



August 25, 2011

Company	JVC KENWOOD Corporation
Representative	Hisayoshi Fuwa, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact	Satoshi Fujita, Executive Officer and CFO (Tel: +81-45-444-5232)

**Notice of Completion of Issue of Stock Acquisition Rights in Relation to Term Modification
(Extension of Maturity Date, etc.) of Subsidiary's No. 7 Unsecured Bond**

Stock acquisition rights (the "Stock Acquisition Rights"), JVC KENWOOD Corporation ("JVC KENWOOD") resolved to issue at its Board of Directors meeting held on August 1, 2011, were issued as follows, upon the fulfillment of the condition for the issue and as a result that the application for subscription of all scheduled number of stock acquisition rights was made.

With respect to the detail of the Stock Acquisition Rights, please refer to the "Notice of Issue of Stock Acquisition Rights in Relation to Term Modification (Extension of Due Date, etc.) of Subsidiary's No. 7 Unsecured Bond" dated August 1, 2011 and "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" dated August 8, 2011.

Description

1. Outline of Issuance

(1) Allotment date	August 25, 2011
(2) Total number of Stock Acquisition Rights	1,200
(3) Issue price	¥0 (Without consideration)

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TRANSLATION – FOR REFERENCE ONLY –

(4) Number of shares to be delivered upon exercise of Stock Acquisition Rights	26,143,200 Shares (Note)
(5) Amount of funds to be raised	¥12,000,000,000 (Estimated net proceeds ¥11,935,200,000) (Breakdown) Issue of Stock Acquisition Rights: ¥0 Exercise of Stock Acquisition Rights: ¥12,000,000,000
(6) Exercise Price	¥459. The exercise price is subject to adjustment as provided for in the terms of the Stock Acquisition Rights.
(7) Offering and allotment method	Offering to the holders of the Bond (public offering). Specifically, the Stock Acquisition Rights were allotted to the holders of the Bond as of August 22, 2011, to the extent that the application for subscription was completed no later than August 24, 2011, the application deadline, in the proportion of 10 Stock Acquisition Rights per ¥100,000,000 of the Bond held by each holder.
(8) Others	The Acquisition Clauses including the following clauses are provided for in the terms of the Stock Acquisition Rights: (1) At any time on or after August 25, 2014, by giving prior notice or public notice, JVC KENWOOD may acquire without consideration all of the Stock Acquisition Rights that remain outstanding and (2) by giving prior notice or public notice at any time on or after August 25, 2014, JVC KENWOOD may acquire all of the Stock Acquisition Rights that remain outstanding in exchange of the number of JVC KENWOOD's common stock the value of which is equivalent to the difference between the stock price of JVC KENWOOD's common stock and the exercise price of the Stock Acquisition Rights (Net Share Settlement Clause). By these Acquisition Clauses, at any time on or after 3 years of issuance,

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	<p>JVC KENWOOD secures option to strengthen its capital depending on its needs, by encouraging the holders to exercise their Stock Acquisition Rights with the clause which allows JVC KENWOOD to acquire the Stock Acquisition Rights without any consideration at any time by giving prior notice or public notice. At the same time, at any time on or after 3 years of issuance, JVC KENWOOD has an option to give notice thereby substantially reduce dilution of the value of its stock by considerably decreasing the number of shares to be delivered, without delivering shares equivalent to the amount to be paid upon the exercise of Stock Acquisition Rights (¥12 billion at the maximum) when the stock price exceeds the exercise price. JVC KENWOOD intends to retain flexibility of its financial strategy through the above options.</p>
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(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. Amount of Funds to be Raised (Estimated Net Proceeds)

Aggregate amount of subscription price and exercise price	¥12,000,000,000
Breakdowns	
(Amount to be raised resulting from the issuance of the stock acquisition rights)	¥0
(Amount to be raised resulting from the exercise of the stock acquisition rights)	¥12,000,000,000
Estimated amount of issue costs	¥64,800,000
(Costs relating to the stock exchange, tax and dues, and other various expenses)	
Estimated net proceeds	¥11,935,200,000

(Note) Aggregate amount of subscription price and exercise price is the aggregate amount on the assumption that all the Stock Acquisition Rights issued are exercised.

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

As of August 25, 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.

4. Future prospects

This case will not affect the earnings estimate for the current fiscal year.

End

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