

June 11, 2004

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Kenwood Determines Number of Shares to be Issued

Kenwood Corporation announced today that it has determined the quantity of shares to be newly issued as well as other relevant matters, pertaining to the domestic and international offering of new shares of common stock as resolved at the Board meetings on May 21, and June 7, 2004. The Company had just been notified by international offering underwriter Lehman Brothers International (Europe) that it would execute the option to buy additional shares of common stock, citing strong demand for the Kenwood's shares.

With the number of shares today determined to be newly issued, the total offering price reached ¥23 billion, the target set by the Company's "New Financial Strategy," through the issuance of 92,000,000 new shares, still less than the 95,000,000 shares, the maximum initially planned. The total proceeds from the offering will be about ¥22 billion. Details of the new share issuance are provided below.

Kenwood's "New Financial Strategy" hereby got off to a favorable start.

(1) Type and Quantity of Shares to be Newly Issued	Common stock: 92,000,000 shares (Domestic offering: 5,857,000 shares; International offering: 86,143,000 shares)
(2) Total Offering Price	¥23,000,000,000 (Domestic offering: ¥1,464,250,000; International offering: ¥21,535,750,000)
(3) Total Issue Price	¥22,022,500,000 (Domestic offering: ¥1,402,019,375; International offering: ¥20,620,480,625)
(4) Total Amount Included in Stated Capital	¥11,040,000,000 (Domestic offering: ¥702,840,000; International offering: ¥10,337,160,000)

Notes:

1. Total Offering Price is the sum of the price (¥250 per share) at which shares are being offered.
2. Total Issue Price is the sum that the Company will receive from the underwriters of the offering as the payment paid for shares to be underwritten (¥239.375 per share).
3. The underwriters will receive the difference between Total Offering Price and Total Issue Price.

<For Reference>

1. Date for Resolution of New Share Issuance: Friday, May 21, 2004
2. Payment Deadline: Wednesday, June 30, 2004
3. The Company granted international offering underwriter Lehman Brothers International (Europe) the option to purchase additional shares of common stock from the Company up to a total of 10,000,000 shares subject to notification of Kenwood no later than Thursday, June 24, 2004. Then the Company's stock price remained stable after the date when the offering price for shares to be newly issued was determined and the total number of subscribed shares was forecast to exceed the initially planned quantity. Against this backdrop, Lehman Brothers International (Europe) notified the Kenwood of its intention of fully executing today the option to purchase 10,000,000 shares (prior to the termination of the option execution period). This led the Company to determine the number of shares to be newly issued and other matters.
4. The new share issuance is contingent on a resolution for reduction of paid capital through the cancellation of No.1 Class A convertible preferred stock ("CPS") being passed at the 75th Ordinary General Meeting of Shareholders and the General Meeting of Class A CPS shareholders, both scheduled to be held on June 29, 2004.
5. Change in Total Shares Outstanding after Offering and Capital Reduction (estimate)

Total Shares Outstanding as of March 31, 2004 (including treasury stock)

Common Stock	210,455,995 shares
Class A CPS	31,250,000 shares
Class B CPS	31,250,000 shares
Total	272,955,995 shares

(For reference: Total shares outstanding with conversion of Class A and B CPS)

(465,558,035 shares)

Number of Shares to be Issued in Offering Common Stock 92,000,000 shares

Number of Shares to be Cancelled due to Capital Reduction (estimate)

Class A CPS 31,250,000 shares

Total Shares Outstanding after Offering and Capital Reduction (including treasury stock)

Common Stock	302,455,995 shares
Class A CPS	0 shares
Class B CPS	31,250,000 shares
Total	333,705,995 shares

(For reference: Total shares outstanding with conversion of Class A and B CPS)

(430,007,015 shares)

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Note:

Total shares outstanding with the conversion of Class A and B CPS is the sum of all current total shares outstanding and newly issued common stock in case all CPS are converted into common stock. The number of new shares of common stock as a result of the conversion of CPS is computed in accordance with the condition (Issue price of the CPS [¥400 per share]/initial conversion price [¥98 per share]) as set forth on the CPS issuance date, December 27, 2002.

[Notice]

This press release has been formulated for announcement to the general public of the issuance of new shares of Kenwood, and is not intended to solicit investment.

In subscribing for domestic offering of new shares, you are requested to refer to the prospectus (and its amendments) issued by Kenwood for the stock issuance and to make any investment decision accordingly.

This press release does not compose any part of the offering of securities in the U.S. The securities in the offering have not been and will not be registered under the U.S. Securities Act of 1933, nor may they be offered or sold in the U.S. without registration or an exemption from registration under the Securities Act of 1933. In order to make public offering of securities in the U.S., the English prospectus prepared in accordance with the Securities Act of 1933 shall be used. Said prospectus, which can be obtained from the Company or any securities trader, contains detailed information about the Company and its management, as well as financial statements. The public offering mentioned in this press release is not made in the U.S.