

A stylized world map in shades of green and yellow serves as the background for the slide. The map is centered on the Atlantic Ocean, with the Americas on the left and Europe and Africa on the right. The text and logo are overlaid on this map.

FY2005 3Q

Business Results

3 February, 2005

Victor Company of Japan, Ltd.

JVC

The Perfect Experience

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.

1.Consumer electronics:
Difficulty in sales in America and Europe
✓ Camcorder inventory level normalized

2.Difficulty in sales of music CD business
✓ Postponement of new titles and lack of hit titles

3.Big increase in sales of consumer electronics in domestic market (137% y/y)
✓ Launch of digital media camera
✓ Sales increase of DVD recorder and LCD TV

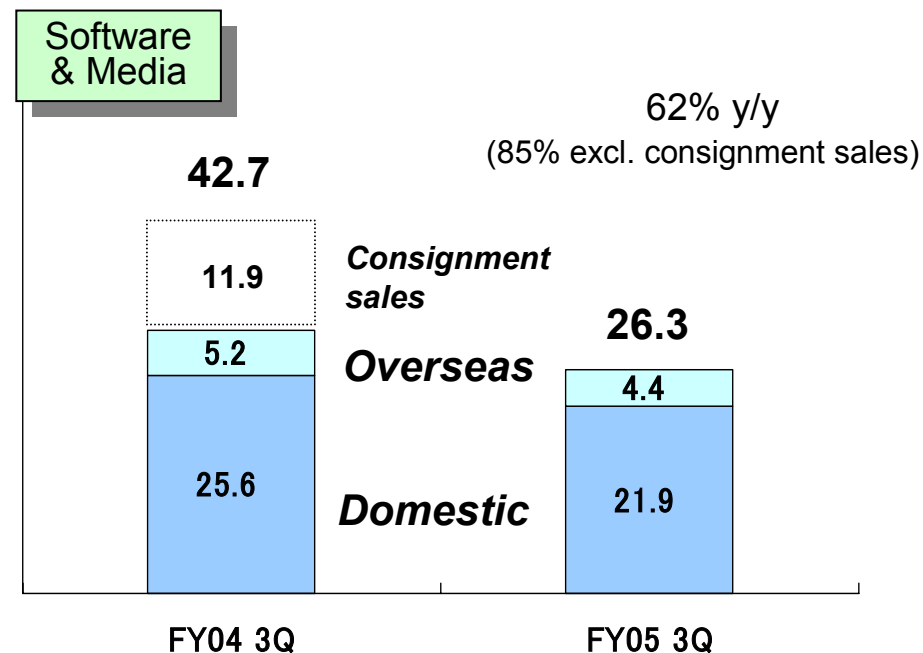
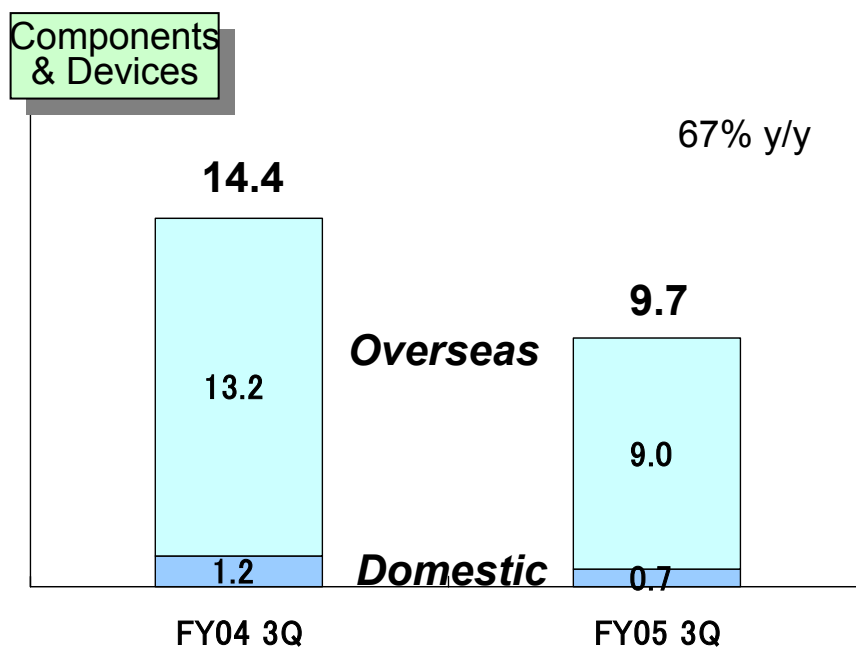
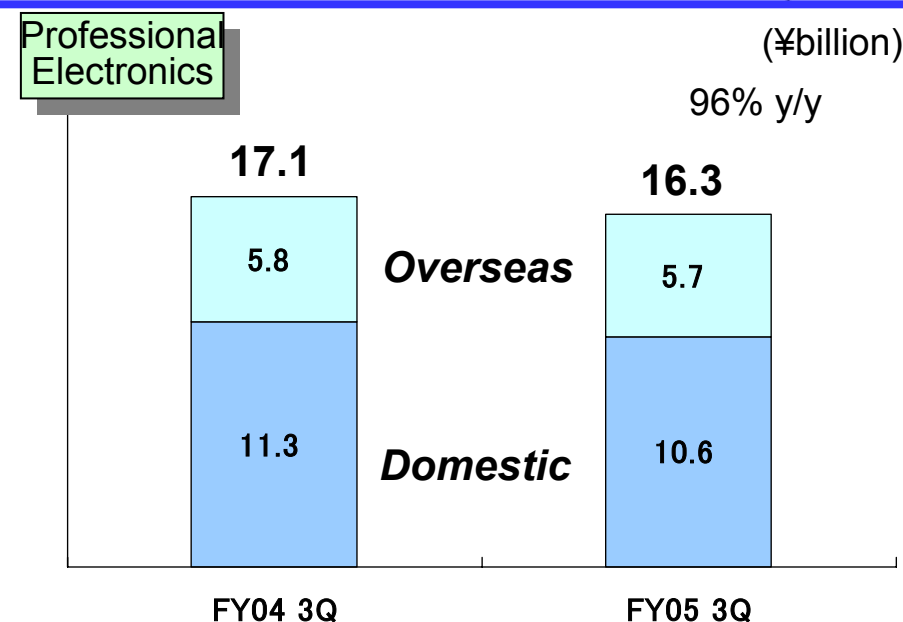
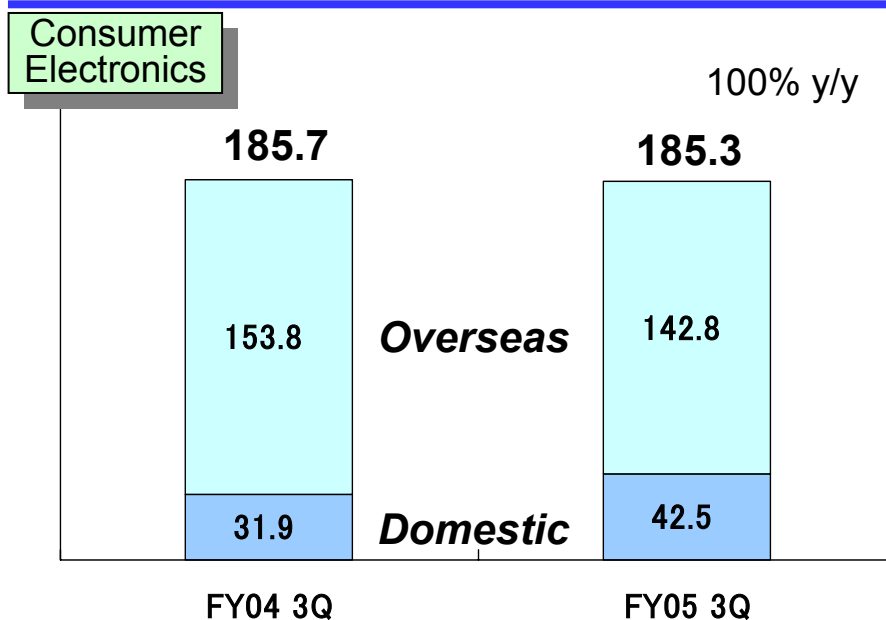
FY2005 3Q Consolidated Financial Results

(¥billion)

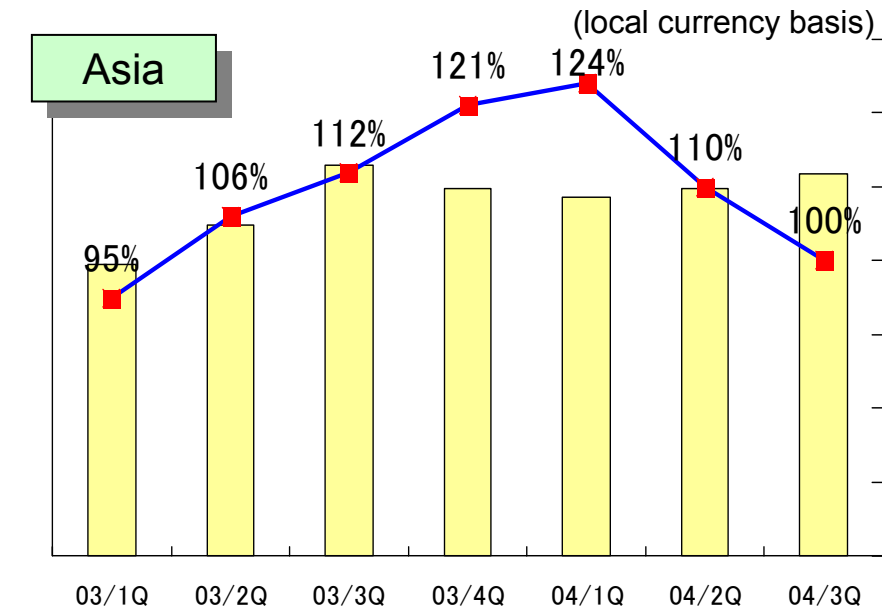
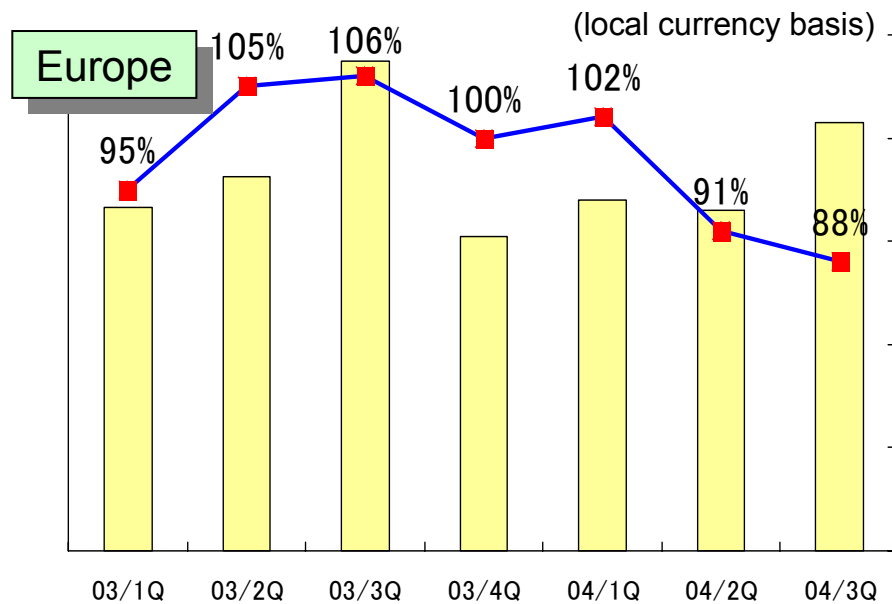
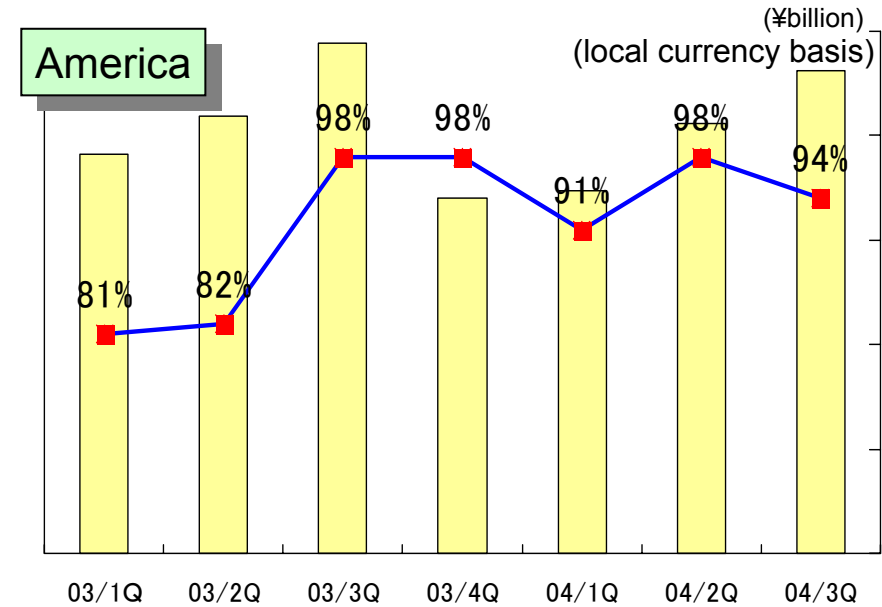
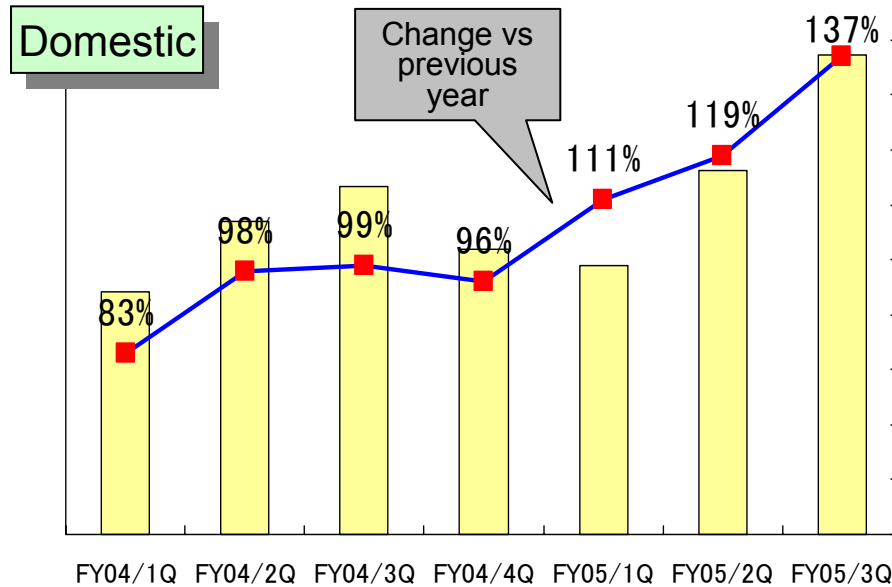
	2004/10~2004/12			2004/4~2004/12		
	Results	FY04	Change vs FY04	Results	FY04	Change vs FY04
Net Sales	239.2	249.4 [*] 261.3	96% 92%	649.3	688.1 [*] 724.1	94% 90%
Operating income	3.1% 7.4	3.8% 10.0	74% -2.6	1.8% 11.8	2.8% 20.3	58% -8.5
Ordinary income	2.7% 6.5	3.3% 8.7	75% -2.2	1.5% 9.7	2.2% 15.9	61% -6.2
Net income	2.0% 4.7	2.6% 6.9	68% -2.2	0.0% 0.3	1.4% 10.4	3% -10.1

*excluding consignment sales

FY2005 3Q Sales Results by Segment



Consumer Electronics Sales by Area



FY2005 3Q Operating Income Breakdown

(¥billion)

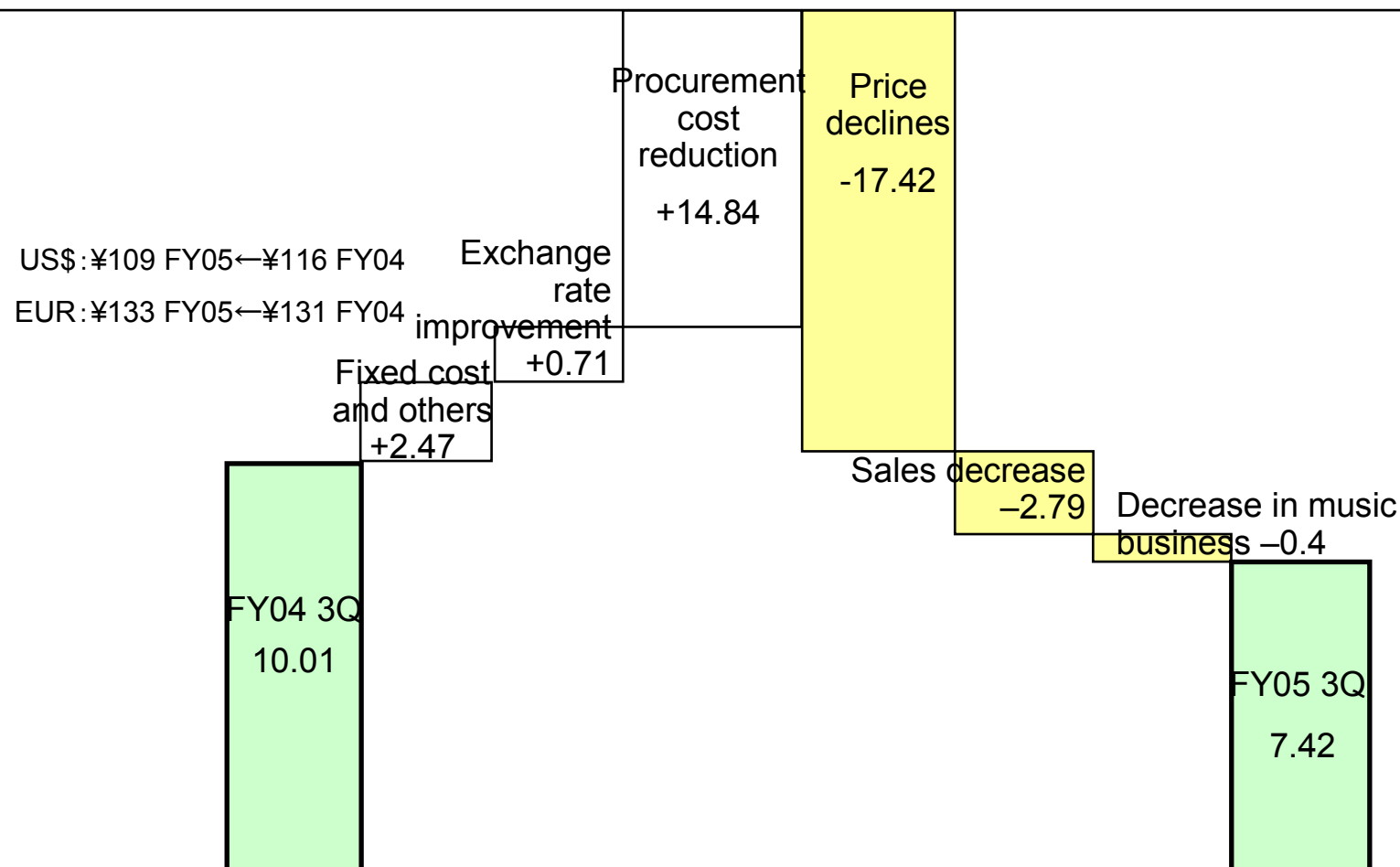
FY2004 3Q
Operating income ¥10.01

Positive factors

Change : ¥ -2.59 billion

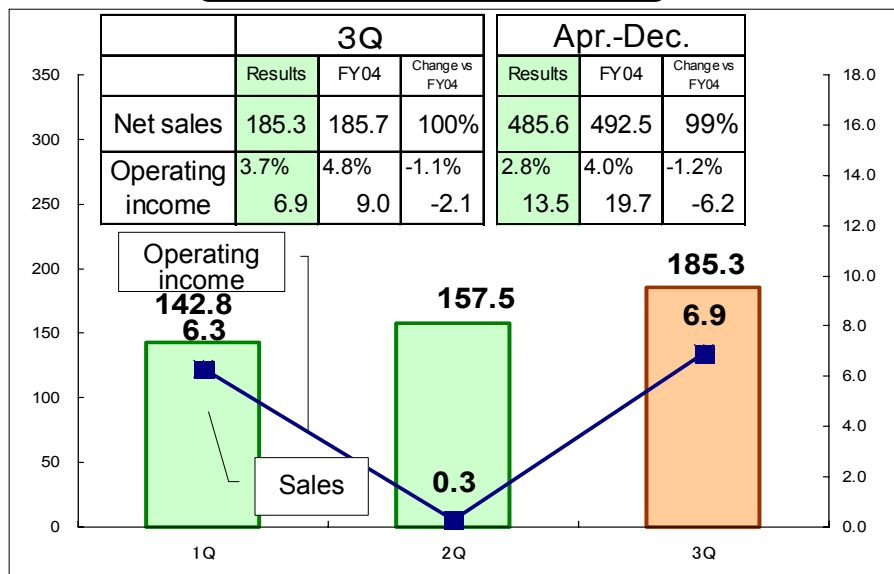
FY2005 3Q
Operating income ¥7.42

Negative factors



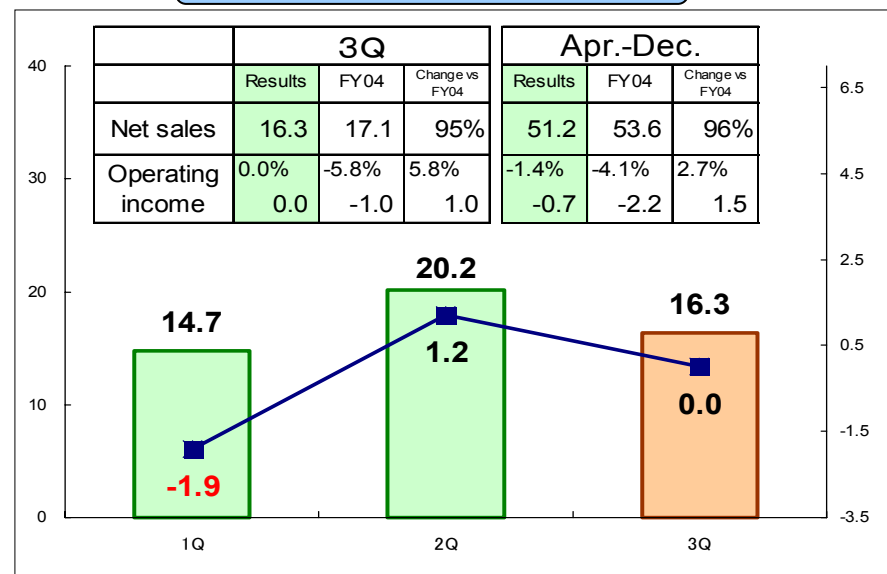
FY2005 3Q Sales Results by Segment

Consumer Electronics

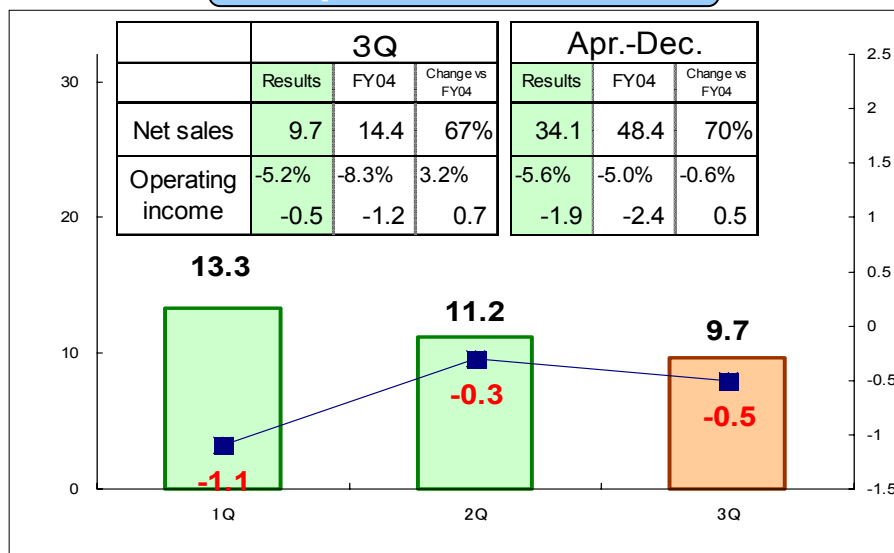


Professional Electronics

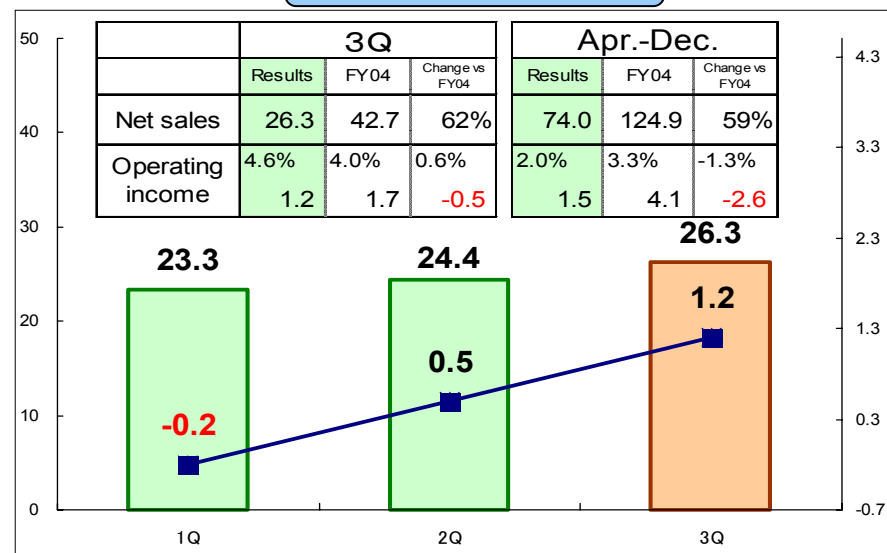
(¥billion)



Components & Devices



Software & Media



Consolidated Extraordinary Profit and Loss

(¥billion)

	Results
Proceeds from sales of property, plant and equipment	0.33
Proceeds from sales of marketable securities	0.06
Structural reform charges	-0.32
Total	0.07

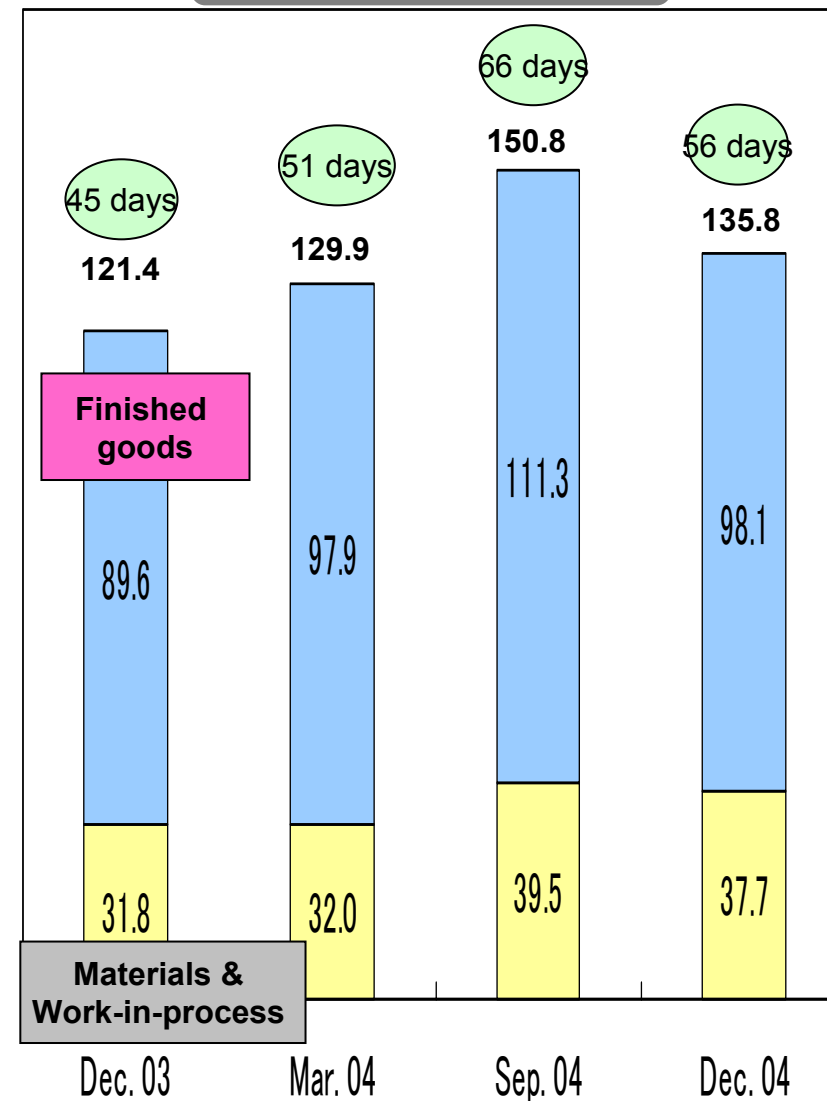
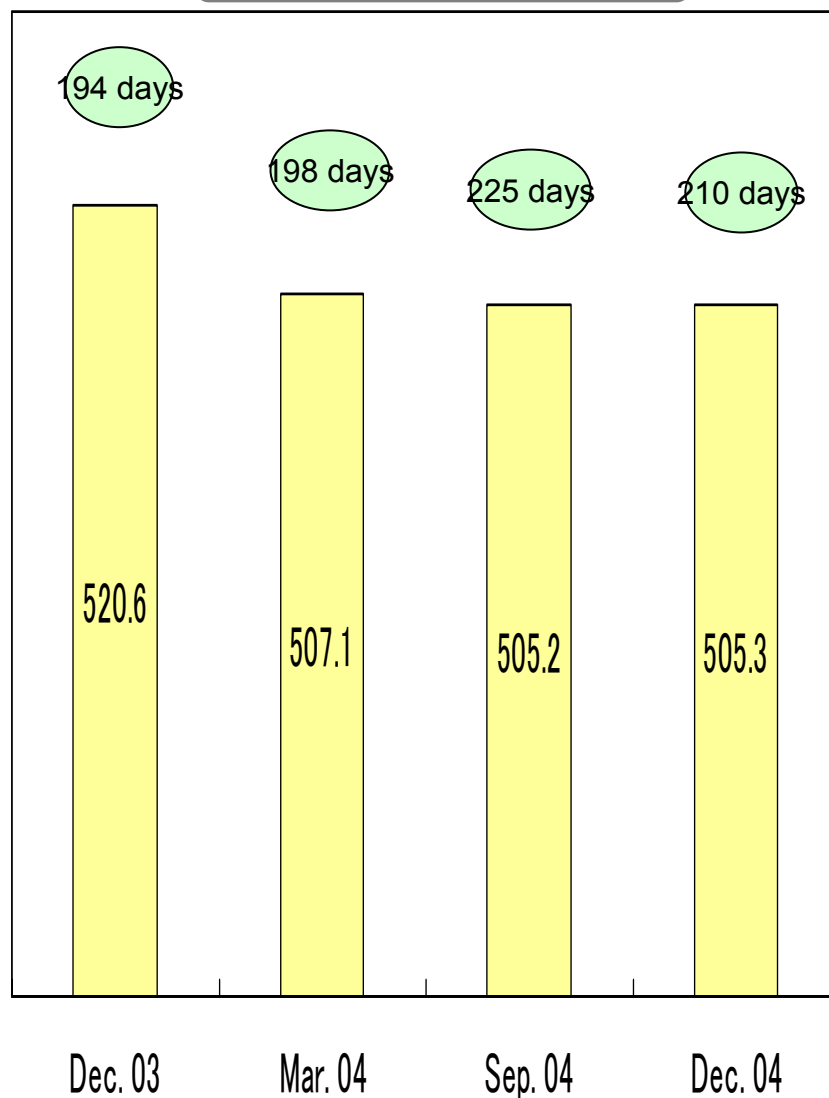
Trend in Asset and Inventory

Gross asset

Exch. rate	2004/12	2003/12
US \$	104.2	107.1
EUR	141.6	133.7

Inventory

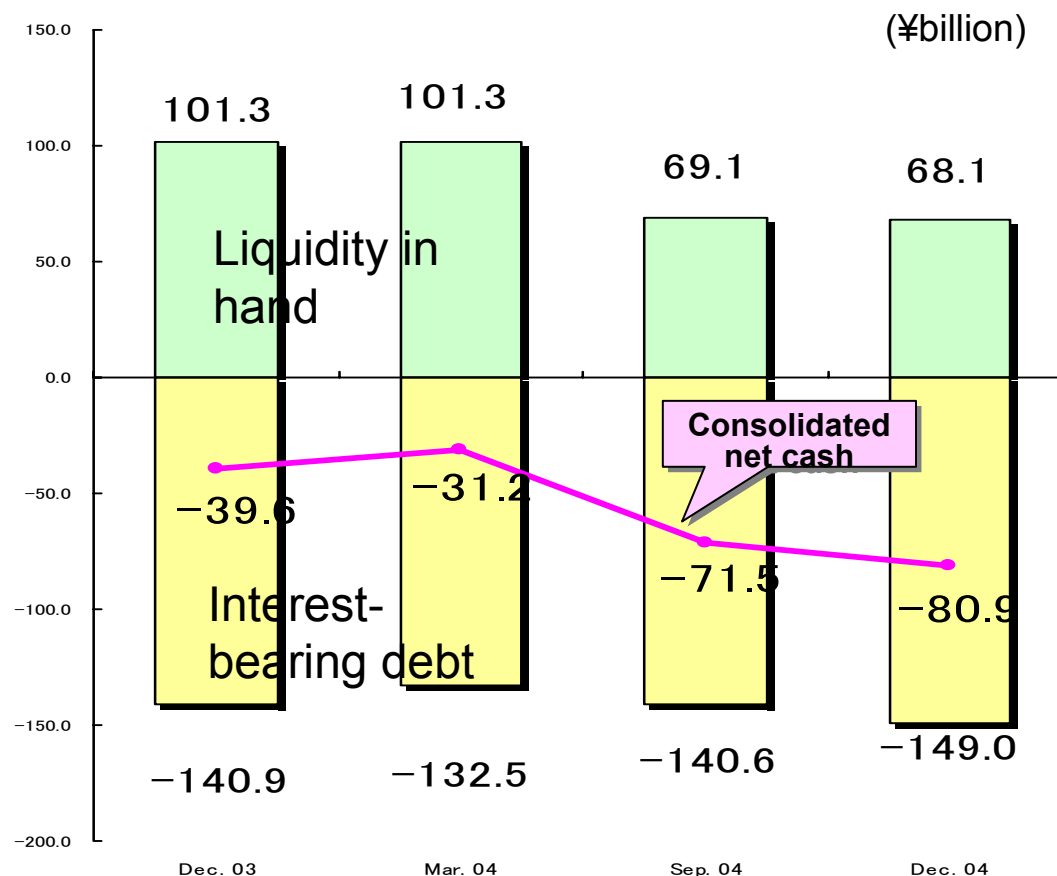
(¥billion)



FY2005 3Q Cash Flows

Consolidated cash flow statement

	2004/10~ 2004/12
Income before income taxes	6.5
Depreciation	5.7
Operating capital	-18.3
Inventory	14.3
Structural reform	-6.0
Others	-5.9
Net cash provided by operating activities	-3.7
Capital assets	-6.1
Others	1.1
Net cash used in investing activities	-5.0
Free cash flow	-8.7
Net cash used in financing activities	7.7
Other adjustments	-0.2
Net decrease in cash	-1.1
Cash and cash equivalent at beginning of the year	69.0
Cash and cash equivalents at end of 3Q	67.9



(Tangible fixed assets excluding mold cost)
(¥billion)

	2004/3Q
Capital investment	2.7
Depreciation&amortization	3.2

FY2005 Business Forecast

(¥billion)

(Consolidated)

	Forecast	Change vs FY04	FY04 result
Net Sales	905.0	102%* 98%	885.9* 922.0
Operating income	2.5% 23.0	-2.2	2.7% 25.2
Ordinary income	1.9% 17.0	-3.2	2.2% 20.2
Net income	0.4% 4.0	-11.6	1.7% 15.6

(Non-consolidated)

	Forecast	Change vs FY04	FY04 result
Net Sales	465.0	93%	501.7
Operating income	1.0% 4.5	-3.4	1.6% 7.9
Ordinary income	1.9% 9.0	2.1	1.4% 6.9
Net income	0.3% 1.5	-5.7	1.4% 7.2

*excluding consignment sales



HD-ILA
rear projection TV
HD-61/52 Z575/585

**HD-ILA launch in
North America with
stable monthly
production of 10k
pcs since October**



HDD camcorder “Everio”
GZ-MC200 / MC100

**Good sales
worldwide of
digital media
camera “Everio”**



HD LCD TV
featuring Genessa
LT-32/26LC50

**Good sales of LCD
TV featuring
Genessa, especially
in Japan**



DVD system equipped
with 2-Way wood cone
speaker EX-A5

**Reinforcement of
audio products with
Only One technologies
such as wood cone
speaker, 4ch surround
system “route-4”**



VHS&HDD&DVD
video recorder
DR-MX3/5

**Good sales of
DVD+HDD+VHS
3-in-1 model,
particularly in Japan**



MP3/WMA ready
CD receiver
KD-SHX929

**Good sales of Car
electronics,
especially in
America and Asia**

Objectives in 4Q

Consumer Electronics	Camcorder	Be aggressive to the market as the inventory level normalized : reinforcement of DVC & Everio lineup
	Display	Reinforce big screen and high quality product lineup
	DVD recorder	Expand sales especially with DVD+HDD+VHS 3-in-1 products
Professional Electronics	Japan : increase orders for electric and educational facilities Overseas : launch new products such as professional digital video cameras	
Components & Devices	Expand FDB motor business for HDD Improve productivity and increase market share of deflection yokes and CD pickups	
Software & Media	Expand sales with new big titles (SMAP, Love psychedelico) Improve productivity in order to cope with drastic price decline of blank media, and expand sales channels	