

(Translation)

Securities Code: 6632

June 1, 2011

**JVC KENWOOD Holdings, Inc.**

12, 3-chome, Moriya-cho, Kanagawa-ku,  
Yokohama, Kanagawa

**NOTICE OF CONVOCAION OF  
THE 3RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**Dear Shareholders,**

We wish to offer our condolences to those who died in the Great East Japan Earthquake, and extend our heartfelt sympathy to all those affected.

You are cordially invited to attend the 3rd ordinary general meeting of shareholders of JVC KENWOOD Holdings, Inc. (the "Company"), to be held on Friday, June 24, 2011. You will find more information about the meeting on page 2.

If you are unable to attend the meeting, you can exercise your voting rights in writing or by using electronic media (such as the Internet), according to the following instructions, after reviewing the reference documents for the general meeting of shareholders below:

- (1) Indicate whether you vote **For** or **Against** the proposals in the enclosed Voting Rights Exercise Form and then return it by 6 p.m. on Thursday, June 23, 2011, or,
- (2) Visit the Website for Exercise of Voting Rights that the Company designates (<http://www.webdk.net>) and log onto the website using the "Voting Code" and "Password" shown in the enclosed "Voting Rights Exercise Form" and enter **For** or **Against** our proposal according to the on-screen instructions by 6 p.m. on Thursday, June 23, 2011.

If voting on the Internet, please refer to the "Procedures and Treatment in Exercising the Voting Rights through Electronic Media (such as the Internet)" on page 3.

If you exercise your voting right in writing and also on the Internet, the vote cast on the Internet shall prevail regardless of the time we receive your vote.

Also, if you cast multiple votes on the Internet, the latest one shall prevail.

With Best Regards,

Haruo Kawahara  
Chairman  
(Representative Director of the Board)

JVC KENWOOD Holdings, Inc. is a Japanese company. The offer is subject to Japanese disclosure requirements that are different from those of the United States. The financial statements included herein have been prepared in accordance with Japanese accounting standards and thus they may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the companies are located in Japan, and some or all of their officers or directors are residents of Japan. You may not be able to sue the companies or their officers or directors in a Japanese court for violations of the U.S. securities laws. Finally, it may be difficult to compel the companies and their affiliates to subject themselves to a U.S. court's judgment.

**(Translation)**

**Details of the Meeting**

1. Date and Time: Friday, June 24, 2011, at 10 a.m.
2. Place: Shinagawa Intercity Hall  
15-4, Konan 2-chome, Minato-ku, Tokyo
3. Agenda:  
Matters to be Reported:
  1. Report on Business Report and Consolidated Financial Statements for the 3rd Fiscal Year (From April 1, 2010 to March 31, 2011) and the Audit Reports on the Consolidated Financial Statements from the Accounting Auditor and the Board of Statutory Auditors
  2. Report on the Non-consolidated Financial Statements for the 3rd Fiscal Year (From April 1, 2010 to March 31, 2011)Matters to be Resolved:
  - Proposal No. 1: Partial amendments to Articles of Incorporation
  - Proposal No. 2: Election of Nine (9) Directors

**Information**

- If you plan to attend the meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting.
- To help prevent global warming and respond to the government's request for reducing the consumption of electricity, [we will set the air-conditioning systems at the venue to 29°C. Accordingly, we would like to ask shareholders who attend the meeting to be lightly dressed. Directors and employees of the Company will also be lightly dressed \(in Cool Biz style\).](#)
- If you are unable to attend the meeting, a shareholder who has voting rights as a proxy may attend the meeting in your place. However, in this case we will need to receive a form designating such person as your proxy.
- The business report, the consolidated financial statements, the non-consolidated financial statements, the audit report, and the reference material for the General Meeting of Shareholders to be attached to this Notice of Convocation are presented from page 5 through page 38. Notes to consolidated financial statements and notes to non-consolidated financial statements are not described in the documents attached to this notice of convocation of ordinary general meeting of shareholders, since they are posted on the Company's website  
<http://www.jk-holdings.com/ir/stock/stockholder/index.html>  
This is pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation. Therefore, the documents accompanying this notice of convocation are part of our consolidated financial statements or non-consolidated financial statements, which were audited when the Accounting Auditor prepared the accounting audit report.
- If there are any changes to the reference documents, business report, non-consolidated financial statements and consolidated financial statements, those changes will be posted on our website.

(Translation)

**Procedures and Treatment in Exercising the Voting Rights  
through Electronic Media (such as the Internet)**

If you wish to exercise your voting rights via the Internet, please check the following items in advance.

If you plan to attend the meeting, you do not need to exercise your voting rights by mail (Voting Rights Exercise Form) or via the Internet.

1. You can only vote online by accessing the website shown below. This site can also be accessed on the Internet via a cellular phone.

**Online voting site: <http://www.webdk.net>**

\* If your cellular phone is equipped with a barcode reader, you can use the two-dimensional code® on the right to access the online voting site. For more details on that procedure, please refer to your phone's user manual.



(QR Code is a registered trademark of DENSO WAVE INCORPORATED.)

2. When voting online, enter the voting code and password indicated on the enclosed voting form. Then indicate your consent or dissent to each item by following the instructions displayed on the screen.
3. Online votes will be accepted until the day immediately prior to the date of the Annual Shareholders' Meeting (deadline for online voting: 6 p.m., June 23, 2011, JST). However, your voting in advance would be highly appreciated since it facilitates vote counting.
4. If you exercise your vote both online and via the enclosed voting form, only the online vote shall be counted.
5. If you exercise your online vote more than once (including votes via a computer and via a cellular phone), only the last vote shall be counted.
6. Any costs related to connecting to the Internet and any communication charges (including telephone charges) for accessing the online voting site shall be borne by the shareholder.

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### **System Requirements for Online Voting**

The following system environment is required for accessing the online voting site.

1. Internet access
  2. When voting via a computer, Microsoft® Internet Explorer version 6.0 or later browser software and compatible hardware.
  3. When voting via a cellular phone, a 128-bit SSL communication (encrypted communication) compatible model. (For security purposes, only 128-bit SSL communication compatible cellular phones can access the online voting system. Other models are not compatible with this system. Voting rights can be exercised using the full browser function of cellular phones, including smartphones. Please note, however, that some models cannot be used for exercising voting rights.)
- (Microsoft is a registered trademark of Microsoft Corporation in the United States and other countries.)

### **Inquiries about Online Voting**

Please contact the following Help Desk if you have any inquiries about online voting.

**Agent for Shareholder Registry Management:**

**The Sumitomo Trust & Banking Co., Ltd.**

**Stock Transfer Agency Department (Help Desk)**

**Phone (toll-free within Japan): 0120-186-417 (9 a.m. to 9 p.m.)**

**<Inquiries about matters other than the exercise of voting rights>**

The Sumitomo Trust & Banking Co., Ltd., Stock Transfer Agency Department at 0120-176-417 (toll-free phone within Japan, Weekdays 9 a.m. to 5 p.m.).

### **Electronic Voting Platform**

If nominee shareholders of trust banks (including standing proxies) apply for the use of the “Electronic Voting Platform” operated by ICJ, Inc., which is a joint venture established in the Tokyo Stock Exchange, Inc. (TSE), they can choose to use this platform for voting, other than the voting method on the Internet shown in the above items 1 through 6, as methods of voting using electronic media in our meeting.

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(Document Provided Based on Article 437, Article 444 of the Corporate Act)

## **BUSINESS REPORT**

(From April 1, 2010 to March 31, 2011)

### **1. Matters Concerning the Current Situation of the Group**

We would like to offer our condolences to those who died in the Great East Japan Earthquake that occurred on March 11, 2011. We also express our heartfelt sympathy to all those affected by the disaster and sincerely hope that the affected areas will make the earliest possible recovery.

In the JVC Kenwood Group, while some buildings and equipment of sales and service offices in Sendai were damaged, the domestic business offices and production bases of the JVC Kenwood Group suffered only minor damage.

#### **[1] Course of Business and the Results**

The global economy in the consolidated fiscal year under review saw a recovery mainly in emerging markets. However, there was still uncertainty due to the economic measures taken mainly by developed countries coming full circle, fluctuations in foreign exchange rates, deflationary trends, and political instability in the Middle East. The Great East Japan Earthquake, which occurred on March 11, 2011, also had an enormous impact on the Japanese economy and consequently created an unpredictable situation, since this impact has been spreading to the world economy.

In such circumstances, operating results of the JVC Kenwood Group significantly improved over the previous consolidated fiscal year thanks to the effects of cost reductions attained by the structural reforms implemented in the previous consolidated fiscal year, in addition to sound progress both in the Car Electronics business and Professional Systems business, which are core businesses in the Group, in spite of impacts by the Great East Japan Earthquake and appreciation of the yen.

Operating profit and ordinary income returned to the black in all the four quarters of the consolidated fiscal year under review, resulting in the Group posting a full-year profit for the first time since the management integration. In the consolidated fiscal year under review, the Group saw a full-year deficit due to the posting of temporary expenses associated with the structural reform, after it entered the black in the third quarter on a consolidated year-to-date basis. Loss, however, significantly shrank on a consolidated year-on-year basis due to the ordinary income.

In preparing consolidated operating results for the consolidated fiscal year under review, the exchange rates the Group uses (excluding those for forward exchange contracts) are as follows:

	1Q	2Q	3Q	4Q
U.S. dollar	About 92 yen	About 86 yen	About 83 yen	About 82 yen
Euro	About 117 yen	About 111 yen	About 112 yen	About 113 yen

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**\* Consolidated Net Sales**

Consolidated net sales for the consolidated fiscal year under review were 352,672 million yen. This reflects a decrease of about 16.2 billion yen in yen-dominated overseas sales associated with the appreciation of the yen since the JVC Kenwood Group highly depends on global sales. In addition, a narrowing down of the Display segment in the Home & Mobile Electronics business in Europe and the United States and decreased sales in the Camcorder segment mainly in the overseas markets put pressure on net sales.

The Great East Japan Earthquake also affected the domestic markets leading to a decrease in commercial opportunities mainly in the Home & Mobile Electronics business and a delay in the release of new albums in the Entertainment business, which resulted in lower net sales.

On the other hand, both the After-market and OEM segments of the Car Electronics business fared well, and orders received in the Land Mobile Radio segment of the Professional Systems business showed a recovery in the largest market, the U.S., and also expanded in emerging markets such as China and other Asian countries.

**\* Consolidated Operating Profit and Loss**

Consolidated operating profit for the consolidated fiscal year under review was 12,956 million yen, even though the business was affected by the Great East Japan Earthquake.

This is because the Car Electronics business built on the solid growth and high profitability sustained in the After-market segment. Sales expansion in the OEM segment also greatly contributed to higher income, leading to a great increase in profit. The Professional Systems business returned to the black as a whole since the profit and loss balance in the Business solution segment significantly improved with lower cost prices and the effects of fixed expense reductions and returned to the black, in addition to the recovery of profitability in the Land Mobile Radio segment. The Entertainment business also returned to profitability due to higher income achieved by releasing hit movies and music and reducing costs.

In addition, the Home & Mobile Electronics business saw a significant improvement in income thanks to the effects of fixed expense reduction measures implemented in the business structure reforms in the previous consolidated fiscal year, which contributed to a drastic shrinkage of loss.

**\* Consolidated Ordinary Income and Loss**

Ordinary income for the consolidated fiscal year under review was 7,579 million yen, reflecting the operating profit and improved non-operating income.

In the consolidated fiscal year under review, non-operating income of about 2.9 billion yen was recorded in total. This included foreign exchange profit and patent license fees adjusted for past years. On the other hand, non-operating expenses totaled about 8.3 billion yen, due to a decrease in interest expenses, a disappearance of foreign exchange losses and other factors.

**\* Consolidated Net Income and Loss**

For the consolidated fiscal year under review, the Group posted a net loss but kept it from exceeding 4,025 million yen, since ordinary income returned to the black, the extraordinary profit and loss mentioned below were recorded, and corporate tax and other adjustments were reduced associated with the sale of assets.

This is because extraordinary profit reached about 8.2 billion yen in total, including increased profit pertaining to sales of fixed assets.

On the other hand, extraordinary loss of about 19.7 billion yen in total was posted. This was due to surcharges posted in the current consolidated first quarter pertaining to a correction of settlement for the previous fiscal year, as well as an increase in retirement loss and loss on sales of fixed assets and expenses associated with the structural reforms. Such reforms include the voluntary early retirement program, and they were implemented in line with an action plan for reconstructing corporate bases (hereinafter referred to as "Action Plan for Reconstructing Corporate Bases"). This loss was posted even though impairment loss decreased from the previous consolidated fiscal year.

Net sales and operating profit by business segment are as follows.

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**\* Car Electronics Business**

In the After-market segment, throughout the consolidated fiscal year under review, sales of car audio equipment and car navigation systems, with greater competitiveness owing to the effect of management integration, remained strong in markets in Europe and the U.S. and great market shares were maintained, while net sales grew in Asian markets.

In Japan, net sales expanded thanks to brisk sales of car navigation systems using flash memory whose competitiveness had been enhanced by the integrated development between Victor Company of Japan, Limited and Kenwood Corporation.

In the OEM segment, in addition to the fact that sales of factory-installed products and dealer option products increased, shipments of CD/DVD drive mechanisms to be mounted in vehicles grew considerably as a result of significant rises in orders received. After the occurrence of the Great East Japan Earthquake, the number of opportunities for sales of factory-installed products to domestic automobile manufacturers declined. However, the decrease was made up for by factory-installed products to overseas automobile manufacturers and CD/DVD drive mechanisms for manufacturers of car accessories.

Consequently, net sales of this business for the current consolidated fiscal year were 108,449 million yen, and operating profit was 7,894 million yen.

**\* Professional Systems Business**

In the Land Mobile Radio segment, there was a recovery in orders received for the public safety market in the U.S., which is the largest market. In addition, sales of proprietary digital land mobile radio devices for the business and industry market expanded significantly and their sales also grew in China and other Asian countries, resulting in increased net sales and profit.

In the Business Solutions segment, sales of professional cameras, professional audio equipment, and professional card printers continued to see steady growth under generally stagnant conditions with weak demand in Japanese and overseas markets. Also, the profit and loss further improved because of cost cutting measures and reductions in fixed expenses. Thus, this segment recorded a profit for the third straight quarter from the current consolidated second quarter, and posted a profit on a full-year basis as well. After the occurrence of the Great East Japan Earthquake, the number of opportunities for sales of some products decreased. However, this segment minimized the impact of the earthquake by making up for the decline with other products.

As a result, net sales of this business for the consolidated fiscal year under review were 92,545 million yen, and operating profit amounted to 3,594 million yen. Thus, this segment recorded a profit.

**\* Home & Mobile Electronics Business**

In the Display segment, there were ongoing efforts for structural reform including a further shift to a business model such as the brand license business with a lighter asset burden (reduction of assets), achieved by terminating sales activities of in-house production and by own sales corporations in all regions excluding Asia. These efforts brought positive effects. Though sales fell by half, operating loss decreased substantially on a consolidated year-to-year basis.

In the Camcorder segment, though sales overseas were sluggish, sales in Japan remained steady. In addition, operating loss decreased by half due to efforts made in the previous consolidated fiscal year for structural reform, lower costs, a greater competitive edge in products realized by a newly developed processor and effects of the development of new sales channels, though sales decreased from the previous consolidated fiscal year.

The Home audio segment lost some sales, adversely impacted by a sales reduction in some goods and a decrease in sales overseas, and recorded a loss. The AV accessories segment including headphones and earphones remained highly profitable throughout the consolidated fiscal year under review.

Sales of projectors that can handle 3D images grew strongly, and contributed to the profit.

After the occurrence of the Great East Japan Earthquake, the number of sales opportunities in the Camcorder and Home audio segments in Japan declined, adversely affecting net sales and profit.

Consequently, net sales of this business for the consolidated fiscal year under review decreased to 100,101 million yen, but operating loss decreased significantly to 835 million yen.

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**\* Entertainment Business**

The content business managed to keep sales at about the same level as the consolidated previous fiscal year due to a series of big hits in music and animation, as well as rights-related income relevant to music, although there were delays in releasing new albums because of the Great East Japan Earthquake. Also, the internal reform progressed through cost reductions.

Profitability at the OEM business including production of optical discs improved due to steady growth in orders received amid sluggish market conditions and the effects of reduced fixed costs.

As a result, net sales of this business for the current consolidated fiscal year decreased to 42,909 million yen, and an operating profit of 2,177 million yen was recorded.

**[2] Issues to be Addressed**

To cope with deterioration of the management environment, the Group cut costs by about 25.0 billion yen in the previous consolidated fiscal year through efforts to reform unprofitable businesses and reduce fixed expenses companywide in line with the "action plan for business structural reforms." In the action plan, the four structural reform areas of business, cost, management, and finance were selected as areas to make efforts in.

In the consolidated fiscal year under review, the Group worked on the corporate base reconstruction action plan mentioned above by producing and taking advantage of the effects of those reforms. The Group also promoted the growth strategy for attaining profitable growth in line with the mid-term business plan.

**1) Progress in Action Plan for Reconstructing Corporate Bases**

In the consolidated fiscal year under review, the Group rolled out the corporate base reconstruction action plan and completed major measures by the end of the relevant consolidated year. The major measures and effects are as mentioned below:

**(1) Reform of unprofitable operations**

**\* Display segment**

In Europe and North America, a tie-up sales system was established with dealers and OEM/EMS partners to promote outsourcing of production and distribution. In Asia, production of the JVC Thai plant was transferred to third-party vendors by the spring of 2011 to globally roll out a fables model (fables means having no production division and commissioning production to other companies) in production of displays for consumer use.

**\* Camcorder segment**

Sales companies in the Americas and Europe were reorganized and domestic production of consumer-use camcorders (JVC Yokosuka plant) was suspended at the end of August 2010. The production was transferred to the JVC Malaysia plant, in which an integrated production system has been introduced.

**\* Business Solution segment**

Pursuing the effects of initiatives for lowering cost prices and reducing fixed expenses implemented in the previous consolidated fiscal year, the Group transferred the domestic production of video cameras for business use to the JVC Malaysia plant by the end of January 2011 to enhance cost competitiveness.

Thanks to those activities, the Business Solution segment returned to the black in the second quarter onward of the consolidated fiscal year under review and also ended the black on a full-year basis.

**(2) Reestablishment of a global management system**

**\* Sales of Head Office and redeployment**

The JVC Yokohama plant (Kanagawa-ku, Yokohama-shi, Kanagawa), in which the Head Offices of JVC Kenwood and Victor Company of Japan were placed, was sold in June 2010. In addition, transferring the Head Offices of JVC Kenwood and Victor Company of Japan to the adjacent JVC Irie plant (renamed as "JVC Kenwood Head Office & Yokohama Plant") was completed by the end of December 2010.

**\* Reorganization of production system**

As mentioned above, the production of camcorders for consumer use and video cameras for business use at the JVC Yokosuka plant was transferred to the JVC Malaysian plant by the end of August 2010 and December 2010, respectively.

The production of home audio devices at the JVC Malaysian plant was shifted to outsourcing by the end of January 2011. With this, a fables production structure has been established completely in the Home Audio segment.



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**\* Review of personnel system**

Along with the reorganization of global production and sales systems, the number of employees overseas had decreased by about 1,000. In Japan, this number had fallen by around 1,300, through the voluntary early retirement program, next career support plan (a program to support employees in working before mandatory retirement, in response to various personal needs), mandatory retirement, voluntary resignation, and personnel decrease in associated companies in Japan.

**(3) Increase in cash and reduction in total assets**

Operating cash flow for the consolidated fiscal year under review resulted in a gain of about 20.0 billion yen, as a result of a performance improvement in the businesses and segments, reduced accounts receivable, and other measures. In addition, due to sales of fixed assets including the JVC Yokohama plant as mentioned above, cash of about 14.2 billion yen was created and assets equivalent to about 14.1 billion yen were compressed in total on a consolidated year-to-year basis.

In addition to the above, about 13.9 billion yen was procured through issuing new shares and disposing of treasury shares, implemented in January 2011. Consequently, free cash flow for the fiscal year under review reached around 25.3 billion yen.

**2) Measures for the Great East Japan Earthquake**

Procurement of parts has been affected by the Great East Japan Earthquake, which occurred on March 11, 2011, to a certain degree but production using stored goods and parts and sales activities is still going on. At the same time, efforts to find and use alternative parts or change designs for replacement continues to minimize the impact on our business.

**3) Integrated Management Structure**

An integrated management organization structure with the speediness and flexibility to change in our business environment has been established as of May 1, 2011 to accelerate the growth strategy for attaining profitable growth as an integrated company. This is after the recent Group's efforts for management integration including delegation of the director of JVC Kenwood to president of the operating company, reorganization of head offices and business centers and plans, abolishment of the board of directors and board of corporate auditors, unification of internal systems and schemes, and personnel exchanges.

**4) Medium- to Long-term Business Strategies**

The Group launched the mid-term business plan, which is to be completed by the end of the fiscal year ending March 2013.

In the mid-term business plan, the Group is driving forward a growth strategy taking advantage of synergy effects of the integration, mainly in the Car Electronics business and Professional Systems business in which the strengths of the Group will be well exerted amid increasingly fierce global competition. Through a stronger integrated management, the Group is also striving to establish a position as a Japanese specialized manufacturer that creates inspiration and security by firmly establishing itself as an expert to attain further growth.

**5) Measures for Material Events Regarding Going Concern**

The JVC Kenwood Group experienced a substantial fall in earnings in the areas of consumer electronics and professional electronics equipment, primarily because of the impact of the economic crisis on the real economy and a sharp appreciation of the yen, and it posted a loss on prior periods adjustment in March 2010, pertaining to a correction of settlement for the previous fiscal year. It consecutively posted a huge amount of net loss. Against this backdrop, the JVC Kenwood Group stated the "Notes regarding Going Concern Assumption" at the end of the previous consolidated fiscal year.

As stated in the aforementioned 1) Progress in the "Action Plan for Reconstructing Corporate Bases," in addition to the structural reforms advanced so far, the JVC Kenwood Group formulated in May 2010, the initial year of a mid-term business plan, action plans to rebuild its earnings base. This focused on the restructuring of unprofitable businesses and reconstruction of its global operating system as key points, with a view to taking ordinary income for the current consolidated fiscal year into positive territory. The JVC Kenwood Group had completed major measures by the end of the current consolidated fiscal year. As a result, the JVC Kenwood Group posted an operating profit of 12,956 million yen and an ordinary income of 7,579 million yen, recording the first operating profit and ordinary income since the management integration. However, net loss amounted to 4,025 million yen primarily due to the posting of expenses attendant upon the "Action Plan for Reconstructing Corporate Bases." As a result, there are doubts about the going concern assumption.

However, the JVC Kenwood Group ultimately expects to post an income in the following consolidated fiscal year, as it will move forward with its growth strategy while enjoying the greater synergy effect of

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the integration. It will do this while focusing on the Car Electronics business and Professional Systems business, in which the strengths of the Group would fully be exerted, in line with the mid-term business plan to end by the fiscal year ending March 2013.

The JVC Kenwood Group procured about 13.9 billion yen in January 2011 by issuing new shares and disposing of treasury shares, and had negotiations over refinancing terms and other issues with principal financial institutions. As a result, the JVC Kenwood Group could ensure stable funds by the end of the current consolidated fiscal year.

Therefore, the JVC Kenwood Group judges that there is no material uncertainty identified with the events or situations that may raise any material doubt about the going concern assumption of the JVC Kenwood Group as of the day when this business report is prepared, and excluded the "Notes to Financial Statements Regarding Going Concern" from Notes to Consolidated and Non-consolidated Financial Statements.

**[3] State of Capital Investments**

The total amount of capital investments implemented in this consolidated fiscal year is about 4,400 million yen. The main subjects of the investments are for the expansion, improvement and upgrade of production facilities, including tools and equipment.

**[4] State of Financing**

In the current consolidated fiscal year, the Company procured funds of 13,924 million yen in total by issuing 30 million new shares of its common stock and disposing of 12 million treasury shares (amount of payment per share: 331.54 yen) through an international offering in January 2011.

**[5] State of Transfer of Business, Merger & Division, or New Establishment & Division**

Not applicable.

**[6] State of Transfer of Business from Other Companies**

Not applicable.

**[7] State of Succession of Rights and Obligations Regarding Other Corporations in Relation to the Merger & Acquisition or Merger & Division**

Not applicable.

**[8] State of Ownership of Other Company Shares or Acquisition or Disposal of Share Options**

Victor Company of Japan, Limited, Victor Entertainment, Inc. and Teichiku Entertainment, Inc., which are consolidated subsidiaries of the Company, concluded a share transfer contract with TL LOGICOM Co., Ltd. on the transfer of all shares (808,000 shares in total (equity share: 98.54%) of Nippon Record Center Co., Ltd., held by the three companies, as of March 11, 2011 and transferred the shares as of April 1, 2011.

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**[9] Transition of Assets and Profit & Loss (Corporate group)**  
**(1) State of Assets and Profit & Loss**

(Millions of yen)

Items	1st Term (March 2009)	2nd Term (March 2010)	3rd Term (consolidated fiscal year) (March 2011)
Net sales	309,771	398,663	352,672
Operating profit (Loss)	107	(6,453)	12,956
Ordinary income (loss)	(6,809)	(14,752)	7,579
Net income (loss)	(18,795)	(39,734)	(4,025)
Net income (loss) per share (yen)	(28.22)	(41.10)	(38.60)
Total assets	354,652	274,751	260,664
Net assets	85,579	46,819	52,739
Net assets per share (yen)	86.60	47.45	375.19

Notes:

1. As JVC Kenwood was established on October 1, 2008, there are only two accounting periods.
2. Net income (loss) per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.
3. The Company carried out a reverse stock split, combining ten common shares into one, as of August 1, 2010.

Pursuant to the Financial Instruments and Exchange Act, the Company made some adjustments to its securities report for the fiscal year ended March 2010, concerning previous earnings results. Pursuant to the Companies Act, the Company collectively posted an extraordinary loss, regarding the adjustments, for the previous consolidated fiscal year in the business report and financial statements for the previous consolidated fiscal year. The figures after adjustments (on a consolidated basis) stated in the aforementioned report on the adjustments to the securities report and the state of assets and profits and loss in and before the previous consolidated fiscal year, which were prepared in accordance with the Financial Instruments and Exchange Act, are as follows.

(Millions of yen)

Items	1st Term (March 2009)	2nd Term (March 2010)
Net sales	311,299	398,663
Operating profit (Loss)	(1,537)	(6,453)
Ordinary income (loss)	(9,760)	(14,752)
Net income (loss)	(30,734)	(27,795)
Net income (loss) per share (yen)	(46.14)	(28.75)
Total assets	344,077	274,751
Net assets	74,439	46,819
Net assets per share (yen)	75.08	47.45

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**(2) State of Assets and Profit & Loss (the Company)**

(Millions of yen)

Items	1st Term (March 2009)	2nd Term (March 2010)	3rd Term (current fiscal year) (March 2011)
Net sales	3,983	9,401	14,559
Operating profit (loss)	125	1,174	749
Ordinary income (loss)	(438)	440	257
Net income (loss)	(1,468)	(57,243)	(748)
Net income (loss) per share (yen)	(1.36)	(59.20)	(7.18)
Total assets	134,467	80,759	96,098
Net assets	110,436	53,213	66,364
Net assets per share (yen)	114.22	55.01	478.57

Notes:

1. As JVC Kenwood was established on October 1, 2008, there are only two accounting periods.
2. Net current loss per share is calculated based on the average number of outstanding shares in the fiscal year. The treasury stocks are excluded from the average number of outstanding shares in the fiscal year.
3. The Company carried out a reverse stock split, combining ten common shares into one, as of August 1, 2010.

**[10] State of Important Parent Companies and Subsidiaries, etc.**

**(1) State of Parent Companies**

Not applicable.

**(2) State of Important Subsidiaries**

Name	Capital (million yen)	Ratio of the Company's Capital Contribution	Major Businesses
Victor Company of Japan, Limited	51,615	100.0%	Research, development, manufacturing and sales of audio, visual, computer-related consumer and professional equipment, and magnetic tapes and disks, etc.
Kenwood Corporation	22,059	100.0%	Research, development, production and sales of consumer and professional equipment in the car electronics, communications and home electronics businesses
J&K Car Electronics Corporation	445	100.0% (100.0%)	Research, development, production and sales of consumer and professional equipment in the car electronics business

Note: Numbers in parentheses under the column of capital contribution show the ratio of indirect investment by JVC Kenwood.

(Translation)

**[11] Major Businesses (As of March 31, 2010)**

Business Segment	Key Products
Car Electronics Business	Manufacturing and sales of car audio equipment, car AV systems and car navigation systems, etc.
Professional systems business	Manufacturing and sales of Land Mobile Radio equipment, video surveillance equipment, video equipment, audio equipment, displays, etc.
Home & Mobile Electronics Business	Manufacturing and sales of video cameras, LCD TVs, projectors, audio and AV accessories, etc.
Entertainment business	Planning, production, and sales of audio and video software, etc. Production of CD and DVD discs (prerecorded) Logistics of discs (prerecorded), etc.
Other	Blank media business, and manufacturing and sales of home furniture, etc.

**[12] Main Offices and Factories (As of March 31, 2011)**

**(1) Head Office**

12, 3-chome, Moriya-cho, Kanagawa-ku, Yokohama, Kanagawa, Japan

**(2) R&D Center**

Name	Location
JVC KENWOOD Holdings, Inc.	
New Business Development Center	Yokohama, Kanagawa
Strategic Research & Development Division	Yokohama, Kanagawa
Victor Company of Japan, Limited	
Head Office & Yokohama Business Center	Yokohama, Kanagawa
Yokosuka Business Center, R&D Center	Yokosuka, Kanagawa
Kenwood Corporation	
Kenwood Hakusan Business Center	Yokohama, Kanagawa
J&K Car Electronics Corporation	
Hachioji Business Center	Hachioji, Tokyo

**(3) Main Japanese Manufacturing Sites**

Name	Location
Victor Company of Japan, Limited	
Yokosuka Business Center,	Yokosuka, Kanagawa
Head Office & Yokohama Business Center	Yokohama, Kanagawa
Victor Creative Media Co., Ltd.	Yamato, Kanagawa
Victor Interior Furniture Co., Ltd.	Fukuroi, Shizuoka
Kenwood Yamagata Corporation	Tsuruoka, Yamagata
Kenwood Nagano Corporation	Ina, Nagano

**(4) Japanese Business sites**

Name	Location
Victor Company of Japan, Limited	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
Kenwood Corporation	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
Victor Entertainment, Inc.	Minato-ku, Tokyo

(Translation)

**(5) Main Global Manufacturing Sites**

Name	Location
JVC America, Inc.	U.S.A.
JVC Manufacturing Malaysia Sdn. Bhd.	Malaysia
JVC Manufacturing (Thailand) Co., Ltd.	Thailand
JVC OPTICAL COMPONENTS (THAILAND) Co., Ltd.	Thailand
P.T. JVC Electronics Indonesia	Indonesia
Kenwood Electronics Technologies (S) Pte. Ltd.	Singapore
Kenwood Electronics Technologies (M) Sdn. Bhd.	Malaysia
Shanghai Kenwood Electronics Co., Ltd.	China
Kenwood Electronics Bretagne S.A.	France

**(6) Main Regional Company and Regional Head Quarters**

Name	Location
JVC Europe Ltd.	United Kingdom
JVC Americas Corp.	U.S.A.
JVC Asia Pte. Ltd.	Singapore
JVC (China) Investment Co., Ltd.	China
Kenwood U.S.A. Corporation	U.S.A.
Kenwood Electronics Europe B.V.	Netherlands
Kenwood Electronics Singapore Pte. Ltd.	Singapore

**[13] State of Employees (As of March 31, 2011)**

**(1) State of Employees at the Group**

Number of employees	Increase or decrease in comparison with end of previous consolidated fiscal year
17,271	1,175 decrease

Notes:

1. The number of employees excludes employees transferred from a JVC KENWOOD Group Company to a non-JVC KENWOOD Group company, but includes employees transferred from a non-JVC KENWOOD Group Company to a JVC KENWOOD Group company.
2. The number of employees, mentioned above, includes 738 employees who applied for the voluntary early retirement program, under which the date of retirement was the end of the current consolidated fiscal year.

**(2) State of Employees at the Company**

Number of Employees	Increase or decrease in Comparison with End of Previous Fiscal Year	Average Age	Average Years of Service
1,328	284 increase	43.7	19.8

Notes:

1. The number of employees excludes employees transferred from JVC KENWOOD to an outside company, but includes employees transferred from an outside company to JVC KENWOOD.
2. The number of employees increased 284 from the end of the previous fiscal year, primarily due to the integration and rearrangement of the previous corporate planning, accounting, personnel affairs, legal affairs and other divisions of subsidiaries into organizations in the Company under organizational changes implemented during the current fiscal year.

(Translation)

**[14] State of Major Borrowing Companies (As of March 31, 2011)**

(Millions of yen)

Borrowing Companies	Debt Balance
Sumitomo Mitsui Banking Corporation	16,329
Resona Bank, Ltd.	13,961
The Sumitomo Trust & Banking Co., Ltd.	13,518
Mitsubishi UFJ Trust and Banking Corporation	8,923
Bank Austria Creditanstalt AG	3,545
The Chuo Mitsui Trust and Banking Company, Limited.	2,704
Aozora Bank, Ltd.	2,200
The Hachijuni Bank, Ltd.	1,738
The Bank of Yokohama, Ltd.	1,475
Bank of America Corporation	1,414

**[15] Other Important Subsequent Events of the Consolidated Group**

In the previous consolidated fiscal year, there was inappropriate accounting treatment adopted by Victor Company of Japan, Ltd., a consolidated subsidiary of the Company, concerning previous earnings results. Therefore, pursuant to the Financial Instruments and Exchange Act, the Company made adjustments to the accounting reports of Victor Company of Japan, Ltd. from the fiscal year ended March 2005 to the second quarter of the fiscal year ended March 2010 and the accounting reports of the Company from its establishment to the second quarter of the fiscal year ended March 2010.

With regard to these adjustments, Victor Company of Japan, Ltd. received a notice on surcharge payment from the Financial Services Agency as of July 14, 2010, and paid a surcharge of 707.6 million yen in accordance with the notice.

The Financial Services Agency decided to order the Company to make a surcharge payment of 839.13 million yen as of December 9, 2010 and paid the full amount of surcharge. However, the Company decided to seek a legal judgment regarding the appropriateness of the Financial Services Agency's legal interpretation, and filed a lawsuit with the Tokyo District Court as of December 24, 2010, aimed at having that decision revoked.

(Translation)

**2. Matters Regarding the Company's Shares (As of March 31, 2011)**

**[1] Total number of authorized shares 400,000,000**

**[2] Total number of outstanding shares 139,000,201**  
**(Treasury stock 326,680)**

Notes:

1. The total number of authorized shares decreased 981,001,814 as a result of implementing a reverse stock split (combining 10 shares into 1 share) as of August 1, 2010.
2. The total number of authorized shares increased 30,000,000, since the Company issued 30,000,000 shares through a public offering of shares on January 25, 2011.

**[3] Number of shareholders 61,124**

**[4] Major shareholders (Top 10) (As of March 31, 2010)**

Name of Shareholder	Capital Contribution	
	Shareholding	Ratio of Capital Contribution
Panasonic Corporation	26,645,466	19.21%
GOLDMAN SACHS & CO. REG	5,934,190	4.27%
DEUTSCHE BANK AG LONDON 610	4,106,879	2.96%
DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	3,972,700	2.86%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3,779,990	2.72%
CSSEL CLIENT ACCOUNT	3,740,500	2.69%
Japan Trustee Services Bank, Ltd. (Trust Account)	3,734,900	2.69%
NOMURA ASSET MANAGEMENT U.K. LIMITED SUB A/C EVERGREEN NOMINIES LTD	3,091,800	2.22%
STATE STREET BANK AND TRUST COMPANY 505103	2,151,400	1.55%
MORGAN STANLEY & CO. INTERNATIONAL PLC	1,946,445	1.40%

Note: The ratio of capital contribution is calculated after deducting treasury stock (326,680 shares) from the total number of outstanding shares.

**3. Matters Regarding the Company's Share Options (As of March 31, 2011)**

Not applicable.



(Translation)

#### 4. Matters Regarding Company Officers

##### [1] State of Directors and Auditors (As of March 31, 2011)

Name	Position	Responsibilities and Representation at Other Corporations
Haruo Kawahara	Chairman and President, Representative Director of the Board	Chief Executive Officer (CEO)
Kazuo Shiohata	Representative Director of the Board	Deputy President & Executive Officer (in charge of Management and Financial Reforms, Human Resources) Representative Director of the Board of Kenwood Corporation
Hisayoshi Fuwa	Director of the Board	Chief Financial Officer (CFO) In charge of Management Strategy General Executive, Strategic Corporate Planning Division, and Business Affairs Office
Hiroshi Odaka	Director of the Board	In charge of Group Management Reforms Representative Director of the Board of Victor Company of Japan, Limited
Kazuhiro Aigami	Director of the Board	Senior Vice President & Executive Officer, President and Representative Director of the Board of Kenwood Corporation
Yuta Ito	Director of the Board	Senior Vice President & Executive Officer, President and Representative Director of the Board of Victor Company of Japan
Shoichiro Eguchi	Director of the Board	Senior Vice President & Executive Officer, President and Representative Director of the Board of J&K Car Electronics Corporation
Koji Kashiwaya	Director of the Board	Director, Maruzen Textile Co. Director, Busou Real Estate Co.
Nobuo Seo	Director of the Board	Partner, Tokyo Hatchobori Law Office
Shigeharu Tsuchitani	Auditor	—
Hideaki Kato	Auditor	—
Noriyuki Shouyama	Auditor	—
Akihiko Washida	Auditor	Auditor (External), Cool.revo Inc.
Koichi Kurosaki	Auditor	Auditor (External), Takarajima Wondernet, Inc.

Notes:

1. Directors Koji Kashiwaya and Nobuo Seo are external directors stipulated in Article 2-15 of the Corporate Act.
2. Auditors Noriyuki Shouyama, Akihiko Washida and Koichi Kurosaki are external auditors stipulated in Article 2-16 of the Corporate Act.
3. Auditor Hideaki Kato has been responsible for accounting operations at the Company for 26 years and has sufficient knowledge concerning finance and accounting.
4. Changes in Directors and Statutory Auditors during the fiscal year are as follows.
  - (1) Directors Jiro Iwasaki, Motoyoshi Adachi and Makoto Matsuo retired from office upon expiration of their terms as of the end of the 2nd General Meeting of Shareholders held on June 24, 2010.
  - (2) Director Yuta Ito resigned from office as of the end of the meeting of the Board of Directors held on April 27, 2011. Mr. Ito's position and responsibility in the Company and major concurrent positions at the time of retirement are as follows.

Position: Director  
Responsibilities and state of representation of other corporations: Senior Vice President & Executive Officer, President and Representative Director of the Board of Victor Company of Japan, Limited

(Translation)

5. Changes in the positions and responsibilities of Directors and Statutory Auditors and their major concurrent positions after the last day of the consolidated fiscal year under review are as follows (as of May 1, 2011).

Name	Position and Responsibilities	Representation at Other Corporations
Haruo Kawahara	Chairman, Representative Director of the Board	Senior Executive Officer Responsible for Integrated Management, Chairman of the Board of Directors, Chairman of Merger/Integration Promotion Committee
Hisayoshi Fuwa	President, Representative Director of the Board	Chief Executive Officer (CEO) & Executive Officer, Chief Operating Officer (COO) of Home & Mobile Electronics Business Group, Chairman of the Growth Strategy Promotion Conference, President and Representative Director of the Board of Victor Company of Japan, Limited, President and Representative Director of the Board of Kenwood Corporation, President and Representative Director of the Board of J&K Car Electronics Corporation
Shoichiro Eguchi	Director of the Board	Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, Chief Operating Officer (COO) of Car Electronics Business Group
Kazuhiro Aigami	Director of the Board	Vice President & Executive Officer, General Executive of Strategic Marketing Division, Chief Operating Officer (COO) of Professional Systems Business Group

6. The Company designated Director Koji Kashiwaya as an independent executive, as stipulated in the provisions of the Tokyo Stock Exchange (TSE), and notified the TSE accordingly.
7. The Company adopts the Executive Officer System.  
There are nine Executive Officers as of May 1, 2011: Haruo Kawahara, Hisayoshi Fuwa, Kazuo Shiohata, Shoichiro Eguchi and Kazuhiro Aigami, who are among the Directors mentioned above, and the following four persons.

Name	Position and Responsibilities
Satoshi Fujita	Chief Financial Officer (CFO) & Executive Officer, General Executive, Strategic Finance & Accounting Division
Hiroyuki Taki	Senior Vice President & Executive Officer, General Executive, Corporate Management Division Director of the Board and assistant to President (corporate and finance and accounting) of J&K Car Electronics Corporation
Masachika Komiyama	Senior Vice President & Executive Officer, General Executive, Personnel Affairs & Labor Division Director of the Board and General Executive of Personnel & General Affairs Division of Victor Company of Japan, Limited
Satoru Maeda	Senior Vice President & Executive Officer

**[2] Amount of Compensation for Directors and Statutory Auditors**

Title	Number of Relevant Personnel	Amount of compensation (Millions of yen)
Director	12	271
(External Director)	(3)	(32)
Statutory Auditor	5	54
(External Auditor)	(3)	(22)
Total	17	325

Notes:

- The table above includes three Directors (including one External Director), who retired from office at the end of the 2<sup>nd</sup> General Meeting of Shareholders, held on June 24, 2010.
- The amount of compensation for Directors does not include the compensation that they receive for being employees, if they are employees as well as Directors. Currently, there are no such Directors in the Company.
- It was resolved, with regard to determination of compensation for Directors and Statutory Auditors, at the 1<sup>st</sup> General Meeting of Shareholders of the Company, held on June 24, 2009, that compensation for Directors is up to 36 million yen a month (of which, compensation for External Directors is up to 4 million yen) and that compensation for Statutory Auditors is up to 9 million yen a month. It was also resolved that bonuses, retirement benefits or any other monetary compensation will not be paid to Directors and

**(Translation)**

Statutory Auditors.

**[3] Matters Regarding External Officers****(1) State of Important Concurrence of External Officers**

Position	Name	Company of Concurrent Office	Responsibilities of Concurrent Office	Relationship
External Director	Koji Kashiwaya	Maruzen textile Co.	Director	No significant business relationship with JVC KENWOOD Holdings, Inc.
		Busou Real Estate Co.	Director	
	Nobuo Seo	Tokyo Hatchobori Law Office	Partner	
External Auditor	Noriyuki Shouyama	—	—	—
	Akihiko Washida	Cool.revo Inc.	Auditor (External)	No significant business relationship with JVC KENWOOD Holdings, Inc.
	Koichi Kurosaki	Takarajima Wondernet Inc.	Auditor (External)	

**(2) Major Activities of External Officers**

Position	Name	Major Activities
External Director	Koji Kashiwaya	Attendance in meetings of the Board of Directors in the current fiscal year: 23 (attendance rate: 88.5%) Mr. Kashiwaya provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner based on his plentiful experience, performance records and insight in areas such as finance and taxation.
	Nobuo Seo	Attendance in the meetings of the Board of Directors in the current fiscal year: 19 (attendance rate: 95.0%) Mr. Seo provides advice and propositions to secure the legitimacy and appropriateness of the decisions of the Board of Directors in a timely manner based on his plentiful experience, knowledge and professional views from a legal aspect as a lawyer.
External Auditor	Noriyuki Shouyama	Attendance in the meetings of the Board of Directors in the current fiscal year: 25 (attendance rate: 96.2%) Attendance in the meetings of the Board of Auditors in the current fiscal year: 14 (attendance rate: 100.0%) Mr. Shouyama has a background of working for a financial institution (a trust bank) and provides the necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight.
	Akihiko Washida	Attendance in the meetings of the Board of Directors in the current fiscal year: 26 (attendance rate: 100.0%) Attendance in the meetings of the Board of Auditors in the current fiscal year: 14 (attendance rate: 100.0%) Mr. Washida provides necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight regarding business management.
	Koichi Kurosaki	Attendance in the meetings of the Board of Directors in the current fiscal year: 26 (attendance rate: 100.0%) Attendance in the meetings of the Board of Auditors in the current fiscal year: 14 (attendance rate: 100.0%) Mr. Kurosaki has a background of working for a financial institution and provides the necessary comments regarding issues such as the agenda and discussions of the Board of Directors and Board of Auditors in a timely manner based on his plentiful experience, performance records and insight.

Notes:

- During the current fiscal year, there were 26 meetings of the Board of Directors and 14 meetings of the Board of Auditors.
- Auditor Nobuo Seo assumed office as of the end of the 2nd General Meeting of Shareholders held on June 24, 2010. His attendance rate is calculated based on his attendance at 20 meetings of the Board

(Translation)

of Directors held after his appointment.

**(3) Matters Regarding the Liability Limitation Agreement (Overview of the Liability Limitation Agreement of External Directors and External Auditors)**

The Company's Articles of Incorporation prescribe a provision regarding a liability limitation agreement to be concluded with external directors and external auditors.

An outline of the details of the liability limitation agreements that the Company concluded with all external directors and external auditors in accordance with the Articles of Incorporation is as follows:

The amount of indemnity liability provided under Article 423-1 of the Corporate Act is limited to 5 million yen or the minimum liability limitation provided by the law, whichever is higher, provided that the external directors and external auditors have acted faithfully and without gross negligence.

**(4) Amount of Compensation Received as Executive Officer for Current Fiscal Year from Parent Company or Subsidiary of Parent Company**

Not applicable.

**(5) Opinions from External Officers in Relation to the Description**

Not applicable.

**5. State of Accounting Auditor**

**[1] Name of Accounting Auditor**

Deloitte Touche Tohmatsu

**[2] Overview of Liability Limitation Agreement**

Not applicable.

**[3] Amount of Compensation for Accounting Auditor for Current Fiscal Year**

(Millions of yen)

Amount of compensation for accounting auditor for current fiscal year	94
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	329

Notes:

1. The Company pays compensation to the accounting auditor, in consideration of the consulting service concerning internal control upon financial reporting, which is a service other than those stipulated in Article 2 Clause 1 of the Certified Public Accountants Law.
2. In the audit agreement between the Company and the accounting auditor, the amounts of compensation for the audit based on the Corporate Act and the audit based on the Financial Instruments Exchange Law is not distinguished, and also substantively undistinguished. Therefore the total amount of this compensation is stated as the amount of compensation for the accounting auditor for the current fiscal year.

**(4) Policy for Dismissal and Non-reappointment Decisions**

At the Company, if the accounting auditor falls under the items stipulated in Article 340-1 of the Corporate Act, the Board of Auditors shall dismiss the accounting auditor based on the unanimous consent of the Board of Auditors. Also, in principle, in case the accounting auditor becomes unable to perform the auditing service, such as receiving an audit business suspension order from a regulatory authority, the Board of Auditors shall propose to the general meeting of shareholders, a bill concerning the dismissal or non-reappointment of the accounting auditor.

**6. Framework and Policies of the Company**

**[1] Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations and the Articles of Incorporation/Framework to Ensure Propriety of Other Operations**

The matters which the Company set forth at the Board of Directors as "the establishment of a framework necessary to ensure propriety of the operations of a stock corporation" stipulated in Article 362-4-6 of the Corporate Act and in Article 100-1 and 100-3 of the Ordinance for Enforcement of the Corporate Act are as follows:

(Translation)

- 1) Framework to Ensure the Conformity of the Directors' Exercise of Function with the Laws and Regulations and the Articles of Incorporation**
  - (1) To concretely lay down the guideline for practicing the management principles and abide thereby
  - (2) To establish rules regarding the directors' ethics and abide thereby
  - (3) To prescribe the "Board of Directors Regulation" and properly supervise the decision-making by the management and execution of duty by the directors
  - (4) To let the auditors audit the directors' execution of their duties from an independent position
- 2) Framework for the Storage and Management of Information in Relation to the Directors' Exercise of Function**
  - (1) To create Minutes of Board of Directors in accordance with the "Board of Directors Regulation" and permanently store the minutes at the head office
  - (2) To establish rules for the decision-making (*ringi*) system, safe-keeping of important information related to finance, etc., and creation/storage of documents and handle them determinately
- 3) Framework for Regulations and Such Concerning the Management of Risk of Loss**
  - (1) To prescribe rules regarding the compliance and risk management, establish a company-wide structural system to monitor them and clarify the responsibility
  - (2) To update risk management rules classified for types of risk and apply them for the prevention of various risks, clarification of actions to be taken and measures for restoration
- 4) Framework to Ensure the Efficient Exercise of Function of the Directors**
  - (1) To clarify the management objectives by the establishment of a business plan or such like, and verify the accomplishment status thereof
  - (2) To prescribe the "Board of Directors Regulation" and the "Administrative Authority Regulation" and clarify the management decision-making method
  - (3) To establish rules regarding the segregation of authority and duty for each department and implement them determinately
- 5) Framework to Secure Compliance of Employees' Execution of Duty with Laws/Regulations and Articles of Incorporation**
  - (1) To establish standards which indicate the corporate philosophy and action guidelines for employees, nominate the department to manage the observation of corporate ethics and let the standard and the organization be fully recognized by all employees including those of domestic and overseas group companies
  - (2) To update various internal rules, guidelines, and such like, and make them as the guidelines for the execution of duties by the employees
  - (3) To execute the internal audit and make the internal notification system fully workable
- 6) Framework to Ensure Propriety of Business Operation for the Corporate Group Consisting of the Company and Its Subsidiaries**
  - (1) To share the corporate philosophy and management policies with subsidiary group companies and expand the application of the "Administrative Authority Regulation," the "Decision-making Authority Standards" and the "Decision-making Items Table" to subsidiary group companies in order to ensure the propriety of business operations as a whole corporate group
  - (2) To dispatch directors or business supervising officers to main group subsidiary companies in order to ensure the propriety of business operation
  - (3) To execute the audit of subsidiary group companies by the internal audit department
- 7) System Related to Employees to Assist Auditors' Duty and Matters Regarding Independency of Such Employees from Directors' Control**
  - (1) To assign employees to support the auditing work as staffs of auditors
  - (2) To let auditors evaluate the performance of employees exclusively assigned as staff of auditors and to have prior discussion with auditors with regard to the assignment of such staff
- 8) Framework for the Reporting of Directors and Assistants to Auditors/Framework for Other Reporting to Auditors**
  - (1) To let auditors attend the Board of Directors meetings and other important meetings and listen to reports there
  - (2) To let directors and general managers of head office departments report their business execution status periodically and as required
  - (3) To let auditors execute auditing of every business units and domestic/overseas group companies based on the annual audit plan, including the above, and listen to reports there.
  - (4) To provide a notification system, by which parties such as employees can directly notify any fraudulent activities and concerned issues regarding accounting and auditing to the board of auditors

(Translation)

**9) Framework to Ensure Effective Auditing of Auditors**

- (1) To let directors prepare conditions to enable the execution of effective audit in accordance with the audit plan to be made up by auditors.
- (2) To let representative directors and auditors have periodical meetings in order to enhance mutual communication
- (3) To let directors prepare conditions to enable auditors to cooperate with the departments in charge of legal affairs, accounting and internal auditing as well as external experts for the implementation of their duty

**10) Framework to Ensure Propriety of financial Reports**

- (1) To prepare the system to ensure the propriety of financial reports of the corporate group consisting of the company and its subsidiaries based on the Financial Instruments and Exchange Act and related laws and regulations
- (2) To evaluate the enhancement and operation of the system to ensure the propriety of financial reports periodically and promote the improvement

**11) Basic Policy for the Elimination of Antisocial Forces**

The JVC Kenwood Group shall block off any and all transactions, including the provision of funds and backstage deals, with all antisocial organizations which could possibly cause damage to the whole JVC Kenwood Group, including its stakeholders by making unjustifiable requests to the group's officers and employees or by obstructing healthy business activities, by means of tying up with external professional organizations as necessary and taking appropriate measures including legal actions. The JVC Kenwood Group recognizes that the exclusion of such antisocial forces is essential for ensuring the propriety of JVC Kenwood's businesses.

**(2) Basic Policy Regarding the Control of a Stock Company**

If a share acquisition by a specific individual or group may risk damaging the corporate value or the common interests of shareholders, the Company considers it necessary to take appropriate measures to ensure the corporate value and the common interests of shareholders to the extent that can be tolerated by laws and regulations and the Articles of Incorporation. The Company also acknowledges the importance of ensuring the corporate value and the common interests of shareholders, and is carefully continuing reviews on the matter, but at this point no concrete defense measures have been implemented.

**(3) Basic Policies for Distribution of Profits**

JVC Kenwood considers it one of the most important managerial issues to provide shareholders with stable returns on their investments, and decides on details such as the distribution of retained earnings by comprehensively taking into account profitability and financial conditions.

The Company stipulates in its Articles of Incorporation that it can pay dividends of surplus on a record date it determines, in addition to two record dates in a year: the record date for the year-end dividend (March 31) and that for the interim dividend (September 30).

The Company stipulates in its Articles of Incorporation that matters, including dividend of surplus, set forth in each item of Article 459, Paragraph 1 of the Companies Act shall be decided by resolutions of the Board of Directors, not those of general meeting of shareholders, unless otherwise provided by laws and regulations.

Based on this policy, the Company decided not to pay an interim dividend for the current consolidated fiscal year at a meeting of its Board of Directors, held on November 26, 2010, and not to pay a year-end dividend for the said year at a meeting of the Board of Directors, held on April 27, 2011, with a view to concentrating its management resources on the recovery of earnings.

(Translation)

**Consolidated Balance Sheet**  
(As of March 31, 2011)

(Millions of yen)

Accounting Items (Assets)	Amount	Accounting Items (Liabilities)	Amount
<b>Current assets</b>	<b>166,258</b>	<b>Current liabilities</b>	<b>162,310</b>
Cash and cash equivalents	64,972	Trade notes and accounts payable	28,378
Trade notes and accounts receivable	51,210	Short term loans payable	71,353
Merchandise and finished goods	28,249	Other accounts payable	14,617
Work in process	2,908	Accrued expenses	31,111
Raw materials and supplies	7,120	Income taxes payable	2,505
Other current assets	13,585	Provision for product warranties	3,194
Allowance for doubtful receivables	(1,788)	Provision for sales returns	1,537
		Other current liabilities	9,612
<b>Fixed assets</b>	<b>94,229</b>		
<b>Tangible fixed assets</b>	<b>55,750</b>	<b>Long term liabilities</b>	<b>45,614</b>
Buildings and structures	15,240	Bonds payable	20,000
Machinery and equipment	3,155	Long-term loans payable	1,700
Tools, furniture and fixtures	5,669	Liability for employee's retirement benefits	15,090
Land	31,401	Other long term liabilities	8,823
Construction in Progress	284	<b>Total Liabilities</b>	<b>207,924</b>
<b>Intangible fixed assets</b>	<b>14,974</b>	<b>(Net Assets)</b>	
Software	7,111	<b>Shareholders' equity</b>	<b>73,496</b>
Goodwill	4,918	Paid-in capital	<b>10,000</b>
Other intangible fixed assets	2,943	Capital surplus	<b>105,336</b>
<b>Investments and other assets</b>	<b>23,504</b>	Retained earnings	<b>(41,305)</b>
Investment securities	4,588	Treasury stock	<b>(534)</b>
Prepaid pension cost	12,866		
Other investments	7,987	<b>Other comprehensive income</b>	<b>(21,466)</b>
Allowance for doubtful receivables	(1,936)	Unrealized gain and loss on available-for-sale securities	267
		Deferred hedge gain and loss	27
<b>Deferred assets</b>	<b>175</b>	Land revaluation surplus	2,954
Bond issuance cost	175	Foreign currency translation adjustments	(24,715)
		<b>Minority interests</b>	<b>709</b>
		<b>Total Net Assets</b>	<b>52,739</b>
<b>Total Assets</b>	<b>260,664</b>	<b>Total Liabilities and Net Assets</b>	<b>260,664</b>

(Translation)

**Consolidated Statement of Income**  
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Accounting Items	Amount	
<b>Net sales</b>		<b>352,672</b>
<b>Cost of sales</b>		<b>241,709</b>
<b>Gross profit</b>		<b>110,962</b>
<b>Selling, general and administrative expenses</b>		<b>98,005</b>
<b>Operating profit</b>		<b>12,956</b>
<b>Non-operating profit</b>		
Interest income	195	
Dividends income	154	
Foreign exchange gain	640	
Adjustment to royalties	619	
Other non-operating profit	1,320	2,929
<b>Non-operating expense</b>		
Interest expense	2,697	
Sales discounts	282	
Loan commission	1,532	
Provision for product warranties	1,361	
Other non-operating expenses	2,432	8,306
<b>Ordinary income</b>		<b>7,579</b>
<b>Extraordinary profit</b>		
Gain on sales of fixed assets	1,406	
Gain on sales of investment securities	1	
Gain on sales of subsidiaries and affiliates' stocks	659	
Patent Licensing Royalty	2,967	
Gain on liquidation of debt account	1,100	
Gain on adjustment liability for employees' retirement benefits	2,025	
Other extraordinary profit	34	8,194
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	645	
Loss on sales of fixed assets	2,863	
Employment structural reform expenses	8,632	
Loss on compensation for lease contracts	391	
Levies	1,546	
Impairment loss	2,970	
Other extraordinary loss	2,604	19,653
<b>Income (loss) before income taxes</b>		<b>(3,879)</b>
Corporate tax, corporate inhabitant tax and corporate enterprise tax	3,667	
Corporate tax and other adjustment	(3,653)	13
Loss before minority interests		<b>(3,892)</b>
Minority interests in income		132
<b>Net income (loss)</b>		<b>(4,025)</b>



(Translation)

**Consolidated Statement of Changes in Shareholders' Equity**  
(From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2010	10,000	111,143	(38,301)	(20,261)	62,580
Changes during the consolidated fiscal year					
Net income (loss)			(4,025)		(4,025)
Acquisition of treasury stocks				(4)	(4)
Disposal of treasury stock		(5,806)		19,731	13,924
Increase by change of scope of consolidation			1,020		1,020
Changes (net amount) of items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	—	(5,806)	(3,004)	19,727	10,916
Balance as of March 31, 2011	10,000	105,336	(41,305)	(534)	73,496

	Other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Unrealized gain and loss on available-for-sale securities	Deferred hedge gain and loss	Land revaluation surplus	Foreign currency translation adjustments	Total other comprehensive income			
Balance as of March 31, 2010	256	385	2,954	(20,295)	(16,699)	20	917	46,819
Changes during the consolidated fiscal year								
Net income (loss)								(4,025)
Acquisition of treasury stocks								(4)
Disposal of treasury stock								13,924
Increase by change of scope of consolidation								1,020
Changes (net amount) of items other than shareholders' equity during the fiscal year	10	(357)	—	(4,420)	(4,767)	(20)	(207)	(4,996)
Total changes during the fiscal year	10	(357)	—	(4,420)	(4,767)	(20)	(207)	5,920
Balance as of March 31, 2011	267	27	2,954	(24,715)	(21,466)	—	709	52,739

(Translation)

**Non-consolidated Balance Sheet**

(As of March 31, 2011)

(Millions of yen)

Accounting Items	Amount	Accounting Items	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>19,267</b>	<b>Current liabilities</b>	<b>8,228</b>
Cash and cash equivalents	13,847	Notes payable-trade	78
Notes receivable-trade	1	Debt for lease	2
Prepaid expenses	72	Other accounts payable	5,738
Advances paid	274	Accrued expenses	1,025
Accrued revenue	5,070	Income taxes payable	79
Other	0	Other current liabilities	1,302
<b>Fixed assets</b>	<b>76,831</b>		
<b>Tangible fixed assets</b>	<b>149</b>	<b>Long term liabilities</b>	<b>21,505</b>
Machinery and equipment	2	Long term debt in affiliated companies	21,500
Vehicles	2	Debt for lease	5
Tools, furniture and fixtures	143		
<b>Intangible fixed assets</b>	<b>413</b>	<b>Total Liabilities</b>	<b>29,734</b>
Software	413		
<b>Investments and other assets</b>	<b>76,268</b>	<b>(Net Assets)</b>	
Investments in affiliated companies	76,255	<b>Shareholders' equity</b>	<b>66,364</b>
Other	13	<b>Paid-in capital</b>	<b>10,000</b>
		<b>Capital surplus</b>	<b>116,360</b>
		Capital reserve	10,000
		Other capital surplus	106,360
		<b>Retained earnings</b>	<b>(59,460)</b>
		Other retained earnings	(59,460)
		Cumulative retained earnings	(59,460)
		<b>Treasury stock</b>	<b>(534)</b>
		<b>Total Net Assets</b>	<b>66,364</b>
<b>Total Assets</b>	<b>96,098</b>	<b>Total Liabilities and Net Assets</b>	<b>96,098</b>

(Translation)

**Non-consolidated Statement of Income**

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

Accounting Items	Amount	
<b>Operating revenue</b>		<b>14,559</b>
<b>Operating cost</b>		<b>13,810</b>
<b>Operating profit</b>		<b>749</b>
<b>Non-operating profit</b>		
Interest income	0	
Patent Licensing Royalty	55	
Other	1	57
<b>Non-operating expense</b>		
Interest expense	414	
Stock issuance cost	91	
Other	42	548
<b>Ordinary profit (loss)</b>		<b>257</b>
<b>Extraordinary loss</b>		<b>—</b>
Levies	839	
other	46	885
<b>Income (loss) before income taxes</b>		<b>(627)</b>
Corporate tax, corporate inhabitant tax and corporate enterprise tax	121	121
<b>Net income (loss)</b>		<b>(748)</b>

**Non-consolidated Statement of Changes in Shareholders' Equity**

(From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Shareholders' equity							Subscription rights to shares	Total net assets
	Paid-in capital	Capital surplus			Retained earnings	Treasury stock	Total shareholders' equity		
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings				
Balance as of April 1, 2010	10,000	10,000	112,166	122,166	(56,712)	(20,261)	53,192	20	53,213
Changes during the fiscal year									
Net income (loss)					(748)		(748)		(748)
Acquisition of treasury stocks						(4)	(4)		(4)
Disposal of treasury stocks			(5,806)	(5,806)		19,731	13,924		13,924
Changes of items other than shareholders' equity							—	(20)	(20)
Total changes during the fiscal year	—	—	(5,806)	(5,806)	(748)	19,727	13,171	(20)	13,151
Balance as of March 31, 2011	10,000	10,000	106,360	116,360	(59,460)	(534)	66,364	—	66,364

## Corporate Auditors' Report

### Audit Report

The Board of Corporate Auditors audited the Directors' performance of duties for the 3rd business period from April 1, 2010 to March 31, 2011. The Board of Corporate Auditors reports the method and the results as follows.

#### 1. Audit Method and Details

The Board of Corporate Auditors established the auditing policies, audit plan, audit implementation standards, and received reports from each Corporate Auditor on the status of implementation of audits and results thereof. In addition, it received reports from Directors, Executive Officers, and the accounting auditor on the status of execution of their duties and asked them for explanations as necessary.

In accordance with the auditing policies and auditing standards for Corporate Auditors, which were established by the Board of Corporate Auditors, each Corporate Auditor maintained good communication with Directors, Executive Officers, the Management Audit Office (the internal audit division) and employees, strived to collect information and improve the auditing environment, and implemented audits as follows:

- (1) We attended meetings of the Board of Directors and other meetings as deemed important, received reports from Directors, Executive Officers, the Management Audit Office (the internal audit division) and employees on the status of execution of their duties, asked for explanations as necessary, perused the documents whereby the important decisions were made and other important documents, and examined business and financial conditions at the head office and principal offices.
- (2) Also, with regard to the details of the resolution made by the Board of Directors concerning the establishment of the systems stipulated in Article 100, Paragraphs 1 and 3 of the Regulations for the Enforcement of the Companies Act as what is necessary for ensuring the appropriateness of operations of stock companies, including the framework to ensure the conformity of the Directors' exercise of function with the Laws and Regulations and the Articles of Incorporation, which is described in the Business Report, as well as systems established based on the relevant resolution (internal control systems), we periodically received reports from Directors, the Management Audit Office (the internal audit division), the internal control division and employees on the status of establishment and operation of such systems, asked for explanations as necessary and expressed our opinions.
- (3) With regard to subsidiaries, we implemented audit activities in cooperation with corporate auditors of the subsidiaries of the Company from the standpoint of consolidated audit of the Company's corporate group, received reports from corporate auditors of the subsidiaries, maintained good communications and exchanged information with directors and others of the subsidiaries, visited the head offices, principal offices and principal divisions of the subsidiaries, received reports on business and asked for explanations as necessary.
- (4) In addition, we monitored and verified whether the accounting auditor maintains independency and properly implements audit, received from the accounting auditor reports on the execution of duties and asked for explanations as necessary. We also received a report from the accounting auditor stating that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Company Accounting Regulations) have been established in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and asked the accounting auditor for explanations as necessary.

Based on the above method, the Board of Corporate Auditors examined the non-consolidated financial statements (balance sheet, statements of income, statement of changes in net assets, and notes to financial statements), the supporting schedules, and the consolidated financial statements (balance sheet, statements of income, statement of net assets, and notes to financial statements) for the current fiscal year.

#### 2. Audit Results

- (1) Audit Results of Business Report and Others
  - (i) The Board of Corporate Auditors acknowledges that the business report and the supporting schedules fairly present the Company's conditions in accordance with laws, regulations and the Articles of Incorporation.
  - (ii) With regard to the performance of duties by Directors, the Board of Corporate Auditors finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.
  - (iii) The Board of Corporate Auditors acknowledges that the content of the resolution by the Board of Directors concerning the internal control system is appropriate. Also, statements in the Business Report and execution of duties by Directors regarding the relevant internal control systems have nothing to be pointed out.

- (2) Audit Results on the Non-consolidated Financial Statements and the Supporting Schedules

The Board of Corporate Auditors acknowledges that the audit method of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, and the results thereof are appropriate.

- (3) Audit Results of Consolidated Financial Statements

The Board of Corporate Auditors acknowledges that the audit method of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, and the results thereof are appropriate.

May 12, 2011

The Board of Corporate Auditors, JVC KENWOOD Holdings, Inc.  
Corporate Auditor (full time) Shigeharu Tsuchitani (seal)  
Corporate Auditor (full time) Hideaki Kato (seal)  
Corporate Auditor (external) Noriyuki Shouyama (seal)  
Corporate Auditor (external) Akihiko Washida (seal)  
Corporate Auditor (external) Koichi Kurosaki (seal)

(Translation)

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposal No. 1: Partial amendments to Articles of Incorporation

#### 1. Reason for amendments

We propose to change the trade name in Article 1 of the existing Articles of Incorporation to “Kabushiki Gaisya JVC Kenwood” (English name: JVC KENWOOD Corporation) in order to proceed with group integration.

Also, we propose to establish a provision in Article 39 to make the change come into effect on August 1, 2011.

#### 2. Details of proposed amendments

Details of the proposed amendments are as follows:

(Amended portions are underlined)


Existing Articles of Incorporation	Proposed Amendments
<p><b>Chapter 1: GENERAL PROVISIONS</b> (Trade Name) Article 6: The name of the Company shall be “<u>JVC Kenwood Holdings Kabushiki Gaisya,</u>” and in English, shall be “<u>JVC KENWOOD Holdings, Inc.</u>”</p> <p>(Inserted)</p>	<p><b>Chapter 1: GENERAL PROVISIONS</b> (Trade Name) Article 6: The name of the Company shall be “<u>Kabushiki Gaisya JVC Kenwood,</u>” and in English, shall be “<u>JVC KENWOOD Corporation.</u>”</p> <p><b><u>Chapter 8: Supplemental Provisions</u></b> (Effective Date of Change of Trade Name and Elimination of Supplementary Provision) Article 39: <u>The change in Article 1 (Trade Name) shall come into effect on August 1, 2011. This Supplementary Provision shall be eliminated as of the relevant effective date.</u></p>

(Translation)

**Proposal No. 2:** Election of Nine (9) Directors

All eight (8) directors' tenure of office is to expire at the end of the coming General Meeting of Shareholders. The JVC Kenwood Group established an integrated management structure as of May 1, 2011, which enables it to quickly and flexibly cope with changes in the business environment. We propose to newly elect nine (9) directors, including Hiroshi Kukimoto, a technological expert, and Naokazu Kurihara, who has experience in the audiovisual business, in order to push forward with integrated management.

The candidates are as follows:

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
1	 Haruo Kawahara (March 9, 1939)	Jun. 1996 Director and General Planning Manager, delegation, Toshiba Corp. Jun. 1997 Executive Director Jul. 2000 Advisor Jun. 2002 President, Representative Director of the Board, Executive Officer CEO, Kenwood Corporation Jun. 2007 Chairman, Representative Director of the Board Oct. 2008 Chairman, Representative Director of the Board, Executive Officer CEO, JVC KENWOOD Holdings, Inc. Representative Director of the Board, Victor Company of Japan, Limited (currently) Jun. 2009 Chairman and President, Representative Director of the Board, Executive Officer CEO, JVC KENWOOD Holdings, Inc. May 2011 Chairman, Representative Director of the Board of the Company and Senior Executive Officer Responsible for Integrated Management, Chairman of Merger/Integration Promotion Committee of the Company (current position)	55,190

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
2	 Hisayoshi Fuwa (July 6, 1949)	Jun. 2003 Executive Officer, Corporate Vice President of Toshiba Corporation (General Manager of Corporate Strategic Planning Div.) Apr. 2007 Executive Officer, Corporate Vice President of Toshiba Corporation (in charge of General Planning) Jun. 2007 President and Representative Director of Toshiba Carrier Corporation Jun 2010 Director of the Board of the Company (in charge of Management Strategy), Chief Financial Officer (CFO), General Executive of Strategic Corporate Planning Division and Business Affairs Office May 2011 President, Representative Director of the Board and Chief Executive Officer (CEO), Chief Operating Officer (COO) of Home & Mobile Electronics Business Group, Chairman of the Growth Strategy Promotion Conference of the Company President and Representative Director of the Board of Victor Company of Japan, Limited President and Representative Director of the Board of Kenwood Corporation President and Representative Director of the Board of J&K Car Electronics Corporation	10,600

(Translation)



No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
3	 Kazuo Shiohata (June 29, 1950)	Jul. 2001 Sales Manager of Yokohama area, The Asahi Bank, Ltd. (currently, Resona Bank, Limited) Jun. 2002 Joined Kenwood Corporation Executive Officer and Managing Director Oct. 2002 General Manager, Finance and Accounting Apr. 2003 Assistant to the President, Finance and Accounting (CFO) Jun. 2003 Director, Executive Vice President & Executive Officer, Assistant to President (CFO) Jun. 2004 CFO, Assistant to CEO (in charge of stock legal and public relations) Jun. 2006 Assistant to CEO (in charge of human resources and financial strategy support) Jun. 2007 President, Representative Director of the Board, Executive Officer CEO Aug. 2008 Representative Director of the Board, J&K Technologies Corp. (currently, J&K Car Electronics Corporation) Jun. 2009 President, Representative Director of the Board Representative Director of the Board, Kenwood Corporation President and Representative Director of the Board, J&K Car Electronics Corporation Jun. 2010 Representative Director of the Board of the Company in charge of Management and Financial Reforms, Deputy President & Executive Officer (in charge of Management and Financial Reforms, Human Resources (current position)) Representative Director of the Board of Kenwood Corporation (current position)	47,770






(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
4	 Shoichiro Eguchi (December 7, 1955)	<p>Jun. 2003 Senior Vice President &amp; Executive Officer of Kenwood Corporation</p> <p>Apr. 2004 General Manager of Car Electronics Consumer Division, Kenwood Corporation, Director of the Board, President of Kenwood Europe</p> <p>Jun. 2004 Director, Senior Vice President &amp; Executive Officer of Kenwood Corporation</p> <p>Oct. 2005 President and Director of Kenwood U.S.A. Corporation</p> <p>Jun. 2006 Representative of Kenwood Americas Headquarters</p> <p>Jun. 2007 Senior Vice President &amp; Executive Officer, Assistant to CEO of Kenwood (Car Electronics Overseas Sales Strategy Representative)</p> <p>Oct. 2008 Executive Vice President, Director of the Board of Kenwood, Assistant to President (Car Electronics Overseas Sales Strategy Representative)</p> <p>Jun. 2009 Executive Vice President, Director of the Board of J&amp;K Car Electronics, General Manager of Consumer Division</p> <p>Jun. 2010 Director of the Board of the Company, Senior Vice President &amp; Executive Officer President and Representative Director of the Board of J&amp;K Car Electronics Corporation, General Executive, Consumer Business Division</p> <p>May 2011 Director of the Board of the Company, Deputy President &amp; Executive Officer, General Executive of Strategic Corporate Planning Division, Chief Operating Officer (COO) of Car Electronics Business Group Representative Director of the Board of J&amp;K Car Electronics Corporation (current position)</p>	14,870

## (Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
5	 Kazuhiro Aigami (October 27, 1957)	<p>Apr. 1990 Joined Kenwood Corporation</p> <p>Jun. 2005 General Supervisor, Overseas Sales, Communications Div.</p> <p>Apr. 2006 General Supervisor, Overseas Marketing, Communications Div. General Manager, Overseas Marketing Development</p> <p>Apr. 2007 General Manager, Communications Div.</p> <p>Jun. 2007 Managing Operating Officer</p> <p>Jun. 2008 Director of the Board &amp; Senior Managing Operating Officer, General Manager</p> <p>Jul. 2008 Assistant to CEO (in charge of communications strategy)</p> <p>Oct. 2008 Executive Vice President, Director of the Board</p> <p>Jun. 2009 Director of the Board, JVC KENWOOD Holdings, Inc. President and Representative Director of the Board, Kenwood Corporation</p> <p>Jun. 2010 Director of the Board of the Company, Executive Officer, Corporate Vice President</p> <p>May 2011 Director of the Board of the Company, Senior Vice President &amp; Executive Officer, General Executive of Strategic Marketing Division, Chief Operating Officer (COO) of Professional Systems Business Group Representative Director of the Board of Kenwood Corporation (current position)</p>	30,280
6	 Hiroshi Kukimoto (September 18, 1937)	<p>Apr. 1966 Assistant, Institute for Solid State Physics, University of Tokyo</p> <p>Oct. 1970 Researcher, Bell Laboratories of the U.S.</p> <p>Apr. 1972 Associate Professor, School of Engineering, Tokyo Institute of Technology</p> <p>Oct. 1982 Professor, School of Engineering, Tokyo Institute of Technology</p> <p>Mar. 1996 Professor Emeritus, Tokyo Institute of Technology (current position) Entered TOPPAN PRINTING CO., LTD.</p> <p>Apr. 1996 Successively served as director, executive director, senior managing director and deputy president</p> <p>Jun. 2004 Advisor to the company</p> <p>Jun. 2009 Retired as Advisor to the company</p> <p>Jun. 2010 Joined the Company Assistant to CEO in charge of Technology, General Executive of Integrated Technological Strategy Promotion Division Assistant to CEO of the Company in charge of Technology, General Executive of Integrated Technological Strategy Promotion Division,</p> <p>May 2011 General Executive of New Business Development Center (current position)</p>	10,000

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
7	 Naokazu Kurihara (February 8, 1958)	<p>Apr. 1981 Joined Victor Company of Japan</p> <p>Jul. 1996 General Executive, Americas Group, Overseas Sales Department, Audio Business Department, Audio Business Division of the company</p> <p>Oct. 2002 President of JVC Company of America, Deputy President of JVC Americas Corp. General Executive of Middle East Office, JVC Asia &amp; The Middle East Company, Victor Company of Japan, Limited, President of JVC Gulf FZE</p> <p>Jun. 2006 President of JVC Asia Pte. Ltd.</p> <p>Jun. 2008 Director of Victor Company of Japan, Limited, General Executive of Imaging, Digital Imaging Division</p> <p>Oct. 2010 Director of the company, General Executive of Projector</p> <p>May 2011 Director of the company, assistant to COO of Home &amp; Mobile Electronics Business Group, General Executive of Projector (current position)</p>	2,600
8	 Koji Kashiwaya (January 1, 1939)	<p>Apr. 1961 Joined Ministry of Finance</p> <p>Jun. 1978 General Manager of General Affairs, Tokyo Customs</p> <p>Jun. 1980 General Manager of Direct Tax Dept., Osaka Regional Taxation Bureau</p> <p>Jun. 1982 Manager, Capital Market Section, Marketable Securities Bureau, Ministry of Finance,</p> <p>Jun. 1984 General Manager, Tokyo Office, World Bank</p> <p>1987 Councilor, International Finance Bureau, Ministry of Finance</p> <p>Jun. 1989 Deputy Director General, World Bank</p> <p>Sep. 1994 President, Nomura Project Finance Co., Ltd.</p> <p>Jan. 1996 CEO and President, AIMAC</p> <p>Mar. 2008 Director, Maruzen Textile Co. (current position)</p> <p>Apr. 2008 Director, Busou Real Estate Co.(current position)</p> <p>Oct. 2008 Director of the Board, JVC KENWOOD Holdings, Inc. (current position)</p> <p>Nov. 2008 Visiting Professor, Tokyo University of Agriculture and Technology (current position)</p>	9,670
9	 Nobuo Seo (March 21, 1931)	<p>Apr. 1963 Registered as an attorney at law, joined Daini Tokyo Bar Association</p> <p>Oct. 1974 Joined Hatchobori Law Office</p> <p>Apr. 1984 Member of Conciliation of Civil Affairs Committee, Tokyo District Court</p> <p>Apr. 1996 Instructor at Legal Training and Research Institute of Japan, Supreme Court of Japan</p> <p>Jun. 2002 Professor Emeritus at Kyoritsu College of Pharmacy (currently Keio University) (current position)</p> <p>Jun. 2003 Director of Kenwood Corporation</p> <p>Jun. 2010 Auditor for Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2010 Director of the Company (current position)</p>	12,910

Notes:

1. There are no conflicts of interest between each candidate and the Company.

**(Translation)**

2. No candidates for Director will receive and have not received in the past three years a large amount of money or other assets (excluding the remuneration for Director, accounting advisor, Auditor, executive officer or other similar position) from Victor Company of Japan, Limited, Kenwood Corporation and J&K Car Electronics Corporation, which are special related corporations of the Company (subsidiaries).
3. Mr. Koji Kashiwaya and Mr. Nobuo Seo are candidates for external directors prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Corporate Law. The Company designated Mr. Koji Kashiwaya as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notified the TSE of that.
4. The reason why Mr. Koji Kashiwaya and Mr. Nobuo Seo are selected as candidates of external directors is as follows:
  - (1) The company proposes to elect Mr. Koji Kashiwaya as an external director and expects that his plentiful experience, good track records, and insight in the fields of finance and taxation will be reflected in the Company's management. Mr. Koji Kashiwaya is currently an external director of the company and his tenure of office as external director of the company is two (2) years nine (9) months counting from when he took office at the time of the establishment of the Company till the end of the coming General Meeting of Shareholders.
  - (2) The company proposes to elect Mr. Nobuo Seo as an external director and expects that his plentiful experience and knowledge as a lawyer and his proper advice in legal matters based on his professional views will be reflected in the Company's management. Mr. Nobuo Seo is currently an external director of the company and his tenure of office as external director of the company is one (1) year counting from when he took office at the end of the 2<sup>nd</sup> General Meeting of Shareholders.

Though Mr. Seo has not taken part in corporate management in the past, except by serving as an external director or external corporate auditor, we believe that he will be able to properly perform his duties as External Director based on his rich experience and knowledge mentioned above.
5. Conclusion of liability limitation agreement with the candidates for external director

The Company has concluded a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Corporate Law with Mr. Koji Kashiwaya and Mr. Nobuo Seo. The indemnity liability shall be thereunder limited to 5 million yen or the minimum liability limitation provided by law, whichever is higher, when the external directors have acted faithfully and without gross negligence. When the reappointment of Mr. Kashiwaya and Mr. Seo is approved, the Company shall extend this agreement with them.

(Translation)

## SHAREHOLDERS' MEMO

- Fiscal year	April 1 to March 31
- Ordinary general meeting of shareholders	Some time in June
- Record date with respect to voting rights to be exercised at the ordinary general meeting of shareholders	March 31
- Base dates for dividends of surplus	September 30 March 31 Dividends of surplus may be paid on base dates other than the above base dates.
- Method of public notice	Public notices will be made electronically. Electronic public notices will be posted on our website: ( <a href="http://www.jk-holdings.com">http://www.jk-holdings.com</a> )  However, in the event that electronic public notices are not available for reasons such as accidents or other contingencies, the public notice will be posted in the <i>Nikkei</i> (the <i>Nihon Keizai Shimbun</i> )
- Stock listing market	1st Section of Tokyo Stock Exchange
- Securities Code	6632
- Share unit number	100 unit
- Administrator of shareholder registry	5-33, 4-chome, Kitahama, Chuo-ku, Osaka The Sumitomo Trust & Banking Co., Ltd.
Service location	3-1, 2-chome, Yaesu, Chuo-ku, Tokyo Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd.
Contact (inquires/Sending address)	1-10 Nikkoucho, Fuchu-shi, Tokyo, 183-8701 Stock Transfer Agency Department, The Sumitomo Trust & Banking Co., Ltd. Telephone inquires: 0120-176-417 <a href="http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html">http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html</a>

### Contact

Public and Investor Relations, Strategic Planning, Strategic Corporate Planning Division, JVC KENWOOD Holdings, Inc.

Address: 12, 3-chome, Moriya-cho, Kanagawa-ku, Yokohama, Kanagawa, 221-0022, Japan

Telephone: +81-45-444-5232 (direct)

### Forward-looking Statements

When included in this convocation notice, the words "will," "should," "expects," "intends," "anticipates," "estimates," and similar expressions, among others, identify forward-looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in this document. These forward-looking statements are made only as of the date of this document. JVC KENWOOD Holdings, Inc. expressly disclaims any obligations or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Actual results may vary widely from forecasts due to the following factors: 1) drastic changes in economic conditions and product supply and demand in major markets (Japan, Europe, the Americas, Asia etc.), 2) changes in trade regulations and other regulatory changes in major domestic and international markets, 3) drastic changes in foreign exchange rates (yen-dollar, yen-euro etc.), 4) sharp moves in the capital markets, and 5) changes in social infrastructure caused by drastic changes in technology etc. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.