



May 15, 2013

Company Representative	JVC KENWOOD Corporation Shoichiro Eguchi, President and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
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### **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 (“JVCKENWOOD”) hereby announces that it resolved at its Board of Directors meeting held today to distribute retained earnings as described in “Notice on Distribution of Retained Earnings,” which was also announced today. The record date thereof is March 31, 2013.

In association with this resolution, the number of shares to be issued upon the exercise of JVC KENWOOD Corporation Stock Acquisition Rights (1st series) (the “Stock Acquisition Rights”), which JVCKENWOOD 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.

#### **1. Details of Distribution of Retained Earnings**

Record date:	March 31, 2013
Dividend per share:	5.00 yen
Total amount of dividends:	693 million yen
Effective date:	June 3, 2013
Dividend source:	Retained earnings

#### **2. Adjustment of Exercise Price of Stock Acquisition Rights**

Exercise price after adjustment: 449 yen (exercise price before adjustment: 454 yen)  
Date when exercise price after adjustment is applied: June 10, 2012

#### **3. Adjustment of Number of Shares to be Issued Upon the Exercise of Stock Acquisition Rights <sup>(Note)</sup>**

Number of shares before adjustment (total number of latent shares): 26,431,200  
Number of shares after adjustment (total number of latent shares): 26,725,200

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,

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.

TRANSLATION - FOR REFERENCE ONLY -

- (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.