



December 14, 2012

Company JVCKENWOOD Corporation
Represent Shoichiro Eguchi, President and CEO
-ative

 (Code: 6632; First Section of the Tokyo Stock
 Exchange)
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Notice Concerning the Signing of a Letter of Intent on the Transfer of an Information Equipment Business including Medical Image Display Systems of TOTOKU Electric Co., Ltd. Accompanied by the Transfer of Ownership of its Subsidiary

Based on a resolution passed at its Board of Directors meeting held today, JVCKENWOOD Corporation (JVCKENWOOD) signed a letter of intent with TOTOKU Electric Co., Ltd. ("TOTOKU Electric") concerning the transfer (the "transfer") of its Information Equipment business (the "business"), which includes medical image display systems and car electronics EMS, as well as all shares of TOTOKU Nagaoka Corporation ("TOTOKU Nagaoka"), a consolidated subsidiary of TOTOKU Electric, which is included in the business.

We are considering executing the transfer through an absorption-type split in exchange for cash or by transfer of business. We will determine the method of transfer upon consulting with TOTOKU Electric, and disclose details including the amount and schedule of transfer separately as soon as our decision is made.

1. Reason for transfer

TOTOKU Electric provides high-performance, high value-added products centering on high-definition LCDs that display medical images, and enjoys a large share of the Japanese market and other markets around the world, working in an integrated manner with its wholly-owned subsidiary TOTOKU Nagaoka. TOTOKU Electric's display products have superior high-definition screens developed by leveraging its proprietary development and design technologies, and meet demand for consumer and industrial products in wide-ranging fields. TOTOKU Nagaoka is also engaged in the EMS business, which includes automotive substrate processing, by applying its substrate design and processing technologies cultivated through the manufacture of displays.

JVCKENWOOD has completed structural reforms begun when it was established in October 2008, posted net income in the previous fiscal year, and started dividend payments in June 2012. We are currently accelerating a growth strategy toward achieving profitable growth by promoting a partnership strategy including M&As and strategic alliances, as well as other measures, using funds raised in January 2011. In the New Mid-term Business Plan announced on November 30, 2012, the Group set a net sales target of 400 billion yen for the fiscal year ending March 2016.

Under the plan, we aim to drive growth by boosting sales of the business-to-business (BtoB) segment (OEM segment of the Car Electronics business and Professional Systems business), in which the Group has prospects of continuously displaying its strengths, to increase the sales contribution of the BtoB (BtoB) segment to 50% in fiscal year ending March 2016.

By acquiring the business of TOTOKU Electric, which holds the TOTOKU brand, and is one of the top brands

in medical image displays, we expect to promote the creation of synergies by combining the company's technologies with our core technologies in ultra-high-definition imaging, which is applied in professional-use monitors, camcorders and projectors, etc., and by sharing our sales networks. We also expect to significantly develop the Professional Systems business, which provides equipment in the promising medical field, as well as for broadcasters and communication business companies.

Regarding in-car electronic devices and parts, which are provided as EMS by the business, power window parts will be a new business area of the Group, and are expected to contribute to the expansion of the Group's largest business segment—the OEM segment of the Car Electronics business.

2. Outline of business transfer

(1) Contents of business to be transferred

- 1) All shares of TOTOKU Nagaoka, which is a manufacturing base of the business
- 2) Other assets and liabilities, etc., relating to the business
- 3) Status under the contract relating to the business (excluding employment contract) and rights and obligations based on said contract
- 4) Employment contract relating to the business and rights and obligations based on said contract

(2) Operating results of business division to be transferred

	Information equipment business division (a)	Consolidated result for fiscal year ended March 2012 (b)	Ratio (a/b)
Net sales	5,762 million yen	26,899 million yen	21.4%

(3) Items and amounts of assets and liabilities to be transferred

We will arrive at a decision through consultations between the two companies.

(4) Acquisition price and method of settlement

We will arrive at a decision through consultations between the two companies.

3. Outline of assignee and assignor companies

	Assignee company	Assignor company
(1) Company name	JVCKENWOOD Corporation	TOTOKU Electric Co., Ltd.
(2) Location of head office	3-12, Moriyacho, Kanagawa-ku, Yokohama-shi, Kanagawa	1-11, Shimbashi 6-chome, Minato-ku, Tokyo
(3) Representative's name and title	Shoichiro Eguchi, President and CEO	Naoomi Tachikawa, President
(4) Business	Manufacturing and sales of products related to the Car Electronics business, Professional Systems business, Home & Mobile Electronics business and Entertainment business	Manufacturing and sales of electric wires, processed wire products and electronic equipment and parts.
(5) Capital	10,000 million yen (on a consolidated basis, as of September 30, 2012)	1,925 million yen (on a consolidated basis, as of September 30, 2012)
(6) Established	October 1, 2008	November 22, 1940
(7) Net assets	53,425 million yen	4,618 million yen

TRANSLATION - FOR REFERENCE ONLY -

	(on a consolidated basis, as of September 30, 2012)	(on a consolidated basis, as of September 30, 2012)
(8) Total assets	223,447 million yen (on a consolidated basis, as of September 30, 2012)	20,501 million yen (on a consolidated basis, as of September 30, 2012)
(9) Major shareholders and holding ratio	Japan Trustee Services Bank, Ltd. (Trust Account): 7.87% (as of September 30, 2012)	Furukawa Electric Co., Ltd.: 56.50% (as of September 30, 2012)
(10) Relationships between the parties		
Capital relationship	There is no significant capital relationship between JVCKENWOOD and TOTOKU Electric. In addition, there is no special capital relationship between interested parties and affiliated companies of JVCKENWOOD and those of TOTOKU Electric.	
Personnel relationship	There is no significant personnel relationship between JVCKENWOOD and TOTOKU Electric. In addition, there is no special personnel relationship between interested parties and affiliated companies of JVCKENWOOD and those of TOTOKU Electric.	
Transaction relationship	There is no significant transaction relationship between JVCKENWOOD and TOTOKU Electric. In addition, there is no special transaction relationship between interested parties and affiliates of JVCKENWOOD and those of TOTOKU Electric.	
Relationships with related parties	TOTOKU Electric does not correspond to a related party of JVCKENWOOD. In addition, interested parties and affiliates of JVCKENWOOD do not correspond to related parties of TOTOKU Electric.	

4. Outline of subsidiary of TOTOKU Electric whose ownership will be transferred following business transfer

(1) Company name	TOTOKU Nagaoka Corporation	
(2) Location	1-2-1 Higashi Takami, Nagaoka-shi, Niigata	
(3) Representative's name and title	Hideyuki Inoue, President	
(4) Business	Design and manufacture of electronic devices, centering on LCD monitors, and EMS business, etc., and provision of after-sales services	
(5) Capital	300 million yen (as of March 31, 2012)	
(6) Established	March 15, 1984	
(7) Net assets	257 million yen (as of March 31, 2012)	
(8) Total assets	1,725 million yen (as of March 31, 2012)	
(9) Major shareholders and holding ratio	TOTOKU Electric Co., Ltd.: 100%	
(10) Relationship between the subsidiary whose ownership will be transferred and the assignee	Capital relationship	There is no significant capital relationship between TOTOKU Nagaoka and JVCKENWOOD. In addition, there is no special capital relationship between interested parties and affiliates of TOTOKU Nagaoka and those of JVCKENWOOD.

	Personnel relationship	There is no significant personnel relationship between TOTOKU Nagaoka and JVCKENWOOD. In addition, there is no special personnel relationship between interested parties and affiliates of TOTOKU Nagaoka and those of JVCKENWOOD.		
	Transaction relationship	There is no significant transaction relationship between TOTOKU Nagaoka and JVCKENWOOD. In addition, there is no special transaction relationship between interested parties and affiliates of TOTOKU Nagaoka and those of JVCKENWOOD.		
	Relationships with related parties	JVCKENWOOD does not correspond to a related party of JVC Nagaoka. In addition, interested parties and affiliates of JVCKENWOOD do not correspond to related parties of TOTOKU Nagaoka.		
(11) Operating results and financial results for the past three years				
Fiscal year	Fiscal year ended March 2010	Fiscal year ended March 2011	Fiscal year ended March 2012	
Net assets (million yen)	84	268	257	
Total assets (million yen)	1,388	1,691	1,725	
Net assets per share (yen)	10,481	34,932	42,768	
Net sales (million yen)	5,398	6,489	5,757	
Operating profit (loss) (million yen)	(16)	(53)	(3)	
Ordinary income (loss) (million yen)	(27)	(59)	(11)	
Net income (loss) (million yen)	(60)	(116)	(12)	
Net income (loss) per share (yen)	(7,499)	(19,280)	(1,926)	
Dividend per share (yen)	0	0	0	

5. Number of shares of subsidiary of TOTOKU Electric for transfer and status of shareholding before and after transfer

(1) Number of shares owned by JVCKENWOOD before the transfer	0 share	(0%)
(2) Number of shares owned by JVCKENWOOD after the transfer	6,000 shares	(100%)

6. Schedule

(1) Resolution of the Board of Directors meeting (signing of letter of intent)(both JVCKENWOOD and TOTOKU Electric)	December 14, 2012
(2) Conclusion of contract for business transfer	To be decided.
(3) Execution date of business transfer	To be decided.

If JVCKENWOOD executes the transfer by an absorption-type split, the said transfer will be implemented in accordance with the procedures for a simplified company split set forth in Article 796, Paragraph 3 of the Companies Act without the consent of shareholders of the relevant absorption-type split contract being obtained

at the General Meeting of Shareholders.

7. Future prospects

The effect of the transfer on the consolidated earnings of JVCKENWOOD for the current fiscal year is expected to be insignificant. However, we expect that the addition of the business will lead to the creation of synergies, which will enable product development and expansion of business areas by combining technologies of the two companies and sharing sales networks, and bring about medium- and long-term business expansion in the Professional Systems business and Car Electronics business.

(Reference)

Consolidated earnings forecast of JVCKENWOOD (released on November 1, 2012) and consolidated earnings results for the previous period (millions of yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary income	Consolidated net income
Consolidated earnings forecast for the current period (Fiscal year ending March 2013)	320,000	14,000	9,000	7,000
Consolidated earnings results for the previous period (Fiscal year ended March 2012)	320,868	12,813	6,420	6,032