

Financial Highlights

Kenwood Corporation and consolidated subsidiaries
Fiscal years ended March 31

	2003/3	2004/3	2005/3	2006/3	2007/3
Net sales (JPY in million)	225,579	178,731	181,112	183,616	169,194
Operating profit (JPY in million)	12,260	12,610	7,061	8,686	5,617
Ordinary income (JPY in million)	7,059	8,541	4,696	4,886	2,339
Net income (JPY in million)	4,221	7,318	4,836	6,104	1,586
Net income per share (JPY)	21	34	17	17	4
Net Income per share after adjusting for latent shareholdings (JPY)	16	16	11	15	—
Total assets (JPY in million)	142,124	135,763	116,137	109,554	111,220
Interest-bearing debt (JPY in million)	80,851	67,272	31,088	26,263	23,754
Net debt (JPY in million)	50,083	29,885	15,147	12,215	6,782
Net assets (JPY in million)	13,704	20,161	33,132	37,486	39,066
Shareholder's equity ratio (%)	9.6	14.9	28.5	34.2	35.1
ROE (%)	—	—	—	21.0%*	4.1%*
Shareholders' equity ratio at market value (%)	28.1	52.2	60.6	91.5	59.1
Net assets per share (JPY)	(53.74)	(23.03)	66.29	101.97	106.46
Retained earnings (JPY in million)	(34,238)	(9,777)	13,199	18,316	19,096
Ratio of cash flow to interest-bearing debts (%)	780.6	244.6	200.1	207.4	207.3
Interest coverage ratio (times)	3.1	12.6	13.6	19.9	22.4
Cash flows from operating activities (JPY in million)	10,358	27,502	15,539	12,664	11,456
Cash flows from investing activities (JPY in million)	(5,895)	(7,674)	(3,513)	(4,320)	(5,218)
Cash flows from financing activities (JPY in million)	968	(12,783)	(30,333)	(10,673)	(3,717)
Number of employees	4,877	4,440	4,334	4,424	4,483

* ROE is calculated based on common shareholders' equity at the beginning of the fiscal year. (excluding book value of preferred stock worth 12.5 billion yen from the shareholders' equity at the beginning of the fiscal year)

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 deals 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 to management results or the financial condition of the company. For details on risks and uncertainties related to our results, financial conditions and other matters deemed important for investment decisions, please refer to "Business and Other Risks" contained in the "Consolidated Annual Summary Report" of Kenwood.