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PRESS Release

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For Immediate Release:

January 30, 2008

JVC Announces Transfer of Its Circuit Business

Victor Company of Japan, Limited (JVC) adopted a resolution at the Board of Directors meeting held on January 30, 2008, to transfer its circuit business to Meiko Electronics Co., Ltd. as of March 31, 2008, as described below.

Description

1. Reason for the transfer

JVC is currently reforming its business structure and management foundation by focusing on consumer electronics, professional electronics, and entertainment as the three future core businesses, under its management reconstruction plan, Action Plan 2007.

As part of Action Plan 2007, JVC has planned fundamental structural reforms in each business area including business transfer and spin-off. As part of JVC's component business, printed circuit boards are manufactured and sold to Meiko Electronics. JVC and Meiko Electronics have been considering a transfer of JVC's circuit business to Meiko Electronics.

This business transfer will allow JVC to concentrate its management resources on its core businesses, namely, consumer electronics, professional electronics, and entertainment. It enables JVC to further commit itself to rebuilding the entire company through business selection and concentration.

JVC and Meiko concluded that the transfer of JVC's circuit business would contribute to the future development of Meiko's printed wiring board business, whose priority strategy is to expand into the areas of high-end and module package boards. JVC's unique circuit technology assets include the Victor Interconnected Layer (VIL) method that excels in thin construction and insulation for high-density, multilayer build-up boards, as well as JVC's human resources, and manufacturing expertise.

In addition, this move is expected to enhance the job security of JVC employees working in the circuit business and ensure the continuity in the responsibility of product supply to existing customers. The decision is also consistent with the direction of the reforms under Action Plan 2007.

2. Details of Business Transfer

(1) Overview of circuit board business

Design, manufacture, and sale of high-density build-up multilayer boards (VIL boards) and development of related technologies

(2) Operating results for the year ended March 2007

	Circuit board segment (a)	Results for the year ended March 2007 (b)	Ratio (a/b)
Total sales	5,528	742,685	0.7%
Gross income (loss)	(695)	239,762	—
Operating income (loss)	(1,061)	(5,656)	—
Ordinary income (loss)	(1,392)	(11,695)	—

Amounts indicated in millions of yen

(3) Assets to be transferred, liabilities and their values (as of December 31, 2007)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	391	Current liabilities	0
Fixed assets	834		
Total	1,225	Total	0

Amounts indicated in millions of yen

(4) Transfer value and settlement method

The transfer value is determined based on the value of the transferred assets assessed at the end of March 2008.

The payment will be made in cash.

(5) Transfer of employees

The workforce (150 employees) will first resign from JVC and then be hired by Meiko Electronics Co., Ltd.

3. Overview of recipient of business transfer (Meiko Electronics Co., Ltd.)
(as of March 31, 2007)

- (1) Name: Meiko Electronics Co., Ltd.
- (2) Core businesses: Development, manufacture, and sales of printed circuit boards
- (3) Date of establishment: November 25, 1975
- (4) Location of head office: 5-14-15 Ohgami Ayase Kanagawa,
- (5) Executive officer: Representative Director and President Yuichiro Naya
- (6) Capital: ¥ 8,860,650,000
- (7) No. of employees: Non-consolidated: 668
Consolidated: 7,449 (domestic: 1,462, overseas: 5,987)
- (8) Large shareholder structure and shareholding ratio (as of March 31, 2007):

Yuichiro Naya	30.23%
The Master Trust Bank of Japan, Ltd.	7.69%
Japan Trustee Services Bank, Ltd.	4.29%
- (9) Relationship with JVC: The Company has no capital and personal relationships with JVC. JVC has been purchasing printed circuit boards from xxx Co., Ltd. and its subsidiaries (including those overseas) for JVC's consumer electronics business.

4. Schedule

January 30, 2008	Corporate resolution
January 30, 2008	Conclusion of business transfer agreement
March 31, 2008	Deadline for business transfer

5. Future implications

The transfer value will be disclosed as soon as it is determined, along with the effects on the results for the current fiscal year.

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