TRANSLATION - FOR REFERENCE ONLY -

October 27, 2008

Company:	JVC KENWOOD Holdings, Inc.
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	(Code: 6632; 1st Section of Tokyo Stock Exchange)
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Notice of Performance Forecast for the Fiscal Year Ending March 2009

On October 1, 2008 JVC KENWOOD Holdings, Inc. (hereinafter "the Company"), together with establishment and listing on the first section of the Tokyo Stock Exchange, announced its performance forecast for the fiscal year ending March 2009.

The business environment rapidly deteriorated since then, but the Company will pursue the following key measures in accordance with the management policies described in the "Notice of the establishment of JVC KENWOOD Holdings, Inc." released on October 1.

At the same time, the Company, as the final project of the structural reform on which Victor Company of Japan, Ltd. (hereinafter "JVC") and Kenwood Corporation (hereinafter "Kenwood") have been focusing efforts, will cope with the recent deterioration of business environment and also start new efforts such as emergency measures as the whole group including Kenwood, by launching the Profit Structural Reform Conference (Chairman: Haruo Kawahara, Chairman and CEO and Representative Director of the Board of JVC) in JVC.

The Company plans to achieve its performance forecast for the fiscal year ending March 2009 released on October 1, 2008 through these efforts, and will not make any change to this at present. If, by various reasons, the performance forecast for the fiscal year ending March 2009 will need to be revised, the Company will make an announcement immediately.

1. Consolidated earnings forecast for the Fiscal Year Ending March 2009

The Company's business environment has been deteriorating because of various factors, including the slowing real economy from financial turmoil originating in the United States and appreciation of the yen against the euro and the U.S. dollar, the Company will incorporate the results of profit structural reform and the synergy effect into the earnings forecast for the fiscal year ending March 2009 that the Company announced on October 1 of this year, and make new efforts toward achieving this forecast.

The Company's annual earnings for the fiscal year ending March 2009, as described in the "Notice Regarding Performance and Dividend Forecasts for the Fiscal Year Ending March 31, 2009" released on October 1 of this year, will consolidate Kenwood annual earnings for the fiscal year ending March 2009 with JVC earnings from the date of management integration, namely JVC earnings for the second half of the fiscal year ending March 2009.

The earnings forecast for the second half of the fiscal year ending March 2009 was based on assumptions of 105 yen per U.S. dollar and 150 yen per Euro; however, we revised them for this report as follows:

U.S. dollar 100 yen　　Euro 130 yen

(Million yen)

	Net sales	Operating Profit (Percentage of Net sales)	Ordinary Income (Percentage of Net sales)	Net Income (Percentage of Net sales)
Forecast for the Fiscal Year Ending March 2009	400,000	12,500 (3.1%)	7,500 (1.9%)	5,000 (1.3%)
(Reference) Results for the Fiscal Year Ended March 2008	823,711	9,521 (1.2%)	-4,075 (-0.5%)	-44,340 (-5.4%)

(Notes)

- The figures for the fiscal year ending March 2009 are the same as the earnings forecast released on October 1, 2008.
- The figures for the fiscal year ending March 2009 incorporate
  (1) the change in calculation method of sales at JVC,
  (2) depreciation for this fiscal year owing to the accrual of negative goodwill, and
  (3) a decrease in forecasted corporate tax because of the adoption of a consolidated taxation system.
  For details, please refer to the "Notice Regarding Performance and Dividend Forecasts for the Fiscal year Ending March 31, 2009" released on October 1, 2008.
- The "Results for the Fiscal Year Ended March 2008" are simple sums of the full-year actual earnings of JVC for the fiscal year ended March 2008 and the actual earnings of Kenwood for the fiscal year ended March 2008.

2. Key measures for this second half of the fiscal year ending March 2009

The Company will promote a "genre top strategy" by reorganizing the core businesses of JVC and Kenwood into four business segments: (1) Car Electronics Business, (2) Home and Mobile Electronics Business, (3) Professional Systems Business and (4) Entertainment Business. The Company will do this in order to lead the world in each business segment genre, and considering the worsening business environment, the Company will take the following key measures during the second half of this fiscal year.

(1) Car Electronics Business

Accounting for approximately 80 percent of the car electronics business, the consumer segment is less sensitive to car sales fluctuations than the OEM segment, and the Company plans to start introducing new models for 2009 to the market in this fourth quarter, the holiday shopping season. The Company will also endeavor to maximize sales and profits for the second half of this fiscal year by putting some of these new products on sale in advance during this third quarter.

For the consumer car audio segment, in the past through cooperation the Company increased its market share for both Kenwood brand products and JVC brand products in major markets worldwide. The Company will work to expand business by taking advantage of the strength of both brands in introducing new products and accelerate strengthening competitiveness through joint development and joint procurement which will start in earnest in the future.

In the consumer car multimedia segment as well, sales of car navigation system units integrated with audio visual equipment are greatly increasing in overseas markets; they are developed in cooperation with Garmin Ltd., the top manufacturer of Portable/personal Navigation Devices (PND). The Company will introduce new products during this second-half for further sales.

On the other hand, in the OEM segment as well, the Company will materialize the effect of business structural reform the Company conducted in response to sluggish car sales and the declining equipment installation rate of genuine products for auto makers. The Company will also endeavor to improve profitability with new customer attracting dealer option products and devices for car-mounted equipment which the Company receives bulk orders for.

(2) Home & Mobile Electronics Business

The Company pushed business structural reforms forward in the unprofitable display segment, such as drastically narrowing down the most unprofitable business in Japan. The Company also switched from in-house production in the U.K. to outsourcing in Eastern Europe in the European market, and started commissioned production through business alliance with Funai Electric Co., Ltd. in the U.S. market. Although the market environment is increasingly severe, the Company will work to improve profitability by materializing the effect of business structural reform and introducing high-premium new products in the second half of this fiscal year.

In the home audio segment as well, the Company will continue to weed out unprofitable products and expand profitable products. The Company will strengthen cost competitiveness through joint development and mutual production outsourcing, and endeavor to improve profitability by strengthening the profitable audiovisual accessory segment.

In the camcorder segment, which is a profitable business as well, the Company will introduce new high-value-added products in the second half of this fiscal year and plans to maintain and expand sales and profits.

(3) Professional System Business

In the Professional System Business, the professional wireless equipment segment is robust and orders are increasing in each market of U.S., Europe and China. While further strengthening the sales of professional digital wireless equipment and professional wireless systems which have high growth potentials, the Company will create new demand through products both in the professional system segment and in the professional wireless equipment segment, and new products and services making full use of the distribution networks in both segments.

(4) Entertainment Business

In the Entertainment Business, as sales of old CDs and special sale routes are sluggish while new CD sales are robust, the Company will cope by restructuring the measures to increase old CD sales.

Also, as the transfer of the storage media business was completed, the Company will endeavor to improve profitability by further reducing fixed costs as well as reinforcing content development and incubation capacity, and strengthening the rights business.

3. Efforts for structural reform of profit

Both JVC and Kenwood have been making structural reform on the premise of management integration on October 1 of this year. In so doing, and while endeavoring to strengthen consumer appliances, professional systems and entertainment and as its core businesses, JVC tackled business structural reforms including transferring, separating as subsidiaries and closing non-core businesses such as components and storage media, as well as a thorough structural reform including employment structure. It did this to stabilize its management foundation.

From now on, in order to cope with recent deterioration of the business environment, the Company will further promote profit structural reform for the overall Group, and JVC will engage in profit structural reform through its “Four Structural Reforms” approach by launching a Profit Structural Reform Conference on October 1 of this year.

Additionally, the Company will accelerate measures for materializing synergy with “evolution to new a foundation for corporate continuation” and “early maximization of synergy effect” at its core, which it is already implementing in this new Profit Structural Reform, and is aiming for early implementation.

(1) Management structural reform - strengthening consolidated management

While JVC had a consolidated business entity regarding its sales function, the Company will shift JVC to become a consolidated business entity which encompasses functions from production to sales globally, and thoroughly consolidate management, including subsidiaries of the operating companies, in a new framework that the Company controls.

The Company will also deploy system management that manages consolidated businesses quantitatively and efficiently, and completely eliminate loss costs that exist between the Company and operating companies, between operating companies and subsidiaries, and within subsidiaries as well.

(2) Financial structural reform - financial and accounting reform

The Company will develop a system to provide finance strategically and flexibly by switching to management focusing on group-wide cash management, and push forward to liquidize fixed assets in order to improve the liquidity of assets. The Company will also improve working capital by decreasing inventories and accounts receivable.

In addition, the Company will accelerate completion of the structural reform while minimizing effects on periodical profit and loss by taking advantage of the purchase method adopted for business integration.

(3) Cost structural reform - platform reform and grand design

The Company will significantly reduce costs by revamping cost structures of the corporate division and business division, and IT investment as well as by reforming intra-group transactions based on new consolidated management policies.

The Company will also improve profitability and cash flows through optimizing production locations, streamlining distribution, cutting lead time with factory reforms, decreasing inventories and reducing production costs by deploying “production innovation,” which was introduced and developed in Kenwood, into the entire group.

Furthermore, by implementing expense reduction as emergency measures including partial return of director and manager remuneration and re-examining events, the Company will start materializing these effects from this third quarter.

(4) Business structural reform - profit structural reform by business

JVC made efforts to transfer and/or separate its subsidiaries of non-core business and close them as mentioned earlier, and completed major business structural reforms. As economic conditions are deteriorating, the Company will further improve cost competitiveness of new products for the U.S and European market in the display segment, and squeeze unprofitable models based on profitability by area and by product in the home audio segment of both JVC and Kenwood, as well as cope with constructive structural reform in each business.

Notes on earnings forecast

The earnings forecast provided here is a forecast for the future period based on the company’s judgment derived from information that is available to the company group at this time; please be advised that actual earnings may differ substantially from the earnings forecast. Consequently, please refrain from making any decisions based solely on this forecast.