

January 31, 2014

Company: JVC KENWOOD Corporation
 Representative: Haruo Kawahara, Representative Director of the Board and CEO
 (Code: 6632; First Section of the Tokyo Stock Exchange)
 Contact: Seiichi Tamura, Director of the Board and Chief Strategy Officer (CSO)
 (Tel: +81-45-444-5232)
 (E-mail: prir@jvckenwood.com)

Notice of Transfer of Shares of a Subsidiary

JVC KENWOOD Corporation (JVCKENWOOD) reached an agreement with Nojima Corporation (Nojima) on the transfer of shares of Kenwood Geobit Corporation (Kenwood Geobit), a wholly-owned subsidiary of JVCKENWOOD, which engages in operating sales agencies of mobile phone and other businesses. JVCKENWOOD and Nojima concluded a share transfer contract as of today.

1. Reasons for transfer of shares

JVCKENWOOD is aimed to develop next-generation businesses, and “change the form of its businesses” as medium-term measures to achieve further progress. JVCKENWOOD reviewed the business portfolio of the entire group. As a result, JVCKENWOOD reached an agreement with Nojima on the transfer of all shares of Kenwood Geobit (the Shares) and concluded a share transfer contract as of today.

In Kenwood Geobit’s business—selling mobile phones—it has become increasingly difficult in recent years to differentiate a mobile carrier from competitors through hardware. Software elements such as sales stores’ capacity to sell and make strong proposals are expected to be important for determining success and failure in market competition. In such business competition, JVCKENWOOD has determined that having Kenwood Geobit operate under a new corporate group is the best measure to motivate the satisfaction of its customers and business partners. JVCKENWOOD has reached the conclusion that the transfer of Shares to Nojima will lead to active roll and its further growth. Through this transfer, Kenwood Geobit will be able to continuously improve company value and achieve future growth.

Through the transfer of the Shares, JVCKENWOOD will concentrate on its core businesses a step ahead and achieve a rapid recovery of earnings by further focusing on developing next-generation businesses and “changing the form of its businesses”.

2. Overview of the subsidiary whose share will be transferred (As of March 31, 2013)

(1) Name	Kenwood Geobit Corporation
(2) Address	15-13, Nanpeidaicho, Shibuya-ku, Tokyo
(3) Representative’s Name and Title	Representative Director of the Board and President Nobuchika Kinoshita

(4) Business	• Sales agency of mobile phone • Operation and other support for Softbank shops • Operation and other support for Willcom shops (Number of shops : Direct managment : 30shops, FC 37shops)		
(5) Sales	JPY13,632 million (Fiscal year ended March, 2012)		
(6) Capital	JPY404.55 million		
(7) Estalished	July 14, 1995		
(8) Major Shareholders and Holding Ratio	JVCKENWOOD Corporation 100%		
(9) Relationship with JVCKENWOOD and the Company	Capital relationship	JVCKENWOOD owns 100% of voting rights.	
	Personnel relationship	JVCKENWOOD temaporary transfer 3 directors and 1 auditor as JVCKENWOOD officer and 2 staffs as an employee.	
	Transactional relationship	There is transactional realtionship with sales of service concerning guarantee of liabilities, office rent, and product or service busiess with JVCKENWOOD. In addition, there is fund loan and borrowing transactional relationship with JVCKENWOOD.	
(10) Consolidated Operating Results and Financial Conditions for the Past Three Years (millions of yen)			
Fiscal Year	Fiscal year ended December, 2011	Fiscal year ended December, 2012	Fiscal year ended December, 2013 (Forecast)
Net Assets	636	669	569
Total Assets	3,452	3,779	3,568
Net Assets per Share (yen)	96,512	101,585	86,449
Net Sales	14,593	15,672	13,632
Operating Profit	246	260	252
Net Income Before Income Tax	219	192	213
Net Income	100	108	133
Net Income Per Share (yen)	15,286	16,535	20,253
Dividend Income per Share (yen)	16,000	11,460	35,387

3. Overview of the transferee (As of March 31, 2013)

(1) Name	Nojima Corporation
(2) Address	B26F Queens Tower, 2-3-3, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
(3) Representative's Name and Title	Representative Director of the Board and President Hiroshi Nojima
(4) Business	Sells, delivers, constructs, and repairs for digital AV device, communication device and home electronics. Sells and solution, set up, and repair services for IT/ information-related device, home video game device and software
(5) Capital	JPY4,323,175 thousand

(6) Establish	April, 1962	
(7) Net Assets	JPY24,088 million	
(8) Total Assets	JPY70,631million	
(9) Major Shareholders and Holding Ratio	Nojima Hiroshi Limited Company	9.5%
	Kinuyo Nojima	9.3%
	TN HOLDINGS CO,LTD.	6.5%
	Junichi Magara	5.1%
	Magara Welfare Incorporated	4.2%
	KH Limited Company	3.7%
	Noma Limited Company	3.7%
	The Employee Stock Ownership of NECS	3.3%
	Takahisa Nojima	3.0%
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.7%
(10) Relationship with JVCKENWOOD and the Company	Capital relationship	There is no significant capital relationship between JVCKENWOOD and this company. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.
	Personnel relationship	There is no significant capital relationship between JVCKENWOOD and this company. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.
	Transactional relationship	There is transactional relationship between JVCKENWOODand this company concerning video camera and home audio. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.
	Realted parties relationship	There is no significant capital relationship between JVCKENWOOD and this company. In addition, there is no noteworthy capital relationship between the interested parties and affiliated companies of JVCKENWOOD and those of this company.

4. Number of shares to be transferred and status of shares held before and after transfer

(1) Number of Share Held Before the Trasfer	6,591Shares (Number of Voting Rights: 6,591 units) (Holding Ratio: 100.0%)
(2) Number of Shares to be Transferred	6,591Shares (Number of Voting Rights: 6,591units)
(3) Transfer Proce	Kenwood Geobit Corporation Stock JPY3.2 billion
(4) Number of Share Held After the Transfer	— Shares (Number of Voting Rights: —Shares) (Holding Ratio: —%)

5. Schedule

(1) Resolution of the Board of Directors	January 31, 2014
(2) Signing Date of Share Purchase Agreement	January 31, 2014
(3) Closing Date of Share Purchase Agreement	Middle of March, 2014 (Scheduled)

6. Future Prospects

As #5 in the preceding paragraph, JVCKENWOOD and Nojima will start procedures for the share transfer, which is scheduled to be implemented in the middle of March, 2014.

JVCKENWOOD expects to post about JPY2.6 billion of extraordinary profit due to the implementation of the share transfer. The effect of the profit on the operating result of JVCKENWOOD for the current fiscal year has already been incorporated in the “Notice on Revision of Extraordinary Loss and Extraordinary Profit earnings and Revision of Earnings Forecast for the Fiscal Year Ending March 2014” released separately today.