TRANSLATION - FOR REFERENCE ONLY -

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Company	JVC KENWOOD Holdings, Inc.
Representative	Haruo Kawahara, Chairman, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Hisayoshi Fuwa, Director and CFO (Tel: +81-45-444-5232) (E-mail: prir@jk-holdings.com)

Notice on Revision of Earnings Forecast for the Fiscal Year Ending March 2011

JVC KENWOOD Holdings, Inc. (JVC Kenwood) announces it will revise its consolidated earnings forecast for the first half of the fiscal year ending March 2011 and the full fiscal year ending March 2011 that was announced on May 14, 2010. This revision will take into account earnings results for the first quarter and earnings forecast for the second quarter of the current fiscal year and thereafter.

1. Revisions to Earnings Forecast

(1) Revisions to Earnings Forecast for the First Half of Fiscal Year Ending March 2011

(Million yen)

	Net sales	Operating profit (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per share (yen)
Previous forecast (A) (Announced on May 14, 2010)	180,000	(2,500)	(6,500)	(14,500)	(15.00)
Revised forecast (B)	180,000	2,500	(500)	(7,000)	(7.24)
Amount of change (B - A)	0	+5,000	+6,000	+7,500	—
Rate of change (%)	0.0	—	—	—	—
(Reference) Results for the first half of the fiscal year ended March 2010	203,324	(7,809)	(10,955)	(16,849)	(17.43)

Note: Net income (loss) per share that was announced on May 14 was calculated using the average number of shares outstanding during the fiscal year, taking into account the share consolidation that is planned as of August 1, 2010. However, the net income (loss) per share of the aforementioned Previous forecast (A) and that of Revised forecast (B) present figures worked out using the average number of shares outstanding during the period from the beginning of the fiscal year to the share consolidation, so that they can be compared with figures for the same period of the previous fiscal year.

(2) Revisions to Earnings Forecast for Fiscal Year Ending March 2011

(Million yen)

	Net sales	Operating profit (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per
Previous forecast (A) (Announced on May 14, 2010)	380,000	4,000	(3,500)	(13,000)	(13.45)
Revised forecast (B)	380,000	8,000	1,500	(13,000)	(13.45)
Amount of change (B - A)	0	+4,000	+5,000	0	—
Rate of change (%)	0.0	100.0	—	—	—

(Reference) Results for the fiscal year	398,663	(6,453)	(14,752)	(27,795)	(28.75)

Note: Net income (loss) per share that was announced on May 14 was calculated using the average number of shares outstanding during the fiscal year, taking into account the share consolidation that is planned as of August 1, 2010. However, the net income (loss) per share of the aforementioned Previous forecast (A) and that of Revised forecast (B) present figures worked out using the average number of shares outstanding during the period from the beginning of the fiscal year to the share consolidation, so that they can be compared with figures for the same period of the previous fiscal year.

2. Reasons for Revision

In the earnings forecast that was announced on May 14, 2010, the JVC Kenwood Group projected an operating loss of 2.5 billion yen for the first half of the fiscal year (against an operating loss of approximately 7.8 billion yen in the first half of the previous year) and operating profit of 4.0 billion yen for the full fiscal year (against an operating loss of approximately 6.5 billion yen in the previous fiscal year). These are a result of higher profits in the Car Electronics business, the land mobile radio sector and the Entertainment business, and the effects of the Action Plan for Business Structural Reform implemented in the previous fiscal year mainly for the Home & Mobile Electronics business and the business solutions sector.

Operating profit, ordinary income and net income for the first quarter of the fiscal year ending March 2011 considerably surpassed their respective forecasts made at the beginning of the fiscal year. This was mainly thanks to the improvement in the non-operating profit and expenditure and a decrease in income taxes adjustment, in addition to the expansion of earnings of the Car Electronics business and much better-than-expected improvement in profits of other businesses.

JVC Kenwood will revise its consolidated earnings forecast for the first half of the fiscal year ending March 2011 and the full fiscal year ending March 2011 that was announced on May 14, 2010. This revision will take into account such earnings results for the first quarter, the impact of the strong yen in and after the second quarter and earnings forecast for the second quarter and thereafter.

We will set the assumed exchange rates for the second quarter of the current fiscal year and thereafter at 90 yen to the U.S. dollar (unchanged) and 110 yen to the euro (changed from the previous 125 yen to the euro).

(1) Revisions to Earnings Forecast for the First Half of Fiscal Year Ending March 2011

We will factor in the aforementioned earning results for the first quarter of the fiscal year ending March 2011, and the influence of the yen's appreciation against the euro in the second quarter. Consequently, we will revise the earnings forecast that was announced on May 14, 2010 as follows: we will revise the operating loss of 2.5 billion yen to an operating profit of 2.5 billion yen; the ordinary loss of 6.5 billion yen to an ordinary loss of 0.5 billion yen; and the net loss of 14.5 billion yen to a net loss of 7.0 billion yen.

In the first quarter of the current fiscal year, we incurred an extraordinary loss (approximately 1.5 billion yen) concerning the penalty related to our adjustments to previous earnings results, which we had not assumed at the beginning of the fiscal year. However, we project an increase of only approximately 1.0 billion yen in the total amount of extraordinary losses for the first half of the current fiscal year from the projection made at the beginning of the fiscal year (approximately 6.7 billion yen). This is because the loss on sales of fixed asses (approximately 1.8 billion yen) attendant upon the sales of the head office of Victor Company of Japan, Limited (JVC) was below the projected amount (approximately 2.2 billion yen) stated in the "Notice on Transfer of Fixed Assets," dated May 28, 2010.

(2) Revisions to Earnings Forecast for Fiscal Year Ending March 2011

We will account for the influence of the strong yen against the euro in the second half of the current fiscal year, in addition to the effect (improvement of operating profit) and the impact (occurrence of extraordinary loss) following the implementation of various measures of the Action Plan for Reconstructing Corporate Base. We said we would announce this before the release of our business results for the second quarter, in the "Notice on Action Plan for Reconstructing Corporate Base and Mid-term Management Plan," dated May 28, 2010.

As a result, we will revise the earnings forecast that was announced on May 14, 2010 as follows: we will revise the operating profit of 4.0 billion yen to an operating profit of 8.0 billion yen; revise the ordinary loss of 3.5 billion yen to an ordinary income of 1.5 billion yen; and make no change to the net loss of 13.0 billion yen.