



August 8, 2011

Company	JVC KENWOOD Corporation
Representative	Hisayoshi Fuwa, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
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**Notice as to Exercise Price, etc. of Stock Acquisition Rights in Relation to Term Modification
(Extension of Maturity Date, etc.) of Subsidiary's No. 7 Unsecured Bond**

Notice is hereby given that the exercise price, etc. of the stock acquisition rights of JVC KENWOOD Corporation ("JVC KENWOOD") (the "Stock Acquisition Rights"), the issue of which was resolved at its Board of Directors meeting held on August 1, 2011 on the condition that modification of the terms of the No. 7 Unsecured Bond (the "Bond") issued by the subsidiary, Victor Company of Japan, Limited, in August 2007, including the extension of the maturity date, (the "Term Modification"), is approved at the bondholders meeting, has been fixed.

With respect to the detail of the Term Modification and the issue of the Stock Acquisition Rights, please refer to the "Notice of Bondholders Meeting on Term Modification (Extension of Due Date, etc.) of Subsidiary's No. 7 Unsecured Bond, and Shelf Registration for Issue of Stock Acquisition Rights In Relation to Term Modification" dated July 15, 2011, and the "Notice of Issue of Stock Acquisition Rights in Relation to Term Modification (Extension of Maturity Date, etc.) of Subsidiary's No. 7 Unsecured Bond" dated August 1, 2011 (the "Release dated August 1").

This document does not constitute an offer to sell any securities. This document has been prepared for the sole purpose of publicly announcing the issuance of stock acquisition rights of JVC KENWOOD in Japan, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This document does not constitute an offer to sell or a solicitation of an offer to buy JVC KENWOOD's stock acquisition rights in the U.S. JVC KENWOOD has not registered and will not register its stock acquisition rights under the United States Securities Act of 1933. The securities may not be offered or sold in the U.S. or to U.S. persons (as defined in the Regulation S of the United States Securities Act of 1933) based on its calculation or its interest absent registration or an exemption from registration under the United States Securities Act of 1933. The securities will not be publicly offered or sold in the U.S.

Description

1. Exercise Price, etc.

(1) Number of latent shares in relation to relevant issue	26,143,200 shares (Note)
(2) Exercise Price	¥459 The exercise price is subject to adjustment as provided for in the terms of the Stock Acquisition Rights.

(Note) The number of shares to be delivered upon the exercise of each Stock Acquisition Rights shall be calculated by dividing 10,000,000 by the Exercise Price, disregarding any fractional amount of less than one share.

2. Information, etc. with respect to Dilution due to Latent Shares

As of August 8, 2011, the total number of issued shares of JVC KENWOOD is 139,000,201 shares, 326,600 shares of which consist of treasury stock held by JVC KENWOOD, and assuming that all of the Stock Acquisition Rights are exercised with an initial exercise price, the number of shares of common stock of JVC KENWOOD to be issued will be 26,143,200 shares. Therefore, the latent shares of the Stock Acquisition Rights are expected to constitute around 18.8% of the total number of issued shares.

JVC KENWOOD has devised a scheme in which a considerable increase in stock price is required in order that stock acquisition rights are exercised, with the exercise price of stock acquisition rights set at 120% of the market value of its shares of common stock. In addition, JVC KENWOOD has included a net share settlement clause to the Stock Acquisition Rights. Under this clause, even if the stock price exceeds the exercise price, the dilution of JVC KENWOOD's stock can be reduced substantially by considerably decreasing the number of shares to be delivered as the consideration of acquisition, without delivering shares equivalent to the amount to be paid upon the exercise of stock acquisition rights (¥12.0 billion at the maximum). By such clause, JVC KENWOOD made consideration so that the dilution can be reduced to a certain degree.

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TRANSLATION – FOR REFERENCE ONLY –

As announced in the Release dated August 1, JVC KENWOOD considers that the issue of the Stock Acquisition Rights will contribute to the improvement of the value of the stock of the JVC KENWOOD Group, and as stated above, consideration was taken in order to prevent the existing shareholders from suffering an economic disadvantage. Therefore, JVC KENWOOD judged that the number of stock acquisition rights and shares to be issued upon exercise, and the extent of the dilution, is limited to a reasonable degree.

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