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Notice on Business Structure Reform of JVC and Major Personnel Changes as of August 16

JVC KENWOOD Holdings, Inc. (JVC Kenwood) hereby announces a reform of the business structure of Victor Company of Japan, Limited (JVC) and personnel changes to be implemented as of August 16 attendant upon that reform. We will implement such reform with a view to ensuring earnings for the current fiscal year term and accelerating growth strategies in the future, in consideration of lower profit, which is an unforeseen factor that occurred in the first quarter of the fiscal year ending March 2010.

1. Reform of Business Structure

The JVC Kenwood Group started reforming its profit structure upon its inauguration on October 1, 2008, and implemented additional measures to cope with the worsening of the business environment thereafter. JVC has also pushed forward with growth strategies, while promoting a reform of business structure in the display business and the home audio business, a reform of employment structure and other reforms.

However, as the management environment remained harsh in Japan and abroad, lower sales and profit, which had not been foreseen, occurred in the current first quarter mainly in the European business, the camcorder business and professional AV systems business of JVC.

To resolve the structural issues of these businesses, ensure earnings for the current fiscal year and accelerate future growth strategies, JVC Kenwood will carry out the following all-out structural reforms in the businesses of JVC.

These reforms will be implemented under a group-wide system, including not only JVC but also directors of JVC Kenwood. To that end, JVC Kenwood will change the appointed work of Directors and carry out personnel changes as of August 16.

(1) Structural Reform in Europe

JVC Kenwood will focus on having a drastic structural reform in the consumer business and the professional AV systems business (Business Solution Div.), which is B-to-B business, in Europe as a whole, by appointing Director Manabu Saito of JVC as the official in charge of structural reform. The aim of this appointment is to ensure a recovery of sales and earnings in the camcorder business, the display business and the home audio business, which are mainstay businesses in Europe, and have him direct the formulation and implementation of reform action plans in Europe.

(2) Camcorder Business (Digital Imaging Division)

As part of the structural reform in Europe, mentioned above, JVC Kenwood will enhance its sales capability in Europe, and at the same time proceed with a drastic reform of the cost structure of businesses as a whole by inaugurating a special countermeasure team, led by Executive Vice President Ryuhei Nakazawa of JVC.

(3) Professional AV Systems Business (Business Solution Division)

JVC Kenwood will expand the business domain from the existing equipment supply to business solution supply system, which will give concrete form to the needs of customers by making the most of proprietary technologies of the JVC Kenwood Group and in unison with the incubation businesses, and develop customer-oriented business solutions, including the Technology Development Division and the Business Incubation Division.

2. Changes in Appointed Work and Personnel Changes of Directors

Name	New duties	Former duties
Manabu Saito	Director of the Board in charge of structural reform in Europe	Director of the Board, General Executive, Home Entertainment Business Division
Keisuke Yoshikawa	Assistant to Director Manabu Saito (structural reform in Europe)	General Executive, Business Solution Division
Motoyoshi Adachi	Director of the Board of JVC Kenwood; General Executive, Home Entertainment Business Division of JVC; and Senior Vice President & Executive Officer, General Executive, Business Development & Strategy Division and General Manager, Business Affairs Office of JVC Kenwood	Director of the Board, Senior Vice President & Executive Officer, Assistant CEO (marketing, brand strategies, and IT) , General Executive, Business Development & Strategy Division and General Manager, Business Affairs Office of JVC Kenwood
Hiroshi Odaka	Director of the Board of JVC Kenwood; General Executive, Business Solution Division of JVC; and Executive Officer and CFO of JVC Kenwood	Director of the Board, Executive Officer and CFO, and Assistant CEO (management strategies, financial strategies, and Group consolidated management reforms) of JVC Kenwood
Masahiko Tsuruta	Director of the Board, General Executive, Technology Development Division, General Executive, Products Technology Development Center, Technology Development Division and Assistant to General Executive, Business Solution Division	Director of the Board, General Executive, Technology Development Division and General Executive, Products Technology Development Center, Technology Development Division
Masanori Kitami	Director of the Board, General Executive, Business Incubation Division, General Executive, Business Development Operation, Business Incubation Division, and Assistant to General Executive, Business Solution Division	Director of the Board, General Executive, Business Incubation Division and General Executive, Business Development Operation, Business Incubation Division
Kunihiko Ikematsu	Vice Executive, Assistant to General Executive, Integrated Synergy Development Division, B-to-B Business Start-up Office of JVC Kenwood; and Assistant to General Executive, Business Solution Division of JVC	Vice Executive, Assistant to General Executive, Integrated Synergy Development Division, B-to-B Business Start-up Office of JVC Kenwood