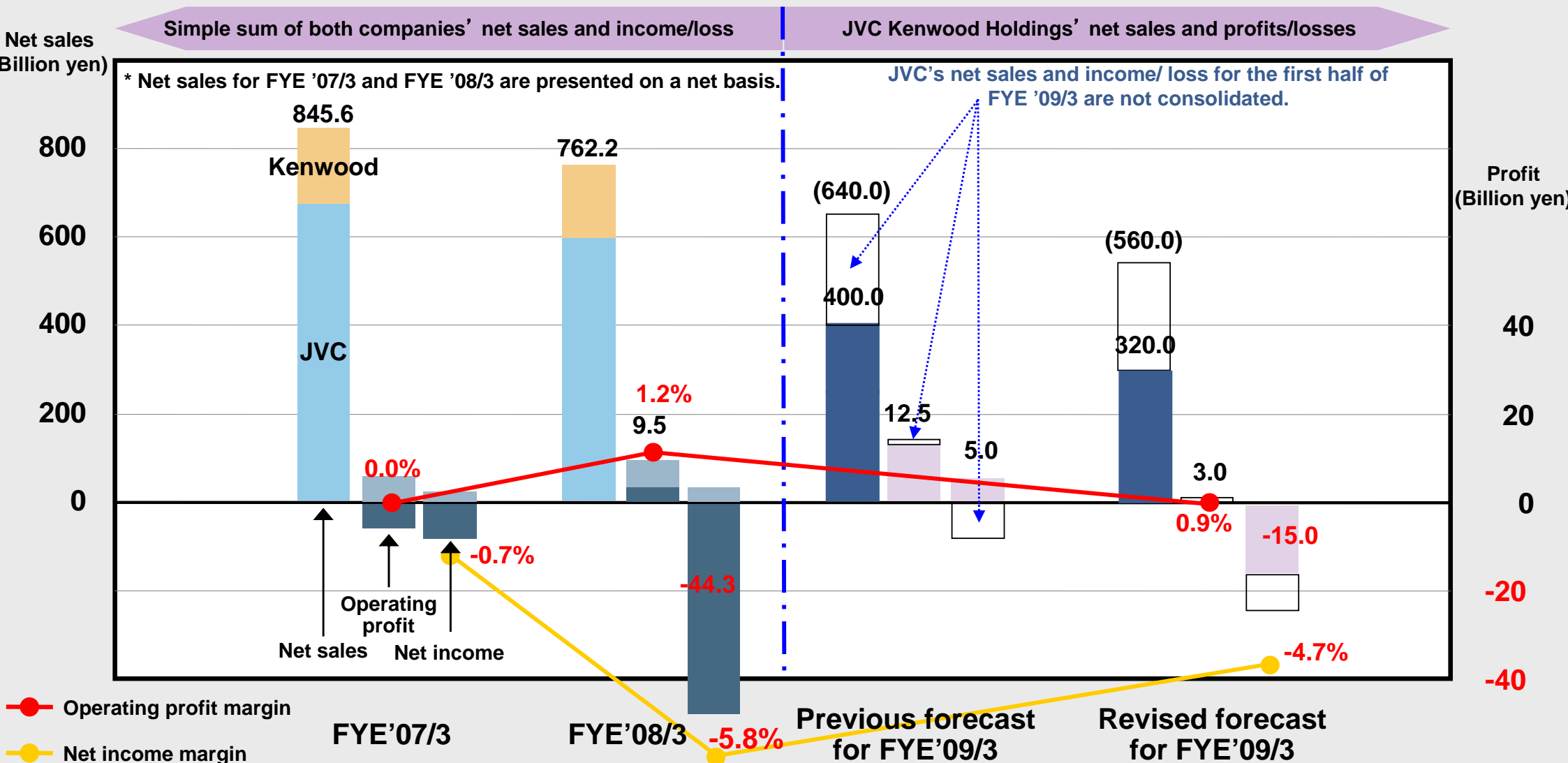
Net income

- * Ordinary income: -10.5 billion yen
- * Expenses for additional measures: about -20.0 billion yen
- * Expenses for additional measures: about -10.0 billion yen



Earnings Forecasts for FYE'09/3

FYE'09/3 results of JVC Kenwood Holdings, Inc. **Lack of continuity with simple combination of both JVC and Kenwood** results up to first half FYE'09/3



Additional Measures

“Earnings Structure Reform Conference” was established in JVC in October 2008 when both companies management was integrated. It was advantageous that this was prior to the full-scale economic crisis.

(1) Cost structural reform - Platform reform and grand design

- * Corporate Division/ Business Division: Review cost structures and IT investments
- * Promote production innovation
- * Implement emergency measures

(2) Business structural reform - Earnings structure reform by business segment

- * Display segment >> Enhance cost competitiveness of new products for European markets
- * Home audio segment >> Curtail unprofitable products

(3) Management structural reform - Strengthen consolidated management

- * Shift to consolidated operational structure, including subsidiaries, with globally synchronized process from manufacturing through sales
- * Reduce redundant costs in transactions between the JVC KENWOOD Holdings and operating companies, operating companies and subsidiaries, as well as within subsidiaries

(4) Financial structural reform - Financial and accounting reforms

- * Shift to management focusing on group-wide cash management
- * Improve working capital by liquidating fixed assets and reducing inventories, trade notes and accounts receivable

Implement additional measures to cope with the rapidly worsening economy and yen appreciation after autumn 2008

- * **Promote business structural reform**

Display segment: JVC

Car Electronics OEM segment: Kenwood

Audio segment: both JVC and Kenwood

- * **Implement preferential treatment early retirement, etc.**

- * **Promote investment for growth strategy**



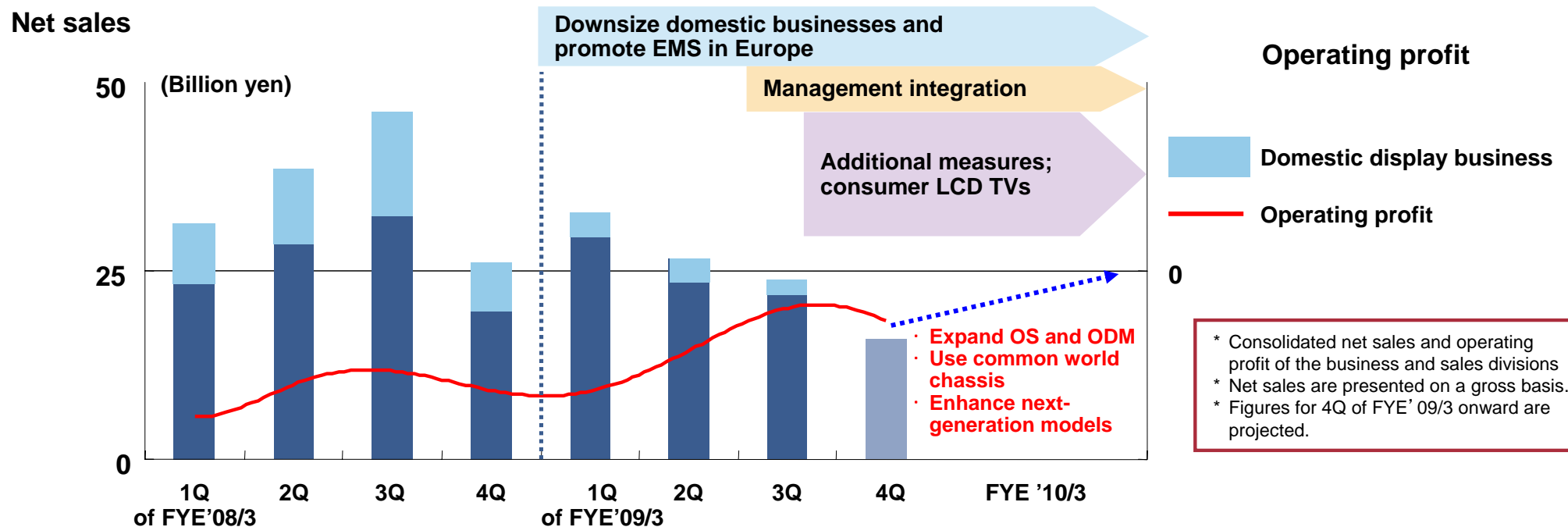
By combining earnings structure reforms with additional measures, JVC KENWOOD Holdings plans to reduce costs by 10.0 billion yen for the current fiscal year and 20.0 billion yen for the next fiscal year.

Additional Measures - JVC's Structural Reforms:

Business Structure Reform - Display Segment

- * Substantially Curtail consumer-use LCD TVs (in-house developed models) for overseas markets >> Expand OS and ODM
- * Reform and reconstruct manufacturing structure >> Reconstruct domestic manufacturing structure and promote EMS at overseas plants
- * Reform and reconstruct sales structures in Japan, the Americas and Europe
- * Concentrate on developing next-generation displays >> Reassign existing TV development staff

Trends in display segment's earnings



*** Reconstruct Japan domestic manufacturing structure**

- Increase Yokosuka Plant's productivity >> Implement drastic production innovation including staff cutbacks
- Concentrate professional systems manufacturing in one place >> Study integrating Hachioji Plant production functions in Yokosuka Plant

*** Reconstruct sales structure**

Japan Domestic sales reform:

- Shift marketing function to sales sections of the manufacturing divisions, sales to concentrate on retail distributors
- Review personnel systems and business bases

Structural reform of sales companies in Americas and Europe:

- Integrate sales and service companies, as well as concentrate service bases and warehouses (Americas)
- Reform sales firms, suspend IT investment, and reform logistics and service structures (Europe)

*** Reconstruct Japan domestic logistics and service structures**

- Structural reforms of companies related to logistics and services

Business structural reform - Car Electronics OEM segment

Sluggish car sales and declining installation rate of genuine products
>> Implement structural reforms from September 2008



Worldwide reduction in car production and sales due to deterioration
in the market

Additional bold measures are needed.



- * Review scale of development and manufacturing structures to match sales and related structural reorganization
- * Strengthen development capabilities and reconstruct efficient cost structure through integrating both companies' development structures further

Business structural reform - Audio segment

- * Significantly curtail unprofitable models and shift to high-value-added business
- * Enhance home theater systems business with built-in BD/DVD and expand OS and ODM
- * Pursue synergy effect from integration >> Joint development, production and purchase
- * Accelerate study of integrating both companies' businesses

Employment structural reform

* Preferential treatment early retirement

JVC:

- Preferential treatment early retirement program:
350 full-time employees and 130 group-company employees
- Shift about 200 employees to growth fields and promote investment in such fields

Kenwood:

- Cutback about 100 workers at Kenwood Nagano Corporation >> Consider to further reduce by about 100 full-time employees

* Partial return of remuneration

- Implement further sweeping measures of partially returned remuneration from managers and executives

Additional Measures - Inventory Reduction

Production adjustments

- * Beginning in the third quarter under review, drastic production adjustments including layoffs were conducted at 12 manufacturing bases: 6 at JVC and 6 at Kenwood.

Promote production innovation activities

- * Concentrate products and parts warehouses in Japan and abroad to reduce consolidated inventories
- * Accelerate reforms of PSI (production, sales and inventory) management

Establish top strategic products and company-wide related support

- * Select top strategic products which differentiate from competitors and serve as growth engines
- * Increase earnings power through expanding sales achieved by company-wide support

New organization to enhance future growth strategy (JVC)

- * Accelerate to commercialize new-type products: Sales Strategy Office, Alliance Promotion Office, and Blu-ray Systems Division
- * Reinforce to explore new markets and new sales channels in Japan and overseas: Development & Sales Division
- * Strengthen next-generation display business: Products Development Division

Shift to B-to-B business

- * Redouble efforts on products for public safety
 - >> Leverage both companies' strengths in professional wireless equipment and security cameras

JVC KENWOOD HOLDINGS

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