

For Immediate Release:

September 25, 2008

Notice of Termination of JVC's Motor Business for ODD/LBP/VTR (DVC) and Liquidation of JVC Subsidiary in China

At the Board of Directors meeting held today, Victor Company of Japan, Limited (JVC) passed resolutions to terminate its motor business for optical disc drives (ODD), laser beam printers (LBP), and video tape recorders (VTR for digital video cameras - DVC), hereafter referred to as the "ODD motor business", and to start liquidating JVC Guangzhou Electronics Co., Ltd.. Details are as follows.

Description

1. Background of Business Termination

- (1) At the end of March 2008 JVC strived to transfer all of its motor businesses, but its production base for the ODD motor business located in Guangzhou City, China, JVC Guangzhou Electronics Co., Ltd. was excluded because of a delay in canceling a joint venture with a Chinese state-owned enterprise by shifting it to 100% JVC ownership. From April 1, 2008 JVC Guangzhou Electronics Co., Ltd. continued as a JVC business.
- (2) Since April 2008 JVC further examined the possibility to transfer its ODD motor business as well, but judged this approach to have no potential, and to continue this business would lead to expanding JVC's deficit. On completing the shift in July to 100% JVC ownership of JVC Guangzhou Electronics Co., Ltd., JVC passed this resolution to terminate the business.

2. Overview of JVC Guangzhou Electronics Co., Ltd. and its Liquidation

(1) Overview of Subsidiary

- (i) Company name: JVC Guangzhou Electronics Co., Ltd.
- (ii) Location: Press Center Building 3F, Guangzhou, Semiconductor Devices Factory, Shicha Road, Shijing, Guangzhou 510430, P.R. China
- (iii) Established: August 1993
- (iv) Capital: US\$ 6 million
- (v) Major Business Operations: Manufacturing and sales of motors for optical disk drives (ODD), laser beam printers (LBP), and video tape recorders (VTR for digital video cameras - DVC)
- (vi) Employees: 607 (Estimate for end of September 2008)

- (2) Planned start of liquidation: January 2009

3. Impact on JVC Settlement of Accounts

The impact of dissolving the subsidiary on consolidated results for the year ending March 2009 was already incorporated in the consolidated results forecast JVC announced on April 25, 2008.

4. Schedule Going Forward

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| September 2008: | Board of Directors resolves to terminate the business |
| October 2008: | Terminate production at JVC Guangzhou Electronics Co., Ltd. |
| December 2008: | Terminate shipment from JVC Guangzhou Electronics Co., Ltd. |
| January 2009: | Start of liquidation |

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