



Notice Regarding Year-Ended Dividends (Resumption of Dividend) for Fiscal Year-ended March 2005

May 20, 2005

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Kenwood Corporation (President and CEO: Haruo Kawahara; Head Office: Hachioji-shi, Tokyo; hereinafter referred to as "the Company") announced today after the Board of Directors Meeting that the Company will be putting forth a resolution to make the year end dividend per share ¥3 (¥2 common dividend + ¥1 resumption of dividend commemorative dividend) at the 76th Annual General Shareholders' Meeting to be held on June 29, 2005.

1. Reasons for Resuming Dividends

Regrettably, the Company has not offered dividends to shareholders since the period ended March 2000. In the period ended March 2003, the Company implemented its "Drastic Restructuring Action Plan" in order to eliminate the biggest issue it faced, which was excessive debt, and realized a V-shaped recovery by generating the highest ever level of earnings. During the following fiscal year, the Company executed the "Excellent Kenwood Plan," its medium-term management plan designed to enhance competitiveness and promote growth strategies to allow for significant growth in the future. As a result, the Company was able to eliminate carried-forward losses in the August of 2004 through the "New Financial Strategy" formulated in May of 2004 and generated retained earnings in the fiscal year ended March 2005.

In line with this and to repay the continued strong support from shareholders, the Board of Directors agreed to put forth a resolution to resume dividends at the 76th Annual General Shareholders' Meeting to be held on June 29, 2005. If this resolution is approved at the meeting, one of the objectives of the "Excellent Kenwood Plan" would be realized one year ahead of schedule. It will also mark the first time that the Company will pay a dividend for six years.

2. Dividend Amount for the Fiscal Year Ended March 2005 (April 1, 2004 - March 31, 2005)

The Company's intent is to re-invest funds-on-hand strategically so that significant growth can be achieved in the future. After setting aside funds for this purpose, the Company plans to offer a common dividend of ¥2 per share for its annual common dividend and an additional ¥1 per share dividend to commemorate the resumption of dividends for the first time in six years.

Before this dividend is paid out to common shareholders however, unpaid dividends worth ¥126,357,876 accumulated since the issuance of First Tranche Class B Convertible Preferred

TRANSLATION - FOR REFERENCE ONLY -

Stocks (CPS) as well as the First Tranche Class B CPS Dividend (¥3.216 per share) shall be paid to the First Tranche Class B CPS Holder. This is as per the issuance contract associated with First Tranche Class B CPS.

| | Mid-Term Dividend Per Share | Year-End Dividend Per Share | Annual Dividend Per Share |
|--|-----------------------------------|-----------------------------------|------------------------------|
| Previous Forecast (as announced on November 12, 2004) | - | - | - |
| Revised Forecast | - | ¥3* | ¥3* |
| (Reference) Previous Year Figures | - | - | - |

*Common Dividend of ¥2 + Dividend Resumption Commemorative Dividend of ¥1

END

Note: This announcement contains press information that references general information about the Company. Accordingly, this is not intended to constitute a solicitation to investors. This announcement is not an offer to sell or a solicitation of any offer to buy the securities of the Company in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption from such registration requirement.