

News Release

July 1, 2004

KENWOOD

KENWOOD CORPORATION

Investor & Public Relations Office

2967-3 Ishikawa-machi, Hachioji, Tokyo 192-8525

Tel: +81-426-46-6724 Fax: +81-426-46-1440

<http://www.kenwood.com/>

Announcement of Organization Changes and Personnel Transfers Effected July 1

Organizational Reorganization to Integrate Technological and IT Strategy Functions into Management Strategy Organizations Aimed to Invigorate Business Competitiveness and Further Promote the Growth Strategy

Kenwood Corporation (President: Haruo Kawahara; Head Office: Hachioji, Tokyo) carried out organizational changes and personnel transfers effected July 1, 2004, in order to achieve its basic policy objectives for this business term: invigoration of business competitiveness and vigorous promotion of growth strategy for a fresh leap forward.

1. Crux of Organizational Changes and Personnel Transfers Effected July 1

By way of the organizational changes effected July 1, the Company has shifted its divisional structure to the "Tetra-Polar Profit Center System" comprising Car Electronics Consumer Division, Car Electronics OEM Division, Communications Equipment Division and Home Electronics Division, and has created the Speaker System Division and the Consumer Business Development Center, to invigorate its business competitiveness and promote growth strategy aimed at a fresh leap forward.

The latest reorganizations and the personnel transfers have been carried out in order to achieve the basic policy objectives for this business term of invigorating the business competitiveness and vigorously promoting the growth strategy for a fresh leap forward, by integrating the planning and promotional functions of the technological and IT strategies into one management strategy unit, as well as reinforcing the functions for promotion of production innovation to complete the initiatives.

2. Main Organizational Changes

(1) Strategic Business Planning Division (Level 1 Unit)

Kenwood has integrated the technological strategy functions into the Strategic Business

TRANSLATION - FOR REFERENCE ONLY -

Planning Division (Level 1 Unit) and has reorganized Level 2 Units thereunder. As a result, the Technology Initiative Division (Level 1 Unit) has been dissolved.

(i) Integration of Technology Office (Level 2 Unit)

Kenwood has integrated the Technology Office (Level 2 Unit) which used to be under the Technology Initiative Division (Level 1 Unit) into the Strategic Business Planning Division (Level 1 Unit), in order to cope swiftly with fast changes in the market and technological innovation including evolution of digital network and multimedia, as well as integrate and reinforce the planning and promotional functions of the technology strategy as part of the management strategy.

(ii) Integration of IT Initiative Department (Level 2 Unit)

Kenwood has integrated the IT Initiative Department (Level 2 Unit) which used to be under the Technology Initiative Division (Level 1 Unit) into the Strategic Business Planning Division (Level 1 Unit), in order to rebuild informational infrastructure from the standpoint of business processes reconstruction.

(2) Corporate Administration Division (Level 1 Unit)

■ Integration of Intellectual Property Department (Level 2 Unit)

As operations related to intellectual property has grown complex and sophisticated and a higher level of specialty has become necessary with the progress of technological innovation and promotion of the management strategy, Kenwood has integrated the Intellectual Property Department (Level 2 Unit) which used to be under the Technology Initiative Division (Level 1 Unit) into the Corporate Administration Division (Level 1 Unit), in order to enhance its cooperation with the Legal & International Relations Department (under the same division).

(3) Production Innovation Division (Level 1 Unit)

■ Creation of PSI Innovation Project (Level 2 Unit)

Kenwood has created the PSI Innovation Project (Level 2 Unit) under the Production Innovation Division (Level 1 Unit), in order to build and promote a new integrated information system covering production, sales and inventory as a grand finishing to the “Production Innovation” that Kenwood has been tackling since the previous business term with the aim of reforming Kenwood’s Supply Chain Management into one unified production/sales/technology under the dual themes of “revival of domestic factories that can win over competition from Asia” and “reconstruction of competitiveness of overseas factories”.

(4) Creation of Quality Innovation Division (Level 1 Unit) (Effected June 1)

■ Creation of Quality Innovation Project and Parts Quality Department (Level 2 Unit)

TRANSLATION - FOR REFERENCE ONLY -

Kenwood has created the Quality Innovation Division (Level 1 Unit) for the purpose of promoting quality innovation. Also, Kenwood has placed under it the new Quality Innovation Project (Level 2 Unit) that is to assume the initiative in the group-wide quality innovation activities, and transferred Parts Quality Department (Level 2 Unit) which used to be under Technology Initiative Division.

(5) Communications Equipment Division (Effected June 1)

■ Creation of Engineering Department No. 4 (Level 2 Unit)

Concurrently with the transfer of radio communications business from Toyo Communication Equipment Co., Ltd., Kenwood has created the Engineering Department No. 4 (Level 2 Unit) under the Communications Equipment Division (Level 1 Unit).

(6) Units under Direct Supervision of CEO

■ Transfers of Public Relations Office and Equity & Legal Office (Level 2 Unit)

Kenwood has placed the Investor & Public Relations Office (Level 2 Unit) which used to be under the Strategic Business Planning Division (Level 1 Unit) and the Equity Affairs Office (Level 2 Unit) which used to be under the Corporate Administration Division (Level 1 Unit) under direct supervision of CEO, and has made the executive officer in charge comprehensively responsible for the operations of these two units, in order to enhance their relationships with the management, improve the level of cooperation between them, and execute IR, PR, equity and legal-related operations in a more prompt and strategic manner.

3. Main Managerial Transfers

Name	New Duties	Previous Duties
Hiroyasu Hata	General Manager, Strategic Business Planning Div. and Senior Manager, Technology Office	General Manager, Strategic Business Planning Div. and Senior Manager, Corporate Planning Office
Nobuyuki Narukawa	Assistant to General Executive, Car Electronics OEM Div., posted to Nagano Kenwood Corp., and Senior Manager, Mass Production Engineering Dept., Product Design Operation	Chief Engineer, Car Electronics OEM Div., and Chief Engineer, Consumer Business Development Center, and Senior Manager, Engineering Administration Dept., Product Design Operation, Car Electronics OEM Div.
Kazuya Koyama	General Manager, Product Design Operation, Car Electronics OEM Div., and Senior Manager, Mechanical Design Dept., and Acting Chief Engineer, Car Electronics	General Manager, Product Design Operation, Car Electronics OEM Div., and Senior Manager, Mechanical Design Dept.

TRANSLATION - FOR REFERENCE ONLY -

	OEM Div.	
Yoshihiro Mizutani	Assistant to Executive Vice President & Executive Officer Shiohata (in Charge of International Finance)	CEO, Kenwood Asia Headquarter (KAHQ), and President, Kenwood Electronics Singapore Pte. Ltd.
Kazuhiko Nagata	Assistant to General Manager, Strategic Business Planning Div. and Senior Manager, Corporate Planning Office	
Toshiyuki Yoshida	Senior Manager, Group Management Office, Strategic Business Planning Div., and Senior Manager, Group Administration Office, Car Electronics Consumer Marketing Div.	Senior Manager, Group Management Office, Car Electronics Consumer Div.
Takeshi Shinmen	Senior Manager, Investor & Public Relations Office	Senior Manager, Investor & Public Relations Office, Strategic Business Planning Div.
Yoichi Ohyama	Assistant to the President	Senior Manager, Secretary Office, Strategic Business Planning Div.
Hidenori Tabe	Senior Manager, Secretary Office, Strategic Business Planning Div.	Senior Manager, Group Management Office, Strategic Business Planning Div.
Fumitaka Fujimura	Senior Manager, IT Initiative Dept., Strategic Business Planning Div.	Senior Manager, IT Initiative Dept., Technology Initiative Div.
Shibumi Ohshima	Chief, PSI Innovation Project, Production Innovation Div.	Chief, IT Initiative Dept., Technology Initiative Div.
Masanobu Waku	Senior Manager, Equity Affairs Office	Senior Manager, Equity Affairs Office, Corporate Administration Div.
Kazuo Ishiguro	Senior Manager, Intellectual Property, Dept., Corporate Administration Div.	General Manager, Intellectual Property, Dept., Technology Initiative Div.
Akihiro Takada	Chief, Legal & International Relations Dept., Corporate Administration Div.	Assistant to General Executive, Home Electronics Div.
Yoshiro Kasuga	Senior Manager, Production Innovation Project, Production Innovation Div., and Senior Manager, PSI Innovation Project	Senior Manager, Production Innovation Project, Production Innovation Div., and Assistant to Senior Manager, Business Management Dept., Car Electronics OEM Div.
Toshiharu Sekiyama	Senior Manager, Engineering Administration Dept., Product Design Operation, Car Electronics Consumer Div., and Senior Manager, Engineering Administration Dept., Product Design Operation, Car Electronics OEM Div.	Senior Manager, Engineering Management Dept., Product Design Operation, Car Electronics Consumer Div.