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COMP/M.5221 Kenwood/JVC/Holdco

SECTION 1.2

Description of the concentration

On May 12, 2008, Kenwood Corporation and Victor Company of Japan, Ltd. agreed to merge their respective activities into a newly established joint holding company, which will be listed on the Tokyo stock exchange.

Kenwood's business focuses on car electronics, home electronics, and communications equipment. JVC's offerings include audio, visual, computer-related electronics and software, and media products.

The Parties have entered in the proposed transaction to increase their sales and competitiveness in the dynamic and fiercely competitive consumer electronics industry. The proposed transaction will enhance the Parties' ability to produce lower cost and higher quality products by generating significant cost savings and combining their complementary technologies and capabilities.

The proposed transaction will not result in the creation or strengthening of a dominant position in any product market or significantly impede effective competition in the common market or in any substantial part of it.