



Kenwood Concludes Public Offering - Completion of Capital Increase by Public Offering for Redemption of 1st Tranche Class-B Preferred Stocks on Schedule

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Kenwood Corporation (President & CEO: Haruo Kawahara; Head Office: Hachioji, Tokyo, hereinafter referred to as "the Company") has announced that it is taking receipt today of the total issue value from UBS Securities, the underwriter, whereby the remittance procedures pertaining to the issuance of new shares for domestic as well as overseas offering shall be concluded as resolved and scheduled at the meeting of the board of directors held on June 6 and June 20, 2005. Kenwood's procurement of about ¥11.1 billion to be applied to the redemption of 1st tranche Class-B preferred stocks is thus complete.

1. Redemption with compensation of 1st Tranche Class-B Preferred Stocks through Completion of Public Offering

With the completion today of the remittance for the public offering, the capital increase of about ¥11.1 billion through the issuance of new shares takes effect as of today, as announced in the "Notice Regarding Determination of Number, etc. of Newly Issued Shares" (June 23), all of the necessary procedures related to the relevant public offering will be completed on July 1 (Friday).

Kenwood will thus complete its procurement of funds as approved and resolved at its 76th general meeting of shareholders and meeting of 1st tranche Class-B preferred shareholders (both held June 29, 2005) to be applied to redemption with compensation of the 1st tranche Class-B preferred stocks. Subject to completion of certain administrative procedures, the company expects to be able to redeem the 1st tranche Class-B preferred stocks in early August.

2. Future Outlook

With the completion of the remittance procedures for the public offering today and the new share issuance on July 1 (Friday), 2005, Kenwood will be able to execute the capital reduction by remitting ¥15 billion (procured funds of about ¥11.1 billion and about ¥3.9 billion of funds in hand) to the holder of the 1st tranche Class-B preferred stocks (Resona Bank) in early August, when the capital reduction through redemption of 1st tranche Class-B preferred stocks will take effect.

As a result, the company will redeem the 1st tranche Class-B preferred stocks, representing almost all of preferred stocks issued by the Company, so as to realize an above-par redemption (¥12.5 billion par value) for Resona Bank, the holder of 1st tranche Class-B preferred stocks, thereby significantly reducing the potential dilution of shareholders' value in future.

The public offering and capital reduction with compensation were made possible by the firm understanding and support of the Company's shareholders, investors and Resona Bank, and services by the underwriter, UBS Securities. The company takes this opportunity to express its deep gratitude to

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all the parties concerned, and vows to do its best to enhance its corporate value through the second mid-term business plan, the Kenwood "Value Creation Plan," to advance further and satisfy their expectations.

3. Changes in Shareholders' Equity and the number of outstanding shares

Key changes in the main index of shareholders' equity and the number of outstanding shares following the public offering and capital reduction with compensation described above are as follows:

(Non-consolidated basis) Changes in shareholders' equity and the number of outstanding shares

	At end of the fiscal year ended March 2005	After public offering (June 30)	After capital reduction (scheduled in early August)
Capital	14,947 million yen	26,059 million yen	11,059 million yen
Capital surplus	13,373 million yen	Same as left (no change)	Same as left (no change)
Retained earnings	4,708 million yen	3,513 million yen *1	Same as left (no change)
Shareholders' equity	36,750 million yen	46,668 million yen	31,668 million yen
Number of outstanding shares	Common stock	307,524,995 shares	367,524,995 shares
	Preferred stock (number of shares if preferred stocks are converted to common stock)	31,250,000 shares (132,696,390 shares)	Same as left (no change) (-)
	Total (number of shares if preferred stocks are converted to common stock)	338,774,995 shares (440,221,385 shares)	398,774,995 shares (-)

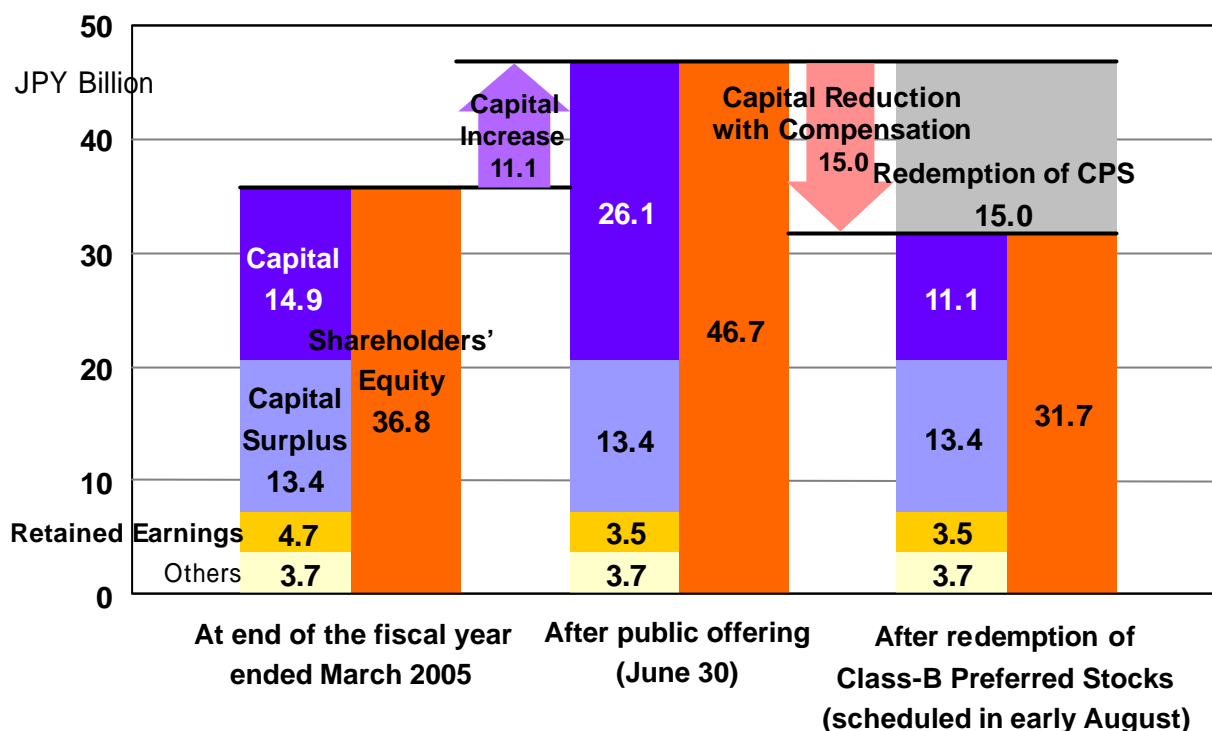
*1 Figures reflect the appropriation of earnings on a non-consolidated basis and net income for the fiscal year ending March 2006 is not included.

(Note) Figures in the table are rounded down to the nearest million.

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(Non-consolidated basis) Changes in shareholders' equity as a result of public offering and capital reduction with compensation



(Note) Since figures are rounded the nearest 100 million yen for each item, the total of capital, capital surplus, retained earnings and others is not exactly equivalent to the value of shareholders' equity in the graph for the end of the fiscal year ended March 2005.

(Consolidated basis) Changes in Shareholders' Equity

	At end of the fiscal year ended March 2005	After public offering (June 30)	After capital reduction (scheduled in early August)
Capital	14,947 million yen	26,059 million yen	11,059 million yen
Capital surplus	13,373 million yen	Same as left (no change)	Same as left (no change)
Retained earnings	13,199 million yen	12,004 million yen *1	Same as left (no change)
Shareholders' equity	33,132 million yen	43,050 million yen	28,050 million yen

*1 Figures reflect the appropriation of earnings on a non-consolidated basis and net income for the fiscal year ending March 2006 is not included.

(Note) Figures in the table are rounded down the nearest million yen.

Note: This press release has been prepared only for disclosure to the general public by Kenwood, and not for the purpose of soliciting any investments.