



November 27, 2009

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Notice on Organizational and Personnel Changes of Operating Company and Its Subsidiaries as of December 1

JVC KENWOOD Holdings, Inc. (JVC Kenwood) hereby announces an organizational change and changes in the appointed work of Directors of Victor Company of Japan, Limited (JVC), personnel changes in subsidiaries of JVC and a change in the appointed work of Director of JVC Kenwood, to be implemented on December 1, 2009.

1. Purposes

With global competition getting keener in the digital audiovisual (AV) equipment business, JVC Kenwood will change the organization and appointed work of Directors of JVC, implement personnel changes in Directors of Victor Entertainment, Inc. (Victor Entertainment) and Victor Service & Engineering Co., Ltd. (VSE), both of which are subsidiaries of JVC, and change the appointed work of a Director of JVC Kenwood, on December 1, 2009. JVC Kenwood will make these changes in a bid to promote growth by expanding the use of its excellent technologies and intellectual resources to the solution and service businesses and to reconstruct an earnings system that is hardly affected by exchange rates.

2. Major Organizational Changes

(1) Expansion and enhancement of the business solutions

- 1) JVC has worked on corporate-level development of new businesses and technologies at its Business Incubation Division and Technology Development Division. Now that its expansion to B-to-B businesses has advanced, JVC will incorporate about 350 main staffers of the two divisions into the Business Solution Division.
- 2) JVC Kenwood will inaugurate a new organization, in which sales and applied technologies are incorporated, by establishing Project Operation under the Business Solution Division of JVC to provide solutions by business category and by customer and integrate many kinds of equipment into systems. It will also reorganize the existing business units by equipment into management systems that respectively assume the responsibility for profit and loss consistently, including sales, technologies and production, to proceed with matrix management.
- 3) As described in “Action Plan for Business Structural Reform,” released on October 29, 2009, JVC Kenwood will integrate the engineering (maintenance, installation and repair) division of VSE and Kenwood Core Corporation, a subsidiary of Kenwood Corporation (Kenwood), and establish J&K Business Solutions Corporation (J&K Business Solution), a business solution joint venture of JVC and Kenwood, as of December 1, 2009. JVC Kenwood will strengthen its efforts for the business solutions, in which the engineering function of VSE and the fortes of the B-to-B businesses of JVC and Kenwood are unified, by increasing the number of staffers of J&K Business Solution to approximately 300. It will do this by transferring the solution sales and design sectors of the Business Solution Division and the radio equipment maintenance and management team of the Radio System Division of Kenwood to the new joint venture. In addition, JVC Kenwood will put two solution-related subsidiaries of JVC — Victor Arcs Co., Ltd. and Video-Tech Co., Ltd. — under the wing of J&K Business Solution, with a view to reinforcing the business solutions making the most of the JVC Kenwood Group’s resources.

(2) Structural change of the entertainment business

As part of efforts to focus on the service business as well as the solution business and structurally change to a new business that concentrates its energies on intellectual services, shifting from hardware-centered services, JVC Kenwood decided to push forward with measures to get out of the sluggishness of the music CD market, including expansion into B-to-B businesses, by inviting new external management personnel to JVC Entertainment, Inc., a wholly owned subsidiary of JVC, which has played a pioneering role in this area.

JVC Kenwood will invite Masaaki Saito, former president and representative director of the then TOSHIBA EMI LIMITED, as president of JVC Entertainment, to make multilateral efforts to develop into a new music entertainment business, and Ryuichi Kanamaki, executive officer of IBM Japan, Ltd., as director, to work on entertainment corridor, which combines display-based signage, music and videos. Through these measures, JVC Kenwood would like to focus on the entertainment business as one of the cores of the new service business.

(3) Reorganization aimed at consistent consolidated management system by business category

JVC Kenwood will reorganize divisions and operations by business category of JVC into a system, under which divisions and operations respectively assume consolidated management responsibility in terms of management and accounting, comprehensively covering areas from sales to planning, technology, procurement and production (plants).

Under the existing system, overseas sales companies and the Japanese sales sector have been independent profit centers for a long time, while product supply sectors, including technology and production of divisions, have also served as profit centers. The system will be changed to a new one, under which operations by business category will thoroughly carry out consolidated management as profit centers that cover areas from sales to production and strive to enhance competitiveness.

(4) Integration of after-sales service companies

With the establishment of J&K Business Solution, mentioned earlier, VSE will specialize in after-sales service. JVC Kenwood will aim to further improve service capability and customer satisfaction (CS) and reinforce competitiveness through economies of scale by integrating VSE and Kenwood Service, a service subsidiary of Kenwood, at an early stage to provide after-sales services for products of JVC and Kenwood as the JVC Kenwood Group.

3. Major Personnel Changes**Changes in Appointed Work of Directors of JVC**

Name	New duties	Present duties
Masahiko Tsuruta	Director of the Board, General Executive, Technology Development Division and Assistant to General Executive, Business Solution Division	Director of the Board, General Executive, Technology Development Division, General Executive, Products Technology Development Center, Technology Development Division and Assistant to General Executive, Business Solution Division
Nobuo Hori	Director of the Board, General Executive, Digital Imaging Division, General Executive, Overseas Sales Operation, Digital Imaging Division and General Executive, Imaging Operation, Digital Imaging Division	Director of the Board and General Executive, Digital Imaging Division
Masanori Kitami	Director of the Board and Assistant to General Executive, Business Solution Division	Director of the Board, General Executive, Business Incubation Division, General Executive, Business Development Operation, Business Incubation Division, and Assistant to General Executive, Business Solution Division

Changes in Directors of Victor Entertainment

Newly appointed Representative Director (scheduled to take office on December 1)

Name: Masaaki Saito

Brief history

1970	Graduated from the Faculty of Law, Chuo University
1970	Joined TOSHIBA-EMI LIMITED
1997	President and Representative Director of TOSHIBA-EMI
2005	Chairman of the Board and Chief Executive Officer (CEO) of the company
2006	Established M-site; President and Representative Director of M-site
May 2009	Representative Director of Contents League Inc.
December 2009	Scheduled to become President and Representative Director of Victor Entertainment, Inc.

Newly-appointed Director (scheduled to take office on December 1)

Name: Ryuichi Kanamaki

Brief history: Partner, Senior Managing Director, Strategic Consulting Group Leader of IBM Business Consulting Services KK, and Executive Officer of IBM Japan, Ltd.

Completed the first half of doctor's course of the Graduate School of Science and Engineering, Waseda University
 Having worked for Victor Company of Japan, Ltd., Andersen Consulting (currently Accenture) and other companies, joined Pricewaterhouse Consultant (currently IBM Business Consulting Services KK) and has been working there to present.
 Specializes in corporate sales reform, service business development, corporate and business integration management, and professional human resource management.
 Major publications: "Kigyo Togo (Corporate Integration)" (Nikkei Business Publications, Inc.) and "Karisuma no Kieta Natsu (Summer When Charisma Disappeared)" (Nikkei Business Publications, Inc.)
 Special research professor, Keio University Graduate School of System Design and Management (SDM)

Director scheduled to retire

Name: Teruo Saegusa (currently Chairman of the Board)

Teruo Saegusa will execute the duties of Chairman of the Board, as he has been doing, and retire from office on January 1, 2010 to become Advisor.

Name: Yuichi Kato (currently President and Representative Director)

Yuichi Kato will become Director as of December 1, 2009, execute the duties of Director, and then retire from office on January 1, 2010 to become Advisor.

Change in Appointed Work of Director of JVC Kenwood

Name	New duties	Former duties
Hiroshi Odaka	Director of the Board of JVC Kenwood; Director of the Board and General Executive, Business Solution Division of JVC; Executive Officer and CFO of JVC Kenwood; President and Representative Director of the Board of J&K Business Solution; and President and Representative Director of the Board of Victor Arcs Co., Ltd.	Director of the Board of JVC Kenwood; Director of the Board and General Executive, Business Solution Division of JVC; Executive Officer and CFO of JVC Kenwood; and President and Representative Director of the Board of Victor Arcs Co., Ltd.

Change in Director of VSE

Name	New duties	Former duties
Masateru Ando	Senior Manager CS and product quality, Integrated Synergy Development Division of JVC Kenwood; President and Representative Director of the Board of Kenwood Service; and President and Representative Director of the Board of Victor Service & Engineering Co., Ltd.	Senior Manager CS and product quality, Integrated Synergy Development Division of JVC Kenwood; President and Representative Director of the Board of Kenwood Service; and Assistant to President of Victor Service & Engineering Co., Ltd.