



January 30, 2009

Company: JVC KENWOOD Holdings, Inc.
Representative: Haruo Kawahara, Chairman and CEO
(Code: 6632 1st section of Tokyo Stock Exchange)
Contact: Hiroshi Odaka, Deputy President and CFO
(Tel: +81-45-444-5232)

Announcement on Early Retirement Preferential Treatment Programs

At its Board of Directors' meeting held on January 30, 2009, the Company decided to implement early retirement preferential treatment programs as stated below.

1. Reasons for the Implementation

In October 2007, Victor Company of Japan, Limited ("Victor") implemented employment structural reforms as part of its business reconstruction measures prior to management merger and reduced the number of its regular employees by about 22%.

However, given the further rapid deterioration in the business environment since last autumn, the Company will further go ahead with structural reforms related to large scale reductions in the domestic display business; Victor has already worked on a review of domestic sales, production, and distribution services systems and shift personnel to new systems toward shoring up future growth businesses. The Company will also offer early retirement preferential treatment programs at Victor as additional measures, as mentioned below.

Also at Kenwood Corporation ("Kenwood"), the Company has promoted the review of the development and production systems in the car electronics OEM business since April 2008, but will further review the development and production systems throughout the car electronics business in response to the worldwide reduced car output and sales volume, and discuss the implementation of company-wide early retirement preferential treatment programs at Kenwood.

2. Outline of Early Retirement Preferential Treatment Programs

(1) Outline of Victor's Early Retirement Preferential Treatment Programs

The Company will encourage a total of 350 people, 7.5% of Victor's employees, in (a) and (b) below. The number of Victor's employees (including dispatched staff) was 4,650 as of December 31, 2008.

(a) Company-wide early retirement preferential treatment program

- Eligibility: Employees who are 55 or older with 10 or more years of service
- Application period: February 16, 2009 – February 27, 2009
- Retirement date: March 31, 2009

(b) Local-based early retirement preferential treatment program

TRANSLATION – FOR REFERENCE ONLY –

- Eligibility: Employees with more than five years of service, assigned to Domestic Sales & Marketing Division and Yokosuka Plant, and those dispatched to its four subsidiaries (Victor Logistics, Inc., Victor Parts & Technical Support, Inc., Victor Service & Engineering Co., Ltd., and Victor Facility Management Co., Ltd.) with more than five years of service
- Application period: March 4, 2009 – March 17, 2009
- Retirement date: April 20, 2009

(c) Workforce cut at Group companies

At the same time, the Company will cut its workforce by about 130 employees at the above four Group companies.

(2) Outline of Kenwood's Early Retirement Preferential Treatment Programs

Kenwood has promoted cutting its workforce by around 100 employees at its factory, Kenwood Nagano Corporation, since September 2008, but has been considering an early retirement preferential treatment program targeting at around 100 employees, 5.8% of Kenwood's employees. Details will be announced as soon as they are fixed.

The number of Kenwood's employees (including dispatched staff) was 1,697 as of December 31, 2008.

3. Future Outlook

Profits or losses arising from the Victor's early retirement preferential treatment programs will not affect consolidated business performances for fiscal year ending March 31, 2009 due to the application of the purchase method of accounting for the management merger.

Profits or losses as a result of the Kenwood's early retirement preferential treatment programs have been incorporated in consolidated business forecasts for fiscal year ending March 31, 2009 described in "Announcement on the Revision of Earnings Forecasts for the March 2009 Period" announced today.