



## Notice Regarding Determination of Number, etc. of Newly Issued Shares

June 23, 2005

Company Name: Kenwood Corporation (Code No.: 6765, TSE Section1)  
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Kenwood Corporation (President & CEO: Haruo Kawahara, Head Office: Hachioji, Tokyo, hereinafter referred to as "the Company") announced that, upon receipt of the exercise notice of the greenshoe option from UBS Securities Co., Ltd. as its underwriter, the number of and other relevant matters related to new shares to be issued have been determined at the meeting of the board of directors held today as detailed below, in connection with issuance of new shares and domestic and overseas public offerings of the relevant new shares (hereinafter referred to respectively as "domestic offering" and "overseas offering," and collectively as "public offering"), resolved at the meetings of the board of directors held on Monday, June 6 and Monday, June 20, 2005.

As a result of the number determination of new shares to be issued, the aggregate issue price (offering price) of public offering will amount to ¥11.4 billion, and the aggregate funds (issue value) procured by Kenwood Corporation will amount to ¥11.1 billion. With the kind understanding and support of its shareholders, Kenwood will now be able to complete the funds procurement aimed at redemption of 1st tranche class-B preferred stocks with compensation.

Upon repayment of ¥15 billion, comprising ¥11.1 billion as above raised and cash of ¥3.9 billion in hand, to 1st tranche class-B preferred shareholders (Resona Bank) and completion of the procedures for redemption of 1st tranche class-B preferred stocks in early August, all of the preferred stocks will be redeemed and the only shares remaining issued by Kenwood will be common stocks.

### **1. Number of New Shares**

|  |   |
|--|---|
| (1) Type and number of new shares to be issued | Common stocks 60,000,000 (13,800,000 stocks for Domestic Offering; 46,200,000 stocks for Overseas Offering) |
| (2) Aggregate issue price                      | ¥11,400,000,000 (¥2,622,000,000 for Domestic Offering; ¥8,778,000,000 for Overseas Offering)                |
| (3) Aggregate issue value                      | ¥11,112,000,000 (¥2,555,760,000 for Domestic Offering; ¥8,556,240,000 for Overseas Offering)                |
| (4) Aggregate amount of capitalization         | The entire issued amount will be capitalized.   |

(Notes)

1. Aggregate issue price means the aggregate amount of the offering price (¥190 per share) in public offering.
2. Aggregate issue value means the aggregate amount of paid-in advances (¥185.20 per share) that Kenwood will receive from the underwriter of public offering.
3. The difference between aggregate issue price and aggregate sale price will be the proceeds of the underwriter.

## TRANSLATION - FOR REFERENCE ONLY -

### 2. Plans and Prospect

(1) Payment date Thursday, June 30, 2005

(2) Delivery date Friday, July 1, 2005

(3) Change in total number of shares outstanding subsequent to the issuance of new shares and capital reduction (forecast)

|  | Total shares outstanding (including treasury shares) |   |  |
|--|--|---|--|
|  | Common stocks  | 1st tranche class-B preferred stocks      | Total number of shares                     |
| As of end of March 2005<br>(If preferred stocks are converted to common stocks)                    | 307,524,995 shares                                   | 31,250,000 shares<br>(132,696,390 shares) | 338,774,995 shares<br>(440,221,385 shares) |
| (Projected total shares after the planned capital increase/decrease)                               |  |   |  |
| Projected increase in shares resulting from the planned share issuance (of which greenshoe option) | +60,000,000 shares<br>(+5,000,000 shares)            |   |  |
| Projected decrease in shares resulting from the planned capital reduction                          |  | -31,250,000 shares                        |  |
| Total shares outstanding after planned issuance of new shares and capital reduction                | 367,524,995 shares                                   | -   | 367,524,995 shares                         |

(Notes)

1. Subject issuance of new shares would be called off if the proposal for capital reduction by way of redemption of 1st tranche class-B preferred stocks with compensation is rejected at the 76th general meeting of shareholders and the meeting of 1st tranche class-B preferred shareholders to be held on Wednesday, June 29, 2005.
2. Total common stocks subsequent to conversion of the preferred stocks include the number of currently outstanding common stocks plus that of additional common stocks that will be generated by conversion, assuming all the preferred stocks are converted to common stocks. The number of these additional common stocks is calculated on the basis of the terms of conversion as determined at the time of the issuance of the relevant preferred stocks (Friday, December 27, 2002) and the subsequent conversion price adjustments (on Thursday, July 1, 2004 and Friday, March 19, 2005): issue price of preferred stocks (¥400 per share) divided by conversion price (¥94.2 per share).

Notice: This press release is the presentation of matters regarding Kenwood to the general public, and was not prepared for the solicitation of investments.

Kenwood recommends that investors carefully read the registration prospectus and the additional prospectus (and any revisions) that Kenwood prepares before applying for the subscription in the domestic offering of the said shares.

This press release does not constitute the offering of securities in the United States. The above securities were not registered, nor will they be registered, in accordance with the U.S. Securities Act of 1933, and the offering or sale of securities in the United States is not permitted, except when securities are registered, or exempted from registration, in accordance with the U.S. Securities Act of 1933. If the public offering of securities is conducted in the United States, an English prospectus will be prepared in accordance with the U.S. Securities Act of 1933, and investors would be able to obtain this prospectus from Kenwood or securities dealers. Such a prospectus would contain detailed information about Kenwood and its management as well as financial statements. These shares will not be subject to a public offering in the United States.