



Notice of Revision of the Performance Forecast for the Fiscal Year Ended March 31, 2006

April 28, 2006

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The Company has revised its performance forecast as follows because it anticipates that the non-consolidated net income for the fiscal year ended March 31, 2006 (from April 1, 2005 to March 31, 2006) will exceed the forecasted figure by 30% or more.

The final performance results (consolidated and non-consolidated) for the year ended March 31, 2006 will be announced on May 19 (Friday), and we may make some additional changes to this revised performance forecast as a result of closing adjustments.

1. Revision of the performance forecast for the fiscal year ended March 31, 2006 (April 1, 2005 to March 31, 2006)

(1) Revision of the non-consolidated performance forecast (Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previously announced forecast (A) (Announced on November 11, 2005)	135,000	2,500	4,500
Revised forecast (B)	135,000	2,500	6,000
Amount of change (B - A)	-	-	+1,500
Rate of change (%)	-	-	+33.3%
Previous year's result (year ended March 31, 2005)	130,412	3,768	4,708

(2) Revision of the consolidated performance forecast (Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previously announced forecast (A) (Announced on November 11, 2005)	185,000	4,500	6,000
Revised forecast (B)	185,000	4,900	6,000
Amount of change (B - A)	-	+400	-
Rate of change (%)	-	+8.9%	-
Previous year's result (year ended March 31, 2005)	181,112	4,696	4,836

TRANSLATION - FOR REFERENCE ONLY -

2. Reasons for revision of the performance forecast for the fiscal year ended March 31, 2006 (April 1, 2005 to March 31, 2006)

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

We expect the non-consolidated net income to exceed our previous forecast because the gain on reversal of allowance for losses on investments in subsidiaries, which we have posted in prior years, will significantly surpass our forecast due to improved performance of certain overseas subsidiaries.

We will only post this gain on reversal of allowance for losses on investments in subsidiaries for non-consolidated performance results, and it does not affect the consolidated performance results.

(2) Reason for revision of the consolidated performance forecast

We expect ordinary income to slightly exceed our previous forecast because temporary non-operating losses, relating to such things as inventory write-downs and patent fees for prior years, now seem likely to be less than we had initially assumed.

Net income will approximately match our previous forecast as a result of the posting of software assets carried by our strategic changes and the impairment of fixed assets.

Operating profit will fall 10% and more short of 10 billion yen, which for reference was our performance target, because revenues of the Car Electronics Consumer (Audio) business did not grow as we had anticipated during the fourth quarter, particularly in March when we had planned to generate higher revenues than the other quarters of the year. This caused by the effects of delayed closing of former products in the entire car electronic consumer market, which lasted until the period when we released our new products.

However, operating profit will still increase by approximately 20% year-on-year because of increased revenues in the Communications Equipment business carried by the growing strategy and of decreased losses in the Car Electronics Consumer (Multimedia) business and in the Home Electronic business as a result of our strategic changes.

Note on Earnings Outlook

The earnings outlook discussed above for the consolidated fiscal year ending March 2006 is a future estimate based on judgments of the Kenwood Group obtained from currently available information. Actual results may differ materially from these earnings outlooks due to a variety of factors. Accordingly, the Company recommends that investment decisions not be made solely on the basis of these perspective outlooks.

In the electronics industry, which is the core business field of the Company's group, operating results are prone to sharp fluctuations due to changes in technologies, demand, prices, competition, economic environment, foreign exchange rates, and numerous other factors. For information on the risks and uncertainties concerning the Company's operating results and other conditions (including matters considered to be important for investment decisions), please refer to "Business and Other Risks" described in Consolidated Summary Report for the Former Half of Fiscal Year Ending March 2006)