

In Japan, commencement of full-blown digital broadcast satellite (BS) transmissions in December 2000, followed by digitization of terrestrial broadcasts, will propel the emerging digital era forward. Based on these developments, increased demand is predicted in the digital audiovisual market. JVC is concentrating its accumulation of advanced technologies, prioritizing distribution of management resources and developing products for the new digital era. Taking advantage of systemizing and networking, the Company is restructuring marketing to more precisely meet customer needs. The Company is also making the most of its strengths in combining hardware and software. JVC is steadily preparing for the emergence of the digital era to ensure the Company's position as the preferred choice of customers for its product proposals that thoroughly match needs, and to lead the industry in the audiovisual field.

## CONSUMER ELECTRONICS: ADVANCING INTO PRODUCTS **NETWORKED WITH DIGITAL TECHNOLOGY**

As the developer of the VHS format that became the wellspring for video, one of the greatest inventions in the 20th century, JVC has led the industry in proposing new technology and promoting its adoption since introducing the first VHS VCR in 1976. JVC recently followed up by developing the D-VHS standard for the digital era. A majority of manufacturers around the world are moving toward adopting the standard, which is backward compatible with the analog VHS format.

Starting our advance toward the era of full-scale digital broadcasting, in 1997 **D-VHS** equipment went on sale in the United States, the first country to kick off digital broadcasting. In March 1999, the Company formed a tie-up with Sony Corporation for the joint development of

next-generation D-VHS video decks enhanced with networking functions offered by iLink (IEEE 1394-compliant interface). In July, these new decks were prepared for commercialization as the first D-VHS products in Japan. D-VHS decks will go on sale this year in Europe. Further efforts are being applied to add D-VHS products with more features to the lineup with our sights set on making D-VHS a central part in the networking era.

**Video camcorders** have already digitized and recent developments have taken this technology one step further. Our mini DV camcorders have improved in line with increased value placed on mobility and personalization—world trends that have evolved in step with digitization. Miniaturization has progressed toward achieving the

goal envisioned by the catch phrase “movies that fit in your pocket.” Our latest GR-DVX7 camcorder weighs a mere 435 grams compared with the video camera that weighed more than one kilogram. With still image capturing as well as movie recording functions, we are improving the image quality of our digital camcorders to levels approximating that of conventional cameras.

A new era is coming to **television displays** as the schedule to digitize all broadcasts in Japan by 2010 is nearing completion. A bipolarization of the market is foreseen between personal displays and large-scale displays with stunning image quality. JVC is beefing up its lineup of large-scale displays for home theaters. Receiving high acclaim around the world, our wide-screen televisions will be ready to meet the expected increase in market demands. Based on our professional-use high-quality large-screen D-ILA multimedia projector, the Company will develop the home-use D-ILA projector. In tie-ups with other companies, JVC is making improvements to plasma display panel (PDP) wall-mounted televisions as well.

Demand is expected to grow for **DVD** players for home entertainment and for computer DVD-ROM drives. JVC foresees the eventual commercialization of recordable and playable DVD units, and aims to fully utilize the respective advantages of both DVD and D-VHS in future

products. JVC played a leading role in the creation of the DVD-Audio 1.0 specification as a member of the DVD Forum. Know-how gained in the establishment of DVD standards will be applied to future product development.

High-fidelity audio, a JVC specialty, is an essential element in realizing the full potential of home theaters. High-quality audio has entered a period of full-blown demand, as shown by more than six million shipments of **MD** units. JVC continues to systemize MD technology.

Maximizing the potential of digital technology, JVC is systemizing and networking digital-related products. This fall, the Company will release **personal digital assistants** (PDAs) that can connect to such portable AV products as DVCs and MDs, and contain the basic computer functions necessary for a mobile environment. Amid the movement toward systemization, the Company will enter the field of home servers in the near future.

A major key in networking consumer products is the adaptation of professional-use **optical wireless LANs** to home networks. To accelerate the realization of home networks, JVC established HITS Laboratories, Inc. in cooperation with a public research institution. Research at the company includes high-capacity wireless optical transmission methods featuring simple yet low cost performance for multimedia devices in the home.



DIGITAL NETWORKED PRODUCTS:  
 DIGITAL VIDEO CAMCORDER  
 DIGITAL BROADCASTING AND  
 D-VHS VIDEOCASSETTE RECORDER  
 PORTABLE VIDEO PRINTER  
 PERSONAL DIGITAL ASSISTANT