

(Translation)

Securities Code: 6632
June 1, 2012

JVC KENWOOD Corporation
12, 3-chome, Moriya-cho, Kanagawa-ku,
Yokohama, Kanagawa

NOTICE OF CONVOCAION OF THE 4th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 4th ordinary general meeting of shareholders of JVC KENWOOD Corporation (the "Company"), to be held on Tuesday, June 26, 2012. 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 Monday, June 25, 2012, 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 Monday, June 25, 2012.

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 Corporation, 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.

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Details of the Meeting

1. Date and Time: Tuesday, June 26, 2012, 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 4th Fiscal Year (From April 1, 2011 to March 31, 2012) 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 4th Fiscal Year (From April 1, 2011 to March 31, 2012)Matters to be Resolved:
 - Proposal No. 1: Election of Nine (9) Directors
 - Proposal No. 2: Election of Three (3) Statutory Auditors
 - Proposal No. 3: Election of One (1) Substitute Statutory Auditor

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 40. 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.

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**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., Monday, June 25, 2012, 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, 2011 to March 31, 2012)

1. Matters Concerning the Current Situation of the Group

[1] Course of Business and the Results

During the fiscal year under review, the global economic recovery stalled due to fiscal problems in Europe, and the pace of economic growth slowed in some emerging countries. In the U.S., economic recovery slowed because of the deteriorating employment situation, but the economy returned to the recovery track in the latter half, due mainly to an increase in consumer spending. The Japanese economy showed signs of recovery from the impact of the Great East Japan Earthquake, which occurred on March 11, 2011 (hereafter, "the Earthquake"), but the progress of recovery slowed, affected primarily by the yen's historic surge and the floods following heavy rains in central Thailand from July 2011 (hereafter, "Thai floods").

Under such circumstances, the net sales of the JVC KENWOOD Group for the fiscal year under review decreased from those of a year earlier. This decrease was attributable to the effects of reductions and transfers of operations under structural reforms implemented during the previous fiscal year, in addition to the strong yen, the Earthquake, and the Thai floods. Profits declined, due mainly to the effects of the Earthquake and the Thai floods. However, operating profits remained unchanged from a year ago, because the Land Mobile Radio segment of the Professional Systems business as well as the OEM and domestic after-market segments of the Car Electronics business achieved growth in line with the mid-term business plan, and the Home & Mobile Electronics business segment posted operating income as a result of a review of product lineups and cost structure. Ordinary income fell, due chiefly to a decrease in non-operating profits. Meanwhile, the net balance improved sharply and was positive on a full-year basis, a target under the mid-term business plan, primarily due to a decrease in extraordinary losses.

The Earthquake had a negative impact of about 2.2 billion yen on net sales for the fiscal year under review and of 0.7 billion yen on operating profits, while the Thai floods had a negative impact of approximately 10.0 billion yen on net sales and of 4.0 billion yen on operating profits.

Profit-and-loss exchange rates used when preparing the financial statements for the fiscal year under review are as follows:

		1 st Quarter (from April 1, 2011 to June 30, 2011)	2 nd Quarter (from July 1, 2011 to September 30, 2011)	3 rd Quarter (from October 1, 2011 to December 31, 2011)	4 th Quarter (from January 1, 2012 to March 31, 2012)
Profit-and-loss exchange rates	U.S. dollar	About 82 yen	About 78 yen	About 77 yen	About 79 yen
	Euro	About 117 yen	About 110 yen	About 104 yen	About 104 yen
FY2010 (Reference)	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

*** Consolidated Net Sales**

Consolidated net sales for the fiscal year under review were 320,868 million yen.

Sales rose in the OEM and domestic after-market segments of the Car Electronics business and the Land Mobile Radio segment of the Professional Systems business, which are promoting growth strategies in line with the mid-term business plan. However, the overall sales of the Car Electronics business dropped slightly, while those of the Professional Systems business registered only a slight rise, reflecting the appreciation of the yen from the previous year, the impact of the Earthquake up to the second quarter, and the effects of the Thai floods during and after the third quarter. As a result, these sales failed to absorb the effects of the realignment of products and regions in part of the Home & Mobile Electronics business, which was implemented during the previous fiscal year, or the transfer of a logistics-contracting subsidiary in the Entertainment business effective April 1, 2011. As a result, the net sales of JVC KENWOOD declined from those of the year before.

*** Consolidated Operating Profit and Loss**

Consolidated operating profits for the fiscal year under review were 12,813 million yen.

The impacts of the Earthquake and the Thai floods, among other factors, put downward pressure on profits. The operating income of JVC KENWOOD, however, remained at the same level as in the previous fiscal year because the effects of sales expansion became visible in the OEM and domestic after-market segments of the Car Electronics business and the Land Mobile Radio segment of the

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Professional Systems business, while the Home & Mobile Electronics business saw a return to profitability due to the effects of the review of product lineups and structural reforms implemented during the previous fiscal year.

*** Consolidated Ordinary Income and Loss**

Consolidated ordinary income for the fiscal year under review was 6,420 million yen, worsening from a year earlier due mainly to a deterioration in non-operating profit and loss.

Non-operating profits decreased from a year earlier because foreign exchange gains and adjustments to past patent royalties, which were posted in the previous fiscal year, were not posted in the fiscal year under review. Meanwhile, non-operating expenses decreased from those of the year before, due chiefly to the absence of a provision for product warranties, which was posted in the previous fiscal year.

*** Consolidated Net Income and Loss**

Consolidated net income for the fiscal year under review was 6,032 million yen, marking the first profits recorded since the JVC KENWOOD Group was launched in October 2008.

Extraordinary loss decreased from a year earlier, chiefly because structural reforms were completed as of the end of the previous fiscal year and employment structural reform expenses and loss on sales of fixed assets dropped significantly. Meanwhile, extraordinary profits declined, due to a fall in gain on sales of fixed assets and the absence of patent licensing royalties, which were posted in the previous fiscal year, despite insurance income for disaster compensation.

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

*** Car Electronics Business**

During the fiscal year under review, net sales of the Car Electronics business decreased were 107,281 million yen, and operating profit was 6,346 million yen, due mainly to the effects of the strong yen, the Great East Japan Earthquake, and floods in Thailand.

In the consumer segment, where the overseas sales ratio is high, car audios and car navigation systems both maintained high market shares in the U.S. and European markets. However, both net sales and operating profit in the segment declined due to weakened market conditions in Europe and the Middle East and inventory adjustments for some lower priced products, as well as the effects of the strong yen, the Great East Japan Earthquake, and floods in Thailand. Sales and operating profit increased and market shares grew significantly in the domestic market due to the major success of Saisoku-Navi, an SSD-type AV car navigation system, although production and sales opportunities declined due to the effects of the Great East Japan Earthquake and floods in Thailand.

In the OEM segment, the Great East Japan Earthquake in the first quarter and floods in Thailand in the third quarter adversely affected production and sales of products for automobile manufacturers. However, the Group minimized decreases in production and sales opportunities by procuring substitute parts and making design changes. Meanwhile, orders remained robust for an SSD-type AV car navigation system (dealer option product), whose shipments began in the second quarter, and CD/DVD drive mechanisms for car-mounted equipment, whose shipment volumes have increased sharply in recent years. This contributed to increases in net sales and operating profit of the OEM segment.

*** Professional Systems Business**

In the Professional Systems business, net sales for the fiscal year under review were 93,527 million yen, and operating profit was 3,093 million yen. The land mobile radio segment remained stable, while the Great East Japan Earthquake and floods in Thailand significantly affected net sales and operating profit of the business solution segment.

The land mobile radio segment, whose overseas sales ratio is high, continued to perform strongly throughout the year, partly because of rising sales of the proprietary professional digital radio system NEXEDGE, with record levels in North America, which is the largest market. The segment avoided the effects of floods in Thailand on sales by procuring substitute parts and making design changes. As a result, net sales and operating profit in the segment expanded substantially.

In the business solution segment, sales opportunities declined in the domestic market due to the effects of the Great East Japan Earthquake, and production and sales opportunities decreased significantly because a plant in Navanakom Industrial Estate, Thailand, was affected by flooding. Substitute production was started at the Yokosuka Business Center in December 2011, and production was partially restarted at the plant in Thailand at the end of January 2012. However, the delays in production and shipments were not fully recovered. In addition, costs increased due to the procurement of substitute parts and substitute production. Furthermore, overseas sales were weak. As a result, this segment saw net sales decrease sharply and posted an operating loss.

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*** Home & Mobile Electronics Business**

In the Home & Mobile Electronics business, net sales for the fiscal year under review were 77,545 million yen, due mainly to a realignment of some products and regions implemented in the previous fiscal year. The Group posted an operating profit for all quarters due to a review of product lineups and the effects of restructuring conducted in the previous fiscal year, which absorbed the impacts of the Great East Japan Earthquake and floods in Thailand. As a result, operating profit for the full fiscal year was 1,730 million yen.

In the camcorder segment, net sales fell year-on-year due to a decline in sales in overseas markets caused by changes in demand. However, profit and loss improved significantly, due to improved profitability resulting from progress in introducing products with enhanced value-added in the domestic market, in addition to the effects of structural reforms carried out in the previous fiscal year. As a result, an operating profit was posted for the first time since the fiscal year-ended March 2009.

In the display segment, net sales decreased sharply, but profit and loss improved substantially. This improvement was attributable to the effects of structural reforms implemented in the previous fiscal year, the termination of in-house development and production in May 2011, an increase in the practice of outsourcing sales and logistics operations in Europe and the U.S., and income from brand licensing that began in the North American market in July 2011.

The home audio segment benefited from the effects of a realignment of some products and regions implemented in the previous fiscal year and the outsourcing of production. As a result, the segment minimized the deterioration of profit and loss, although sales decreased year-on-year due to a contraction of the market.

The AV accessories segment remained highly profitable, as was the case in the previous fiscal year, due to brisk sales of headphones. In the projector segment, earnings increased due to robust sales of high value-added models, including projectors that can process 3D images.

*** Entertainment Business**

In the Entertainment business, net sales for the fiscal year under review were 36,735 million yen, and operating profit was 1,212 million yen, due primarily to the transfer of a consolidated subsidiary.

In the content business, sales remained robust due to a series of big music hits, and strong animation sales, as well as rights-related income from music.

Among the hits during the fiscal year under review were: "SMAP AID," an album, and other works of SMAP, "Miyagi Live - Asueno March!! -," a DVD, of Keisuke Kuwata, and "FIGHT," an album, and other works of Kanjani Eight, "BEGIN no shimauta/omototakeo no ga best" of BEGIN, and "Asu to iuhi ga," a single, of Masafumi Akikawa at Teichiku Entertainment.

The OEM business was affected by the transfer of a music and video software logistics subsidiary on April 1, 2011, while orders received for the production of optical discs suffered from a sluggish market.

[2] Issues to be Addressed

During the fiscal year ended March 2011, JVC KENWOOD completed structural reforms, which had been underway since the launch of the JVC KENWOOD Group in October 2008. Then, during the fiscal year under review through March 2012, JVC KENWOOD began to implement a full-scale growth strategy in accordance with the mid-term business plan while taking advantage of the effects of structural reforms. During the fiscal year under review, we carried out a growth strategy centering on the Car Electronics business and the Professional Systems business. As a result, we expanded the operations of the OEM segment and the domestic consumer segment of the Car Electronics business, and the land mobile radio segment of the Professional Systems business.

However, in the Car Electronics business, earnings of the overseas consumer segment were weaker due to sluggish market conditions in Europe and the Middle East and inventory adjustments for some products. In the Professional Systems business, earnings of the business solution segment deteriorated significantly due to the effects of floods in Thailand. As a result of these factors, JVC KENWOOD failed to grow on a company-wide basis.

Against this backdrop, during the fiscal year ending March 2013, we aim to normalize earnings of the business solution segment and implement growth measures in growth segments by continuing to make strategic investments using funds procured in January 2011. At the same time, to create new growth segments, we will develop new business segments adjacent to and in the proximity of existing businesses by combining the strengths of existing businesses on a company-wide basis.

In addition, we will create funds for supporting the growth of each business, aiming to achieve continued growth and expand corporate value, and will improve managerial efficiency and speed up the decision-making process to raise value added in the operations of each business.

Furthermore, as a member of society and of the Japanese electrical and electronics industries, we will enhance activities for environmental issues, which confront Japan and the electrical machinery and electronics industries.

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1) Implementation of Growth Measures and Development of New Business Segments

(1) Implementation of Growth Measures

We will implement measures to achieve growth in the Car Electronics business and the land mobile radio business (land mobile radio segment of the Professional Systems business), which are growth segments of existing businesses.

*** Car Electronics Business**

- ① Expansion of OEM segment
- ② Expansion of consumer segment
- ③ Increase in sales of products in emerging markets

*** Land Mobile Radio Business**

- ① Increase in sales of digital professional radios
- ② Expansion of system solutions segment
- ③ Increase in products for emerging markets

(2) Development of New Business Segments

To create new growth segments, we will develop new business segments that are adjacent to and in the proximity of existing business, by combining the strengths of existing businesses on a company-wide basis, for example, through the launch of projects across business groups, and proposing new products and services.

2) Improving Managerial Efficiency and Speeding up the Decision-making Process

To achieve continued growth, we will improve managerial efficiency, speed up the decision-making process, generate funds for growth in each business segment, and raise the entire Group's corporate value by adding value to the operating processes of each business segment. To do this, we will implement consolidated value chain innovations under a matrix structure composed of the four business groups and company-wide functions, including production/procurement, sales/marketing, logistics/service, IT, and quality control. As a result, we will promote innovations in the consolidated value chain, production and quality, aiming to reduce inventories and waste, shorten lead times from the sales division receiving orders to shipment from plants, reduce procurement costs, and minimize market defect rates.

3) Early Recovery from Floods in Thailand

The Thai Plant (JVC Manufacturing (Thailand) Co., Ltd., a subsidiary located in Navanakorn Industrial Estate, which manufactures professional equipment such as cameras and monitors), which had suspended all operations on October 17, 2011 due to floods in Thailand, started full-scale alternative production at the Yokosuka Business Center on December 5, 2011. Since mid-March 2012, production activities have been transferred gradually back from the Yokosuka Business Center to the Thai Plant as repair work was carried out at the Thai Plant. After completing some products that remained at the center due to the delivery deadline of the end of April 2012, all production lines at the center are to be transferred back to the Thai Plant. Furthermore, production of electronic substrates, which was outsourced temporarily, will also be returned to the Thai Plant, and production of professional equipment will be normalized within May 2012.

[3] State of Capital Investments

The total amount of capital investments implemented in this consolidated fiscal year is about 5,900 million yen. The main subjects of the investments are for the expansion, improvement and upgrade of production facilities, including tools and equipment.

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[4] State of Financing

As of August 25, 2011, term modification took effect for the No. 7 Unsecured Bond (hereinafter referred to as the "Bond") issued by our former subsidiary Victor Company of Japan, Limited in August 2007, and the modification includes extending its maturity date. The amount of the Bond and summary of term modification are as follows:

- (i) Amount of the Bond: ¥12.0 billion (maturity date of August 2, 2012)
- (ii) Maturity dates after the modification:
 - August 2, 2013 (one year extension for 50% of the principal, or ¥6.0 billion)
 - July 31, 2015 (three year extension for 50% of the principal, or ¥6.0 billion)
- (iii) Interest rate after the modification:
 - 2.66% (no change from the current rate of 2.66%)

[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

Effective on October 1, 2011, JVC KENWOOD Corporation (JVC KENWOOD)—as the surviving company—completed an absorption-type merger of its wholly owned subsidiaries, Victor Company of Japan, Limited, KENWOOD Corporation, and J&K Car Electronics Corporation—as the absorbed companies. All rights and obligations of the three companies were transferred to the new JVC KENWOOD.

Effective on February 1, 2012, JVC KENWOOD—as the surviving company—completed an absorption-type merger of its two wholly owned subsidiaries, Victor Finance Co., Ltd. and KENWOOD Systems Corporation—as the absorbed companies. All rights and obligations of the two companies were transferred to the new JVC KENWOOD.

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

Not applicable.

[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 (March 2011)	4th Term (March 2012) (consolidated fiscal year)
Net sales	309,771	398,663	352,672	320,868
Operating profit (loss)	107	(6,453)	12,956	12,813
Ordinary income (loss)	(6,809)	(14,752)	7,579	6,420
Net income (loss)	(18,795)	(39,734)	(4,025)	6,032
Net income (loss) per share (yen)	(28.22)	(41.10)	(38.60)	43.50
Total assets	354,652	274,751	260,664	241,761
Net assets	85,579	46,819	52,739	57,072
Net assets per share (yen)	86.60	47.45	375.19	399.76

Notes:

1. 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.
2. 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 consolidated fiscal year ended March 2010 in the business report and financial statements for the consolidated fiscal year ended March 2010. 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

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and profits and loss in and before the consolidated fiscal year ended March 2010, 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

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

(Millions of yen)

Items	1st Term (March 2009)	2nd Term (March 2010)	3rd Term (March 2011)	4th Term (March 2012) (current fiscal year)
Net sales	3,983	9,401	14,559	116,901
Operating profit (loss)	125	1,174	749	1,524
Ordinary income (loss)	(438)	440	257	3,962
Net income (loss)	(1,468)	(57,243)	(748)	2,243
Net income (loss) per share (yen)	(1.36)	(59.20)	(7.18)	16.18
Total assets	134,467	80,759	96,098	247,647
Net assets	110,436	53,213	66,364	72,755
Net assets per share (yen)	114.22	55.01	478.57	518.84

Notes:

1. 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.
2. The Company carried out a reverse stock split, combining ten common shares into one, as of August 1, 2010.
3. As of October 1, 2011, JVC KENWOOD Corporation became a surviving company of an absorption-type merger. Victor Company of Japan, Limited, Kenwood Corporation, and J&K Car electronics Corporation are now its three subsidiaries which are operation companies of the JVC Kenwood Group. An increase of its assets and profit in the current fiscal year is resulted from this merger.

[10] State of Important Parent Companies and Subsidiaries, etc.**(1) State of Parent Companies**

Not applicable.

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(2) State of Important Subsidiaries

Name	Capital	Ratio of the Company's Capital Contribution	Major Businesses
Victor Entertainment, Inc.	¥6,310 million	100.0%	Planning, production and sales of music and visual software
Victor Creative Media Co.,Ltd.	¥1,207 million	91.4%	Development, manufacturing and sales of recorded optical disk
JVC PROFESSIONAL EUROPE LIMITED	€12,954 thousand	100.0%	Wholesale (European region)
KENWOOD U.S.A. Corporation	\$94,600 thousand	100.0%	Headquarter for US states and wholesale (U.S. and other countries)
Zetron Inc.	\$1	100.0%	Development, manufacturing and sales of telecommunication-related system and equipment
Kenwood Electronics Deutschland GmbH	€11,887 thousand	100.0%	Wholesale (Germany)
Kenwood Electronics U.K. Limited	£14,900 thousand	100.0%	Wholesale (U.K. and other countries)

[11] Major Businesses (As of March 31, 2012)

Business Segment	Key Products
Car Electronics Business	Manufacturing and sales of car audio equipment, car AV systems, car navigation systems and optical pick-ups, 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, pure audios, set stereos, portable audios, and AV accessories, etc.
Entertainment business	Planning, production, and sales of audio and video software, etc. Production of CD and DVD discs (prerecorded), etc.
Other	Blank media business, and manufacturing and sales of home furniture, etc.

[12] Main Offices and Factories (As of March 31, 2012)

(1) Head Office

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

(2) R&D Center

Name	Location
JVC KENWOOD Corporation	
Head Office & Yokohama Business Center	Yokohama, Kanagawa
Kurihama R&D Center	Yokosuka, Kanagawa
Hachioji Business Center	Hachioji, Tokyo
Hakusan Business Center	Yokohama, Kanagawa

(3) Main Japanese Manufacturing Sites

Name	Location
JVC KENWOOD Corporation	
Yokosuka Business Center,	Yokosuka, 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
Kenwood Devices Corporation	Yorii, Saitama

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(4) Japanese Business sites

Name	Location
JVC KENWOOD Holdings, Inc.	Business sites nationwide, including Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and others
J&K Business Solutions Corporation	Yokohama, Kanagawa
VICTOR ARCS Co., Inc.	Minato-ku, Tokyo
Video-Tech Co., Ltd.	Shibuya-ku, Tokyo
Victor Entertainment, Inc.	Shibuya-ku, Tokyo
TEICHIKU ENTERTAINMENT, Inc.	Shibuya-ku, Tokyo

(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 Americas Corp.	U.S.A.
Kenwood U.S.A. Corporation	U.S.A.
JVC Europe Limited	U.K.
Kenwood Electronics Europe B.V.	Netherlands
JVC ASIA Pte. Ltd.	Singapore
Kenwood Electronics Singapore Pte. Ltd.	Singapore
JVC (China) Investment Co., Ltd.	China

[13] State of Employees (As of March 31, 2012)

(1) State of Employees at the Group

Number of employees	Increase or decrease in comparison with end of previous consolidated fiscal year
13,594	3,677 decrease

Notes:

- 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.
- The number of employees at JVC KENWOOD and its subsidiaries in Japan decreased by 964, due mainly to the Early Retirement Preferential Treatment Programs—which was decided, offered, and implemented in the previous consolidated fiscal year—as well as structural reform, business transfers, retirements at mandatory age, and the like.
In addition, at the overseas manufacturing subsidiaries, sales subsidiaries, and others, employees decreased by 2,713 from the end of the previous consolidated fiscal year, due mainly to structural reform, attrition, review of employee segments, and the like.
As a result, the number of employees at JVC KENWOOD Group at the end of the consolidated fiscal year under review decreased by 3,677 to 13,594 from 17,271 at the end of the previous consolidated fiscal year.

(Translation)

(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
4,266	2,938 increase	43.9	20.0

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 at JVC KENWOOD increased by 2,938 from the end of the previous fiscal year, due mainly to the absorption-type merger of its wholly owned subsidiaries, Victor Company of Japan, Limited, KENWOOD Corporation, and J&K Car Electronics on October 1, 2011. As a result, the number of employees at the reporting company increased by 2,938 to 4,266 at the end of the fiscal year under review, and from 1,328 at the end of the previous fiscal year.

[14] State of Major Borrowing Companies (As of March 31, 2012)

(Millions of yen)

Borrowing Companies	Debt Balance
Sumitomo Mitsui Banking Corporation	13,500
Resona Bank, Ltd.	13,500
The Sumitomo Trust & Banking Co., Ltd.	10,550
Mitsubishi UFJ Trust and Banking Corporation	8,000
Shinsei Bank, Limited	5,000
Aozora Bank, Ltd.	4,500
The Bank of Yokohama, Ltd.	4,200
The Chuo Mitsui Trust and Banking Company, Limited.	2,500
ShinGinko Tokyo, Limited	2,000
RHB BANK BERHAD	1,206

[15] Other Important Subsequent Events of the Consolidated Group

JVC KENWOOD acquired a total of 45.0% of the outstanding shares in Shinwa International Holdings Limited (hereinafter referred to as "Shinwa") on April 20, 2012, after having concluded a share transfer agreement with Shinwa and the fund to invest in Japanese corporations (hereinafter referred to as "CITIC Capital Japan Fund") managed by CITIC Capital Partners Limited on October 28, 2011 to acquire 45.0% of the outstanding shares in Shinwa from the CITIC Capital Japan Fund.

As a result, Shinwa became an equity-method company of JVC KENWOOD, and three out of seven Directors of Shinwa (of which one is a part-time Director) were appointed by JVC KENWOOD. Moreover, on October 28, 2011, JVC KENWOOD concluded an agreement on a capital and business alliance with Shinwa as well as the shareholders agreements with Shinwa and Mr. Yoshifumi Naito, who owns the remaining Shinwa shares. With these agreements, JVC KENWOOD will acquire 31.0% of Shinwa shares from Mr. Yoshifumi Naito within three years from the acquisition date of the shares, and convert Shinwa into a subsidiary.

2. Matters Regarding the Company's Shares (As of March 31, 2012)

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

[2] Total number of outstanding shares 139,000,201
(Treasury stock 329,322)

[3] Number of shareholders 58,507

(Translation)

[4] Major shareholders (Top 10)

Name of Shareholder	Capital Contribution	
	Shareholding	Ratio of Capital Contribution
Japan Trustee Services Bank, Ltd. (Trust Account)	9,560,700	6.89%
MORGAN STANLEY & CO. LLC	6,214,246	4.48%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	5,231,300	3.77%
GOLDMAN SACHS & CO. REG	5,175,400	3.73%
GOLDMAN SACHS INTERNATIONAL	4,778,053	3.45%
DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	4,622,400	3.33%
The Master Trust Bank of Japan, Ltd	3,707,600	2.67%
CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB SEC INT NON-TR CLIENT	3,022,471	2.18%
NOMURA ASSET MANAGEMENT U.K. LIMITED SUB A/C EVERGREEN NOMINIES LTD	2,784,600	2.01%
BNY FOR GCM CLIENT ACCOUNTS (E) BD	2,150,000	1.55%

Note: The ratio of capital contribution is calculated after deducting treasury stock (329,322 shares) from the total number of outstanding shares.

3. Matters Regarding the Company's Share Options (As of March 31, 2012)

[1] The state of Stock Acquisition Rights and the like are provided in compensation for performance of duty and owned by JVC KENWOOD Directors

Not applicable.

[2] The state of Stock Acquisition Rights and the like are provided to JVC KENWOOD employees in compensation for performance of duty

Not applicable.

(Translation)

[3] State of other Stock Acquisition Rights, etc.

Stock Acquisition Rights issued based on the resolution of the Board of Directors held on August 1, 2011 (No. 1 Stock Acquisition Rights)

Summary of No. 1 Stock Acquisition Rights is as follows.

Date of resolution	August 1, 2011
Number of Stock Acquisition Rights	1,200
Number of Treasury Stock Acquisition Rights among Stock Acquisition Rights	—
Class of shares to be issued upon exercise of Stock Acquisition Rights	Common stock of JVC KENWOOD Corporation (the "Company") Share unit: one hundred (100) shares Standard share of the Company without restrictions on its rights
Number of shares to be issued upon exercise of Stock Acquisition Rights	The number of shares to be issued upon exercise of each Stock Acquisition Right (the "Number of Shares Granted") shall be an amount obtained by dividing 10,000,000 by the Exercise Price (as defined below), disregarding a fraction less than one share.
Amount to be contributed upon exercise of Stock Acquisition Rights (yen)	<ol style="list-style-type: none">1. The assets to be contributed upon exercise of Stock Acquisition Rights shall be cash, the value of which shall be an amount obtained by multiplying the Exercise Price (defined below) by the Number of Shares Granted (the "Total Exercise Price").2. The amount of cash per share to be contributed upon exercise of the Stock Acquisition Rights (the "Exercise Price") shall be initially 459 yen. The Exercise Price may be adjusted in accordance with Note 1 below.
Exercise period of Stock Acquisition Rights	From August 25, 2011 to August 24, 2016 (Note 2)
Issue price and increase in capital stock by the issuance of shares upon exercise of Stock Acquisition Rights (yen)	<ol style="list-style-type: none">1. The same as the Exercise Price per share at the issuance of shares upon exercise of Stock Acquisition Rights (The Exercise Price after adjustment if the Exercise Price is adjusted in accordance to Note 1 below).2. Matters concerning increases in capital stock and capital reserve by issuance of shares upon exercise of Stock Acquisition Rights<ol style="list-style-type: none">(i) Amount of increase in capital stock by the issuance of shares upon exercise of the Stock Acquisition Rights shall be a half of the upper limit of capital increase as calculated pursuant to the provisions of Article 17, Paragraph 1 of the Ordinance for Corporate Accounting, any fraction less than one yen being rounded up to the nearest yen.(ii) Amount of increase in capital reserve by the issuance of shares upon exercise of the Stock Acquisition Rights shall be the upper limit of capital increase as described in (i) above less the amount of increase in capital stock as provided for in (i) above.

(Translation)

Terms of exercise of the Stock Acquisition Rights	No Stock Acquisition Rights may be exercised partially.
Causes of acquisition and conditions for acquisition of the Stock Acquisition Rights	<ol style="list-style-type: none"><li data-bbox="427 376 1297 680">1. Acquisition Clause of Stock Acquisition Rights on the Date of Acquisition of the Stock Acquisition Rights without Consideration The Company may, at any time on or after August 25, 2014, by giving proper notice or public notice (irrevocable) to the holders of Stock Acquisition Rights on a day not less than forty-five (45) trading days and up to sixty (60) trading days prior to the acquisition date (the "Date of Acquisition of the Stock Acquisition Rights without Consideration"), acquire without consideration all (but not some) of the Stock Acquisition Rights that remain outstanding as of the Date of Acquisition of the Stock Acquisition Rights without Consideration.<li data-bbox="427 712 1297 1196">2. Acquisition Clause of Stock Acquisition Rights in Exchange for Common Stock On the condition that common stock of the Company is listed on the Tokyo Stock Exchange, the Company may, at any time on or after August 25, 2014, give notice or public notice (irrevocable) (the "Notice of Acquisition of the Stock Acquisition Rights in Exchange for Delivery of Shares") to the effect that the Company will acquire all (but not some) of the Stock Acquisition Rights that remain outstanding as of the Date of Acquisition of the Stock Acquisition Rights in Exchange for Delivery of Shares (as defined in Note 3 below). When the Company makes such Notice of Acquisition of the Stock Acquisition Rights for Delivery of Shares, the Company shall acquire all (but not some) of the Stock Acquisition Rights that remain outstanding as of the Date of Acquisition of the Stock Acquisition Rights in Exchange for Delivery of Shares in exchange for the Consideration Assets (as defined in Note 3 below).<li data-bbox="427 1227 1297 2040">3. Acquisition Clause of Stock Acquisition Rights Arising from Organizational Reform<ol style="list-style-type: none"><li data-bbox="453 1294 1297 1688">(i) Upon the occurrence of an Organizational Reform (defined in "Matters concerning the delivery of Stock Acquisition Rights following the Organizational Reform" below) and in the event that the procedures set forth in "Matters concerning the delivery of Stock Acquisition Rights following the Organizational Reform" below are unable to be undertaken, the Company shall, by giving 30 days' prior notice or public notice to the holders of the Stock Acquisition Rights, on the acquisition date designated in the said notice or public notice (such acquisition date shall be set on a day prior to the effective date of the Organizational Reform), acquire all the Stock Acquisition Rights (but not some) in exchange for cash in an amount prescribed in (ii) below (the "Organizational Reform Acquisition Price") with respect to each Stock Acquisition Right.<li data-bbox="453 1688 1297 1935">(ii) The Organizational Reform Acquisition Price shall be an amount obtained by multiplying the Total Exercise Price of each Stock Acquisition Right, by a certain ratio (indicated as a percentage; the "Organizational Reform Acquisition Price Ratio"), in accordance with the Reference Parity (as defined in (iii) below), and depending on the acquisition date. The Organizational Reform Acquisition Price shall be determined in accordance with (iv) below, in addition to the list of values indicated in the following table.<li data-bbox="453 1935 1297 2040">(iii) "Reference Parity" means: (a) if the consideration payable to shareholders of common stock of the Company in connection with the relevant Organizational Reform consists of cash only, the amount of such cash payable per share of common stock divided

	<p>by the Exercise Price in effect on the approval date of the Organizational Reform (indicated as a percentage) (with any fractional percentage of less than one-ten-thousandth being rounded to the nearest one-ten-thousandth with five one-hundred-thousandths or more to be considered a full one-ten-thousandth) and (b) in all the cases other than (a) above, the average price of the daily closing price (not including the value of quotation; the same shall apply hereinafter in (iii) of common stock of the Company through regular transaction on the Tokyo Stock Exchange for each of the five (5) consecutive trading days (excluding the days on which a closing price is not reported) commencing on the trading day immediately following the date on which the terms and conditions of the relevant Organizational Reform (including consideration payable or deliverable to the shareholders in connection therewith) are approved at a meeting of the board of directors of the Company, as required under the Companies Act (or if the terms and conditions of relevant Organizational Reform are announced to the public later than such date of approval, the date of the public announcement), divided by the Exercise Price in effect as of the last day of such five (5) consecutive trading day period (excluding the days on which a closing price is not reported) (with any fractional percentage of less than one-ten-thousandth being rounded to the nearest one-ten-thousandth with five one-ten-thousandths or more to be considered a full one-ten-thousandth and indicated as a percentage); provided, however, that if, during said five (5) consecutive trading day period (excluding the days on which a closing price is not reported), any event occurs giving rise an adjustment to the Exercise Price as set forth in Note 1 below, the average of the daily closing price in regular transactions of common stock of the Company during said five (5) consecutive trading day period (excluding the days on which a closing price is not reported) shall be reasonably adjusted.</p> <p>(iv) If the Reference Parity or the acquisition date is not stated in the table below, the Organizational Reform Acquisition Price Ratio shall be calculated in the following method:</p> <p>(A) If the Reference Parity falls between two numbers in the first row of the table below or the acquisition date falls between two dates in the first line of the table below, then the Organizational Reform Acquisition Price Ratio shall be calculated by referencing the values indicated in the table below that correspond to such two numbers or two dates and applying straight-line interpolation between such two numbers or two dates (indicated as a percentage) with any fractional percentage of less than one-ten-thousandth being rounded to the nearest one-ten-thousandth with five one-ten-thousandths or more to be considered a full one-ten-thousandth and indicated as a percentage; provided, however, that such calculation shall be made on the basis of a 365-day year, as the case may be.</p> <p>(B) If the Reference Parity is higher than the number in the far right column in the first row of the table below, the Organizational Reform Acquisition Price Ratio shall be calculated by deducting 100% from the Reference Parity; and</p> <p>(C) If the Reference Parity is lower than the number in the far left column in the first row of the table below, the Reference Parity shall be deemed to be equal to that number.</p> <p>4. Acquisition Clause of Stock Acquisition Right Arising from Delisting of Shares</p> <p>(i) If any tender offer in respect of the shares of common stock of the Company is made by parties (the "Offeror") other than the Company in accordance with the Financial Instruments and</p>
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	<p>Exchange Act, and (ii) the Offeror acquires the shares pursuant to the tender offer, to such extent that, to the Company's knowledge, the shares of common stock of the Company will cease to be listed, (based on the assumption that there will be no change in the shareholders' ownership in respect of the common stock of the Company from the settlement commencement date with respect to the tender offer up to the last day of the then current fiscal year), then the Company shall give notice or public notice to the holders of the Stock Acquisition Rights, as soon as practicable but within 14 days after the settlement commencement date with respect to the tender offer, and acquire all (but not some) of the Stock Acquisition Rights then outstanding in exchange for the money representing the acquisition price calculated by the method in accordance with the case of acquisition of the Stock Acquisition Rights stated in 3. above, on the date specified for acquisition in such notice or public notice (which shall be a date falling not earlier than 14 business days, nor later than 30 business days, from the date of such notice or public notice.)</p> <p>Notwithstanding the above, if the Company or the Offeror announces in the relevant tender offer registration statement or other relevant documents, that it intends to effect an Organizational Reform after the date of acquisition of any common stock of the Company pursuant to the tender offer, then the Company's obligation to acquire the Stock Acquisition Rights stated in this 4. shall not apply; provided, however, that if such Organizational Reform does not occur prior to the earlier of 180 days after the settlement commencement date with respect to the tender offer and the determination date of delisting of shares, the Company shall give notice or public notice to the holders of the Stock Acquisition Rights, as soon as practicable but within 14 days after such earlier day, and acquire all (but not some) of the Stock Acquisition Rights then outstanding in exchange for the money representing the above acquisition price, on the date specified for acquisition in such notice or public notice (which shall be a date falling not earlier than 14 business days, nor later than 30 business days, from the date of such notice or public notice).</p> <p>5. Acquisition Clause of Stock Acquisition Rights Arising from Squeezeout</p> <p>If a resolution of a general meeting of shareholders of the Company acquiring all of the common stock of the Company is passed after amending the Articles of Incorporation in respect of changing the common stock of the Company to class shares subject to class-wide call (or if a resolution of the Board of Directors is passed when a general meeting of shareholders is not required; hereinafter referred to as the "Squeeze-out Event"), then the Company shall give notice or public notice to the holders of the Stock Acquisition Rights, as soon as practicable but within 14 days after the date on which the Squeezeout Event occurs, and acquire all (but not some) of the Stock Acquisition Rights then outstanding in exchange for the money representing the acquisition price calculated by the method in accordance with the case of acquisition of the Stock Acquisition Rights stated in 3. above, on the date specified for acquisition in such notice or public notice (which shall be a date before the effective date of the acquisition of the common stock of the Company with respect to the Squeeze-out Event and a date falling not earlier than 14 business days, nor later than 30 business days, from the date of such notice or public notice).</p>
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(Translation)

	<p>6. If the Company acquires the Stock Acquisition Rights pursuant to the acquisition clauses 2, 3, 4, or 5 above the Company shall deliver assets that shall be delivered to the holders of the Stock Acquisition Rights as soon as practicable after the acquisition date.</p> <p>7. If the Company acquires the Stock Acquisition Rights pursuant to the acquisition clauses 1 through 5 above the Company shall immediately cancel all of the Stock Acquisition Rights which the Company has acquired.</p>
Matters concerning transfer of the Stock Acquisition Rights	Any acquisition of the Stock Acquisition Rights by transfer shall not require an approval by resolution of the Board of Directors.
Matters concerning Substitute Payment	Not applicable.
Matters concerning the delivery of Stock Acquisition Rights following the Organizational Reform	<p>1. If any Organizational Reform (as defined below) occurs, the Company shall make the best effort to cause the Successor Company (as defined below) succeed the status as an obligor of the Stock Acquisition Rights and to deliver new stock acquisition rights in place of the Stock Acquisition Rights; provided, however, that such succession and delivery shall subject to the conditions precedent that (i) such succession and delivery are lawfully practicable at the time, (ii) the scheme therefore has already been or may be constructed, and (iii) such succession and delivery are practicable by the Company or the Successor Company without such expenses (including taxes) as deemed unreasonable by the Company in view of the relevant Organizational Reform as a whole. In such case, the Company shall make the best effort to cause the common stock of the Successor Company to be listed on any Japanese financial instrument exchange on or immediately after the effective date of the relevant Organizational Reform.</p> <p>“Successor Company” means the other party of the Organizational Reform who shall succeed the obligation of the Company relating to the Stock Acquisition Rights.</p> <p>“Organizational Reform” means that the fact that a resolution for approval is adopted at a general meeting of shareholders of the Company (or the Board of Directors, if a resolution by the general meeting of shareholders is no required) with respect to (i) a merger between the Company and any other company (including consolidation-type merger and absorption-type merger, but excluding the case where the Company is a surviving company; hereinafter the same shall apply), (ii) a corporate split (including incorporation-type corporate split and absorption-type corporate split under which the obligations of the Company under the Stock Acquisition Rights are transferred to the other company from the Company), (iii) a share exchange or share transfer (limited to the case where the Company becomes a wholly owned company of any other company; hereinafter the same shall apply), or (iv) any other corporate reorganization procedures under the Japanese law, whereby the obligations of the Company under the Stock Acquisition Rights shall be succeeded by any other company.</p> <p>2. The details of the stock acquisition rights of the Successor Company to be delivered in accordance with the provisions of 1. above shall be as follows.</p>

(Translation)

	<p>(i) Number of stock acquisition rights of the Successor Companies to be delivered The Stock Acquisition Rights of the Successor Company in the same number as the number of the Stock Acquisition Rights held by each holder thereof shall be delivered to each such holder.</p> <p>(ii) Class of shares of the Successor Company to be delivered upon exercise of Stock Acquisition Rights Common stock of the Successor Company</p> <p>(iii) Number of shares of the Successor Company to be delivered upon exercise of stock acquisition rights To be determined in accordance with “Number of shares to be issued upon exercise of Stock Acquisition Rights” above, taking into consideration the terms and conditions of the Organizational Reform.</p> <p>(iv) Value of assets to be contributed upon exercise of Stock Acquisition Rights The value of the assets to be contributed upon exercise of each stock acquisition right to be delivered shall be an amount obtained by multiplying the Exercise Price after Organizational Reform as defined below by the number of shares of the Successor Company to be issued upon exercise of the stock acquisition rights as determined in accordance with (iii) above. The Exercise Price after Organizational Reform shall be subject to an adjustment as provided for in Note 1 below.</p> <p>(A) In the case of a merger, share exchange or share transfer, the Exercise Price after Organizational Reform shall be determined so that, if the stock acquisition rights of the Successor Company are exercised immediately after the effective date of the relevant Organizational Reform, the holders of the common stock of the Company in the number of shares which shall have been obtained upon exercise of the Stock Acquisition Rights of the Company immediately before the effective date of the Organizational Reform shall receive the common stock of the Successor Company upon the relevant Organizational Reform. If any securities other than the common stock of the Successor Company or any other assets are to be delivered upon the relevant Organizational Reform, the Exercise Price after Organizational Reform shall be determined so that the common stock of the Successor Company in the number obtained by dividing the fair market value of such securities or assets (to be determined by the Company, upon consulting an independent financial advisor and fully taking into account an opinion from such advisor) by the market price of the common stock of the Successor Company are receivable additionally.</p> <p>(B) In the case of any other Organizational Reform, the Exercise Price after Organizational Reform shall be determined so that if the stock acquisition rights of Successor Company are exercised immediately after the effective date of the relevant Organizational Reform, the holders of the Stock Acquisition Rights shall receive the same economic benefits (to be determined by the Company, upon consulting an independent financial advisor and fully taking into account an opinion from such advisor) that such holders should have received if the Stock Acquisition Rights have been exercised immediately before the effective date of the relevant Organizational Reform.</p> <p>(v) Exercise period of Stock Acquisition Rights To be determined in accordance with “Exercise period for Stock</p>
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(Translation)

	<p>Acquisition Rights” above.</p> <p>(vi) Matters concerning increase in capital stock and capital reserve to be increased by the issuance of shares upon exercise of Stock Acquisition Rights To be determined in accordance with “Issue price and increase in capital by the issuance of shares upon exercise of the Stock Acquisition Rights” above.</p> <p>(vii) Restriction on acquisition of Stock Acquisition Rights by transfer Any acquisition of the Stock Acquisition Rights by transfer shall not require an approval by resolution of the Board of Directors of the Successor Company.</p> <p>(viii) Acquisition Clause of Stock Acquisition Rights To be determined in accordance with “Causes of acquisition and conditions for acquisition of the stock acquisition rights” above.</p>
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(Table) Organizational Reform Acquisition Price Ratio (%)

Acquisition Date	Reference Parity										
	70	80	90	100	110	120	130	140	150	160	170
Aug. 25, 2011	5.2	8.5	12.7	17.7	23.5	30.0	37.2	44.9	53.2	61.8	70.9
Aug. 24, 2012	3.4	6.2	10.1	15.0	20.8	27.5	34.9	43.0	51.6	60.7	70.2
Aug. 23, 2013	1.3	3.3	6.5	11.1	17.0	24.1	32.1	40.9	50.2	60.0	70.0
Aug. 25, 2014	0.0	0.0	0.0	0.0	10.0	20.0	30.0	40.0	50.0	60.0	70.0
Aug. 25, 2015	0.0	0.0	0.0	0.0	10.0	20.0	30.0	40.0	50.0	60.0	70.0
Aug. 24, 2016	0.0	0.0	0.0	0.0	10.0	20.0	30.0	40.0	50.0	60.0	70.0

(Note) 1. Adjustment of Exercise Price

- (1) The Exercise Price shall be adjusted in accordance with the following formula (the “Exercise Price Adjustment Formula”), if, after the issuance of the Stock Acquisition Rights, the number of shares of common stock of the Company is or is likely to be changed in any of the events listed in (2) below.

$$\begin{array}{r}
 \text{Exercise Price after} \\
 \text{adjustment}
 \end{array}
 =
 \begin{array}{r}
 \text{Exercise Price before} \\
 \text{adjustment}
 \end{array}
 \times
 \frac{
 \begin{array}{r}
 \text{Number of shares of} \\
 \text{common stock} \\
 \text{already issued}
 \end{array}
 +
 \frac{
 \begin{array}{r}
 \text{Number of shares of} \\
 \text{common stock newly} \\
 \text{issued or disposed of}
 \end{array}
 \times
 \begin{array}{r}
 \text{Subscription} \\
 \text{price per share}
 \end{array}
 }{
 \begin{array}{r}
 \text{Market price}
 \end{array}
 }{
 \begin{array}{r}
 \text{Number of shares of common} \\
 \text{stock already issued}
 \end{array}
 +
 \begin{array}{r}
 \text{Number of shares of common} \\
 \text{stock newly} \\
 \text{issued or disposed of}
 \end{array}
 }
 \end{array}$$

- (2) The events where the Exercise Price shall be adjusted by the Exercise Price Adjustment Formula due to Issuance of New Shares and the timing when the Exercise Price after adjustment shall be applied shall be as follows.
- (i) In case where the Company issues new shares of common stock of the Company, or disposes of the common stock of the Company held by the Company, at a subscription price less than the market price provided for in (5)(ii) below (other than the cases where (x) the common stock of the Company shall be delivered upon exercise of the Stock Acquisition Rights, acquisition of the shares with put option or shares subject to call, or exercise of any other right to demand for delivery of common stock of the Company, and (y) the common stock of the Company shall be delivered due to corporate split, share exchange or merger)

The Exercise Price after adjustment shall be applied on or after the following day of the payment date (or, if the payment period is set for the offering, the last day of such period; hereinafter the same shall apply) or on or after the following day of the record date for grant of a right to receive allotment to shareholders in connection with such issuance or disposal, if such record date is set.

(Translation)

- (ii) In the case of stock split or free allotment of common stock of the Company
The Exercise Price after adjustment shall be applied on or after the following day of the record day for stock split, in the case of stock split, or on or after the following day of the record date (if no such record date is set, the effective date of such free allotment) for grant of a right to receive allotment to shareholder, in the case of free allotment.
- (iii) In case where the Company issues or grants (x) shares with put option to demand for delivery of common stock of the Company, or (y) a stock acquisition right to demand for delivery of common stock of the Company, at an exercise price less than the market price as provided for in (5)(ii) below (including such issuance or grant by way of free allotment, but excluding such issuance or grant for the purpose of stock option or any other incentive plan)

The Exercise Price after adjustment shall be calculated by the Exercise Price Adjustment Formula due to Issuance of New Shares *mutatis mutandis*, assuming that all of the put options attached to the share with put option or all of the stock acquisition rights have been exercised on the initial conditions, and shall be applied on or after the following day of the closing date (or the allotment date, if the stock acquisition rights are issued without consideration) or the effective date (in the case of free allotment); provided, however, if the record date for grant of a right to receive allotment to shareholder is set, the Exercise Price after adjustment shall be applied on or after the following day of such record date.

Notwithstanding the foregoing, if the consideration of the common stock of the Company to be delivered upon demand or exercise is not fixed at the time of issuance or grant of the shares with put option or stock acquisition rights, the Exercise Price after adjustment shall be calculated by the Exercise Price Adjustment Formula due to Issuance of New Shares *mutatis mutandis*, assuming that all of the shares with put option or stock acquisition rights are issued at the time when the relevant consideration is fixed and have been exercised on the conditions at that time, and shall be applied on or after the date when the relevant consideration is fixed.

- (iv) In case where the Company delivers the common stock of the Company in exchange for acquisition of shares with call option or stock acquisition rights with call option issued by the Company, at a price less than the market price provided for in (5)(ii) below.

The Exercise Price after adjustment shall be applied on or after the following day of the acquisition date.

Notwithstanding the foregoing, if the Exercise Price has been adjusted pursuant to (iii) above before the relevant adjustment is made due to the shares with call option or stock acquisition rights with call option mentioned above, (a) only if the number of shares of common stock after full dilution after the above-mentioned delivery is made exceeds the number of shares of common stock already issued immediately before such delivery, the Exercise Price shall be calculated by the Exercise Price Adjustment formula due to Issuance of New Shares *mutatis mutandis*, assuming that such excess in the number of shares shall be deemed as the "number of shares of common stock newly issued or disposed of "in the Exercise Price Adjustment Formula due to Issuance of New Shares, and (b) if the number of shares of common stock after full dilution after the above-mentioned delivery is made does not exceed the number of shares of common stock already issued immediately before such delivery, the adjustment pursuant to this item (iv) shall not be made. "Number of shares of common stock after full dilution" means a number obtained by deducting (x) the number of the shares of common stock of the Company held by the Company on the day one month prior to the date of application of the Exercise Price after adjustment from (y) the aggregate number of shares of common stock of the Company already issued on the same day plus (z)(a) the number of shares not yet delivered, out of the number of shares of common stock of the Company deemed as issued or disposed of pursuant to this (2) before the relevant adjustment is made or (b) the number of share of common stock or the Company to be delivered in exchange for acquisition of the relevant shares with call option or stock acquisition rights with call option.

(Translation)

- (v) In the case of (i) through (iii) above, if (a) the record date is set and (b) the effectiveness of the event is conditional upon an approval of the general meeting of shareholders, the Board of Directors or any other organization of the Company, then notwithstanding (i) through (iii) above, the Exercise Price after adjustment shall be applied on or after the following day of the date of such approval. In this case, the Company shall deliver the common stock of the Company to the holders of the Stock Acquisition Rights who request for exercise of the Stock Acquisition Rights during a period from the following day of the relevant record date up to the date of such approval, in the number of shares calculated as follows.

$$\text{Number of shares} = \frac{\left(\begin{array}{l} \text{Exercise} \\ \text{Price before} \\ \text{adjustment} \end{array} - \begin{array}{l} \text{Exercise Price} \\ \text{after} \\ \text{adjustment} \end{array} \right) \times \text{Number of share delivered during the} \\ \text{relevant period, applying the Exercise} \\ \text{Price before adjustment}}{\text{Exercise Price after adjustment}}$$

In this case, any fraction less than one share shall be disregarded, and no cash adjustment shall be made.

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

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} - \text{Dividends per share}$$

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

- (i) “Dividends” means the dividends from surplus (including any cash to be paid pursuant to Article 455, Paragraph 2 and Article 456 of the Companies Act, only if the assets to be distributed are cash) of common stock or the Company relating to each record date occurring each business year.
- (ii) The adjustment of the Exercise Price due to dividends shall be applied on or after the tenth (10th) day of the month following the month in which a resolution for the dividends from surplus is adopted as provided for in Article 454 or Article 459 of the Companies Act.
- (iii) If the Exercise Price after adjustment calculated by the Exercise Price Adjustment Formula due to Dividends is zero or negative, the Exercise Price after adjustment shall be one (1) yen.
- (4) No adjustment of the Exercise Price shall be made in case of a difference between the Exercise Price after adjustment calculated by the Exercise Price Adjustment Formula and the Exercise Price before adjustment is less than one yen; provided, however, if any event which requires adjustment of the Exercise Price occurs thereafter and the Exercise Price Adjustment Formula shall be applied, an amount deducting such difference from the Exercise Price before adjustment shall be used in place of the Exercise Price before adjustment in the Exercise Price Adjustment Formula.
- (5) (i) The calculation by the Exercise Price Adjustment Formula shall be made to the second decimal point of one yen and then rounded to the nearest first decimal, 0.05 being rounded up.
- (i) The market price to be used in the Exercise Price Adjustment Formula shall be an average price of the daily closing prices (including value of quotation) of common stock of the Company through regular transactions on the Tokyo Stock Exchange for any 30 trading days (excluding a day when no closing price is reported) commencing on the 45th trading day prior to the date when the Exercise Price after adjustment shall be applied for the first time (or the relevant record date, in the case of (2)(v) above), in the case of the Exercise Price Adjustment Formula due to issuance of New Shares. In this case, the average price shall be calculated to the second decimal point of yen and then rounded to the nearest first decimal, 0.05 being rounded up.

(Translation)

- (ii) The number of shares of common stock already issued to be used in the Exercise Price Adjustment Formula due to Issuance of New Shares shall be a number obtained by deducting (x) the number of shares of common stock of the Company held by the Company (a) on the record date for grant of a right to receive allotment to shareholders, if such record date is set, or (b) on the day one month prior to the date when the Exercise Price after adjustment shall be applied for the first time, if such record date is not set, from (y) the aggregate number of shares of common stock of the Company already issued on the same day plus (z) the number of shares not yet distributed, out of the number of shares of common stock of the Company deemed as issued or disposed of pursuant to (2) above before the relevant adjustment is made. In the case of (2)(ii) above, the number of shares of common stock newly issued or disposed of to be used in Exercise Price Adjustment Formula due to Issuance of New Shares shall not include the number of shares of common stock of the Company to be allotted to the common stock held by the Company as of the record date.
- (6) In addition to the cases which shall require the adjustment of the Exercise Price pursuant to (2) and (3) above, the Exercise Price shall be adjusted as necessary in any of the following cases.
- (i) If the adjustment of the Exercise Price is required due to reverse stock split, corporate split, share exchange or merger, or free allotment of any other class shares to the holders of common stock of the Company.
 - (ii) If the adjustment of the Exercise Price is required, due to an occurrence of any other event which shall or may result in a change in the number of shares of common stock of the Company.
 - (iii) If more than one event which requires the adjustment of the Exercise Price occurs almost simultaneously and the market price to be used for the calculation of the Exercise Price after adjustment due to either event is required to reflect an influence of the other events.

If the Exercise Price shall be adjusted pursuant to this Note 1, the Company shall make notice or public notice of the fact that the Exercise price shall be adjusted and the triggering event, the Exercise Prices before and after adjustment, the commencement date of application of the Exercise Price after adjustment, and other necessary matters, no later than the day immediately prior to such commencement date of application; provided, however, in the case provided for in (2)(v) above or if the Company is unable to make such notice or public notice no later than the day immediately prior to such commencement date of application, the Company shall make such notice or public notice promptly after the commencement date of application.

2. (1). The exercise period shall end on (i) five (5) business days prior to each acquisition date, if the Company makes notice or public notice to the extent that the Company shall acquire all of the Stock Acquisition Rights pursuant to the "Causes of Acquisition and Conditions for Acquisition of Stock Acquisition Rights" 1, 3, 4 or 5 above, or (ii) earlier of either the date of notice or public notice, if the Company makes notice or public notice to the extent that the Company shall acquire all of the Stock Acquisition Rights pursuant to the "Causes of Acquisition and Conditions for Acquisition of Stock Acquisition Rights" 2 above.

Notwithstanding the foregoing, the Stock Acquisition Rights may not be exercised during the following periods.

- (1) The period of three (3) business days prior to and including the record date for shareholders relating to the common stock of the Company (excluding holidays of the book-entry transfer institution)
- (2) The day(s) which the book-entry transfer institution deems necessary.
- (3) If the stock acquisition rights of a Successor Company are delivered under an Organizational Reform and thereby the suspension of request for exercise of the Stock Acquisition Rights is required, and when the Company makes notice or public notice specifying the period during which the Company shall suspend acceptance of request for exercise of the Stock Acquisition Rights and other necessary matters no later than 30 days prior to the commencement of such period, such specified period (which shall not exceed one month).

(Translation)

3. "Date of Acquisition of the Stock Acquisition Rights in Exchange for Delivery of Shares" means a date of acquisition prescribed in the Notice of Acquisition of the Stock Acquisition Rights in Exchange for Delivery of Shares, and shall be a day not less than sixty (60) days up to seventy-five (75) days after the date on which the acquisition notice was given.

"Consideration Assets" means, with respect to each of the Stock Acquisition Rights, the number of shares of common stock of the Company that will be obtained by dividing (i) the amount (limited to the case where such value is positive, and in case where such value is negative, such amount shall be zero) after deducting the Total Exercise Price of each Stock Acquisition Right from (ii) the Number of Shares Granted multiplied by the Average VWAP per Share (as defined below), by (iii) the Average VWAP per Share (as defined below). Any fractional amount of less than one share shall be disregarded and no adjustment in cash shall be made in respect thereof.

"Average VWAP per Share" means the average value of the volume weighted average price of common stock of the Company that is published by the Tokyo Stock Exchange as of each trading day that falls in a period of forty (40) consecutive trading days commencing on the day five (5) trading days after the day following the day on which the Company issues the Notice of Acquisition of the Stock Acquisition Rights without Consideration. In this Clause, trading days shall not include days on which the Tokyo Stock Exchange does not publish a volume weighted average price.

4. Matters Regarding Company Officers

[1] State of Directors and Auditors (As of March 31, 2012)

Name	Position	Responsibilities and Representation at Other Corporations
Haruo Kawahara	Chairman, Representative Director of the Board	Senior Executive Officer Responsible for Integrated Management
Hisayoshi Fuwa	President, Representative Director of the Board	Chief Executive Officer (CEO), Chief Risk Officer (CRO), Chairman of Growth Strategy Promotion Conference, COO of Home & Mobile Electronics Business Group
Shoichiro Eguchi	Representative Director of the Board	Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, Assistant to CRO, COO of Car Electronics business Group
Kazuo Shiohata	Director of the Board	Auditor (External), USHIO INC. Auditor (External), KSK CO., LTD.
Kazuhiro Aigami	Director of the Board	Senior Executive Vice President & Executive Officer, General Executive of Strategic Marketing Planning Division, Assistant to CRO, COO of Professional Systems Business Group
Hiroshi Kukimoto	Director of the Board	Chief Technical Officer (CTO), General Executive of Strategic Research & Development Division, Head of Kurihama R&D Center
Naokazu Kurihara	Director of the Board	Senior Vice President & Executive Officer, SOO Assistant to COO of Home & Mobile Electronics Business Group, General Executive of Imaging Division, General Manager of Imaging Products Business Operation, Imaging Division
Koji Kashiwaya	Director of the Board	—
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.

(Translation)

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. Director Hiroshi Odaka retired from office upon expiration of his term as of the end of the 3rd General Meeting of Shareholders held on June 24, 2011.
5. The Company designated Director Koji Kashiwaya as an independent officer, as stipulated in the provisions of the Tokyo Stock Exchange (TSE), and notified the TSE accordingly.
6. Changes in Directors and Statutory Auditors during the fiscal year are as follows. (as of October 1, 2011)

Name	Position	Responsibilities and Representation at Other Corporations
Shoichiro Eguchi	Representative Director of the Board	Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, COO (Chief Operating Officer) of Car Electronics Business Group

(Translation)

7. The Company adopts the Executive Officer System.
There are 10 Executive Officers as of March 31, 2012: Haruo Kawahara, Hisayoshi Fuwa, Shoichiro Eguchi, Kazuhiro Aigami, Hiroshi Kukimoto and Naokazu Kurihara 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
Masachika Komiyama	Senior Vice President & Executive Officer, General Executive of Human Resources Management & Administration Division
Hiroyuki Taki	Senior Vice President & Executive Officer, Assistant to CEO (Special Mission)
Nobuo Ochiai	Senior Vice President & Executive Officer, General Executive Global Production & Procurement Division

[2] Amount of Compensation for Directors and Statutory Auditors

Title	Number of Relevant Personnel	Amount of compensation (Millions of yen)
Director	11	300
(External Director)	(2)	(31)
Statutory Auditor	5	62
(External Auditor)	(3)	(22)
Total	16	363

Notes:

1. The table above includes one Director, who retired from office at the end of the Board of Directors, held on April 27, 2011 as well as one Director, who retired from office at the end of the 3rd General Meeting of Shareholders, held on June 24, 2011.
2. 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.
3. It was resolved, with regard to determination of compensation for Directors and Statutory Auditors, at the 1st 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 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	—	—	—
	Nobuo Seo	Tokyo Hatchobori Law Office	Partner	No significant business relationship with JVC KENWOOD Corporation
External Auditor	Noriyuki Shouyama	—	—	—
	Akihiko Washida	Cool.revo Inc.	Auditor (External)	No significant business relationship with JVC KENWOOD Corporation
	Koichi Kurosaki	Takarajima Wondernet Inc.	Auditor (External)	

(Translation)

(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: 24 (attendance rate: 96.0%) 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: 23 (attendance rate: 92.0%) 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: 100.0%) 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: 25 (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: 25 (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:

1. During the current fiscal year, there were 25 meetings of the Board of Directors and 14 meetings of the Board of Auditors.

(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.

(Translation)

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	238
Total amount of money and other financial benefits to be paid by the Company and the Company's subsidiaries	287

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:

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

(Translation)

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

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

(Translation)

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 fiscal year under review at a meeting of its Board of Directors, held on September 16, 2011. On the other hand, it decided to pay a year-end dividend of five yen per share for the said year at a meeting of the Board of Directors, held on May 16, 2012. This was because: the Company recorded net income at the end of the fiscal year under review; retained earnings were recorded for the first time since the start of the JVC KENWOOD Group; and the Company has a good prospect of returning stable profits for the fiscal year ending March 2013.

(Translation)

Consolidated Balance Sheet
(As of March 31, 2012)

(Millions of yen)

Accounting Items	Amount	Accounting Items	Amount
(Assets)		(Liabilities)	
Current assets	166,331	Current liabilities	108,405
Cash and cash equivalents	65,560	Trade notes and accounts payable	32,498
Trade notes and accounts receivable	52,899	Short term loans payable	24,693
Merchandise and finished goods	25,776	Current portion of bonds payable	6,000
Work in process	2,599	Other accounts payable	8,238
Raw materials and supplies	7,585	Accrued expenses	23,963
Deferred tax assets	4,410	Income taxes payable	1,675
Other current assets	9,142	Provision for product warranties	2,459
Allowance for doubtful receivables	(1,643)	Provision for sales returns	1,899
		Other current liabilities	6,976
Fixed assets	75,092		
Tangible fixed assets	50,292	Long term liabilities	76,284
Buildings and structures	13,676	Bonds payable	11,355
Machinery and equipment	3,007	Long-term loans payable	50,320
Tools, furniture and fixtures	4,158	Liability for employee's retirement benefits	5,883
Land	28,688	Deferred tax liabilities for land revaluation	1,772
Construction in Progress	761	Deferred tax liabilities	5,255
Intangible fixed assets	13,805	Other long term liabilities	1,697
Goodwill	4,598	Total Liabilities	184,689
Software	6,410	(Net Assets)	
Other intangible fixed assets	2,796	Shareholders' equity	79,527
Investments and other assets	10,993	Paid-in capital	10,000
Investment securities	4,297	Capital surplus	45,875
Prepaid pension cost	1,963	Retained earnings	24,187
Other investments	5,872	Treasury stock	(535)
Allowance for doubtful receivables	(1,140)		
		Other comprehensive income	(24,092)
Deferred assets	336	Unrealized gain and loss on available-for-sale securities	121
Bond issuance cost	38	Land revaluation surplus	3,209
Stock Acquisition Rights Issuance Costs	298	Foreign currency translation adjustments	(27,423)
		Subscription rights to shares	806
		Minority interests	830
		Total Net Assets	57,072
Total Assets	241,761	Total Liabilities and Net Assets	241,761

(Translation)

Consolidated Statement of Income
(From April 1, 2011 to March 31, 2012)

(Millions of yen)

Accounting Items	Amount	
Net sales		320,868
Cost of sales		221,462
Gross profit		99,405
Selling, general and administrative expenses		86,592
Operating profit		12,813
Non-operating profit		
Interest income	210	
Dividends income	238	
Other non-operating profit	971	1,421
Non-operating expense		
Interest expense	2,687	
Sales discounts	328	
Foreign exchange losses	153	
Loan commission	1,800	
Other non-operating expenses	2,844	7,813
Ordinary income		6,420
Extraordinary profit		
Gain on sales of fixed assets	167	
Gain on sales of investment securities	3	
Gain on sales of subsidiaries and affiliates' stocks	16	
Insurance income for disaster	1,458	
Other extraordinary profit	190	1,836
Extraordinary loss		
Loss on disposal of fixed assets	138	
Loss on sales of fixed assets	74	
Business structural reform expenses	309	
Employment structural reform expenses	302	
Loss on valuation of inventory for closing business	180	
Loss on compensation for lease contracts	277	
Loss on disaster	513	
Other extraordinary loss	422	2,218
Income before income taxes		6,038
Corporate tax, corporate inhabitant tax and corporate enterprise tax	2,424	
Corporate tax and other adjustment	(2,634)	(210)
Income before minority interests		6,248
Minority interests in income		216
Net income		6,032

(Translation)

Consolidated Statement of Changes in Shareholders' Equity
(From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2011	10,000	105,336	(41,305)	(534)	73,496
Changes during the consolidated fiscal year					
Net income			6,032		6,032
Acquisition of treasury stocks				(1)	(1)
Disposal of treasury stock				0	0
Transfer to retained earnings from capital surplus		(59,460)	59,460		—
Changes (net amount) of items other than shareholders' equity during the fiscal year					
Total changes during the fiscal year	—	(59,460)	65,493	(1)	6,031
Balance as of March 31, 2012	10,000	45,875	24,187	(535)	79,527

	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 April 1, 2011	267	27	2,954	(24,715)	(21,466)	—	709	52,739
Changes during the consolidated fiscal year								
Net income								6,032
Acquisition of treasury stocks								(1)
Disposal of treasury stock								0
Transfer to retained earnings from capital surplus								—
Changes (net amount) of items other than shareholders' equity during the fiscal year	(146)	(27)	255	(2,707)	(2,626)	806	121	(1,698)
Total changes during the fiscal year	(146)	(27)	255	(2,707)	(2,626)	806	121	4,333
Balance as of March 31, 2012	121	—	3,209	(27,423)	(24,092)	806	830	57,072

(Translation)

Non-consolidated Balance Sheet

(As of March 31, 2012)

(Millions of yen)

Accounting Items	Amount	Accounting Items	Amount
(Assets)		(Liabilities)	
Current assets	91,553	Current liabilities	107,592
Cash and cash equivalents	31,610	Notes payable-trade	1,936
Notes receivable-trade	938	Accounts payable-trade	27,518
Accounts receivable-trade	29,834	Short term loans payable	16,550
Merchandise and finished goods	9,403	Short-term loans payable to subsidiaries and affiliates	30,987
Work in process	773	Current portion of bonds payable	6,000
Raw materials and supplies	2,254	Current portion of long-term loans payable	4,480
Advance payments-trade	76	Debt for lease	168
Prepaid expenses	602	Other accounts payable	8,823
Short-term loans receivable	73	Accrued expenses	6,696
Short-term loans receivable from subsidiaries and affiliates	5,792	Income taxes payable	388
Accrued revenue	8,982	Advances received	783
Deferred tax assets	2,391	Deposits received	2,023
Other	829	Unearned revenue	57
Allowance for doubtful receivables	(2,010)	Provision for product warranties	975
		Other current liabilities	203
Fixed assets	155,756	Long term liabilities	67,299
Tangible fixed assets	29,699	Bonds payable	11,355
Buildings	6,982	Long-term loans payable	50,320
Structures	207	Debt for lease	165
Machinery and equipment	200	Deferred tax liabilities for land revaluation	1,772
Vehicles	135	Deferred tax liabilities	2,665
Tools, furniture and fixtures	1,171	Provision for retirement benefits	437
Land	20,648	Asset retirement obligations	539
Construction in Progress	353	Other long term liabilities	43
Intangible fixed assets	6,224	Total Liabilities	174,892
Software	6,127		
Other	97	(Net Assets)	
Investments and other assets	119,833	Shareholders' equity	68,607
Investment securities	3,278	Paid-in capital	10,000
Investments in affiliated companies	107,056	Capital surplus	56,899
Investments in capital	5	Capital reserve	10,000
Investments in capital of subsidiaries and affiliates	5,167	Other capital surplus	46,899
Long-term loans receivable	207	Retained earnings	2,243
Long-term loans receivable from subsidiaries and affiliates	4,808	Other retained earnings	2,243
Claims provable in bankruptcy, claims provable in rehabilitation and other	209	Cumulative retained earnings	2,243
Long-term prepaid expenses	1,804	Treasury stock	(535)
Prepaid pension cost	1,293	Valuation and translation adjustments	3,341
Other	690	Unrealized gain and loss on available-for-sale securities	131
Allowance for loss on investment in subsidiaries and affiliates	(992)	Land revaluation surplus	3,209
Allowance for doubtful receivables	(3,696)	Subscription rights to shares	806
Deferred assets	336		
Bond issuance cost	38		
Stock Acquisition Rights Issuance Costs	298	Total Net Assets	72,755
Total Assets	247,647	Total Liabilities and Net Assets	247,647

(Translation)

Non-consolidated Statement of Income
(From April 1, 2011 to March 31, 2012)

(Millions of yen)

Accounting Items	Amount	
Net sales		116,901
Cost of sales		89,297
Gross profit		27,604
Selling, general and administrative expenses		26,080
Operating profit		1,524
Non-operating profit		
Interest income	80	
Dividends income	8,157	
Reversal of allowance for doubtful accounts	750	
Reversal of allowance for loss on investment in subsidiaries and affiliates	1,301	
Other	775	11,065
Non-operating expense		
Interest expense	1,543	
Interest on bonds	347	
Loan commission	1,531	
Foreign exchange losses	1,600	
Provision of allowance for doubtful accounts	1,556	
Provision of allowance for loss on investment in subsidiaries and affiliates	582	
Other	1,465	8,627
Ordinary profit		3,962
Extraordinary profit		
Gain on sales of fixed assets	44	
Gain on sales of investment securities	3	
Reversal of business structural reform expenses	106	
Insurance income for disaster	129	
Reversal of investments in capital of subsidiaries and affiliates	148	
Other	21	453
Extraordinary loss		
Loss on disposal of fixed assets	36	
Loss on sales of fixed assets	441	
Loss on extinguishment of tie-in shares	2,761	
Loss on term modification of bond	806	
Other	238	4,284
Income before income taxes		131
Corporate tax, corporate inhabitant tax and corporate enterprise tax	(196)	
Corporate tax and other adjustment	(1,915)	(2,112)
Net income		2,243

(Translation)

Non-consolidated Statement of Changes in Shareholders' Equity
(From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Shareholders' equity						
	Paid-in capital	Capital surplus			Retained earnings	Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Cumulative retained earnings		
Balance as of April 1, 2011	10,000	10,000	106,360	116,360	(59,460)	(534)	66,364
Changes during the fiscal year							
Net income					2,243		2,243
Acquisition of treasury stocks						(1)	(1)
Disposal of treasury stocks						0	0
Transfer to retained earnings from capital surplus			(59,460)	(59,460)	59,460		—
Changes of items other than shareholders' equity							
Total changes during the fiscal year	—	—	(59,460)	(59,460)	61,704	(1)	2,242
Balance as of March 31, 2012	10,000	10,000	46,899	56,899	2,243	(535)	68,607

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized gain and loss on available-for-sale securities	Land revaluation surplus	Total Valuation and translation adjustments		
Balance as of April 1, 2011	—	—	—	—	66,364
Changes during the fiscal year					
Net income					2,243
Acquisition of treasury stocks					(1)
Disposal of treasury stocks					0
Transfer to retained earnings from capital surplus					—
Changes of items other than shareholders' equity	131	3,209	3,341	806	4,148
Total changes during the fiscal year	131	3,209	3,341	806	6,390
Balance as of March 31, 2012	131	3,209	3,341	806	72,755

Statutory Auditors' Report

Audit Report

The Board of Statutory Auditors audited the Directors' performance of duties for the 4th business period from April 1, 2011 to March 31, 2012. The Board of Corporate Auditors reports the method and the results as follows.

1. Audit Method and Details

The Board of Statutory Auditors established the auditing policies, audit plan, audit implementation standards, and received reports from each Statutory 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 Statutory Auditors, each Statutory 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 statutory auditors of the subsidiaries of the Company from the standpoint of consolidated audit of the Company's statutory group, received reports from statutory 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 Statutory 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 Statutory 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 Statutory Auditors finds no significant evidence of wrongful acts, nor violations of laws, regulations, or the Articles of Incorporation.
 - (iii) The Board of Statutory 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 Statutory 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 Statutory Auditors acknowledges that the audit method of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, and the results thereof are appropriate.

May 15, 2012

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


(Translation)

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 1: Election of Nine (9) Directors

We propose to newly elect nine (9) directors, including three (3) external directors, in order to promote real growth of the JVC KENWOOD Group by starting a management structure with younger generations; and focusing on growth measures in the growing sectors, creation of new growing sectors and growth measures as well as strengthening governance through increasing external directors.


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)	<p>Jun. 1996 Director and General Planning Manager, delegation, Toshiba Corp.</p> <p>Jun. 1997 Executive Director</p> <p>Jul. 2000 Advisor</p> <p>Jun. 2002 President, Representative Director of the Board, Executive Officer CEO of Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Jun. 2007 Chairman, Representative Director of the Board</p> <p>Oct. 2008 Chairman, Representative Director of the Board, Executive Officer CEO of JVC KENWOOD Holdings, Inc. Representative Director of the Board of Victor Company of Japan, Limited (currently JVC KENWOOD Corporation)</p> <p>Jun. 2009 Chairman and President, Representative Director of the Board, Executive Officer CEO of JVC KENWOOD Holdings, Inc.</p> <p>May 2011 Chairman, Representative Director of the Board and Senior Executive Officer Responsible for Integrated Management, Chairman of Merger/Integration Promotion Committee of JVC KENWOOD Holdings, Inc. (current position)</p> <p><Responsibilities and state of representation of other corporations> Not applicable</p>	71,290

(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	 Shoichiro Eguchi (December 7, 1955)	<p>Jun. 2003 Senior Vice President & Executive Officer of Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Apr. 2004 General Manager of Car Electronics Consumer Division of Kenwood Corporation, Director of the Board, President of Kenwood Europe</p> <p>Jun. 2004 Director, Senior Vice President & Executive Officer of Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Oct. 2005 President and Director of Kenwood U.S.A. Corporation</p> <p>Jun. 2007 Senior Vice President & Executive Officer, Assistant to CEO of Kenwood Corporation (currently JVC KENWOOD Corporation) (Car Electronics Overseas Sales Strategy Representative)</p> <p>Jun. 2010 Director of the Board, Senior Vice President & Executive Officer of JVC KENWOOD Holdings, Inc.</p> <p>May 2011 Director of the Board, Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, Chief Operation Officer of Car Electronics Business Group of JVC KENWOOD Holdings, Inc.</p> <p>Oct. 2011 Representative Director of the Board, Deputy President & Executive Officer, General Executive of Strategic Corporate Planning Division, COO (Chief Operating Officer) of Car Electronics Business Group of JVC KENWOOD Corporation (Current Position)</p> <p><Responsibilities and state of representation of other corporations> Not applicable</p>	27,070

(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	 Kazuhiro Aigami (October 27, 1957)	<p>Apr. 1990 Joined Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Jun. 2005 General Supervisor, Overseas Sales, Communications Div.</p> <p>Apr. 2007 General Manager, Communications Div.</p> <p>Jun. 2007 Managing Operating Officer</p> <p>Jun. 2008 Director of the Board & 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 President and Representative Director of the Board of Kenwood Corporation Director of the Board of JVC KENWOOD Holdings, Inc.</p> <p>Jun. 2010 Director of the Board, Executive Officer, Corporate Vice President of JVC KENWOOD Holdings, Inc.</p> <p>May 2011 Director of the Board, Senior Vice President & Executive Officer, General Executive of Strategic Marketing Division, Chief Operating Officer (COO) of Professional Systems Business Group of JVC KENWOOD Holdings, Inc. Representative Director of the Board of Kenwood Corporation</p> <p>Jun. 2011 Director of the Board, Senior Executive Vice President & Executive Officer, General Executive of Strategic Marketing Planning Division, COO of Professional Systems Business Group of JVC KENWOOD Holdings, Inc. (Current Position)</p> <p><Responsibilities and state of representation of other corporations> Not applicable</p>	41,480


(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	 Satoshi Fujita (April 16, 1960)	Apr. 1984 Joined Saitama Bank Ltd. Jul. 2003 Manager of Tarumi Branch Office, Resona Bank, Limited Jul. 2005 Group Leader, Product Planning Division, Resona Holdings, Inc. Group Leader, Corporate Planning Division, Resona Card Co., Ltd. Mar. 2007 Joined Kenwood Corporation (currently the Company), Financial and Accounting Division Oct. 2008 General Manager, Financial Affairs of the Strategic Finance and Accounting Division of the Company Jun. 2009 General Executive of Strategic Finance & Accounting Division of the Company Jun. 2010 Senior Vice President and Executive Officer, General Executive of Strategic Finance & Accounting Division May 2011 Chief Financial Officer (CFO) and Executive Officer, General Executive of Strategic Finance & Accounting Division of the Company (current position) <Responsibilities and state of representation of other corporations> Not applicable	7,600


(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
5	 Naokazu Kurihara (February 8, 1958)	<p>Jul. 1996 General Executive, Americas Group, Overseas Sales Department, Audio Business Department, Audio Business Division of Victor Company of Japan, Limited (currently JVC KENWOOD Corporation)</p> <p>Oct. 2002 President of JVC Company of America, Deputy President of JVC Americas Corp.</p> <p>Jun. 2006 General Executive of Middle East Office, JVC Asia & The Middle East Company of Victor Company of Japan, Limited (currently JVC KENWOOD Corporation), President of JVC Gulf FZE</p> <p>Jun. 2008 President of JVC Asia Pte. Ltd.</p> <p>Jun. 2010 Director of Victor Company of Japan, Limited, (currently JVC KENWOOD Corporation), General Executive of Imaging, Digital Imaging Division</p> <p>Oct. 2010 Director, General Executive of Projector</p> <p>May 2011 Director, assistant to COO of Home & Mobile Electronics Business Group, General Executive of Projector (current position)</p> <p>Jun. 2011 Director of the Board, Senior Vice President & Executive Officer, SOO Assistant to COO of Home& Mobile Electronics Business Group (Imaging Products Business Operation, Projector Business Operation, and Overseas Business Operation), General Executive of Projector of JVC KENWOOD Holdings, Inc.</p> <p>Jan. 2012 Director of the Board, Senior Vice President & Executive Officer, SOO Assistant to COO of Home& Mobile Electronics Business Group, General Executive of Imaging Division, General Manager of Imaging Products Business Operation, Imaging Division of JVC KENWOOD Corporation (current position)</p> <p><Responsibilities and state of representation of other corporations> Not applicable</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
6	 <p>Toshiaki Matsuzawa (March 15, 1957)</p>	<p>Apr. 1979 Joined Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Jan. 1998 General Executive of Technology, Home Audio Division</p> <p>Aug. 2002 General Executive of Procurement Division, Asian Operation</p> <p>Apr. 2004 General Executive of Procurement Division, Global Operation</p> <p>Sep. 2005 General Manager of Profitability Structural Reforms and Implementation, Car Electronics OEM Division</p> <p>Oct. 2005 Chief Engineer, Car Electronics OEM Division</p> <p>Apr. 2006 General Executive of Car Electronics OEM Division</p> <p>Jun. 2010 Director of the Board, General Executive of OEM Division of J&K Car Electronics Corporation (currently JVC KENWOOD Corporation)</p> <p>Oct. 2011 SOO, General Executive and Chief Engineer of OEM Division of JVC KENWOOD Corporation (current position)</p> <p><Responsibilities and state of representation of other corporations> Not applicable</p>	6,700


(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
	<p>[Candidate for Director of Board (External)]</p>  <p>Nobuo Seo (March 21, 1931)</p>	<p>Apr. 1963 Registered as an attorney at law, joined Daini Tokyo Bar Association Joined Hatchobori Law Office</p> <p>Oct. 1974 Member of Conciliation of Civil Affairs Committee, Tokyo District Court</p> <p>Apr. 1984 Instructor at Legal Training and Research Institute of Japan, Supreme Court of Japan</p> <p>Jun. 2002 Director of the Board (External) of Kenwood Corporation (currently JVC KENWOOD Corporation)</p> <p>Jun. 2003 Auditor for Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2010 Director of the Board (External) of JVC KENWOOD Holdings, Inc. (current position)</p> <p><Responsibilities and state of representation of other corporations> Partner, Tokyo Hatchobori Law Office</p>	<p>16,910</p>
Special Notes on Candidate for External Director			
7	<p>Mr. Nobuo Seo is a candidate for an external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Corporate Law.</p> <p>The Company proposes to elect him 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, and that he will give the company advice and proposals—from the position of an objective third party not involved in the Company's business execution—in order to ensure the appropriateness and properness of the decision-making of the Board of Directors.</p> <p>The Company regards him as independent because he has not been a major shareholder of the Company or an operating officer of our major business partners, nor is there a business relationship between the Company and his Hatchobori Law Office. Accordingly, when his reappointment is approved, the Company shall designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that designation.</p> <p>Though Mr. Seo has not engaged in corporate management in the past, except by serving as an external director or an external statutory auditor, we believe that he will be able to properly perform his duties as an external director based on his deep knowledge and experience.</p> <p>Mr. Seo is currently an external director of the Company and his tenure of office as an external director of the Company will be two (2) years at the end of this General Meeting of Shareholders counting from when he took office at the end of the 2nd General Meeting of Shareholders.</p> <p>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. 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 director has acted faithfully and without gross negligence. When the reappointment of Mr. Seo is approved, the Company shall extend this agreement with him.</p>		

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
	[Candidate for Director of Board (External)]  Koji Kashiwaya (January 1, 1939)	Apr. 1961 Joined Ministry of Finance Jun. 1978 General Manager of General Affairs, Tokyo Customs Jun. 1980 General Manager of Direct Tax Dept., Osaka Regional Taxation Bureau Jun. 1982 Manager, Capital Market Section, Marketable Securities Bureau, Ministry of Finance, Jun. 1984 General Manager, Tokyo Office, World Bank 1987 Councilor, International Finance Bureau, Ministry of Finance Jun. 1989 Deputy Director General , World Bank Sep. 1994 President, Nomura Project Finance Co., Ltd. Jan. 1996 CEO and President, AIMAC Mar. 2008 Director, Maruzen Textile Co. Apr. 2008 Director, Busou Real Estate Co. Oct. 2008 Director of the Board (External) of JVC KENWOOD Holdings, Inc. (current position) <Responsibilities and state of representation of other corporations> Not applicable	13,670
8	Special Notes on Candidate for External Director		
	<p>Mr. Koji Kashiwaya is a candidate for an external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Corporate Law.</p> <p>The Company proposes to elect Mr. Kashiwaya as an external director and expects that his extensive experience, solid track record, and insights in the fields of finance and taxation will be reflected in the Company's management, and that he will give the Company advice and proposals—from the position of objective third party not involved in the Company's business execution—in order to ensure the appropriateness and properness of the decision-making of the Board of Directors.</p> <p>The Company regards him as independent because he has not been a major shareholder of the Company or an operating officer of our major business partners. Accordingly, the Company shall designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that designation. When his reappointment is approved, we shall extend this designation.</p> <p>Mr. Kashiwaya is currently an external director of the Company and his tenure of office as an external director of the Company will be three (3) years and nine (9) months at the end of this General Meeting of Shareholders counting from when he took office at the establishment of the Company in October 2008.</p> <p>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. Kashiwaya. 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 director has acted faithfully and without gross negligence. When the reappointment of Mr. Kashiwaya is approved, the Company shall extend this agreement with him.</p>		

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
9	<p>[Candidate for Director of Board (External)]</p>  <p>Jyunichi Hikita (January 16, 1949)</p>	<p>Mar. 1971 Joined Toyo Electronics Industry Corporation (currently ROHM Co., Ltd.)</p> <p>Jun. 1991 Director, General Manager of LSI Operations Headquarters</p> <p>Jun. 1993 Managing Director, General Manager of LSI Operations Headquarters</p> <p>Jun. 1997 Managing Director, General Manager of LSI Product Development Headquarters, ULSI Research and Development Headquarters, LSI Operations Headquarters, Modules Production Headquarters, and Discrete Devices Production Headquarters</p> <p>Jun. 1999 Managing Director, General Manager of LSI Product Development Headquarters, Advanced Research and Development Headquarters, LSI Operations Headquarters, and Administrative Headquarters</p> <p>Jan. 2008 Senior Corporate Adviser</p> <p>Jun. 2008 Established Hikita Consulting Co., Ltd., President and Representative Director of the said company (current position)</p> <p><Responsibilities and state of representation of other corporations> President and Representative Director, Hikita Consulting Co., Ltd.</p>	10,000
Special Notes on Candidate for External Director			
<p>Mr. Junichi Hikita is a candidate for an external director prescribed under Paragraph 3-7 of Article 2 of the enforcement regulations of the Corporate Law.</p> <p>The Company proposes to elect Mr. Junichi Hikita as an external director and expects that his extensive experience and knowledge as an engineer and manager and his proper advice in technological matters based on his professional views will be reflected in the Company's management, and that he will give the Company advice and proposals—from the position of an objective third party not involved in the Company's business execution—in order to ensure the appropriateness and properness of the decision-making of the Board of Directors.</p> <p>Mr. Hikita has worked for ROHM Co., Ltd., which has business relations with the Company regarding the purchase of components such as semiconductors for our products. We believe he is independent of the Company, however, because: it has been four years since he resigned as a Senior Corporate Adviser of ROHM Co., Ltd., and currently he has no relationship with that company; the transactions between the Company and ROHM Co., Ltd. amount to less than one percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and therefore it is not major business for the Company or for ROHM Co., Ltd.; there are no business transactions between the Company and Hikita Consulting Co., Ltd.; and there is no cross-shareholding among the Company, ROHM Co., Ltd., and Hikita Consulting Co., Ltd.</p> <p>When his appointment is approved, the Company shall designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that designation.</p> <p>He is a candidate for a new external director.</p> <p>When Mr. Hikita's appointment is approved, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Corporate Law with him. 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 director has acted faithfully and without gross negligence.</p>			

Notes:

1. There are no conflicts of interest between each candidate and the Company.
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 special related corporations of the Company (subsidiaries).

(Translation)


Proposal No. 2: Election of Three (3) Statutory Auditors

As a result of the management integration between the former Victor Company of Japan, Limited and Kenwood Corporation in October 2008, the Company started with two full time statutory auditors and three external statutory auditors, integrating statutory auditors from both companies. Having established the auditing system as an integrated company after the merger in October 2011, the Company proposes to elect three statutory auditors—comprising one statutory auditor and two external statutory auditors.


The candidates for statutory auditors, Mr. Akihiko Washida and Mr. Shojiro Asai, are external statutory auditors. Mr. Takayoshi Sakamoto and Mr. Shojiro Asai are new candidates for statutory auditors.

The proposal had already been agreed by the Board of Statutory Auditors.


The candidates for statutory auditors 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	 Takayoshi Sakamoto (June 11,1950)	Sep. 1996 Joined The Asahi Bank, Ltd. (currently Resona Bank, Limited.), International Dept. (assigned to the U.S. Office) Jul. 2001 Joined Kenwood Corporation (currently JVC KENWOOD Corporation) ,General Executive of Accounting Department Oct. 2002 General Executive of Finance Department Jun. 2003 Senior Vice President treatment, General Executive of Accounting Department Oct. 2005 General Executive of Consolidated Management Department Jun. 2007 General Executive of CR Department Oct. 2007 Representative Director of the Board of J&K Technologies Corporation (currently JVC KENWOOD Corporation) Jun. 2008 Senior Vice President & Executive Officer of Kenwood Corporation (currently JVC KENWOOD Corporation) Oct. 2008 Director of the Board, CFO and General Executive of Corporate Division Jun. 2009 Director of the Board of Victor Company of Japan, Limited (currently JVC KENWOOD Corporation),General Executive of Finance/Accounting Department, Jun. 2010 Managing Director of the Board and Senior Vice President Oct. 2010 Managing Director of the Board, Senior Vice President and Assistant to CEO (Special Mission, Business Innovation in Europe) Jun. 2011 SOO (Senior Operating Officer), Business Innovation in Europe of JVC KENWOOD Holdings, Inc. (current position) Oct. 2011 SOO, Business Innovation in Europe of JVC KENWOOD Corporation (current position) <Responsibilities and state of representation of other corporations> Not applicable	17,260

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
	<p>[Candidate for Auditor (External)]</p>  <p>Akihiko Washida (November 5, 1942)</p>	<p>May 1992 Deputy President, Management Strategy, General Strategy Group, Sony Corporation</p> <p>Aug. 1994 Vice President of Consumer A.V. Company, and Manager of Business Administration of General Strategy Group, Sony Corporation</p> <p>Apr. 1996 Senior Vice President of Semiconductor Company, Sony Corporation</p> <p>Jul. 1998 General Manger, Audit Department, Sony Corporation</p> <p>Feb. 2003 Executive Officer, Business Promotion Division, Mitsui High-tec. Inc.</p> <p>Feb. 2004 Manager of Strategic Corporate Planning Division, Mitsui High-tec. Inc.</p> <p>Jun. 2006 External Corporate Auditor of Kenwood Corporation (currently the Company)</p> <p>Dec. 2007 External Corporate Auditor of Cool.revo Inc.(current position)</p> <p>Oct. 2008 External Statutory Auditor of the Company (current position)</p> <p><Responsibilities and state of representation of other corporations> External Corporate Auditor, Cool.revo Inc.</p>	12,470
Special Notes on Candidate for External Director			
2	<p>Mr. Akihiko Washida is a candidate for an external statutory auditor prescribed under Paragraph 3-8 of Article 2 of the enforcement regulations of the Corporate Law.</p> <p>The Company proposes to elect Mr. Akihiko Washida as an external statutory auditor and expects that his extensive experience, achievements, and knowledge in business management will strengthen the audit of the Company, and that he will give the Company advice on the agenda and discussions in the meetings of the Board of Directors and the Board of Statutory Auditors—from the position of an objective third party, separate from the Company Group.</p> <p>Mr. Washida has worked for Sony Corporation, which has business relations with the Company regarding the purchase—through agencies—of components such as its semiconductors for our products. We believe he is independent of the Company, however, because: it has been nine years since he retired from Sony Corporation and currently he has no relationship with that company; the transactions between the Company and Sony Corporation amount to less than one percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and therefore it is not major business for the Company or for Sony Corporation; there are no business transactions between the Company, Mitsui High-tec. Inc., and Cool.revo Inc.; and there is no cross-shareholding among the Company, Sony Corporation, Mitsui High-tec. Inc., and Cool.revo Inc.</p> <p>When his reappointment is approved, the Company shall designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that stipulation.</p> <p>Mr. Washida is currently an external statutory auditor of the Company and his tenure of office as an external statutory auditor of the Company will be three (3) years and nine (9) months at the end of this General Meeting of Shareholders counting from when he took office at the establishment of the Company in October 2008.</p> <p>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. Washida. 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 auditor has acted faithfully and without gross negligence. When the reappointment of Mr. Washida is approved, the Company shall extend this agreement with him.</p>		

(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	<p>[Candidate for Auditor (External)]</p>  <p>Shojiro Asai (January 26, 1941)</p>	<p>Apr. 1968 Joined Hitachi, Ltd.</p> <p>Aug. 1989 Deputy General Manager, Central Research Laboratory of Hitachi, Ltd.</p> <p>Feb. 1991 General Manager, Advanced Research Laboratory of Hitachi, Ltd.</p> <p>Jun. 1997 Board Member, General Manager of Research & Development Promotion Group, Hitachi, Ltd.</p> <p>Jun. 1999 Executive Managing Director, General Manager of Research & Development Group, Hitachi, Ltd.</p> <p>Jun. 2001 Senior Vice President, Hitachi, Ltd.</p> <p>Jun. 2003 Senior Vice President and Executive Officer, Hitachi Medical Corporation</p> <p>Jun. 2005 External Corporate Auditor, Kenwood Corporation (currently the Company)</p> <p>Jul. 2006 Director, Rigaku Corporation</p> <p>Dec. 2006 Executive Vice President and Director, Rigaku Corporation (current position)</p> <p>Apr. 2007 Research Supervisor, CREST Program on "Fundamental technologies for dependable VLSI system," Strategic Basic Research Program, Japan Science and Technology Agency (current position)</p> <p>May 2009 Director, Japan Analytical Instruments Manufacturers' Association (current position)</p> <p><Responsibilities and state of representation of other corporations> Executive Vice President and Director, Rigaku Corporation</p>	3,020
Special Notes on Candidate for External Director			
<p>Mr. Shojiro Asai is a candidate for an external statutory auditor prescribed under Paragraph 3-8 of Article 2 of the enforcement regulations of the Corporate Law.</p> <p>The company proposes to elect Mr. Shojiro Asai as an external statutory auditor and expects that his extensive experience and knowledge as an engineer and manager will strengthen the audit of the Company, and that he will give the Company advice on the agenda and discussions in meetings of the Board of Directors and the Board of Statutory Auditors—from the position of an objective third party, separate from the Company Group.</p> <p>Mr. Asai has worked for Hitachi, Ltd., which has business relations with the Company regarding electronic commerce support service utilization. We believe he is independent of the Company, however, because: it has been nine years since he retired from Hitachi, Ltd., and currently he has no relationship with that company; the transactions between the Company and Hitachi, Ltd. amount to less than one percent of the consolidated net sales of the Company in the consolidated fiscal year under review, and therefore it is not major business for the Company or Hitachi, Ltd.; there are no business transactions between the Company, Rigaku Corporation and Hitachi Medical Corporation; and there is no cross-shareholding among the Company, Hitachi, Ltd., Rigaku Corporation and Hitachi Medical Corporation.</p> <p>When his appointment is approved, the Company shall designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that.</p> <p>When his appointment is approved, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Corporate Law with Mr. Asai. 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 auditor has acted faithfully and without gross negligence.</p>			

(Translation)

Notes:

1. There are no conflicts of interest between each candidate and the Company.
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 special related corporations of the Company (subsidiaries).

(Translation)

Proposal No. 3: Election of One (1) Substitute Statutory Auditors

In preparation for situations in which the Company does not have enough statutory auditors (including external statutory auditors) required by the laws and regulations, the Company proposes to elect a substitute statutory auditor.

The Board of Statutory Auditors has given its consent to the proposal.
The candidate for a substitute statutory auditor is 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	 Nagaaki Ohyama (January 24, 1954)	Mar. 1982 Finished Doctoral course, Department of Information Engineering Interdisciplinary Graduate School of Science and Engineering, Tokyo Institute of Technology Jul. 1983 Assistant, Imaging Science and Engineering Institute School of Engineering, Tokyo Institute of Technology Dec. 1986 Researcher, Optical Research Center, Department of Radiology, College of Medicine, The University of Arizona Nov. 1988 Assistant Professor, Imaging Science and Engineering Institute, School of Engineering, Tokyo Institute of Technology Nov. 1993 Professor, Imaging Science and Engineering Institute, School of Engineering, Tokyo Institute of Technology Apr. 2000 Professor, Information and Research Function, The Frontier Collaborative Research Center, Tokyo Institute of Technology Apr. 2002 Professor, Collaborative Research & Information area (previously Information and Research Function), The Frontier Collaborative Research Center, Tokyo Institute of Technology Apr. 2003 Professor, Collaborative Research & Information area (previously Information and Research Function), The Frontier Collaborative Research Center and Imaging Science and Engineering Institute, Graduate School of Engineering, Tokyo Institute of Technology Apr. 2010 Professor, Imaging Science and Engineering Laboratory (renamed from Imaging Science and Engineering Institute, Graduate School of Engineering), Tokyo Institute of Technology (current position) <Responsibilities and state of representation of other corporations> Professor of Tokyo Institute of Technology	-
Special Notes on Candidate for External Director			

(Translation)

No.	Name (Date of Birth)	Profile, title, position and important positions concurrently held at other companies	Number of the Company's shares held
		<p>Mr. Nagaaki Ohyama is a candidate for a substitute external statutory auditor.</p> <p>The company proposes to elect Mr. Nagaaki Ohyama as a substitute external statutory auditor and expects that his extensive experience, achievements, and knowledge as an academic will strengthen the audit of the Company, and that he will give the Company advice on agenda and discussions in meetings of the Board of Directors and the Board of Statutory Auditors—from the position of objective third party, separate from the Company Group.</p> <p>We believe he is independent of the Company because: he has not been a major shareholder of the Company or an operating officer of our main business partners; nor are there business transactions between the Company and the Tokyo Institute of Technology. When he assumes the post of statutory auditor after his appointment is approved as a substitute statutory auditor, the Company shall appoint him as an external statutory auditor and designate him as an independent executive as stipulated in the provisions of the Tokyo Stock Exchange (TSE) Group Inc. and notify the TSE of that designation.</p> <p>Though Mr. Ohyama has not engaged in corporate management in the past, we believe that he will be able to properly perform his duties as a statutory auditor based on his extensive experience and knowledge.</p> <p>When his appointment is approved as an external auditor, the Company will conclude a liability limitation agreement regarding the indemnity liability provided under Paragraph 1 of Article 423 of the Corporate Law with Mr. Ohyama. 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 statutory auditor has acted faithfully and without gross negligence.</p>	

Notes:

1. There are no conflicts of interest between each candidate and the Company.
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 special related corporations of the Company (subsidiaries).

(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: (http://www.jvckenwood.co.jp) 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	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Service location	4-1, 1-chome, Marunouchi, Chiyoda-ku, Tokyo Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Contact (inquires/Sending address)	1-10 Nikkoucho, Fuchu-shi, Tokyo, 183-8701 Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited Telephone inquiries: 0120-176-417 http://www.smtb.jp/personal/agency/index.html

Contact

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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.