



March 14, 2011

Company	JVC KENWOOD Holdings, Inc.
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## Notice of Transfer of Subsidiary Shares

As announced in the “Notice of Basic Agreement on Transfer of Subsidiary Shares” dated February 10, 2011, JVC KENWOOD Holdings, Inc. (JVC Kenwood) has been discussing the transfer of all shares of Nippon Record Center Co., Ltd. (Nippon Record Center). Such shares are held by Victor Company of Japan, Limited (JVC), which is a subsidiary of JVC Kenwood and the operating company of the JVC Kenwood Group, and the subsidiaries of JVC including Victor Entertainment, Inc. and Teichiku Entertainment, Inc. (subsidiaries). The shares will be transferred to TL LOGICOM Co., Ltd. (TL LOGICOM), which is a subsidiary of SBS Holdings, Inc. (SBS Holdings). The discussions have been held with JVC and TL LOGICOM, and pertain to the signing of a contract for the transfer of all shares (share transfer contract). As a result of such discussions, JVC, JVC’s subsidiaries and TL LOGICOM concluded a share transfer contract as of March 11, 2011.

### 1. Reasons for the transfer of shares

As described in the “Notice of Basic Agreement on Transfer of Subsidiary Shares” dated February 10, 2011, Nippon Record Center is a subsidiary of the JVC Kenwood Group, specialized in logistics services of music and video software for the JVC Kenwood Group and others. However, the logistics volume of music and video software is gradually decreasing. Thus, the JVC Kenwood Group has facilitated 3PL\* in logistics operations and examined the potential for development by utilizing the ability to deliver a wide variety of goods in small lots, which is the strength of Nippon Record Center.

Consequently, JVC, its subsidiaries and TL LOGICOM concluded a share transfer contract on March 11, 2011, with respect to the transfer of all shares (98.54% of all outstanding shares) of Nippon Record Center held by JVC and its subsidiaries to TL LOGICOM, which is a subsidiary of SBS Holdings and has an omni-directional function in logistics.

JVC Kenwood transferred shares of Victor Logistics, Inc., (presently, VL Loginet., Inc.), which was a logistics subsidiary of the JVC Kenwood Group, to TL LOGICOM last April. The successful transfer of shares will help to enhance the corporate value of the three parties. This is because the JVC Kenwood Group will be able to stabilize its revenue base by promoting 3PL\* in logistics operations, while Nippon Record Center will be able to expand its business and reinforce its competitiveness due to the synergy effect with the SBS Group by expanding new businesses within TL LOGICOM Group, which is a comprehensive logistics company.

\* 3PL (third-party logistics): Outsourcing third-party logistics services

### 2. Overview of the subsidiary whose shares will be transferred

An overview of the concerned subsidiary is as described in the “Notice of Basic Agreement on Transfer of Subsidiary Shares” dated February 10, 2011, and there has been no change after that date.

**3. Outline of buyer of share transfer** (as of December 31, 2010)

(1) Company name	TL LOGICOM Co., Ltd.		
(2) Location	4-1-3, Taihei Sumida-ku, Tokyo		
(3) Representative's name and title	Masahiko Kamata, President & CEO		
(4) Business	Transportation, warehouse and real estate leasing and management		
(5) Capital	2,846 million yen		
(6) Established	January 26, 1940		
(7) Major shareholders and holding ratio	SBS Holdings, Inc.: 100%		
(8) Relation with JVC Kenwood	Capital relationship	There is no significant capital relationship between JVC Kenwood and this company. In addition, there is no special capital relationship between interested parties and affiliated companies of JVC Kenwood and those of this company.	
	Personnel relationship	There is no significant personnel relationship between JVC Kenwood and this company. In addition, there is no special personnel relationship between interested parties and affiliated companies of JVC Kenwood and those of this company.	
	Transaction relationship	Though there is transaction relationship between JVC and TL LOGICOM, there is no special transaction relationship between JVC Kenwood and this company. In addition, there is no special transaction relationship between interested parties and affiliated companies of JVC Kenwood and those of this company.	
	Relationships with related parties	This company does not correspond to a related party of JVC Kenwood. In addition, interested parties and affiliated companies of this company do not correspond to related parties of JVC Kenwood.	
(9) Operating results and financial conditions for recent business years (non-consolidated)			(Reference) SBS Holdings
	Fiscal Year ended Dec. 2009	Fiscal Year ended Dec. 2010	Fiscal Year ended Dec. 2010
Shareholders' equity (million yen)	21,213	21,213	22,587 (consolidated)
Net assets (million yen)	45,807	44,283	96,408 (consolidated)
Net sales (million yen)	35,845	36,813	119,824 (consolidated)

**4. Number of shares for transfer, transfer price and status of shareholding before and after transfer**

(1) Number of shares owned before transfer	808,000 (Number of voting shares: 808,000) (Ownership ratio: 98.54%)
(2) Number of shares transferred	808,000 (Number of voting shares: 808,000)
(3) Number of shares owned after transfer	0 (Number of voting shares: 0) (Ownership ratio: 0%)

\*The transfer price will not be disclosed in accordance with the secrecy obligation with TL LOGICOM.

**5. Schedule**

(1) Conclusion of a share transfer contract	March 11, 2011
(2) Execution date of share transfer	April 1, 2011 (scheduled)

**6. Future prospects**

The effect of this share transfer on JVC Kenwood's earnings is expected to be insignificant.