



Kenwood and Icom Form Capital and Technical Alliance Involving Joint Research Towards Technical Specification Standardization of Digital Wireless Communications Technology

February 25, 2005

Company Name: Kenwood Corporation (Code No.: 6765, TSE/OSE, Section1)
URL: <http://www.kenwood.com>
Representative: Haruo Kawahara, President & CEO
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The board of directors of Kenwood Corporation (President & CEO: Haruo Kawahara; Headquarters: Hachioji, Tokyo) resolved at its meeting on February 25, 2005, to establish a capital and technical alliance with Icom Inc. and concluded an official agreement to conduct joint research towards standardization of technical specifications of digital wireless radio equipment.

1. Reasons for alliance

(1) Technical alliance (research towards standardization of technical specifications for digital wireless radio equipment)

Through the joint research towards standardization of technical specifications for a wide scope of digital wireless radio equipment, Kenwood intends to promote practical applications of competitive digital wireless radio equipment to further enhance its business in this sector.

(2) Capital alliance

In this alliance, Kenwood will obtain 3% of the total shares outstanding of Icom and issue new shares to be allocated to third parties in the proportionate amount (about 1.07 billion yen) and enter into capital alliance by allocating the new shares (about 1.5% of total shares outstanding) to Icom to strengthen the technical alliance and jointly pursue the development of the wireless radio equipment business.

Kenwood is confident that this will accelerate its growth strategy for wireless radio equipment business and open up future business prospects in the wireless radio equipment field, where ongoing digitization is expected to bring significant change.

2. Details of alliance

(1) Technical alliance

Kenwood and Icom will jointly engage in the research towards standardization of technical specifications of digital wireless radio equipment for business use in the U.S., Europe and Japan.

(2) Capital alliance

Kenwood will acquire 445,500 shares of Icom Inc., which corresponds to 3% of its total shares outstanding.

In the meantime, Kenwood will issue new shares to Icom in the corresponding amount (about 1.07 billion yen) and allocate 5,069,000 shares (about 1.5% of its total shares outstanding).

3. Schedule

February 25, 2005	Conclusion of official agreement
March 18, 2005	Acquisition of Icom's shares; Payment due date (scheduled)
March 22, 2005	Delivery of new shares of Kenwood (scheduled)

4. Profile of Icom

Corporate name:	Icom Inc.
Representative:	Tokuzo Inoue (CEO)
Head office:	1-6-19 Kamikuratsukuri, Hirano-ku, Osaka-shi, Osaka
Contact address:	1-1-32 Kamiminami, Hirano-ku, Osaka-shi, Osaka
Establishment:	July 1964
Business field:	Manufacturing and sales of communication and computer equipment
Paid-in capital:	7,081 million yen (as of December 31, 2004)
Consolidated sales:	26,145 million yen (year ended March 2004)
Number of employees:	528 (as of September 30, 2004)

5. Profile of Kenwood and its wireless radio equipment business

- Company profile -

Corporate name:	Kenwood Corporation
Representative:	Haruo Kawahara (President & CEO)
Head office:	2967-3 Ishikawa-machi, Hachioji, Tokyo
Establishment:	December 1946
Business field:	Manufacturing and sales of car electronics, communications equipment and home electronics
Paid-in capital:	14,409 million yen (as of December 31, 2004)
Consolidated sales:	178,731 million yen (year ended March 2004)
Number of employees:	1,611 (as of September 30, 2004)

- Communications Equipment Division -

Business field:	Development, production and sales of private/business use mobile wireless radios, amateur wireless radios, and license-free transceivers
Business office:	Yokohama office (Midori-ku, Yokohama, Kanagawa Pref.)
Consolidated sales:	50,373 million yen (year ended March 2004)
Production bases:	Singapore, Japan (Tsuruoka-shi, Yamagata Pref.)
Sales offices:	Japan, North America (U.S. and Canada), Europe (Germany, Belgium, France, UK, Italy and Spain), Asia and other regions (Hong Kong, Singapore, United Arab Emirates and Australia)