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PRESS Release

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JVC plan to Terminate Production at JVC Manufacturing UK LTD. (JMUK)

Victor Company of Japan, Ltd. (JVC) plans to end production activities at JVC Manufacturing UK LTD. (JMUK) at the end of July 2008 as part of restructuring television business operations. JMUK has manufactured cathode-ray tube (CRT) televisions, liquid crystal display (LCD) televisions and related products primarily for UK and other European markets as a UK subsidiary of JVC.

JMUK served as a CRT and LCD television production facility since establishment in 1987 to manufacture television products for the UK and European markets. The rapid shift, however, from CRTs to flat panel displays (FPDs) in the colour television market over the past several years led to a drastic fall in FPD product prices. JVC was forced to conclude that it would be difficult to continue production within the UK due to the resulting impact on profits. Other factors behind the decision to halt production include the fall to about 25% percent of JMUK-produced products sold within the UK, and development of production infrastructure for electronics products in Eastern Europe.

Taking such circumstances into consideration, JVC will switch from internal production at JMUK to consignment production by an electronic manufacturing service (EMS) company in Eastern Europe, in order to reduce display product manufacturing costs and increase business profitability. JVC will also be reducing logistics and material costs through local part procurement in Eastern Europe in conjunction with this move.

JMUK will begin consultations with union representatives today (April 25, 2008). JVC plans to terminate production at the end of July and initiate company liquidation procedures around September, after the consultation procedures have been completed.

■ JMUK overview

- Company name: JVC Manufacturing UK LTD.
- Location: East Kilbride, UK
- Established: December 1987
- Capital: GBP 10,000,000
- Employees: 300
- Products: LCD televisions, CRT televisions, etc.

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