

Annual Report 2009

Company Profile Section

2009

JVC KENWOOD Holdings, Inc.



Corporate vision

“Realize the unconventional (*Katayaburi wo katachi ni*)”

Course of action

“Perpetual reform centered on each and every individual”

We determined this corporate vision to include concepts held in common in JVC's Brand Statement, “The Perfect Experience,” and in Kenwood's corporate vision, “Reaching out to discover, inspire and enhance the enjoyment of life.”

Moreover, we determined the course of action as a code of behavior for sharing and realizing the corporate vision by all of the employees of the Group.

Under the corporate vision and course of action, we will create new and unconventional added value and evolve into a corporate group that provides customers with incomparable experiences they have never before experienced.

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Disclaimer

Forward-looking statements and charts contained in our documents are based on currently available information and therefore actual results may significantly differ from projected figures depending on various factors. Please do not make any material judgments based on the projections contained herein alone. Our core businesses deal with the rapidly changing electronics sector and factors including technology, demand, price, competitive environment, changes in economic environment, exchange rate fluctuations and many other factors may adversely impact management results or the financial condition of the Company.

Financial Highlights

JVC KENWOOD Holdings, Inc. and Consolidated Subsidiaries
Fiscal Year ended March 31

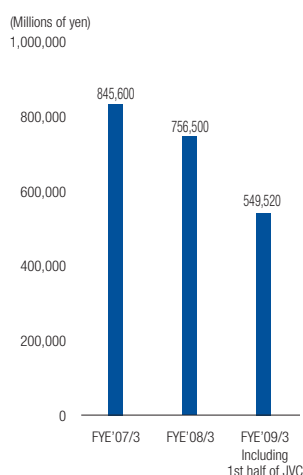
(Millions of yen)

| | FYE'09/3 ^{*1} | FYE'09/3 Including 1st half of JVC | FYE'08/3 Combined of Kenwood and JVC | FYE'07/3 Combined of Kenwood and JVC |
|-------------------------|------------------------|------------------------------------------|--------------------------------------------|--------------------------------------------|
| Net sales | 309,772 | 549,520 | 756,500 | 845,600 |
| Operating income (loss) | 107 | 1,416 | 9,521 | (40) |
| Ordinary income (loss) | (6,809) | (9,500) | (4,076) | (9,356) |
| Net income (loss) | (18,796) | (26,890) | (44,341) | (6,306) |

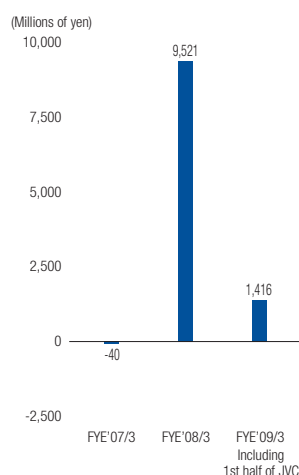
(Millions of yen)

| | FYE'09/3 ^{*1} | JVC | FYE'08/3 | FYE'07/3 |
|--------------------------------------|------------------------|----------|----------|----------|
| Total assets | 354,652 | 315,004 | 420,708 | 420,708 |
| | | Kenwood | 111,220 | 111,220 |
| Net assets | 85,579 | 114,127 | 133,786 | 133,786 |
| | | Kenwood | 39,066 | 39,066 |
| Net assets per share (Yen) | 86.60 | 309.03 | 515.22 | 515.22 |
| | | Kenwood | 106.46 | 106.46 |
| Stockholder's equity ratio (%) | 23.6 | 35.5 | 31.1 | 31.1 |
| | | Kenwood | 35.1 | 35.1 |
| Retained earnings | 1,174 | (10,249) | 37,274 | 37,274 |
| | | Kenwood | 19,096 | 19,096 |
| Interest-bearing debt | 132,661 | 69,646 | 120,481 | 120,481 |
| | | Kenwood | 23,754 | 23,754 |
| Net debt | 80,244 | 26,211 | 50,459 | 50,459 |
| | | Kenwood | 6,782 | 6,782 |
| Cash flows from operating activities | 9,765 | (9,223) | 12,093 | 12,093 |
| | | Kenwood | 11,456 | 11,456 |
| Cash flows from investing activities | (11,288) | 3,880 | 405 | 405 |
| | | Kenwood | (5,218) | (5,218) |
| Cash flows from financing activities | 9,727 | (18,370) | (4,949) | (4,949) |
| | | Kenwood | (3,717) | (3,717) |
| Number of employees | 19,540 | 19,044 | 26,851 | 26,851 |
| | | Kenwood | 4,483 | 4,483 |

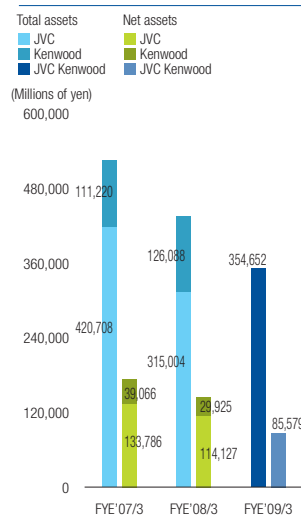
Net sales ²



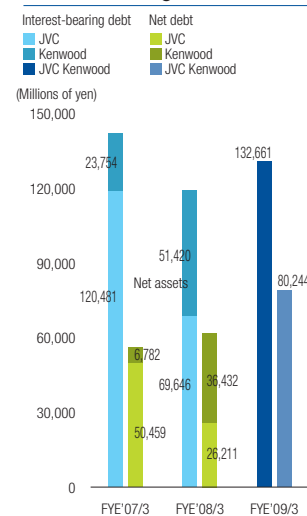
Operating income



Total assets/Net assets



Interest-bearing debt/Net debt



*1. In the Group's earnings results for the fiscal year ended March 2009, JVC's results for the first half are not consolidated due to the adoption of the purchase method.

*2. JVC's net sales in the reference figures have been converted under the net method and have not been certified by the accounting firm.

Management Message



We will expand corporate value and create new and unique (unconventional) added value in aiming for a corporation that will overcome the economic crisis and earn the trust and high hopes of society.

JVC Kenwood Group (“the Group”) was launched on October 1, 2008, along with management integration between Victor Company of Japan, Limited (“JVC”) and Kenwood Corporation (“Kenwood”). At that time, the global economic crisis caused by financial turmoil originating in the U.S. was spreading and growing more severe. It was as if a boat were about to set sail against a storm. However, through management integration we established a corporate base able to overcome the economic crisis just before we met the storm.

Prior to management integration, JVC and Kenwood, through their respective structural reforms, had finished transferring and terminating non-core businesses and trimming unprofitable businesses. In anticipation of a worsening of the business environment, however, the Group established the Profit Structural Reform Conference at the same time it implemented management integration, and promoted profit structural reform based on a four-pronged reform approach, focusing on management, finance, cost and businesses. To handle further deterioration in the business environment in the fourth quarter of the fiscal year ended March 2009, we also implemented additional measures: structural reform of three business segments where profitability issues remain to be tackled; structural reform of production and sales systems and logistics and services-related companies, which are associated with the above business segments; employment structural reform, including a workforce reduction of about 3,200, approximately 14% of the total Group employees as of the management integration; and emergency measures such

as the partial return of remuneration.

As a result, the Group posted an operating profit for the fiscal year under review, the first year of management integration, despite a substantial net loss mainly caused by booking of costs for structural reforms.

For the fiscal year ending March 2010, we expect that the severe business environment of the fourth quarter of the period under review will continue. Under these circumstances, we will reap the effects of the measures taken so far and carry out our growth strategies by expanding profitable sales in order to shift management priorities from survival to growth as soon as possible.

Specifically, in the Car Electronics business, J&K Technologies Corp., which integrated the development and production functions of both JVC and Kenwood, was renamed J&K Car Electronics Corporation (“J&K Car Electronics”) on June 24, 2009, and the product planning and marketing functions of both companies were integrated into J&K Car Electronics to make the company virtually independent, with the goal of evolving the common businesses of JVC and Kenwood into a completely integrated business. Likewise, in the Home Audio business, all functions of both companies (excluding sales functions) were integrated into JVC on July 1, 2009, in order to promptly maximize integration effects by combining development, production, product planning and marketing functions, thus further enhancing cost synergy and expanding product lineups.

Furthermore, the Group will choose products that can

serve as engines for future growth as top strategic products that the entire Group will support in terms of funds, technologies and personnel, aiming to expand global sales and strengthen earnings capabilities. Over the medium to long term, we will push ahead with the integration of technology strategies through the newly established Strategic Research & Development Division, develop basic technologies that will form the base for our growth strategy, and accelerate the development of new and unique (unconventional) products that are in line with the corporate vision, with the New Business Development Center at the helm.

Through the above measures, the Group will build a new foundation for surviving the digital era, expand corporate value by leveraging integration effects, create new added value in line with the corporate vision of the JVC Kenwood Group, “Realize the unconventional (*Katayaburi wo katachi ni*),” and evolve into a corporate group that provides customers with wonder and inspiration like they have never previously experienced.

Toward Expanding Corporate Value

—Promoting “Genre Top Strategy”—

JVC KENWOOD Group has promoted the “Genre Top Strategy” and formed a structure of four business segments and six genres: the “Car Electronics business,” the “Home & Mobile Electronics business,” including the three genres of displays, video cameras (camcorders) and home audio, the “Professional Systems business” and the “Entertainment business.” In the fiscal year ending March 2010, the Group will reorganize the Home & Mobile Electronics business into two genres: home entertainment, specializing in home audio and displays; and digital imaging, specializing in video cameras, forming a new structure of four business segments and five genres.

The Genre Top Strategy displays strength in each business field or genre in which it engages, with the goal to be in the global top group. For example, the Group became a global leader in consumer car audio, which is a primary category in the Car Electronics business. Moreover, the Group has global top group presence in camcorders, one of the genres included in the Home & Mobile Electronics business, and land mobile radio equipment, which is part of the Professional Systems business. We will heighten our business competitiveness and presence in the markets for these primary genres even further through the effects of integration, to become a corporate group with a solid earnings structure that can survive in multiple genres.

Toward New Unique (Unconventional) Added-Value Creation

—Incubating a Fifth Business Segment on Top of the Car Electronics, Home & Mobile Electronics, Professional Systems, and Entertainment Segments—

Moreover, the Group will integrate video, audio and wireless communications technologies at a high level, and work to develop unique (unconventional) products and services appropriate to the digital network era, making use of vast resources both companies cultivated over a long period. Through these unique (unconventional) ideas, we will send products and services out to the world that stimulate people’s sensitivities and awaken latent needs, and also bring surprise and change to everyday lifestyles, thus creating new corporate value.

Creating a Company that Stimulates Trust and Excitement

—“Perpetual Reform Centered on Each and Every Individual”—

The Group considers it the mission of the corporation to respond to the expectations of all stakeholders and to be trusted by and contribute to society. These are also requisites for the Company to achieve continuous development in society. For this purpose, in addition to seeking compliance as a matter of course in all our activities, we believe our most important tasks are working toward sufficient corporate governance, promoting highly transparent management, and contributing to society through business activities while enhancing efforts toward environmental preservation for the next generation.

In particular, our video and audio equipment business and Entertainment business activities support cultural activities that foster people’s sensibilities, and our wireless business supports communication activities that convey vital information to people. In that spirit, and in keeping with our goal of “perpetual reform centered on each and every individual,” all employees of the Group will fulfill these profound responsibilities as a united group.

While the Group is a new corporate entity, it contains the DNA of both JVC and Kenwood, and through the integration of these two esteemed brands the Group is committed to creating value for all stakeholders—investors, customers, employees and society at large.

We sincerely request your continued understanding and support.

July 2009

Haruo Kawahara,
Chairman, President and CEO



We will create unique (unconventional) added value from the starting point of management integration for a new growth strategy

Management Policy

Having experienced respective structural reforms, and using this management integration as a new growth strategy, both companies will be revitalized as a specialized manufacturer composed of a joint holding company and three operating companies, with the goal to create and grow unique (unconventional) added value.

Specifically, in accordance with the following management policies, JVC KENWOOD Holdings will maximize synergies and develop new businesses. Meanwhile the operating companies, namely JVC, Kenwood and J&K Car Electronics, will execute their respective business strategies.

1. Realize effects of integration—Evolve into a new foundation for corporate survival and create synergy effect

Through the new framework of consolidated management which a joint holding company governs, we will evolve the corporate foundations that both companies have built into a new corporate foundation to survive in the digital era, and meanwhile to maximize synergy effect in the common businesses at an early date.

2. Accelerate growth by “Genre Top Strategy”

We will enhance business competitiveness in our primary genres through the effects of integration and accelerate the growth of each business through the “Genre Top Strategy,” which enhances our global leadership in multiple genres.

3. Create new unique (unconventional) added value

As a consolidated corporate entity, we will create completely new products and services that integrate our technologies and resources at high levels and create unique (unconventional) added value.

To survive the ongoing worldwide economic crisis, the Group is striving to generate funds and complete structural reforms, to redistribute management resources to promising business fields in order to shift its business stage from survival to growth at an early date, and implement measures for future growth.

Corporate Logo

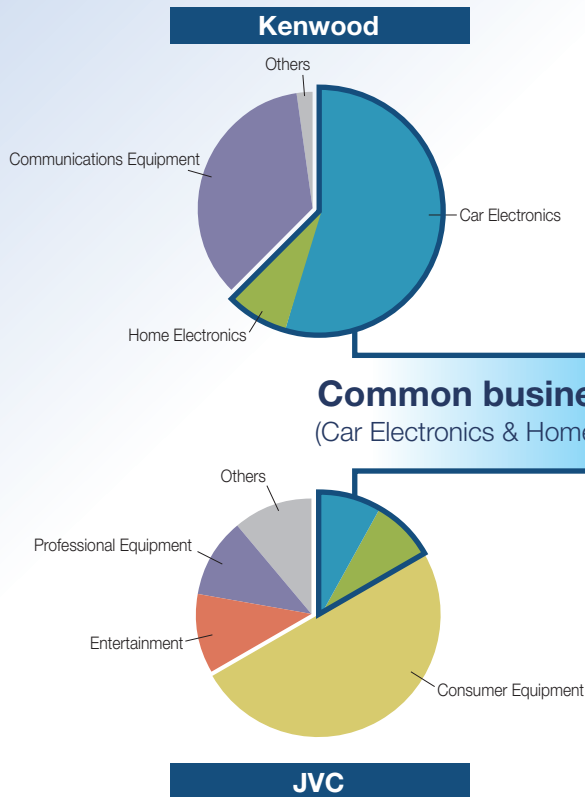


The two ascending arc lines of the logo symbolize infinite growth potential and expandability toward the future. They also express JVC KENWOOD HD's resolve to lead the world with the power to realize unconventional ideas and the ability to get things done.

JVC KENWOOD Group's keen desire to achieve quality-first corporate activities, provide products and services, and receive quality-focused trust with our customers is represented by the stability and sophistication of the logo. The new brand colors are “Intelligent Blue” to express intelligence and dignity and “Techno Gray” to express the ever-evolving technological force.

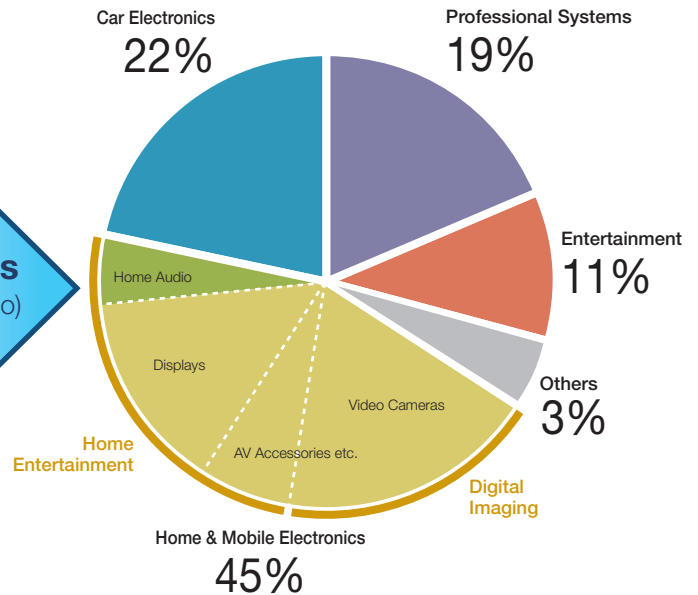
Business Composition—Four Business Segments and Five Genres

Sales Composition (FYE'08/3)



Sales Composition (FYE'09/3)

(including 1st half of JVC)



The Group's New Management Strategies

JVC and Kenwood have increased their respective presences. JVC as an operating company has three key business pursuits, B-to-C businesses such as camcorders, car electronics, displays, home audio and AV accessories, B-to-B businesses such as professional systems, and entertainment businesses such as music and video content. Kenwood as an operating company has two key business pursuits, B-to-C businesses such as car electronics and home audio; and B-to-B businesses, centered on wireless equipment and systems.

JVC KENWOOD Group will promote the "Genre Top Strategy" with the goal to reach the top global position in each genre by reorganizing the core businesses.

The Group will consolidate the three genres of the Home & Mobile Electronics business into two: "home entertainment," centering on home audio equipment and displays; and "digital imaging," specializing in video cameras.

Basic Policies for Dividends

JVC Kenwood considers it one of the most important managerial issues to provide shareholders with stable returns on their investments, and will decide on details such as the distribution of retained earnings by comprehensively taking into account profitability and financial conditions.

Measures for the Fiscal Year Ending March 2010

Since the management integration, the JVC Kenwood Group has pushed forward with profit structural reforms to contend with the deterioration of the economic climate, while making efforts to stimulate the early materialization of integration effects. In the fourth quarter of the fiscal year ended March 2009, however, our business environment worsened further due to the deteriorated real economy and the

appreciation of the yen. In response, the Group carried out bold additional measures which it had mostly completed by the end of the fiscal year under review.

The Group has implemented measures for future growth by redistributing management resources created by these efforts.

For the fiscal year ending March 2010, to cope with the deteriorated business environment, we are accelerating business activities with an emphasis on cash management, as we did in the fiscal year under review, while also creating cost improvement effects of ¥20.0 billion or more through additional measures and promoting strategies that are expected to contribute to earnings in the early stages and also growth over the medium and long term.

1. Increase and creation of cash

During the fiscal year ended March 2009, the JVC Kenwood Group implemented cash management-focused business activities on a Groupwide basis, producing cash (about ¥5.6 billion) through sales of fixed assets such as the Victor Shimbashi Building and the former site of JVC's Moriya Plant, and increasing cash flows through a substantial reduction of inventory.

For the fiscal year ending March 2010, we are accelerating business activities focused on cash management by decreasing the number of inventory days through reforms in this area and innovating management of funds on a global basis, thereby creating free cash flows.

2. Thorough implementation of structural reforms

■ Profit structural reform

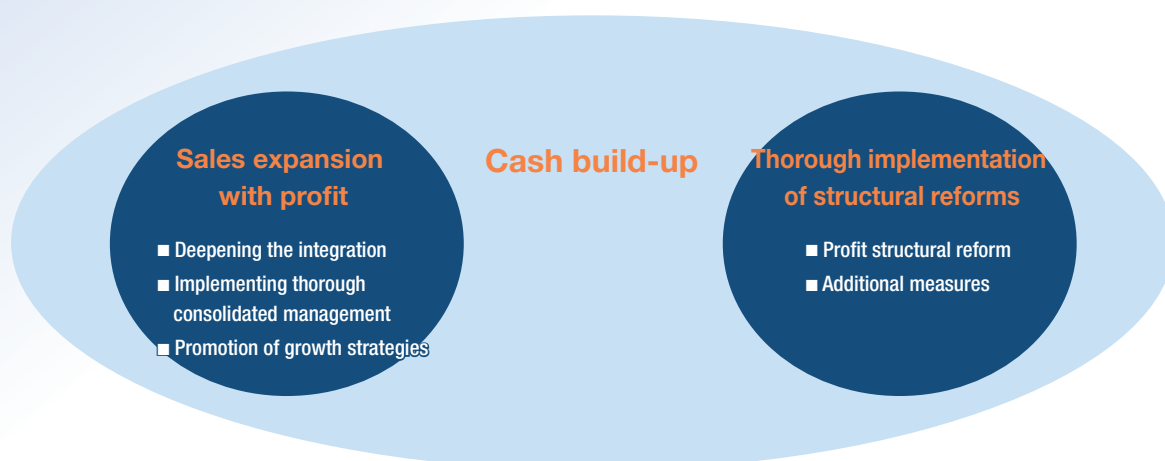
With the management integration on October 1, 2008, the Group started a profit structural reform, anticipating the deterioration of the economic climate. The measure included cost structural reforms designed to overhaul the corporate and business divisions in terms of expenses, review development

Basic Policies for FYE'10/3

1. Cash build-up

2. Thorough implementation of structural reforms

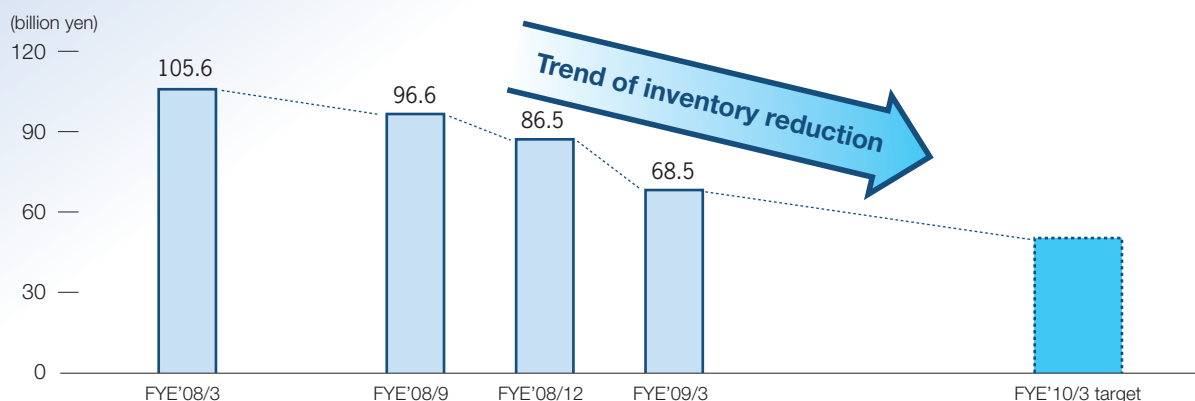
3. Sales expansion with profit (Promotion of growth strategies)



Cash Build-up

Inventory reform—Reduction of inventory days

Global fund management reform—Increase and creation of free cash flow



costs and IT-related investments, and the reform of transactions within the Group by strengthening consolidated management, as well as emergency measures such as the partial return of executives' remuneration and a review of events. As a result, we produced cost reduction effects of about ¥9.0 billion at the stage of calculation of operating profit for the fiscal year ended March 2009.

For the fiscal year ending March 2010, we are continuing to enhance emergency measures, aiming to gain substantial effects from the additional measures summarized below.

■ Additional measures

During the fourth quarter of the fiscal year ended March 2009, the Group implemented additional measures centering on the restructuring of JVC's display business, Kenwood's car electronics OEM business and the home audio business, a common business area of both companies, where profitability issues remain; structural reforms of related production/sales systems and affiliated logistics/services firms; employment structural reforms, including the cutback of approximately 3,200 Group employees (as of April 20, 2009), 14% of the total number of employees (23,089) at the time of management integration; and further emergency measures such as the partial return of executives' remuneration. Of these measures, the most urgent were completed by the end of the fiscal year under review.

For the fiscal year ending March 2010, we aim to produce cost improvement effects of ¥20.0 billion or more by combining the cost reduction effects gained from the above-mentioned profit structural reform and by actualizing the effect of these additional measures.

3. Expansion of profitable sales (Implementation of growth strategies)

■ Enhancement of integration

In the Car Electronics business, the JVC Kenwood Group renamed J&K Technologies Corp. ("J&K Technologies") to J&K Car Electronics Corporation ("J&K Car Electronics") on June 24, 2009. In addition to the development and production functions, the Group also integrated the product planning and marketing functions into J&K Car Electronics to turn the company into a virtually independent company. At the same time, the Group promoted thorough personnel exchange between both companies to strengthen their respective business structures. Through these measures, the Group is deepening the integration based on cooperation to achieve a complete business integration.

In the Home Audio business, the Group has been integrating all functions of both companies other than sales, and has consolidated the development and production functions at Victor's Malaysian plants

Management Policy and Strategies

on July 1, 2009, in order to improve overall profitability.

Regarding the Professional Systems business, the Group is accelerating measures for early maximization of integration effects, mainly by promoting sales activities of a new multimedia security system that combines Kenwood's Land Mobile Radio terminal, a command and control system provided by Zetron Inc. ("Zetron"), Kenwood's US subsidiary specializing in wireless communications systems, and JVC's security system.

■ Implementing thorough consolidated management

On April 1, 2009, we integrated JVC's subsidiary Victor Kosan Co., Ltd., and Kenwood's subsidiary Kenwood Admi Corporation, both engaged chiefly in welfare services, and established J&K Partners Corporation.

For the fiscal year ending March 2010, we are further promoting the integration of affiliated companies, through consolidation of domestic service bases and reorganization of overseas logistics bases.

■ Enhancement of growth strategies

With the market environment expected to worsen further in the short term, the JVC Kenwood Group has selected its most robust products and services—which provide differentiation from rivals by leveraging its technical capabilities and can thus serve as a growth engine for the Group—as top strategic products that can quickly contribute to its earnings.

JVC Kenwood and the companies under its umbrella, JVC, Kenwood and J&K Car Electronics, are doing their utmost to support these products and services with funds, technical expertise and personnel to develop chosen products and technologies, and strengthening sales promotion. Through these efforts, we are expanding sales globally and improving profitability.

In the medium to long term, the Group will accelerate the development of new, unique (unconventional) products in line with our Corporate Vision, centering on the New Business Development Center.

For the fiscal year ending March 2010, a total of nine products (technologies) are subject to this measure, and the Group intends to achieve total net sales of ¥38.0 billion from these products.

From a medium-term perspective, the Group will fuse both companies' audio, visual and wireless communication technology assets at a higher level spearheaded by the New Business Development Center, and step up its efforts toward developing new technologies and products commensurate with

Sales Expansion with Profit (Promotion of growth strategies)

"Top Priority Strategy Products" **—Rapid contribution to the business performance**

FYE'10/3: 9 models, sales of ¥38.0 billion
Support of the Company as a whole
(funding, technology and human resources)
To be continuously implemented until FYE'12/3

New businesses—from medium-term vision

Development of unconventional new products by
the New Business Development Center

Elemental technology development—from long-term vision

Development of elemental technologies to become the core of the
Group growth strategy by Strategic Research & Development Division

FYE'10/3 "Top Priority Strategy Products"

- HD Everio
- Professional Camcorders
- Range of colored headphones
- Video Cameras (Memory camcorders)
- Thinnest and lightest weight LCD monitors
- Security Cameras
- 3D LCD monitors



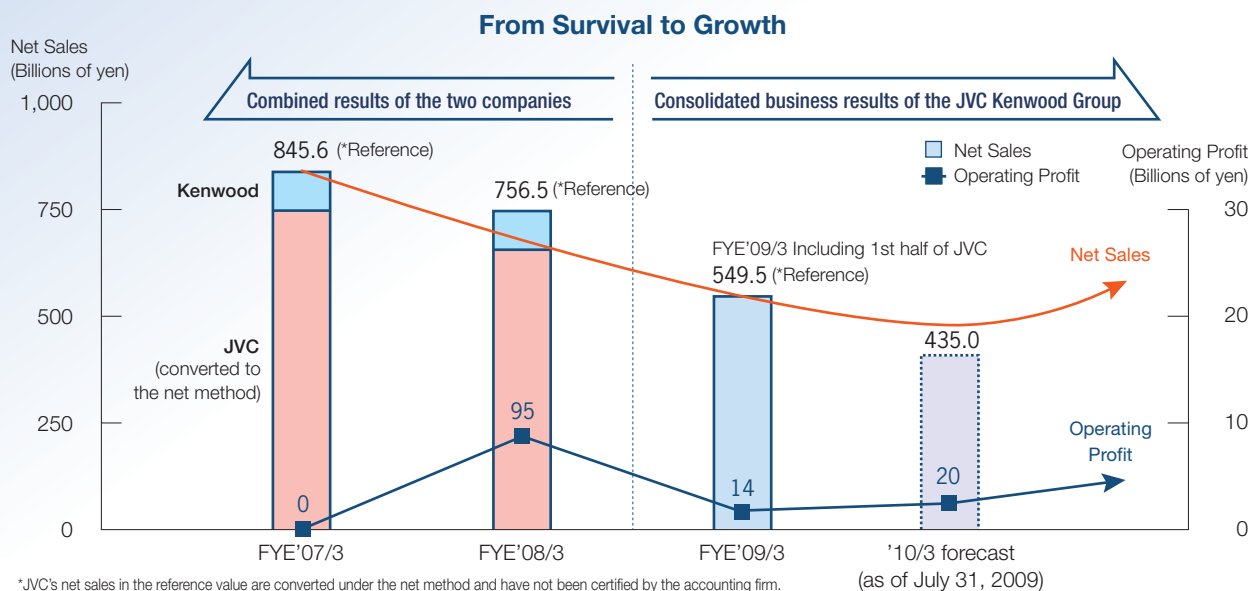
the digital network era. At the same time, by leveraging marketing, product planning and development capabilities that both companies have nurtured to date, the Group will accelerate the development of new, unique (unconventional) products in line with the Group's corporate visions.

From the fiscal year ending March 2010, the Group will further improve synergistic effects from the Group's technologies projected from the long-term perspective, and plan and promote technological strategies that will create new added value. In addition, the Group established a new Strategic Research & Development Division, which develops elemental technologies—the core of the Group's growth strategies—and shifted the functions of the Core Technical R&D Center in the Kurihama R&D Center of JVC to the new division.

With recent top strategic products as its foothold, the Group will focus mainly on promoting new, unique (unconventional) products to be developed mainly by the New Business Development Center for its medium-term perspective, and technological/strategic planning and elemental technology development by the Strategic Research & Development Division for its long-term perspective in the years to come.

Through these measures, the Group will improve profitability and shift its management priorities from survival to growth for the fiscal year ending March 2010.

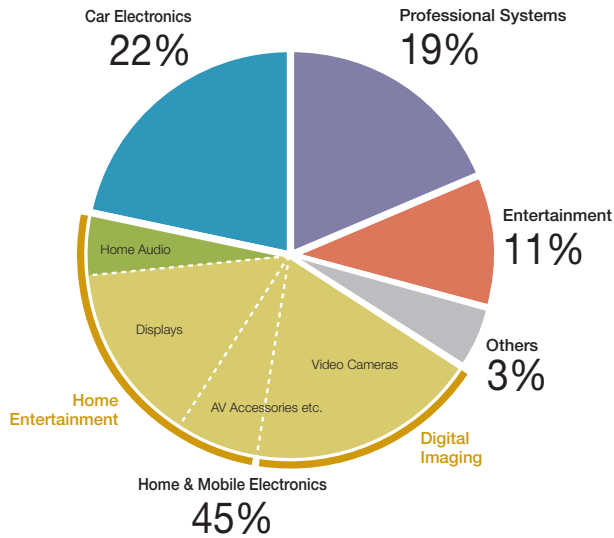
Performance Trends



Outline of Business and Priority Measures

Net Sales by Business Segment (FYE'09/3)

Including 1st half of JVC



Car Electronics Business

(Millions of yen)

Net sales
¥92,237

Operating loss
-¥4,183

Major Products

- Car Audio
- Car AV system
- Car Navigation System
- CD and DVD mechanism for car-mounted equipment

Brand

JVC
The Perfect Experience /—

KENWOOD
Listen to the Future

P. 11

Home & Mobile Electronics Business

Net sales
¥103,885

Operating profit
¥75

Major Products

- LCD TVs
- Home Audio
- AV Accessories
- Video Cameras
- Projectors

Brand

JVC
The Perfect Experience /—

Victor · JVC
The Perfect Experience /—
(Japan only)

KENWOOD
Listen to the Future

P. 12

Professional Systems Business

Net sales
¥78,758

Operating profit
¥4,552

Major Products

- Land Mobile Radio Equipment
- Video Surveillance Equipment
- Video Equipment
- Audio Equipment
- Display Equipment

Brand

JVC
The Perfect Experience /—

KENWOOD
Listen to the Future

P. 14

Entertainment Business

Net sales
¥30,617

Operating profit
¥33

Major Products

- Planning, Production and Sales of Audio and Video Software Including CDs and DVDs
- Production and Sales of CDs and DVDs (pre-recorded)
- Distribution of Audio and Other Software

Brand

Victor · JVC
The Perfect Experience /—
(Japan only)

P. 15

Car Electronics Business

In the Car Electronics business, the largest business segment in which both JVC and Kenwood participate and the segment expected to be most affected by the management integration, the JVC Kenwood Group on June 24, 2009 renamed J&K Technologies Corp., a joint venture of both companies that had been engaged in technological development, design, procurement and production, to J&K Car Electronics Corporation ("J&K Car Electronics"). The Group also integrated the product planning and marketing functions of both companies into J&K Car Electronics to turn the company into a virtually independent company. Furthermore, the Group sweepingly realigned the organization of J&K Car Electronics, and promoted thorough personnel exchange between both companies, aiming to further fuse the organizations and strengthen their business structures. These measures will allow the two companies' management teams to cooperate and evolve into a completely integrated business unit that can maximize the integration effects as soon as possible through a merger of the development, production, product planning and sales functions, including integration of platforms for car audio and car navigation systems. The newly integrated management team also promotes sales activities by optimally leveraging the strengths of both companies' brand products.

Based on the above measures, the Group is further enhancing its market competitiveness in car audio products in the consumer sector by improving them through the use of cost synergy effects and common platforms, as well as by offering an expanded product lineup, centering on AV-integrated car navigation systems through collaboration with Garmin Ltd., a PND* market leader, in pursuit of the top global position. In the OEM sector, we are completing structural reforms, commercializing a new car navigation system using an engine jointly developed based on the Group's management resources, and developing devices for car-mounted equipment such as CD/DVD mechanisms.

*PND stands for "portable/personal navigation device."

FYE'09/9 (Millions of yen)

| | |
|----------------|---------|
| Net sales | ¥92,237 |
| Operating loss | -¥4,183 |

Major Products

- Car Audio
- Car AV system
- Car Navigation System
- CD and DVD mechanism for car-mounted equipment

Brand



AV-integrated navigation systems for the overseas consumer markets through the collaboration with Garmin Ltd



Navigation DVD/CD/USB Receiver Full-Speed USB2.0 for iPod and iPhone for overseas consumer market



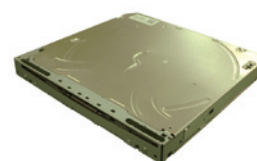
Unit Navigation System for Honda Insight, Fit, Life, Zest and Partner



DVD/CD/USB Receiver with Ultra-Wide Monitor Full-Speed USB2.0 port for iPod and iPhone for overseas consumer market



CD/USB receiver for the consumer market supporting MP3, WMA and AAC and having high compatibility with iPhone and iPod



DVD mechanism which can boast of being the thinnest and lightest in the OEM Business

Home & Mobile Electronics Business

The Home & Mobile Electronics business consists of the home entertainment business, which includes LCD TVs and home audio systems, and the digital imaging business, which encompasses video cameras and D-ILA projectors based on proprietary-developed optical devices.

Home & Mobile Electronics Business

FYE'09/9 (Millions of yen)

Net sales ¥103,885
Operating profit ¥75

Home Entertainment Major Products

- LCD TVs
- Home Audio
- AV Accessories

Brand

JVC[®]
The Perfect Experience / —

Victor · JVC
The Perfect Experience / —
(Japan only)

KENWOOD
Listen to the Future

Home Entertainment

In the display business of the home entertainment business, which faces profitability issues, the Group restructured its global production, reformed sales systems in the Americas and Europe, reviewed domestic production and sales structures in response to substantial business downsizing in Japan, and reorganized systems for logistics and services. We also improved earnings by reducing in-house development and production of consumer LCD TVs for overseas markets through the use of outsourcing, ODM^{*1} and EMS^{*2}, and shifted development resources to sectors where businesses such as next-generation displays are fostered. Going forward, we are accelerating our business expansion into the professional market with the introduction of the industry's thinnest^{*3} (6.4mm^{*4}) and lightest weight^{*3} (5.7kg) professional LCD monitors and professional 3D LCD monitors into domestic and international markets with the goal of enhancing our product lineup by leveraging our strengths.

In the home audio business, the Group endeavored to improve earnings through structural reforms of both companies. We also integrated the planning, engineering, marketing, quality assurance, production and other functions of both companies' audio business, excluding the domestic and overseas sales functions, into JVC on July 1, 2009, aiming for new growth through further strengthening of our competitiveness and improvement of our presence in the global market. We are capitalizing on the integration effects at the earliest possible time by making the maximum use of both companies' brands, products and technologies, and increasing our competitiveness by reducing costs. In addition, we are continuing to further enhance sales of profitable AV accessories.

Based on these measures, we are making existing businesses profitable by utilizing the accumulated visual and audio technologies of both companies in the home entertainment market, and making these businesses more profitable by creating new genre products and strengthening the B-to-B business.

*1. ODM (original design manufacturing; production outsourcing from the design phase onward)

*2. EMS (electronics manufacturing service)

*3. As of June 8, 2009; as 32-LCD displays

*4. At the thinnest section: the depth between the LCD panel surface and the rear of the cabinet



Thinnest^{*3} (6.4mm^{*4}) and lightest weight^{*3} (5.7kg)
32" Class Full HD LCD Display



Used wood, an ideal material for use
as a vibration board DVD/CD
Speakers Micro System



Kseries, a compact Hi-Fi system making full
use of the audio-quality technology that has
been developed over the years



Consumers can enjoy color coordinating with a
digital audio player or fashion items Gumy
earbud headphones

Digital Imaging

In the camcorder (video camera) business of the digital imaging business, sales continued to be weak, especially in Europe, and the entire market suffered from excessive inventory. Under such circumstances, the Group focused on 2008 product sales while adjusting production, which resulted in reducing inventory substantially by the end of the fiscal year ended March 2009.

For the fiscal year ending March 2010, we are introducing into the world market on a full-scale basis new hi-vision models, which are selling well in the domestic market, and launching new products based on new concepts, with light, compact bodies and the ability to record high-definition videos and stills. By doing this, we are further strengthening our high-vision model lineup to meet users' diverse needs and increasing our products' added value.

To further improve profitability in this business, the Group is strengthening its products, coming up with new proposals for the market, and implementing efficient development and production systems by making maximum use of its various assets, including optical and signal processing technologies, design and production-related techniques, and brand power in a wide range of video camera-related businesses, such as professional video cameras, security cameras and household video cameras.

With regard to the projector business, we are marketing D-ILA projectors, which use proprietary-developed high-performance, reflective LCD devices and which can make high brightness consistent with high definition, mainly in the home theater market. Going forward, we are expanding our business in the home theater market by offering projectors featuring enhanced high-quality images and increasing our projector lineup, as well as accelerating the development of new markets by boosting the sales of 4K2K projectors with an ultra-high resolution greater than four times that of full high vision for various professional projector markets.



Two-in-one camera that can take 1920 x 1080 full high definition movies and 9-megapixel still images HD Flash Memory Camera "Everio X"



Ultra-compact unit with long recording time
New HD Hard Drive Camera "Everio"



50,000:1 native contrast ratio for deep, true black level HD DILA Consumer Front Projector

Digital Imaging Major Products

- Video Cameras
- Projectors

Brand

JVC[®]
The Perfect Experience / —

Victor · JVC
The Perfect Experience / —
(Japan only)

FYE'09/9 (Millions of yen)

Net sales ¥78,758
Operating profit ¥4,552

Major Products

- Land Mobile Radio Equipment
- Video Surveillance Equipment
- Video Equipment
- Audio Equipment
- Display Equipment

Brand



Professional Systems Business

The Professional Systems business consists mainly of Kenwood's Land Mobile Radio business and JVC's professional AV systems business.

In the Land Mobile Radio business, which boasts the world's second largest market share, sales of products for the public safety sector (police and fire departments and public transportation such as railways and buses) remain robust, particularly in the overseas markets. Given that investments in the public, safety and environment fields are expected to increase worldwide, the Group is boosting sales of digital Land Mobile Radio equipment by offering advanced features such as high privacy functionality, and expanding its business domain from the supply of terminals to also include the supply of system solutions that feature the wireless communications command and control systems of Zetron, Inc.*

In the professional AV systems business, where we regard security as our highest priority business, we are striving to win more orders by introducing new product lineups that utilize our camera and mechatronics technologies. In the creation business, by taking advantage of changes in formats and media worldwide, we are growing and expanding this business by accelerating the development of products such as commercial camcorders using the entire Group's resources, with the goal of making the business highly profitable.

Furthermore, by combining both companies' operations' technologies and expertise we are implementing an aggressive sales strategy for a new multimedia security system that combines Land Mobile Radio terminals, a wireless communications command/control system and security cameras. Through this initiative, we aim to raise the ratio of our B-to-B business as a part of total sales—particularly for the public safety sector—throughout the entire Group, and to establish a stable earnings structure that is resistant to economic fluctuations.

*A U.S. wireless communications system company that Kenwood turned into a subsidiary in May 2007.



Digital Land Mobile Radio "NEXEDGE" for the Business & Industry sector



Compact, stylish and specified low power transceiver for in-store use



VoIP radio dispatch system enables users to reduce the time and costs for establishing a simultaneous communications system by connecting radio equipment with networks.



Customers can choose a camera that is suitable for their purpose, system and location. The latest security video camera line-up (32 models) can be used for versatile surveillance applications.



Multi-channel digital power amplifier suitable for in-house broadcasting systems in facilities. The energy-saving design drastically reduces power consumption and helps significantly reduce CO₂ emissions.



ProHD Memory Card Camera Recorder, the world's first professional memory card camera recorder to support native QuickTime (for Final Cut Pro) file format recording onto SDHC media card

Entertainment Business

Recently, the entertainment industry environment has changed, with users' tastes diversifying and an improvement of the infrastructure for online and mobile distribution. In response to these changes, the Group restructured the content business of its Entertainment business in January 2009 through the integration and reorganization of Victor Entertainment, Inc. and JVC Entertainment Company, LTD., to strengthen its base for creating hit content.

Under the new framework, we are further expanding our businesses and improving profitability. To this end, we are strengthening the four related functions—content creation, management, music publication and other property rights-based business, and network and distribution—and deepening coordination among them, and developing the content business into a multifaceted entity centering on Victor Entertainment. We are also creating a diverse array of hit content under the new structure by using the Group's comprehensive capabilities and focusing on training new employees to create new hit content. Furthermore, we are leveraging our content beyond just creation by pursuing other profitable opportunities, including content management and property rights-based opportunities, or licensing, through the optimization of our management resources and under a flexible structure in which proactive alliances with other companies are an option. In addition, we are further improving profitability in the music distribution field, where we see high growth potential, by developing the online media business spearheaded by a newly established network/distribution company.

In the media business, which centers on the trustee business, we are strengthening our business base and improving profitability by integrating the pressing processes for entertainment and non-entertainment CDs/DVDs. To this end, a capital and business alliance has been established among JVC, Victor Creative Media Co., Ltd. (a subsidiary of JVC that engages in the pressing of CDs/DVDs), Toppan Printing Co., Ltd., and its subsidiary Toppan Seihon Co., Ltd.

FYE'09/9 (Millions of yen)

| | |
|------------------|---------|
| Net sales | ¥30,617 |
| Operating profit | ¥33 |

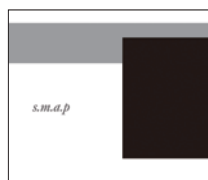
Major Products

- Planning, Production and Sales of Audio and Video Software Including CDs and DVDs
- Production and Sales of CDs and DVDs (pre-recorded)
- Distribution of Audio and Other Software

Brand



KEISUKE KUWATA
"SHOWA 83 NENDO! HITORI
KOUHAKU UTA 'GASSEN'"



SMAP
"super.modern.artistic.performance"



MARIKO TAKAHASHI
"No Reason-OTOKO GOKORO"



"YUJIRO ISHIHARA 23rd/MEMORIAL"



BEGIN
"3LDK"



"GUNDAM 30th ANNIVERSARY-
I, Senshi TRIBUTE"

Environmental Management and Social Activities

A company must fulfill its legal, social and environmental responsibilities, respond to social needs, engage in business responsibly as it works to achieve its goals, and continue to create new added value. We believe by doing so the Company will be highly valued by society and its existence cherished.

We strive to realize a society capable of sustainable growth by fulfilling our social responsibility as a green company and by implementing environmental management activities.

A company must recognize that conservation of the global environment is one of the responsibilities it must fulfill. It must also conduct all business activities from an eco-friendly viewpoint and develop new products that have less of an impact on the environment.

In its efforts toward the realization of a society in which sustainable development is possible, the Group will endeavor to lessen the burden that its overall business activities have on the environment, from development, production and sales to recycling, and will engage in protecting the global environment as a green company that has the international community's trust.

Environmental Management Promotion System

The Group's environmental management activities are promoted by the Environment Board, the Group's decision-making body, and by Expert Committees established for each type of task. Measures and policies adopted by the Environment Board are introduced in practical business by those at the business manager level and extended into concrete activities in each Expert Committee. To ensure that these activities are implemented, the Group has formulated the Voluntary Environmental Action Plan and is proactively developing procedures and guidelines under this plan.

Both JVC and Kenwood have established plans for achieving specific environmental goals. JVC formulated the Green Plan 2010 voluntary action plan, while Kenwood formulated two three-year plans, called Green Product Promotion Activities and Environmental Protection Activities. Both companies are aggressively engaged in ongoing activities to achieve their plans' goals.

International targets concerning measures against global warming are being discussed with an eye on 2050. The Group is working to achieve global targets for post-Kyoto Protocol, and is effectively implementing the ISO 14001 system to fulfill its next voluntary environmental action plan. We will contribute to the conservation of the global environment through responsible product design and responsible business activities.

Product Initiatives

We develop products that comply with global environmental laws and regulations, and develop 3R (reduce, reuse and recycle) designs with the goal of discontinuing the use of harmful substances, conserving energy and effectively using resources in order to offer products that customers can use



In Europe, JVC's LT-42DS9 model LCD TV won EISA's European Green TV 2008–2009 Award for its outstanding environmental performance. Meanwhile, in the U.S., JVC's LCD TVs earned a high rating from the EPA for their excellent performance according to new "ENERGY STAR" Specifications for 2008.

EISA: European Imaging and Sound Association
EPA: U.S. Environmental Protection Agency

with peace of mind. These initiatives have earned acclaim from users.

Operational Initiatives

The Group is working on reducing its environmental burden with a focus on energy and resource saving, not only at plants but also in sales and service activities. Furthermore, we engage in environmental activities in concert with local communities while taking into account the effects of our business activities on the global ecosystem.

JVC and Kenwood were awarded trophies from the Japan Audit and Certification Organization for Environment and Quality (JACO) for our efforts to lessen the environmental impact of our activities by adopting the ISO 14001 environmental management system.



Left: JVC
Right: Kenwood



Employees of JVC Industrial de Mexico, S.A. de C.V. who participated in beach cleaning activities in Tijuana, Mexico



Employees of Kenwood Yamagata Corporation who were engaged in beach cleaning activities in Sakata, Yamagata Prefecture

We Aim to Become a Global Corporation that Earns Customer Trust Through Various Social Activities throughout the World.

Charity and Volunteer Activities

In Panama, where the blood donation rate is low due to cultural mistrust, we assisted the Japan International Cooperation Agency (JICA) and Panama's Ministry of Health in their blood donation campaigns on World Blood Donor Day (June 14, 2008), publicized the necessity and safety of blood donation, and donated blood. On that day, 132 people donated blood, and the donated amount was enough to save more than 400 lives. In the U.S., we have participated in the American Cancer Society's Relay for Life campaign for 17 years running. For the fiscal year ended March 2009, we raised funds through car wash volunteer activities. In Malaysia, we held an event in which sections of the plant competed against each other to collect used paper, and rewarded the section that collected the largest amount of wastepaper. We also donated funds obtained from recycling used paper to an organization that supports the education of underprivileged children in Kuala Lumpur. The funds were used for children's technical education.



The Excitement of Sports

We support various sports activities so that we can share with many people around the world the inspiration and excitement that sports can provide. For example, we supported a young man who traveled alone by bicycle through one of the largest deserts in the world for five years, a Canadian curling team, a team that participated in the National Association for Stock Car Auto Racing (NASCAR) in the U.S., and the administration of sporting events



by providing audio and video equipment.

Customer Opinions

At our call center, we offer appropriate consultation services for customers under a community-based system with "Accuracy, Kindness and Speed" as our motto so that customers can use our products without worry. Our showrooms are not only a place where we explain our products to customers and help them choose, but also an important place where we can directly listen to their opinions and requests.



Shows and Events

We reach out directly to customers by capitalizing on international shows and events where we demonstrate our products. In the event DESIGNTIDE TOKYO, we displayed a speaker created in collaboration with world-renowned interior designer Claudio Colucci that fuses objects and sound, and a new experience in which people feel sound with their five senses.



Dealer Meetings

At a dealer meeting in Spain, we held product seminars and supplemented them with team- and relationship-building exercise sessions outdoors. In one session, participants formed a human tower called *Castellers tower* (or *Castell*), a tradition in the culture of the Catalonia region of Spain. One of the groups even succeeded in building a four-tier tower. Through the meeting, our dealers were able to further their understanding of our products while at the same time we were able to strengthen ties with our customers.



Corporate Governance

JVC Kenwood believes that one of its most important management issues is to increase the transparency and efficiency of its managerial decision-making process and improve corporate value by strengthening corporate governance. To this end, we make it a basic policy to enhance corporate governance through the establishment of a structure that includes checks and balances. That policy calls for dividing management and execution of operations, recruiting external directors and auditors, and establishing internal audit sections, as well as improvement of the internal control system on a Groupwide basis.

Corporate Organizations and the Establishment of Internal Control System and Risk Management System

■ Corporate Organizations

The Board of Directors, which is regarded as an organization that makes fundamental and strategic decisions as well as overseeing business execution, holds regular meetings once a month and extraordinary meetings when necessary to deliberate and decide on basic management policies and important matters, as well as monitor and oversee the status of business execution. The directors' term of office is limited to one year in order to make their responsibilities clear and to make management processes quicker. In addition, we proactively recruit external directors in order to increase the transparency of decision making.

JVC Kenwood adopts an executive officer system under which business execution functions are divided and management responsibility and business execution responsibility are

separated from each other. Since June 2009, nine directors (including two external directors) and seven executive officers (four concurrently holding director positions) have fulfilled these responsibilities.

(From the news release on June 24, 2009: Notice of New Management Systems of JVC KENWOOD Holdings, Inc. and its Operating Companies)

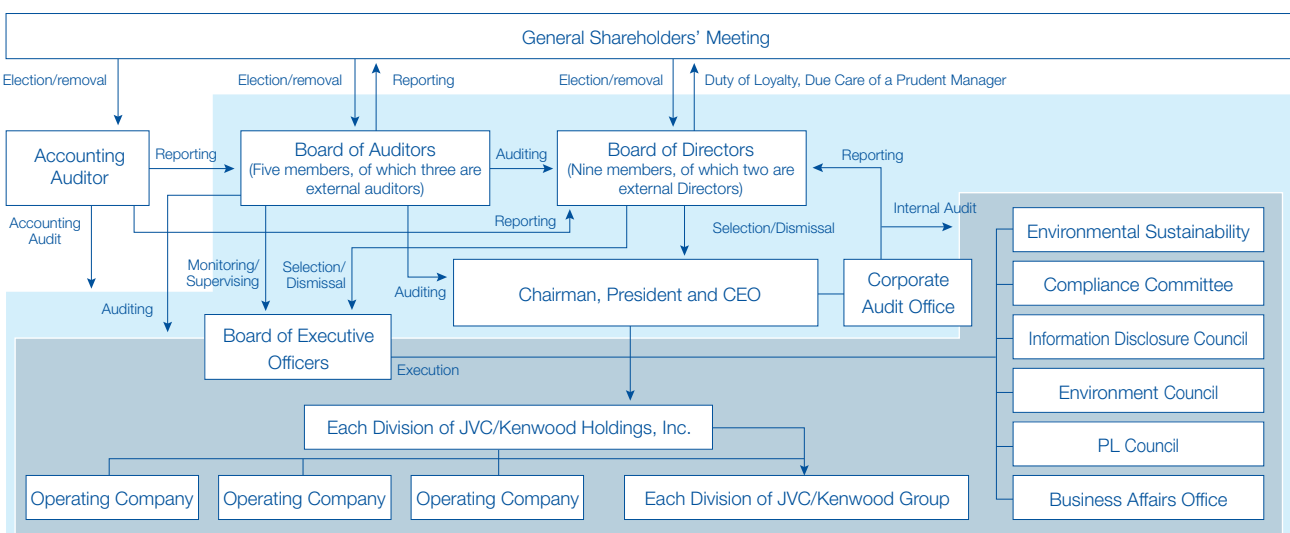
As a result of introducing a system for officers to hold positions of responsibility under the new system of Executive Officers, the former system by which Directors held positions of responsibility has been abolished. At the same time, Presidents of operating companies promote integrated management of the JVC Kenwood Group as Directors.

Auditors conduct corporate audits, attend Board of Directors' meetings, understand the results of internal audits of the Group's overall operations implemented by the Corporate Audit Office, and exchange and confirm related information with said office.

Auditors hold Board of Auditors' meetings, audit execution of duties by Directors and the entire Group's business execution, perform accounting audits and hold the function of corporate audits. Auditors also regularly receive reports at the Board of Auditors on the results of accounting audits from an accounting auditor, and each auditor works together with the other auditors to improve the effectiveness of audits.

The Board of Auditors holds meetings once every month and whenever necessary. Since June 2009, five auditors (including three external auditors) have been engaged in corporate audits.

Organization System (As of June 24, 2009)



■ Establishment of Internal Control System and Risk Management System

JVC Kenwood has established the following systems to ensure that the Group runs its operations properly.

1. Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations and the Articles of Incorporation
2. Framework for the Storage and Management of Information in Relation to the Directors' Exercise of Function
3. Framework for Regulations and Such Concerning the Management of Risk of Loss
4. Framework to Ensure the Efficient Exercise of Function of the Directors
5. Framework to Secure Compliance of Employees' Execution of Duty with Laws/Regulations and Articles of Incorporation
6. Framework to Ensure Propriety of Business Operation for the Corporate Group Consisting of JVC Kenwood and Its Subsidiaries
7. System Related to Employees to Assist Auditors' Duty and Matters Regarding Independency of Such Employees from Directors' Control
8. Framework for the Reporting of Directors and Assistants to Auditors/Framework for Other Reporting to Auditors
9. Framework to Ensure Effective Auditing of Auditors
10. Framework to Ensure Propriety of financial Reports

■ Internal Audits and Auditors' Audits

JVC Kenwood conducts internal audits on the overall business execution of the entire Group. Results of these audits are reported to the Board of Directors, an oversight organization, by the Corporate Audit Office, where six staff members are engaged in operational audits and internal control audits. The Corporate Audit Office, tasked to audit the operations of the entire Group, prepares the Risk Assessment Form when formulating an audit schedule and selects auditing targets based on risk assessment, resulting in an increase in the effectiveness of internal audits.

Auditors implement audits according to the audit schedule, audit the entire Group's operations and check in-house approval documents based on the monitoring of directors and executive officers. Auditors also attend audits performed by the Corporate Audit Office, thereby broadening the scope of their audits.

Efforts Toward Respect for the Position of the Stakeholders

We believe that a company's mission is to meet the expectations of all stakeholders, earn society's trust and contribute to society. These practices are a prerequisite for the Company to thrive and contribute to society. To do so, we believe that one of the most important issues for the Company is to contribute to society through our business activities. This goes beyond merely carrying out compliance in all of our actions, but also includes reinforcing corporate governance, implementing highly transparent management and enhancing activities to protect the environment for the next generation.

JVC Kenwood provides information for stakeholders in a timely and appropriate manner. We establish timely disclosure rules as in-house regulations and, under the Information Disclosure Council, we develop the content and means of disclosure when there is information that needs to be communicated.

Takeover Defense

We believe that if the Company's corporate value or shareholders' interest could be harmed due to acquisition of its shares by a specific person or group, the Company needs to take substantial measures to raise corporate value and secure shareholders' interest to the extent permitted by laws, regulations and the Articles of Incorporation. JVC Kenwood, of course, recognizes the importance of increasing corporate value and securing shareholders' interest, and continues to carefully study takeover defense measures. However, we have not introduced any such specific measures so far.

Management Team

(As of July 1, 2009)

Directors



Haruo Kawahara



Hiroshi Odaka



Jiro Iwasaki



Motoyoshi Adachi



Hidetoshi Yoshida



Kazuo Shiohata



Kazuhiro Aigami



Koji Kashiwaya



Makoto Matsuo

Auditors



Shigeharu Tsuchitani



Hideaki Kato



Noriyuki Shouyama



Akihiko Washida



Koichi Kurosaki

Chairman and President, Representative Director of the Board, CEO and Representative Director of the Board of JVC

Haruo Kawahara

Director of the Board and CFO

Hiroshi Odaka

Director of the Board, Senior Vice President & Executive Officer, Assistant CEO and Director of the Board of J&K Car Electronics

Jiro Iwasaki

Director of the Board, Senior Vice President & Executive Officer and Assistant CEO

Motoyoshi Adachi

Director of the Board, and President and Representative Director of the Board of JVC

Hidetoshi Yoshida

Director of the Board, President and Representative Director of the Board of J&K Car Electronics, and Representative Director of the Board of Kenwood

Kazuo Shiohata

Director of the Board, and President and Representative Director of the Board of Kenwood

Kazuhiro Aigami

Director of the Board (External)*1

Koji Kashiwaya

Makoto Matsuo

*1 External Directors specified in Item 15, Article 2 of the Corporate Law

Auditor and Auditor (External) of Kenwood

Shigeharu Tsuchitani

Auditor and Auditor (External) of JVC

Hideaki Kato

Auditor (External) and Auditor (External) of JVC*2

Noriyuki Shouyama

Auditor (External)*2

Akihiko Washida

Auditor (External) and Auditor (External) of Kenwood*2

Koichi Kurosaki

*2 External Auditors specified in Item 16, Article 2 of the Corporate Law

Executive Officers



Hiroyuki Taki



Satoru Maeda



Keiichiro Doi

Chief Executive Officer (CEO)*
Haruo Kawahara

Executive Officer and CFO, Assistant CEO (management strategies, financial strategies and Group consolidated management reforms)*
Hiroshi Odaka

Senior Vice President & Executive Officer, Assistant CEO (structural reforms and support of JVC and J&K Car Electronics), General Executive, Strategic Human Resources & Administrations Division and Director of the Board of J&K Car Electronics*
Jiro Iwasaki

Senior Vice President & Executive Officer, Assistant CEO (marketing, brand strategies and IT), General Executive, Business Development & Strategy Division and General Executive, Business Affairs Office*
Motoyoshi Adachi

Senior Vice President & Executive Officer, General Executive, Integrated Synergy Development Division, and Director of the Board of J&K Car Electronics
Hiroyuki Taki

Senior Vice President & Executive Officer and General Executive, New Business Development Center
Satoru Maeda

Senior Vice President & Executive Officer and General Executive, Strategic Research & Development Division
Keiichiro Doi

*Concurrently serving as Director of the Board

Representative Directors of Operating Company



Ryuhei Nakazawa

Victor Company of Japan, Limited

(Director of the Board of JVC Kenwood)
President and Representative Director of the Board
Hidetoshi Yoshida

Deputy President and Representative Director of the Board
Ryuhei Nakazawa

*Representative Director of the Board
Haruo Kawahara

Senior Vice President, Director of the Board
Masahiko Tsuruta

Manabu Saito
Nobuo Hori
Nobuhiko Yonemitsu
Masanori Kitami
Osamu Ueda
Takayoshi Sakamoto

Auditor
Kazuo Suetake

*Auditor (External)
Noriyuki Shouyama
Hideaki Kato

*Concurrently serving as Director of the Board or Auditor of JVC Kenwood

Kenwood Corporation

(Director of the Board of JVC Kenwood)
President and Representative Director of the Board
Kazuhiro Aigami

*Representative Director of the Board
Kazuo Shiohata

Senior Vice President, Director of the Board
Masaaki Takeda

Akira Suzuki
Naomasa Mizuno
Tomohiko Yoshimura
Toshikatsu Neda
Jyunji Kobayashi

Director of the Board (External)
Nobuo Seo

Auditor
Osamu Hamada

*Auditor (External)
Koichi Kurosaki
Shigeharu Tsuchitani

*Concurrently serving as Director of the Board, Auditor of JVC Kenwood or President and Representative Director of the Board of each Operating Company

J&K Car Electronics Corporation

(Director of the Board of JVC Kenwood)
President and Representative Director of the Board
Kazuo Shiohata

Executive Vice President, Director of the Board
Nobuo Maeda
Shoichiro Eguchi

*Senior Vice President, Director of the Board
Hiroyuki Taki
Jiro Iwasaki

Senior Vice President, Director of the Board
Shigenori Abe
Masachika Komiya

*Senior Vice President, Director of the Board
Makoto Inukai

Auditor
Satoshi Fujita
Takahiro Kubota

*Concurrently serving as Director of the Board, Executive Officer of JVC Kenwood or President of each Manufacturing Subsidiary

Corporate History – Strengths of JVC



Victor · JVC

The Perfect Experience / —

(Japan only)

JVC®

The Perfect Experience / —

JVC was established in 1927 as the Japanese arm of Victor Talking Machine Company in the U.S. and started out as a manufacturer and wholesaler of phonographs and records. The famous His Master's Voice image, the adorable dog "Nipper" sitting in front of a phonograph with his head cocked to one side, was a symbol of the spirit of development at the time the Company was founded. This same spirit has been handed down from generation to generation up until the present day.

JVC started out as a manufacturer and wholesaler of phonographs and records and expanded its business to the production of radio receivers, eventually branching out into the image business on top of the sound business, including the development of the first TV broadcast receiver in Japan in 1939. Joined by Kenjiro Takayanagi, who has become known as "the Father of Japanese Television," after the war, JVC laid the basis for growing into a technology development-oriented company that has an original mindset and is recognized by the global market for its achievements, including the development of the 45-45 stereo system in 1956 and the world's first 2-headed VCR in 1959, in addition to the development of television. In 1976, JVC released VHS home video recorders, which are still used by many families around the world as Japan's first global standard. The nucleus of this technology has been handed down through the Company and has become the foundation for the development of various world-first and industry-first products such as the industry's first 16:9 wide aspect television in 1991, the world's first high-definition home video camera in 2003 and the world's first full 1920 x 1080 high-definition resolution home video camera in 2007.

One of the advantages of JVC, as just described, is the superior visual and audio technologies that it has cultivated over the years. In 2009, these technologies were seasoned with creativity and amusement. Using our enhanced advantages, we as a new JVC will provide proprietary proposals worldwide. In line with this initiative, we have adopted our global brand JVC for the first time in Japan. JVC uses its superior audio and visual technologies and communications networks to create new ways to communicate through music and images—vehicles that inspire people and expand the possibilities for creative expression. The thinking behind the JVC brand statement "The Perfect Experience" is our commitment to use superior technologies to create products that create truly moving experiences and provide total satisfaction for our customers, in addition to providing customers with the potential for personal enrichment and lifetime satisfaction by using our products.



The first image to be projected on a CRT, the Japanese character "イ"



[1] STL-1S



[2] HR-3300



[3] GR-DV1

| | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1927 | Victor Talking Machine Company of Japan, Limited, established |
| 1939 | Produced Japan's first TV receiver |
| 1956 | Developed 45/45 stereo record format [1] |
| 1963 | Introduced KV-200, the world's smallest 2-head professional VCR |
| 1976 | Introduced HR-3300, the world's first VHS home video recorder [2] |
| 1986 | Introduced GR-C7, the world's smallest and lightest VHS-C video camera |
| 1991 | Introduced AV-36W1, the first 16:9 TV in the industry |
| 1995 | Introduced GR-DV1, the world's first pocket-sized digital video camera [3] |
| 2003 | Introduced GR-HD1, high-definition digital video camera [4] Introduced EX-A1, compact component system [5] |
| 2004 | Introduced hard disk camcorder, Everio GZ-MC200/MC100 |
| 2005 | JVC co-developed high-quality audio compression technology "net K2" with Victor Entertainment, Inc. |
| 2006 | JVC awarded the prestigious IEEE Milestone for the development of VHS video |
| 2007 | Introduced Everio GZ-HD7, the world's first full HD hard disk camcorder targeted at consumers Announced further study of capital and business alliance and management integration with KENWOOD |
| 2008 | Agreed to the management integration of JVC and KENWOOD through the establishment of a joint holding company |
| 2009 | Introduced the JVC global brand throughout Japan Introduced the Pro HD Memory Card Camera Recorder GY-HM100 [6] Introduced the GD-463D10, full HD 3D LCD Monitor for professional use [7] |



[4] GR-HD1



[5] EX-A1



[6] GY-HM100



[7] GD-463D10

KENWOOD

Listen to the Future

Kenwood, which was established in 1946 in Nagano Prefecture as a company specializing in radio assembly and repair, produced an advanced high-frequency coil by taking advantage of its location surrounded by mountains, where radio waves were weak. The high-frequency technology that was built at that time became the base for Kenwood to develop FM tuners and amateur radios. Since then, it has expanded its business domains steadily to include home-use and car-mounted audio systems as well as commercial radio equipment businesses. Its business areas have also expanded globally into North America, Europe and Asia.

During the period when Kenwood was called TRIO Electronics, Inc. (1960 – 1986), it developed as a full-scale audio manufacturer with the launch of FM tuners that were evaluated as the world's best, followed by transistoring audio products for the first time in the industry. Kenwood leveraged its advanced technologies that it had developed in home-use audio products to enter into the car audio product and portable audio product markets in 1980 and 1982, respectively, establishing the foundation of its present concept of sound entertainment.

After changing its name to Kenwood Corporation in 1986, Kenwood aggressively entered new fields such as car navigation systems and mobile phones enabled by advances in digital networks and IT technologies, becoming known as the “Kenwood—sound and communications.”

Currently, Kenwood is making efforts to expand its corporate value based on its corporate vision “Reaching out to discover, inspire and enhance the enjoyment of life,” and pursuing a growth strategy by making use of its assets including its product planning capability, technical prowess, global networks and brand power.

Thus, as the sole manufacturer simultaneously operating such three businesses, Kenwood pursues to further integrate audio and wireless communications, which are its core competencies. Through these measures, Kenwood continues to make its utmost efforts to become the dominant company in the world establishing the business domain of “Mobile & Home Multimedia Systems.”



[1] FM tuners



[2] Trio logo



[3] The industry's first transistor amplifier



[4] Car audio systems launched in the U.S.

| | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1946 | Established Kasuga Radio Co., Ltd. (predecessor of Kenwood Corporation) |
| 1947 | Succeeded in manufacturing high-performance radio parts (high-frequency coils) |
| 1957 | Began exporting FM tuners for the first time as a Japanese manufacturer [1] |
| 1960 | Renamed to Trio Electronics, Inc. [2] |
| 1962 | Launched the industry's first transistor amplifier [3] |
| 1966 | Fully transistorized audio products for the first time in the industry |
| 1978 | Entered the commercial wireless radio equipment field in Japan |
| 1980 | Entered the car audio field in the U.S. [4] |
| 1983 | Entered the Business & Industry sector of commercial wireless radio field in the U.S. [5] |
| 1986 | Renamed to Kenwood Corporation [6] |
| 1991 | Developed the radio systems for F1 world championship race and began an official supplier contract with the Team McLaren |
| 1992 | Entered the car navigation system field, launching the industry's first 1DIN-size GPS car navigation system [4] |
| 1997 | Supplied Real Focus Sound System for Forester and 2nd Legacy of Subaru, establishing the base for the OEM business |
| 2004 | Acquired the wireless radio operations of Toyo Communication Equipment Co., Ltd. |
| 2005 | Formed a technical and capital alliance with Icom Inc. to jointly research the standardization of technical specifications for digital wireless radio equipment |
| 2007 | Entered into a tie-up with a company of the group headed by the leading European aerospace and defense corporation EADS, to mutually supply Digital Land Mobile Radio equipment Launched the voluntary organization jointly in Europe in order to establish standards for commercial digital wireless radio equipment Converted Zetron, Inc., a U.S. systems-based communication company into a subsidiary Formed a management integration Capital alliance with Victor Company of Japan, Limited Formed a new aftermarket collaboration agreement for AV-integrated navigation systems for the consumer aftermarket with Garmin, the largest PND maker in U.S. [7] |
| 2008 | Agreed on a Management Integration through the Establishment of a Joint Holding Company with Victor Company of Japan, Limited Launched a voluntary organization jointly to contribute to the development of land mobile radio in the Americas |
| 2009 | Launched Simultaneous Communications System, VoIP Radio Dispatch System [8] |



[5] Land mobile radio launched in the U.S.

KENWOOD

[6] Kenwood logo



[7] AV-integrated navigation systems for the consumer market



[8] VoIP radio dispatch system

Network (Global)

(As of the end of June 2009)

Global Affiliated Manufacturing Companies

| Company Name | Location | Main Products |
|------------------------------------------------|-----------------------------|-------------------------------------------------------------|
| JVC America, Inc. | Tuscaloosa, Alabama, U.S.A. | CDs, DVDs (pre-recorded software) |
| JVC Industrial de Mexico, S.A. de C.V. | Tijuana, Mexico | TVs |
| JVC Electronics Singapore Pte. Ltd.* | Singapore | Car electronics |
| JVC Manufacturing Malaysia Sdn. Bhd. | Selangor, Malaysia | Camcorders, Home audio |
| JVC Manufacturing(Thailand) Co., Ltd. | Navanakorn, Thailand | TVs, professional products |
| JVC Optical Components(Thailand) Co., Ltd. | Nakhonratchasima, Thailand | Electronic components (optical pickups, etc.) |
| P.T. JVC Electronics Indonesia* | West Java, Indonesia | Home audio, car electronics products |
| Kenwood Electronics Bretagne S.A.* | Janze, France | Car electronics |
| Kenwood Electronics Technologies(S) Pte. Ltd. | Singapore | Communications equipment |
| Kenwood Electronics Technologies(M) Sdn. Bhd.* | Johor Bahru, Malaysia | Car electronics, Home electronics |
| Shanghai Kenwood Electronics Co. Ltd.* | Shanghai, China | Car electronics, Communications equipment, Home electronics |

J&K Technologies Cop. affiliate factories

Europe: Affiliated Sales Companies

| Company Name | Location |
|------------------------------------------------------|--------------------|
| JVC Europe Ltd. | The United Kingdom |
| JVC (U.K.) | The United Kingdom |
| JVC Professional Europe Ltd. | The United Kingdom |
| JVC France S.A.S. | France |
| JVC Deutschland GmbH | Germany |
| JVC Professional Europe Ltd. Frankfurt Branch | Germany |
| JVC Italia S.p.A. | Italy |
| JVC Professional Europe Ltd. Milano Branch | Italy |
| JVC Espana, S.A. | Spain |
| JVC Benelux B.V. | The Netherlands |
| JVC Professional Belgium S.A. / N.V. | Belgium |
| JVC Danmark A/S | Denmark |
| JVC Svenska AB | Sweden |
| JVC Norge A/S | Norway |
| JVC Schweiz AG | Switzerland |
| JVC International (Europe) GmbH | Austria |
| JVC Polska Sp. Zo. o. | Poland |
| JVC Czech spol. s.r.o. | Czech Republic |
| OOO "JVC CIS" | Russia |
| Kenwood Electronics Europe B.V. | The Netherlands |
| Kenwood Electronics Belgium N.V. | Belgium |
| Kenwood Electronics UK Limited | The United Kingdom |
| Kenwood Electronics Deutschland GmbH | Germany |
| Kenwood Electronics France S.A. | France |
| Kenwood Electronics Italia S.p.A. | Italy |
| Kenwood Iberica, S.A. | Spain |
| Kenwood Electronics C.I.S. Limited Liability Company | Russia |

Americas: Affiliated Sales Companies

| Company Name | Location |
|--------------------------------------------------|----------|
| JVC Americas Corp. | U.S.A. |
| JVC U.S.A. | U.S.A. |
| JVC Canada Inc. | Canada |
| JVC Professional Products Canada Inc. | Canada |
| JVC Latin America, S.A. | Panama |
| JVC do Brasil Ltda. | Brazil |
| Kenwood U.S.A. Corporation | U.S.A. |
| Kenwood U.S.A. Corporation Communications Sector | U.S.A. |
| Kenwood Electronics Canada Inc. | Canada |
| Kenwood Electronics Latin America S.A. | Panama |
| Kenwood Electronics Brasil Ltda. | Brazil |

Asia, Oceania, the Middle East and Africa: Affiliated Sales Companies

| Company Name | Location |
|---------------------------------------------|-----------------|
| JVC Asia Pte. Ltd. | Singapore |
| JVC ASIA Pte. Ltd. Sales & Service Division | Singapore |
| JVC Sales & Service (Malaysia) Sdn. Bhd. | Malaysia |
| JVC Sales & Service (Thailand) Co., Ltd. | Thailand |
| JVC (Philippines), Inc. | The Philippines |
| JVC Vietnam Limited | Vietnam |
| JVC Taiwan Corp. | Taiwan |
| JVC Gulf FZE | The UAE |
| Kenwood Electronics Singapore Pte Ltd. | Singapore |
| Kenwood Electronics Australia Pty. Ltd. | Australia |
| Kenwood Electronics (Malaysia) Sdn. Bhd. | Malaysia |
| Kenwood Electronics (Thailand) Co., Ltd. | Thailand |
| Kenwood Electronics Gulf Fze | The UAE |

China: Affiliated Sales Companies

| Company Name | Location |
|-------------------------------------------------|----------|
| JVC (China) Investment Co., Ltd. | China |
| Kenwood Electronics (Hong Kong) Ltd. | China |
| Kenwood Electronics Trading (Shanghai) Co. Ltd. | China |

Other Main Global Affiliated Companies

| Company Name | Location |
|-----------------------------------------------------------|--------------------|
| JVC Logistics Europe N.V. | Belgium |
| JVC Technical Services Europe GmbH | Germany |
| JVC Technology Centre Europe GmbH | Germany |
| JVC Industrial America, Inc. | U.S.A. |
| JVC Finance of America | U.S.A. |
| JVC Marketing India Private Limited | India |
| JVC Trading (Shanghai) Co., Ltd. | China |
| Beijing JVC AV Equipment Co., Ltd. | China |
| Beijing Kelin JVC Electronic System Engineering Co., Ltd. | China |
| JVC (Beijing) Research & Development Center, Ltd. | China |
| JVC Purchasing Center (H.K.), Ltd. | China |
| Zetron, Inc. | U.S.A. |
| Zetron Limited | The United Kingdom |
| Zetron Australasia Pty Ltd. | Australia |
| Zetron Air Systems Pty Ltd. | Australia |

Network (Japan)

(As of the end of June 2009)

R&D Centers/Business Centers

| Name | Location | Main R&D Products |
|----------------------------------|--------------------|--------------------------------|
| JVC Head Office & Yokohama Plant | Yokohama, Kanagawa | Video cameras, TVs |
| JVC Kurihama R&D Center | Yokosuka, Kanagawa | Video cameras, TVs, Projectors |
| Kenwood Hachioji Business Center | Hachioji, Tokyo | Car Electronics, Home audio |
| Kenwood Yokohama Business Center | Yokohama, Kanagawa | Communications |

Main Japanese Manufacturing Sites and Affiliated Manufacturing Companies

| Name | Location | Main Products |
|-------------------------------------|--------------------|-------------------------------------------------------------|
| JVC Yokosuka Plant | Yokosuka, Kanagawa | Video cameras, TVs, projectors, D-ILA devices |
| JVC Maebashi Plant | Maebashi, Gunma | Home audio |
| JVC Hachioji Plant | Hachioji, Tokyo | Professional, educational and information-related equipment |
| Victor Creative Media Co., Ltd. | Yamato, Kanagawa | CDs and DVDs (pre-recorded) |
| Victor Interior Furniture Co., Ltd. | Fukuroi, Shizuoka | Home furniture |
| Kenwood Yamagata Corporation | Tsuruoka, Yamagata | Car electronics, Communications, Home electronics |
| Kenwood Nagano Corporation * | Ina, Nagano | Car electronics, Optical discs |
| Kenwood Devices Corporation | Yokohama, Kanagawa | Components |

*J&K Car Electronics Corporation affiliated Manufacturing Company

Main Japanese Consolidated Affiliated Companies

| Name | Location | Business |
|----------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Sanin Victor Sales Co., Ltd. | Matsue, Shimane | Wholesale |
| Okinawa Victor Sales Co., Ltd. | Ginowan, Okinawa | Wholesale |
| Victor Arcs Co., Ltd. | Minato Ward, Tokyo | Sales of professional audio and visual equipment |
| Victor Entertainment, Inc. | Minato Ward, Tokyo | Planning, production and sales of audio and video software, etc. |
| Teichiku Entertainment, Inc. | Shibuya Ward, Tokyo | Planning, production and sales of audio and video software, etc. |
| Flyingdog Inc. | Shibuya Ward, Tokyo | Planning and production of animation audio and animation video software, etc. |
| JVC Networks, Inc. | Shibuya Ward, Tokyo | Network delivery, and planning, production and management of sales promotion tools |
| Victor Music Arts, Inc. | Minato Ward, Tokyo | Music copyright management and artist management |
| JVC Entertainment, Inc. | Minato Ward, Tokyo | Talent and artist management, casting and advertising representation |
| Nippon Record Center Co., Ltd. | Atsugi, Kanagawa | Logistics of audio software, etc. |
| Victor Finance Co., Ltd. | Yokohama, Kanagawa | Finance and business consulting |
| Victor Facility Management Co., Ltd. | Minato Ward, Tokyo | Management, sales, purchase and leasing of real estate |
| Victor Service & Engineering Co., Ltd. | Urayasu, Chiba | Repair of electric equipment |
| Victor Logistics, Inc. | Yokohama, Kanagawa | Logistics |
| Kenwood Kenex Corporation | Meguro Ward, Tokyo | Sales and other operations relating to audio and communications equipment |
| Kenwood Geobit Corporation | Shibuya Ward, Tokyo | Sales agency of mobile phones; Operations and other support for Softbank shops |
| Kenwood Core Corporation | Yokohama, Kanagawa | Manufacture and sales of various types of communications equipment; Development, sales and other operations relating to software |
| Kenwood Home Electronics Corporation | Hachioji, Tokyo | Sales of Home electronics products, etc |
| Kenwood Service (Japan) Corporation | Yokohama, Kanagawa | After-sales services and other operations relating to audio, communications and other equipment |
| Kenwood Design Corporation | Meguro Ward, Tokyo | Planning and production of industrial designs for audio, communications and other equipment |
| Kenwood Personnel Corporation | Hachioji, Tokyo | Temporary staffing, personnel referral and other operations |
| Kenwood Engineering Corporation | Hachioji, Tokyo | Dispatch of engineers, undertaking of engineering-related work and other operations |
| J&K Partners Corporation | Yokohama, Kanagawa | Undertaking of welfare program, general, personnel, accounting and other affairs |

Corporate Data

(As of the end of June 2009)

Joint Holding Company

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | JVC KENWOOD Holdings, Inc. |
| Business Segments | Controlling and managing the business activities by operating the Car Electronics business, Home & Mobile Electronics business, Professional Systems business and Entertainment business and owning shares and interest in the companies which run those businesses. |
| Date of Incorporation | October 1, 2008 |
| Location of Head Office | 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-0022, Japan |
| Market for Listing | First Section of the Tokyo Stock Exchange |
| Securities Code | 6632 |
| Number of Employees | 631 (Group total 19,540) (as of the end of March 2009) |
| Capital | ¥10 billion |
| Net Assets | ¥85,579 million (as of the end of March 2009) |
| Total Assets | ¥354,652 million (as of the end of March 2009) |
| Fiscal Year | End of March |
| URL | http://www.jk-holdings.com/ |

Operating Companies

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | Victor Company of Japan, Limited |
| Principal Business | Research, development, manufacturing and sales of audio, visual, computer-related consumer and professional equipment and magnetic tapes and discs, etc. |
| Date of Incorporation | September 13, 1927 |
| Location of Head Office | 3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa, 221-8528, Japan |
| Number of Employees | 3,460 (non-consolidated), 11,611 (consolidated) (as of the end of March 2009) |

| | |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | Kenwood Corporation |
| Principal Business | Manufacturing and sales of products related to communications and sales of products related to Car Electronics, Home Electronics and other related businesses. |
| Date of Incorporation | December 21, 1946 |
| Location of Head Office | 2967-3, Ishikawa-machi, Hachioji-shi, Tokyo, 192-8525, Japan |
| Number of Employees | 645 (non-consolidated), 2,383 (consolidated) (as of the end of March 2009) |

| | |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Name | J&K Car Electronics Corporation |
| Principal Business | Research, development, design, manufacturing and sales of automotive electric components, other automotive parts, audio equipment, visual equipment and electric and electronic machinery and appliances and other related businesses |
| Date of Incorporation | October 1, 2007 |
| Location of Head Office | 2967-3, Ishikawa-machi, Hachioji-shi, Tokyo, 192-8525, Japan |
| Number of Employees | 940 (non-consolidated), 4,915 (consolidated) (as of the end of March 2009) |

*J&K Technologies Corp. was renamed as J&K Car Electronics Corporation on June 24, 2009.



JVC KENWOOD Holdings, Inc.

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