



May 16, 2012

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

Notice on Adjustments of Exercise Price of 1st Series Stock Acquisition Rights and Number of Shares to be Issued Upon Exercise of the Stock Acquisition Rights

JVC KENWOOD Corporation (“JVC KENWOOD”) hereby announces that it resolved at a Board of Directors meeting held today to distribute retained earnings with March 31, 2012 as the record date.

In association with the above resolution, the number of shares to be issued upon exercise of the JVC KENWOOD Corporation Stock Acquisition Rights (1st series) (the “Stock Acquisition Rights”), which JVC KENWOOD issued on August 25, 2011, and the exercise price will be adjusted, as described below. This adjustment is based on the terms and conditions of issuance of the Stock Acquisition Rights.

* For further details of the distribution of retained earnings, please refer to the “Notice on Distribution of Retained Earnings” released separately today.

1. Details of Distribution of Retained Earnings

Record date: March 31, 2012
Dividends per share: 5.00 yen
Total amount of dividends: 693 million yen
Effective date: June 4, 2012
Dividend source: Retained earnings

2. Adjustment of Exercise Price of the Stock Acquisition Rights

Exercise price before adjustment: 459 yen
Exercise price after adjustment: 454 yen
Date when the exercise price after adjustment is applied: June 10, 2012

3. Adjustment of Number of Shares to be Issued Upon Exercise of the Stock Acquisition Rights^(Note)

Number of shares before adjustment (total number of latent shares): 26,143,200
Number of shares after adjustment (total number of latent shares): 26,431,200

Note: The number of shares to be delivered upon the exercise of each Stock Acquisition Rights shall be calculated by dividing 10 million by the exercise price, disregarding any fractional amount of less than one share. Hence, the number of shares to be issued upon exercise of the Stock Acquisition Rights shall be adjusted following the adjustment of exercise price of the Stock Acquisition Rights, described in 2, on and after the date when the exercise price after the adjustment is applied.

(Reference) Terms and Conditions of Issuance of Stock Acquisition Rights (Excerpt)

The Exercise Price shall be adjusted in accordance with the following formula (the “Exercise Price Adjustment Formula due to Dividends”), if, after the issuance of the Stock Acquisition Rights, the Company makes dividends as provided for in (i) below.

Exercise Price after adjustment = Exercise Price before adjustment – Dividends per share

“Dividends per share” means an amount of dividends from surplus per share of common stock of the Company. The dividends per share shall be calculated to the second decimal point and then rounded to the nearest first decimal, 0.05 being rounded up.

(i) “Dividends” means the dividends from surplus (including any cash to be paid pursuant to Article 455,

TRANSLATION - FOR REFERENCE ONLY -

Paragraph 2 and Article 456 of the Companies Act, only if the assets to be distributed are cash) of common stock of the Company relating to each record date occurring each business year.

- (ii) The adjustment of the Exercise Price due to dividends shall be applied on or after the tenth (10th) day of the month following the month in which a resolution for the dividends from surplus is adopted as provided for in Article 454 or Article 459 of the Companies Act.
- (iii) If the Exercise Price after adjustment calculated by the Exercise Price Adjustment Formula due to Dividends is zero or negative, the Exercise Price after adjustment shall be 1 yen.