



January 31, 2014

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Notice of Solicitation for Voluntary Early Retirement and Restructuring of Overseas Business Bases

JVC KENWOOD Corporation (“JVCKENWOOD”) hereby announces that at the Board of Directors meeting held today, JVC decided on details of solicitation for voluntary early retirement in Japan in accordance with the “Notice on the Reduction of Directors’ Compensation and Senior Officers’ Salaries/Bonuses and the Implementation of a Voluntary Early Retirement Program” dated November 6, 2013.

In addition, we also are arranging restructure of overseas operation bases as well.

1. Details on Soliciting Voluntary Early Retirement

1) Reason for soliciting voluntary early retirement

As we announced in the “Notice on the Reduction of Directors’ Compensation and Senior Officers’ Salaries/Bonuses and the Implementation of a Voluntary Early Retirement Program” dated November 6, 2013, we decided to carry out emergency measures of reducing Directors’ compensation and senior officers’ salaries/bonuses and soliciting voluntary early retirement, considering the outlook for business results and the currency exchange rate trends in and after the third quarter of the fiscal year ending March 31, 2014. At the Board of Directors meeting held today, JVCKENWOOD decided on the details of those emergency measures as follows.

2) Details of solicitation for voluntary early retirement

Considering our future business outlook, the Company plans to scale down current operations to an appropriate scale. Along with business contraction, the Company will call for applicants by offering an early retirement program with preferential treatment. Details of the program are as follows.

Retirement date: March 31, 2014
Number of applicants solicited: About 400
Application Period: February 6, 2014 to March 3, 2014
Eligibility: Senior officers age 45 or above as of the retirement date (March 31, 2014)
Applicable division: JVCKENWOOD and some of domestic affiliated company
Preferential treatment: 1) Additional retirement allowance, 2) Provision for reemployment support

3) Business Impact

JVCKENWOOD is expecting to record an extraordinary loss of about 3.5 billion yen for the second half of the current fiscal year and the impact of recording of this extraordinary loss on our consolidated earnings for the fiscal year ending March 31, 2014 is incorporated into the business forecast in the “Notice on Revision of Extraordinary Loss and Extraordinary profit earning and Revision of Earnings Forecast for the Fiscal Year Ending March 2014” separately announced today.

2. Details of Restructuring of Overseas Business Bases

1) Restructuring of overseas sales bases

The Company will restructure the management structure of the Group's group companies mainly in Europe and the U.S. through organizational integration and reassignment of personnel.

- (1) Americas: Integrating two sales companies in the Americas and three sales companies in Canada.
- (2) Europe: Promoting integration of sales companies in countries such as the U.K. and France that have two sales companies in the same country, and reducing the total fixed cost of other sales companies.
- (3) Asia: Integrating the two sales companies in Thailand, where the automobile industry is developing rapidly, establishing sales company in Indonesia to expand business with the Car Electronics business as the core.
- (4) China: Developing a sales structure that includes security and radio systems, allowing for expansion of B-to-B business in response to upsurge in investment in social infrastructure with the spread of urbanization in rural areas.

2) Restructuring of Overseas Production Structure

We will restructure production plants by e.g. consolidating the seven major overseas production bases.

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| (1) Communications | Close EMS manufacturing company in Indonesia,
Shift production to Malaysia plant
(Completed) |
| (2) Car Electronics | Shift production from the Malaysia plant to the Indonesia plant
(Now under way) |
| (3) Professional & Healthcare | Shift production from the Malaysia plant to the Thai plant
(now under way) |

4. Future Prospect

As a result of implementation of the aforementioned measures toward the next year, we are expecting a reduction of about 6.5 billion yen in global fixed costs for the fiscal year ending March 2015. Now we are carefully estimating the costs to be incurred in the next fiscal year.