TRANSLATION - FOR REFERENCE ONLY -

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Notice on the Revision of the Interim Performance Forecast for the Fiscal Year Ending March 31, 2006

October 14, 2005

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Kenwood Corporation has revised its performance forecast as follows based on the timely disclosure rules because it is anticipated that the consolidated and non-consolidated sales for the interim term (from April 1 to September 30, 2005) of the fiscal year ending March 31, 2006 will exceed the forecasted figures announced on May 20, 2005 (Friday) by more than 10%.

Since necessary adjustments are currently being scrutinized for consolidated financial statements, and some additional changes are anticipated, the interim performance result will be announced on November 11 (Friday). The annual performance forecast will also be announced together with said interim performance result.

1. Interim performance forecast revision for the fiscal year ending March 31, 2006 (April 1, to September 30, 2005)

(1) Revision of the consolidated performance forecast

(Unit: Millions of yen)

	Net Sales	Ordinary income	Net income
Previously announced forecast (A) (announced on May 20, 2005)	80,000	1,800	3,000
Revised forecast (B)	90,000	1,800	3,000
Amount of change (B – A)	+10,000	—	—
Rate of change (%)	+12.5%	—	—
Previous term result (interim term for the year ended March 31, 2005)	88,375	2,427	2,960

No forecast figure was announced with regard to consolidated operating profit for the interim term, but Kenwood Corporation forecasts that the said operating profit will be approximately 3.5 billion yen as forecasted at the beginning of term.

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(2) Revision of non-consolidated performance forecast

(Unit: Millions of yen)

	Net Sales	Ordinary income	Net income
Previously announced forecast (A) (announced on May 20, 2005)	60,000	900	2,700
Revised forecast (B)	67,000	900	2,900
Amount of change (B – A)	+7,000	—	+200
Rate of change (%)	+11.7%	—	+7.4%
Previous term result (interim term for the year ended March 31, 2005)	66,409	3,521	3,958

2. Revision reasons

(1) Reasons for the revision of the consolidated performance forecast

(Sales)
Consolidated sales are expected to exceed our previous forecast because the commercial radio equipment business, the main business of the Communications Equipment Division, has been strong due to favorable conditions in the U.S. market and the Car Electronics OEM Division grew based on our growth strategies. Effects of exchange rate changes have also contributed to our upward revision.

(Profits)
Consolidated profits will be approximate to our forecast at the beginning of term because the performance of the Car Electronics Consumer (Audio) Division and Home Electronics Division is expected to be below our forecast due to fierce competition, although the sales increase in the commercial radio equipment business brings in increase of the profit and the conversion of the strategies for the Car Electronics Multimedia Division will improve profitability.

(2) Reason for the revision of the non-consolidated performance forecast

(Sales)
Non-consolidated sales are expected to be above our forecast made at the beginning of term due to the same reason as the consolidated performance.

(Profits)
Net income is expected to be above our forecast made at the beginning of term because an expected extraordinary profit will be posted as a result of the return of the substitute portions of the employees' pension program, and a gain on reversal of allowance for losses on investments in subsidiaries will be posted as a result of improved performance of an overseas subsidiary although such gain was not forecasted at the beginning of term.

Note
The above performance forecast is based on our judgment made using information currently obtainable, and the actual performance may significantly differ from the forecast due to a variety of factors. Accordingly, we recommend to avoid making judgments based only on this forecast.