

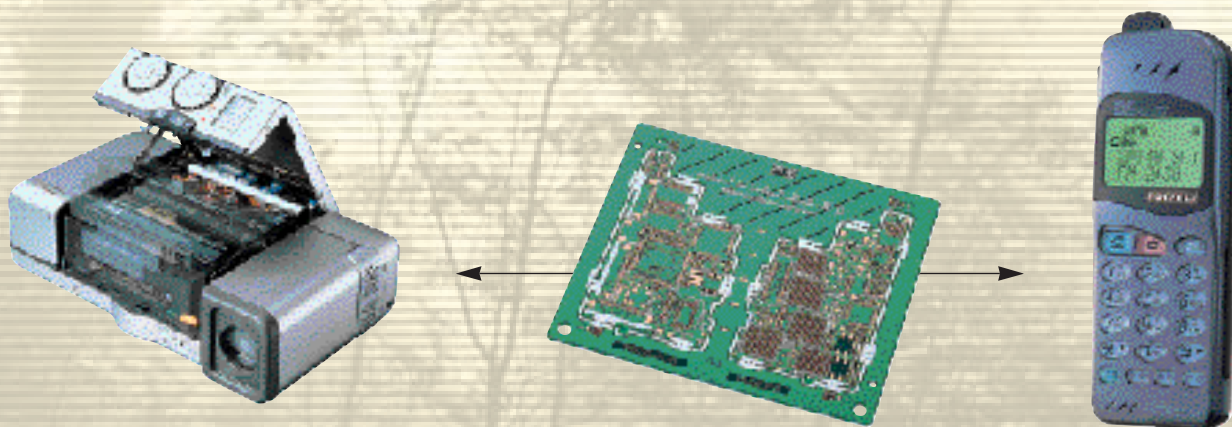
Components & Devices is a mission-critical pillar of operations that supports the future of JVC. Our Components & Devices technology has contributed to the development of the world's most advanced products, including the VHS platform and the digital camcorder. Taking advantage of this technological strength, JVC is dramatically expanding outside sales. The ratio of external sales has expanded from 78% in 1995 to 90% in 1998. This competitive advantage is unmatched by any other component manufacturer.

The information- and communications-related field is expected to accelerate growth in Components & Devices operations. JVC is one of the world's leading producers of the deflection yoke, a fundamental component of CRTs for personal computer displays. Other highly competitive products include basic components for such optical storage systems as CD-ROM drives, highly accurate motors for floppy disk and hard disk drives, and build-up multilayer boards.

### Information- and Communications-Related Products

In information- and communications-related products, sharp growth is expected in high-density build-up multilayer boards, a strategic part of operations. GR-DV1 and GR-DVX, the world's smallest and lightest digital camcorders, were made possible through JVC's build-up boards. Demand is rapidly increasing for build-up boards as a key component in AV digital products, notebook computers, portable information devices and mobile communications devices, which require more compactness and density. In response to this demand, JVC established an advanced production line in July 1997.

Components for high-capacity random access memory mediums, including CD-ROM and DVD-ROM drive mechanisms, optical pick-ups and motors for data storage devices, show promise as fields of growth. JVC will respond to rising demand for higher levels of precision and speed in these devices.



Demand is sharply increasing for our high-precision build-up multilayer boards, which are used in digital equipment.