



June 10, 2011

Company	JVC KENWOOD Holdings, Inc.
Representative	Hisayoshi Fuwa, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Takaaki Nose, General Manager, Public and Investor Relations (Tel: +81-45-444-5232) (E-mail: prir@jk-holdings.com)

Notice on Acquisition of In-car Device Manufacturing Company (Conversion to Subsidiary)

At its Board of Directors meeting held today, JVC KENWOOD Holdings, Inc. (JVC Kenwood) resolved to acquire a total of 51% of the outstanding shares in Shinwa International Holdings Limited (Shinwa) from the funds managed by CITIC Capital (CITIC Capital), as well as Yoshifumi Naito, Chairman of Shinwa, and to make Shinwa into its subsidiary. The aim is to strengthen and develop the Car Electronics business mainly in emerging markets. After this, JVC Kenwood entered into a Memorandum of Understanding (MOU) with each of Shinwa, CITIC Capital and Yoshifumi Naito; the details of which are described below.

1. Reasons for the share acquisition

The JVC Kenwood Group has concentrated on and strengthened the Car Electronics business, the largest business segment in terms of sales, while promoting a growth strategy for the business by leveraging integration effects. As a result, the Car Electronics business has established a large presence in the After-market of North America and Europe. Furthermore, under the mid-term business plan with the year ending March 2013 as the final year, we will further accelerate the said growth strategy, including expanding business in emerging markets, by using funds procured through the disposition of treasury shares and issuance of new shares in January 2011.

As a large development of the growth strategy, JVC Kenwood today concluded a MOU with each of Shinwa and its major shareholders CITIC Capital and Yoshifumi Naito, aiming to make Shinwa into its subsidiary. Shinwa is one of the largest companies in the device business, and as a manufacturer and seller of CD/DVD mechanisms for car AV equipment it shows strength particularly within the Chinese market. Now, the parties will begin discussions on signing an official share transfer agreement.

Shinwa, a car equipment manufacturer, has production, procurement, R&D and sales functions in China (Huizhou, Shenzhen and Hangzhou), Malaysia and Hungary. In 2004, Shinwa relocated its head office from Japan to Hong Kong in a move towards strengthening and expanding business in China and other countries in Asia. Shinwa has competitive edges not only in the manufacture and sales of CD/DVD mechanisms for car AV equipment, but also in commissioned production and processing, including substrate mounting, manufacture and sales of interior parts for automobiles. Shinwa also has excellent track records in transactions with companies in the automotive industry, particularly car accessories manufacturers, in China and Europe.

By making Shinwa into a subsidiary of JVC Kenwood, the device business, in which both Shinwa and JVC Kenwood do business, can be further strengthened. Additionally, the JVC Kenwood Group, which aims to expand and strengthen its business in emerging markets, particularly in China, where substantial growth is likely to continue, can obtain a strategic partner having good track records in transactions with Chinese companies in the automotive industry. Moreover, Shinwa, under the new relationship with JVC Kenwood, is expected to enhance its business and achieve sustainable growth due to expansions in its production scale and sales networks.

Specifically, substantial synergy effects are expected to be generated from combining the device business of the JVC Kenwood Group, which is strong in this business particularly in North America, Europe and Japan, and

TRANSLATION – FOR REFERENCE ONLY –

Shinwa, which has an edge in the device business in China. In addition, complementing each other should lead to expanding the entire Car Electronics business, including with respect to CD/DVD mechanisms in the Chinese market. Furthermore, by using Shinwa's molding & painting techniques and know-how with regard to automobile interior parts (another strong point of Shinwa demonstrated by their good track record in Europe), the JVC Kenwood Group expects to be able to promote a growth strategy in fields that the Group has not been able to enter so far and significantly expand operations for automobile manufacturers in Europe.

2. Overview of the new subsidiary (Shinwa International Holdings Limited)

(1) Company name	Shinwa International Holdings Limited		
(2) Address	1903, CCT Telecom Building, 11 Wo Shing Street, Fo Tan, Shatin, N.T., Hong Kong		
(3) Representative's name and title	Yoshifumi Naito, President & CEO		
(4) Business	Production of and processing service on consignment regarding car AV mechanisms and painted plastic parts		
(5) Capital	US\$29,090,910 (¥2,369 million) *Exchange rate: US\$1 = ¥81.45 (as of the end of December 2010)		
(6) Established	April 19, 2004		
(7) Major shareholders and holding ratio	Yoshifumi Naito: 55.0% CITIC Capital: 45.0%		
(8) Relationship with JVC Kenwood	Capital relationship	There is no significant capital relationship between JVC Kenwood and this company. In addition, there is no noteworthy capital relationship between the 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 noteworthy personnel relationship between the interested parties and affiliated companies of JVC Kenwood and those of this company.	
	Transactional relationship	There is a transactional relationship between JVC Kenwood and this company concerning parts for in-car device. However, there is no noteworthy transactional relationship between the interested parties and affiliated companies of JVC Kenwood and those of this company.	
(9) Consolidated operating results and financial conditions for the recent three fiscal years (millions of yen) *Exchange rate: US\$1 = ¥81.45 (as of the end of December 2010)			
Fiscal year	Fiscal year ended December 2008	Fiscal year ended December 2009	Fiscal year ended December 2010 (before audit)
Net assets	5,874	6,183	6,591
Total assets	12,956	13,494	15,654
Net assets per share	201.93	212.55	226.56
Net sales	20,843	17,383	24,206
Income before taxes	685	1,316	2,544
Net income	(411)	311	1,181

TRANSLATION – FOR REFERENCE ONLY –

Net income per share	(14.14)	10.69	40.60
----------------------	---------	-------	-------

3. Sellers of shares

Name	CITIC Capital
Number of shares sold (ratio)	13,090,910 shares (45.0%)
Relationship with JVC Kenwood	Currently, there are no capital, personnel or transactional relationships between JVC Kenwood and CITIC Capital.

Name	Yoshifumi Naito
Number of shares sold (ratio)	1,745,460 shares (6.0%)
Relationship with JVC Kenwood	There is a transactional relationship between JVC Kenwood and Shinwa concerning parts for in-car device, but there are no capital, personnel or transactional relationships between JVC Kenwood and this person. In addition, there are no noteworthy capital or personnel relationships between the interested parties and affiliated companies of JVC Kenwood and this person and between the interested parties and affiliated companies of JVC Kenwood and those of this person.

4. Number of shares acquired, acquisition price, and number of shares held before and after the acquisition

The JVC Kenwood Group will acquire all of the Shinwa shares held by CITIC Capital, which accounts for 45% (13,090,910 shares) of the outstanding shares of Shinwa, and 6% (1,745,460 shares) of Shinwa shares from Yoshifumi Naito, who owns 55% (16,000,000 shares) of the outstanding shares of Shinwa. In this way, the JVC Kenwood Group will acquire a total of 51% (14,836,370 shares) of the outstanding shares in Shinwa. JVC Kenwood will begin discussions with Shinwa, Yoshifumi Naito and CITIC Capital regarding the conclusion of Definitive Agreement(DA).

In addition, the three parties will have talks about the JVC Kenwood Group's plan to increase its holding ratio of Shinwa share.

The acquisition price of Shinwa's share will be announced after it has been determined through discussions. If DA is concluded, the JVC Kenwood Group will allocate part of the funds it raised through the disposition of treasury share and new share issuance in January mainly for the share acquisition.

(1) Number of shares held before the acquisition	0 (Number of voting rights: 0) (Holding ratio: 0%)
(2) Number of shares acquired	14,836,370 (Number of voting rights: 14,836,370) (Ratio to the number of outstanding shares: 51.0%)
(3) Number of shares held after the acquisition	14,836,370 (Number of voting rights: 14,836,370) (Holding ratio: 51.0%)

5. Schedule

June 10, 2011	Conclusion of MOU
August 2011	Conclusion of DA for Share Transfer (scheduled)
October 2011	Closing (scheduled)

6. Future prospects

TRANSLATION – FOR REFERENCE ONLY –

As specified in 5. above, JVC Kenwood will begin discussions with Shinwa, Yoshifumi Naito and CITIC Capital about an agreement on the official conditions so that the parties can sign a DA in August 2011. The effect on JVC Kenwood's earnings will be announced when confirmed.