

# Progress of “Action Plan 2007” & Prospect for Display Business

---

Kunihiko Sato, President



## 1. Progress of “Action Plan 2007”

1. Achievement Progress by Quarterly basis in 2007
2. Business Structural Reform
3. Management & Operation Reform

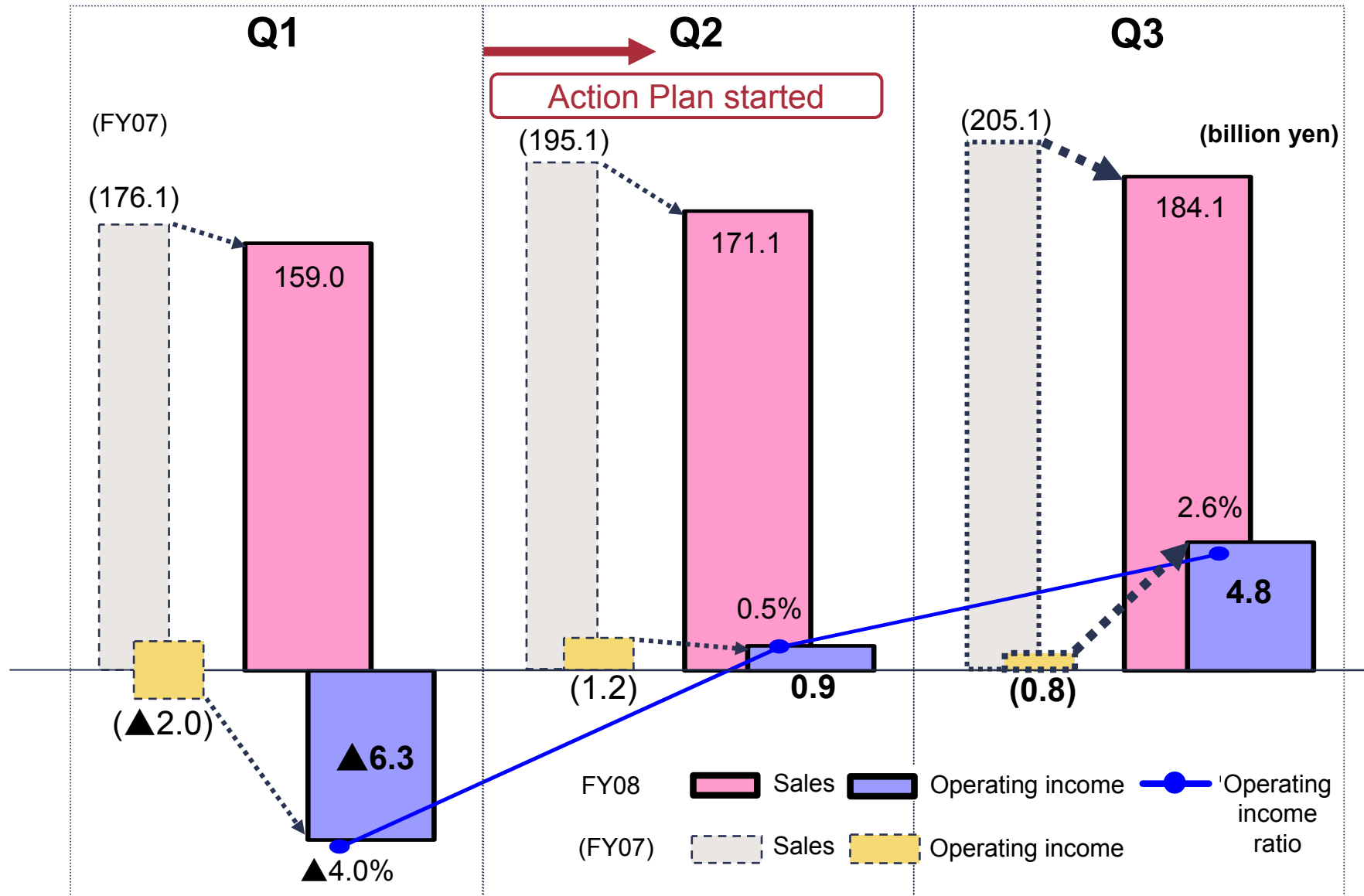
## 2. Prospect of Display Business

1. Reviewing the current situation, and Business Direction
2. Collaboration with FUNAI Electric Co., Ltd.

## 3. New Products being Launched in Quarter 4

# 1. Progress of Action Plan 2007 1. Progress by Quarter

## Transformation to profitable structure



Business Structural Reform	Framing-up business structure	<p>&lt;Components &amp; Devices&gt;</p> <ul style="list-style-type: none"> <li>• Transfer out of Deflection Yoke business                             <ul style="list-style-type: none"> <li>- Fujian Factory in China : Sell-off in Mar/2008 (*planned)</li> </ul> </li> <li>• Withdrawal from VHS-related component business in Dec/2007</li> <li>• Transfer out of Circuit business in Mar/2008</li> </ul>
		<p>&lt;Entertainment&gt;</p> <ul style="list-style-type: none"> <li>• Re-organizing for strengthening                             <ul style="list-style-type: none"> <li>- Establishment of 'JVC Entertainment' in Apr/2007</li> <li>- Spin-off of Recordable Media Business in Dec/2007</li> </ul> </li> </ul>
	Re-organizing Production Facility	<ul style="list-style-type: none"> <li>• Two Consumer Factories in Malaysia: Combined in Apr/2007</li> <li>• Scotland factory: Production system reform in Oct/2007</li> <li>• Applying new production administration system, 'J-TOPS'</li> </ul>
	<p>Sales sites in overseas</p> <ul style="list-style-type: none"> <li>• Closing of sales subsidiaries in Indonesia, Korea and Mexico</li> </ul>	

## Management & Operation Reform

- Early retirement scheme in Oct/2007

Result: 1,399 employees

-- Fixed Expense reduced by 2.6 billion Yen (3Q)

- Reform of headquarter organization in Oct/2007

23 sections → Slim down to 17 sections

- Re-organizing of subsidiaries and related companies  
Shared-service and facility-management companies

- Measures to improve financial position/resources

- Compressing inventory assets:

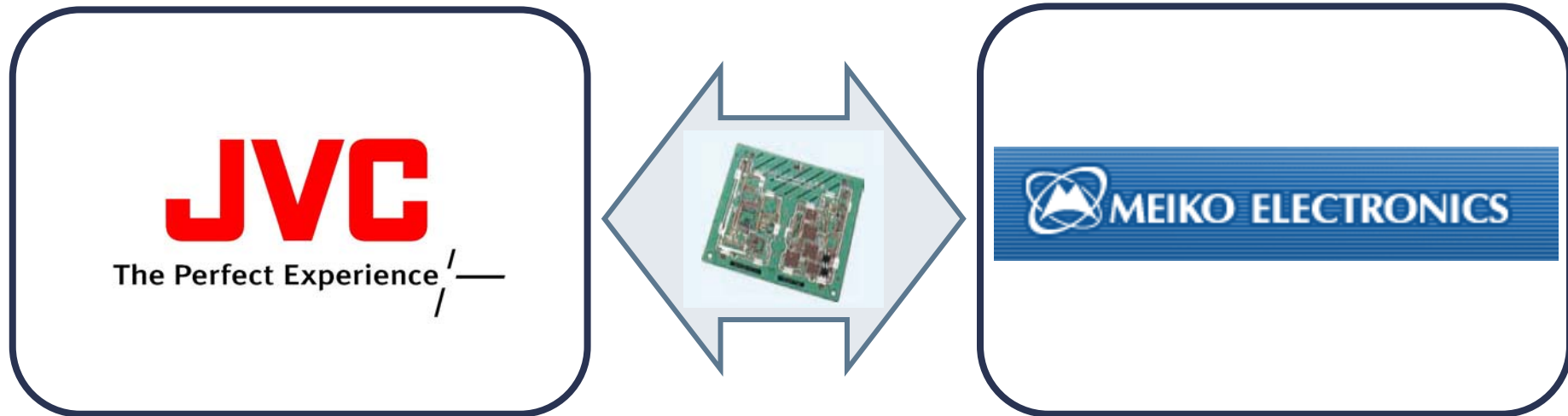
12.7 Billion Yen reduction (vs. previous year)

- Selling-off idle assets

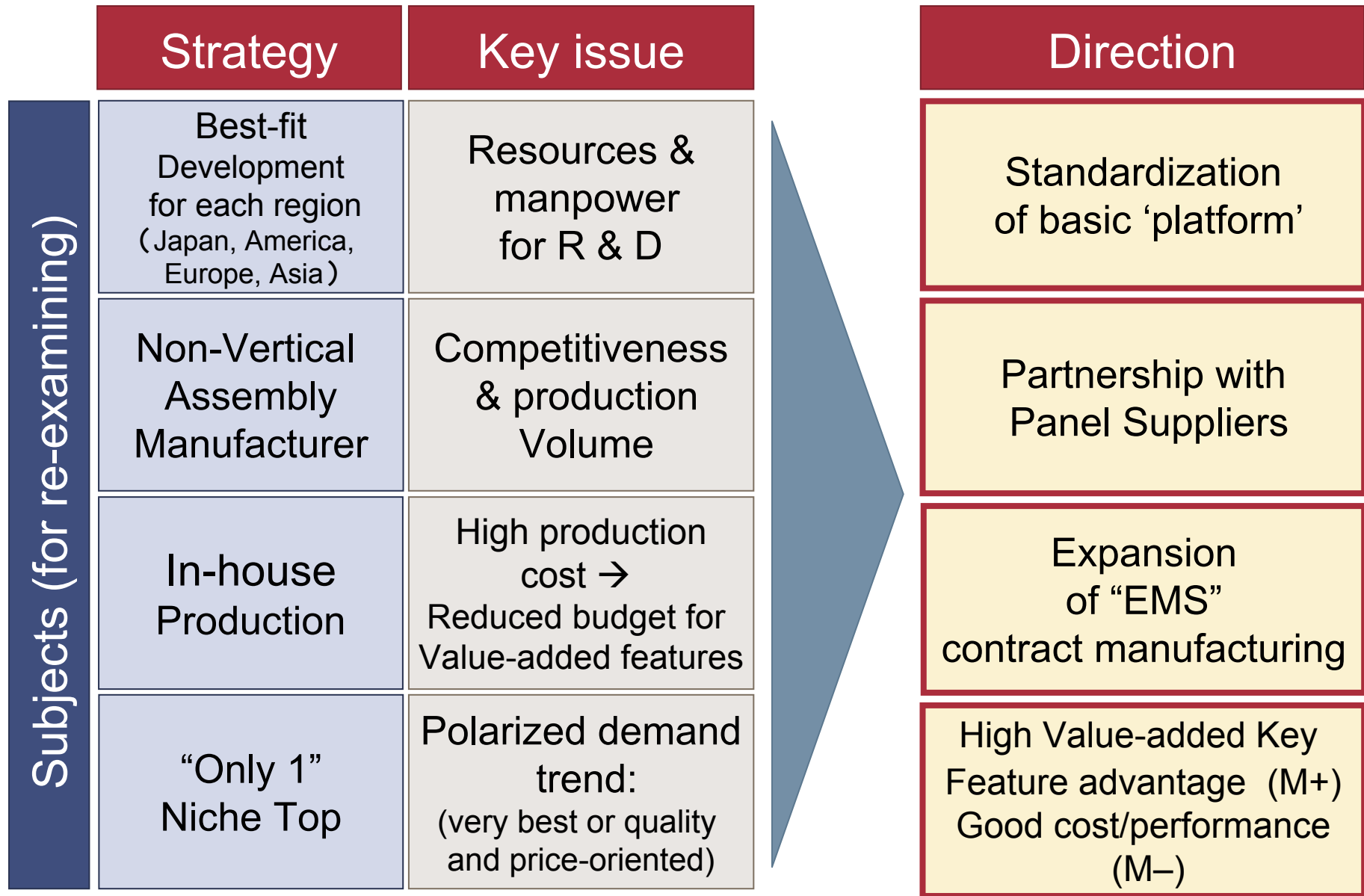
- Improvement in 'Cash position'

} Reduction of interest-bearing debt:  
45.2 Billion Yen (\*vs. previous year)

## Transfer Circuit Business to MEIKO Elec.



- JVC's original "**VIL (Victor Interconnected Layer) Technology**" is expected to be a core technology for MEIKO's strategic products.
- Securing of employment for those belonging to Circuit Business sector at JVC.
- Responsibility to supply parts to existing customers continuously.



Purpose

# Reinforcement of Business Potential by Collaboration with FUNAI

**JVC**

The Perfect Experience

**[ Advantage ]**

- Technology to produce and manage high quality picture
- Production Base: Mexico
- Presence in Europe market
- Large size screen

- Complementary Benefit
- Merit of Scale
- Synergy effect



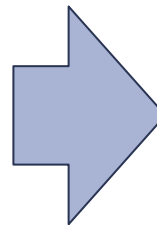
**FUNAI**

**[ Advantage ]**

- Competitiveness in cost and mass production
- Production Base: Eastern Europe
- Presence in USA market
- Small-middle size screen

## Frames of Collaboration

- Production sharing
- Joint development
- Other cooperation (logistics, etc.)



## Merit Effect


- Reduction of production cost
- Saving cost & time for R&D
- Widening product line-up range




# 3. New Products being Launched in Quarter 4

**Display**

Clear Motion Drive & Full HD LCD




iPod-LCD




Super-slim LCD

Stylish  
Layout-free



Personal use



**Camcorder**

**Everio**

HD Everio

3CCD & 1920 Full High Definition  
120GB HDD



Everio

Slim & Compact  
Attractive colors



**Audio**

Home theater

High quality front surround



for iPod/Portable



**Car**

DVD receiver

New operation style with gesture sensor



**Accessories**

Headphone

Wooden-dome Unit



Noise canceller





When included in this presentation, the words “will”, “should”, “expects”, “intends”, “anticipates”, “estimates”, and similar expressions, among others, identify forward looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in this presentation. These forward-looking statements are made only as of the date of this presentation. The Company expressly disclaims any obligations or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Actual results may vary widely from forecasts due to the following factors : 1) drastic changes in economic conditions and product supply and demand in major markets (Japan, Europe, The Americas, Asia etc.), 2) changes in trade regulations and other regulatory changes in major domestic and international markets, 3) Drastic changes in foreign exchange rates (yen-dollar, yen-euro etc.), 4) sharp moves in the capital markets, and 5) changes in social infrastructure caused by drastic changes in technology etc. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.