

Fiscal 2006 Third Quarter, ended December 31, 2005

Business Results

1 February, 2006

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. Difficulty for Consumer Electronics business

- Difficulty for Display business in U.S. and Audio/Video Systems business globally
- Decrease in sales for Digital Video Storage business due to reduced lineup
- Positive point: stable growth for Camcorder and Mobile Entertainment businesses

2. Continuous business recovery for Professional Electronics, Components & Devices and Software & Media

- Hit music software from SAS, SMAP music artists, etc.

3. Reduction of inventory both in amount and in turnover days

Fiscal 2006 3Q Consolidated Financial Results



2006.2.1.

2

(¥billion)

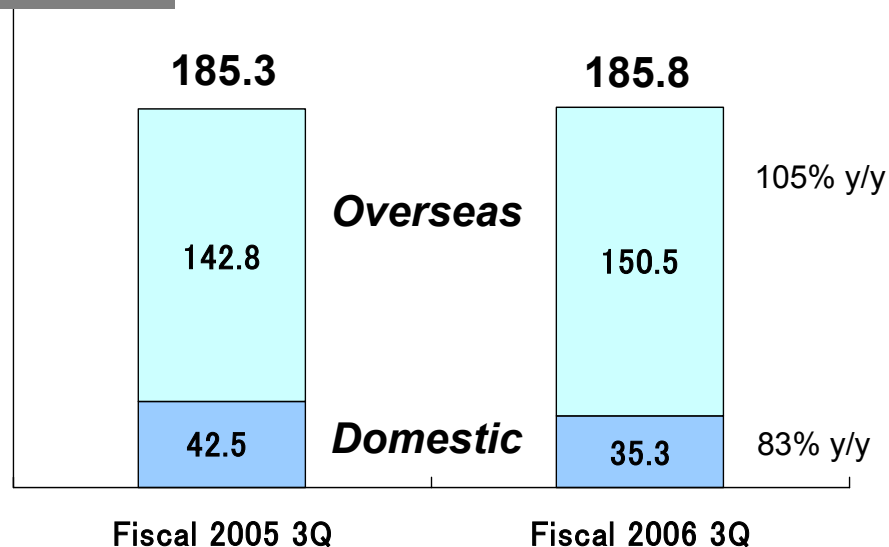
	2005/10~2005/12			2005/4~2005/12		
	Results	FY05	Change vs FY05	Results	FY05	Change vs FY05
Net Sales	240.5	239.2	101%	627.8	649.3	97%
Operating income (loss)	0.6% 1.5	3.1% 7.4	20% -5.9	-0.4% (2.2)	1.8% 11.8	-14.0
Ordinary income (loss)	0.1% 0.1	2.7% 6.5	2% -6.3	-1.3% (8.3)	1.5% 9.7	-18.0
Net income (loss)	0.0% 0.1	2.0% 4.7	2% -4.6	-2.4% (15.2)	0.1% 0.3	-15.6

Fiscal 2006 3Q Sales Results by Segment

(¥billion)

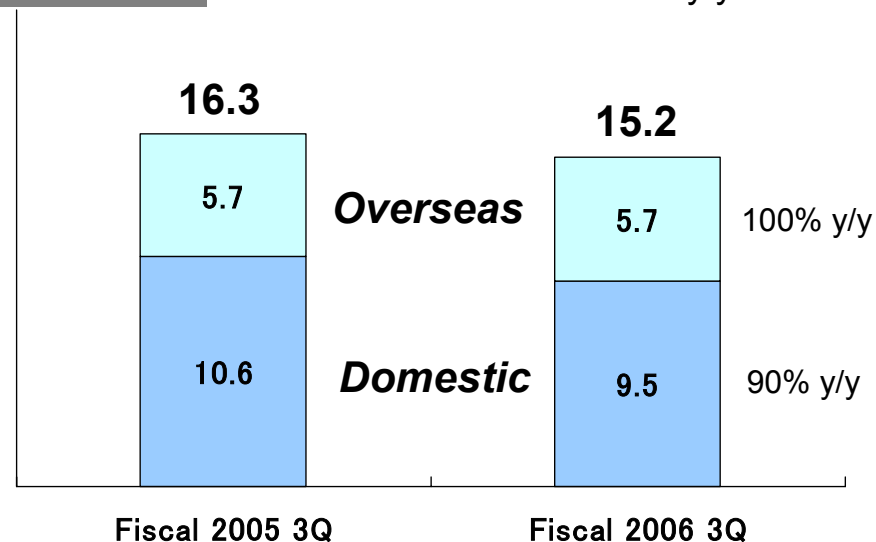
Consumer Electronics

100% y/y



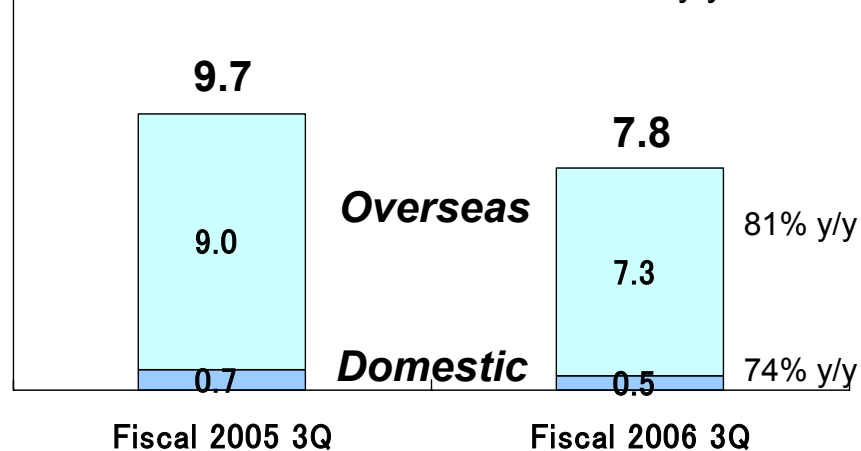
Professional Electronics

93% y/y



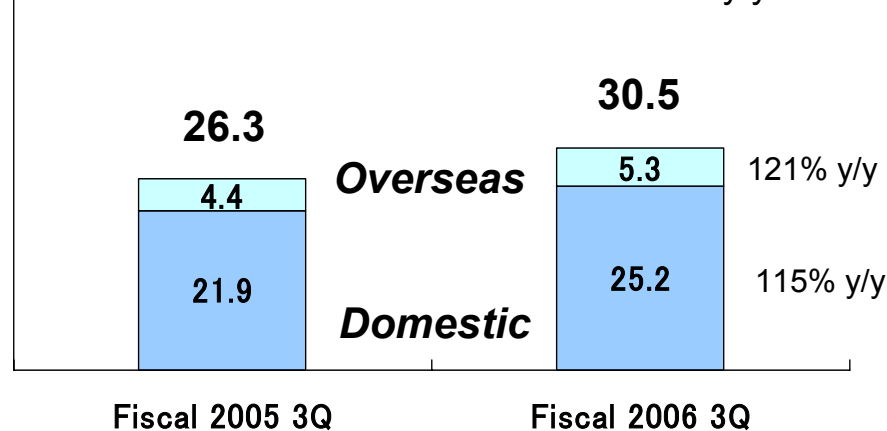
Components & Devices

80% y/y

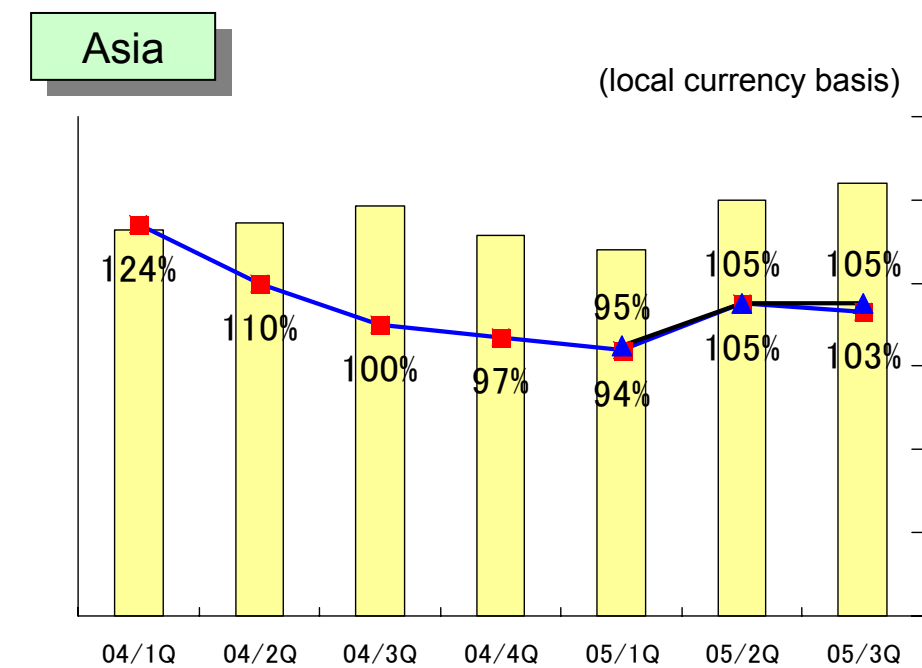
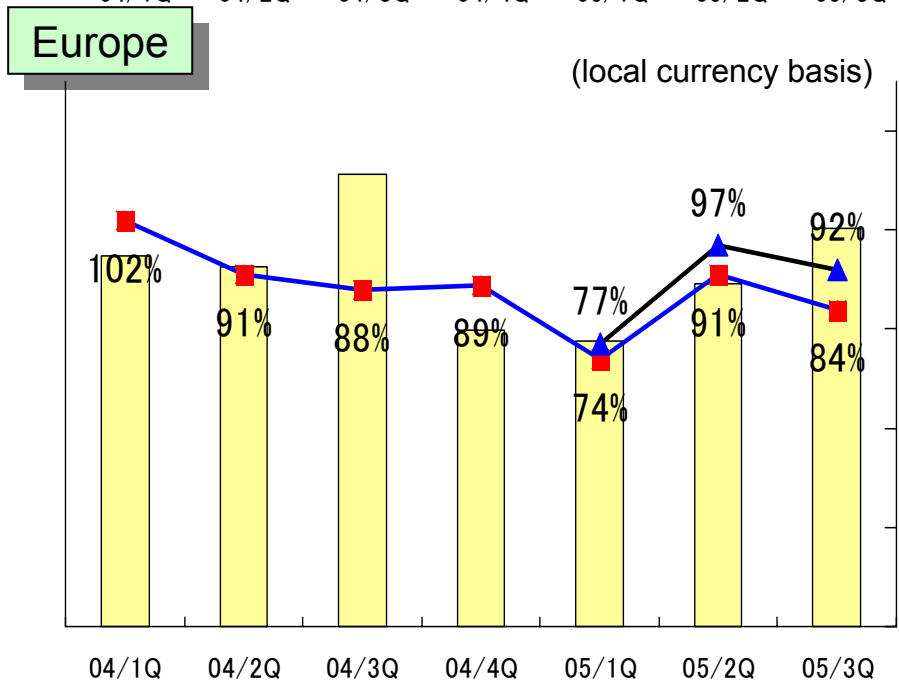
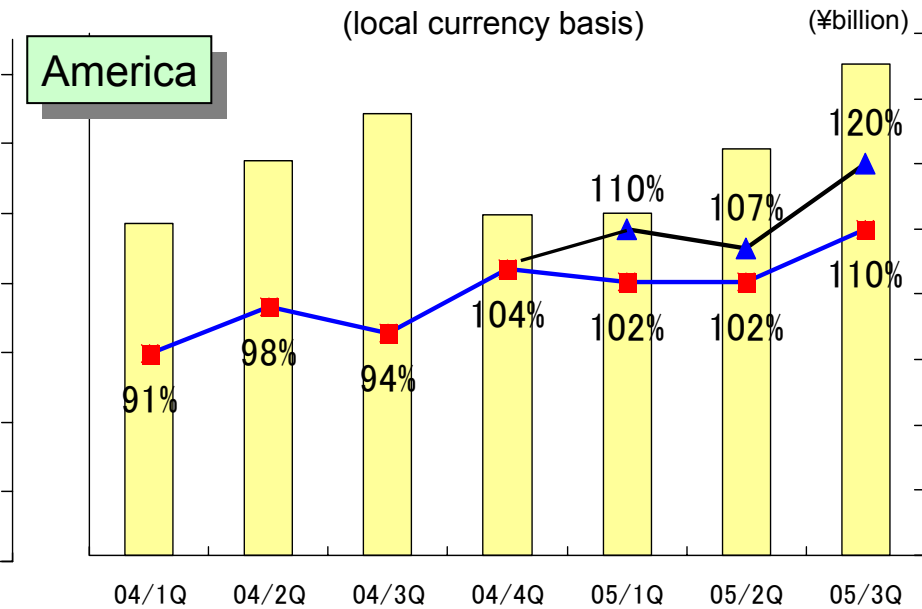
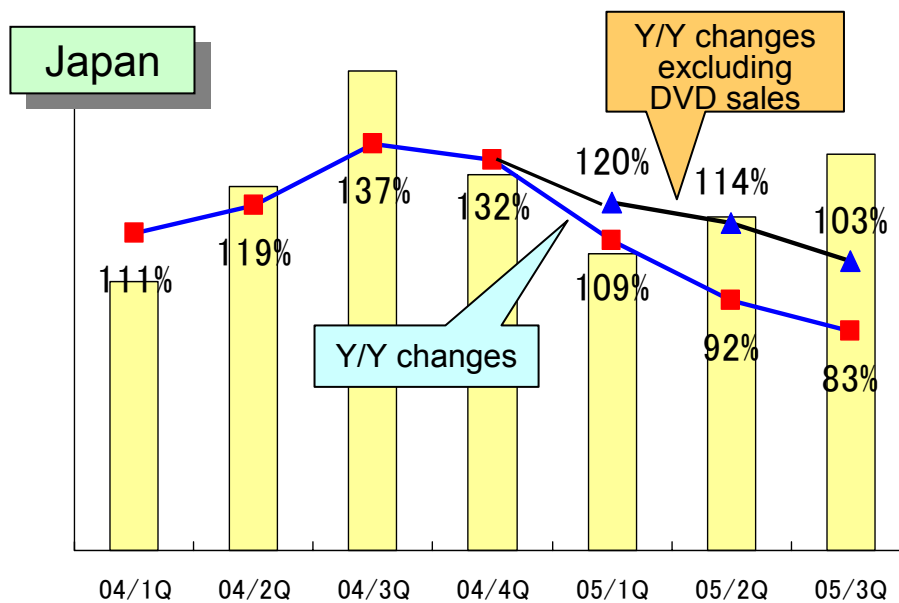


Software & Media

116% y/y



Consumer Electronics Quarterly Sales by Region



Fiscal 2006 3Q Operating Income (Loss) Breakdown

FY2005 3Q result
7.4

Negative factors

Changes vs FY2005 3Q
-5.9

FY2006 3Q result
1.5

Positive factors

(¥billion)

FY05 3Q
result
7.4

Others -0.6

Decrease in DVD
business,
Service cost, etc.
-3.5

Price declines
-18.0

Procurement
cost reduction
+15.9

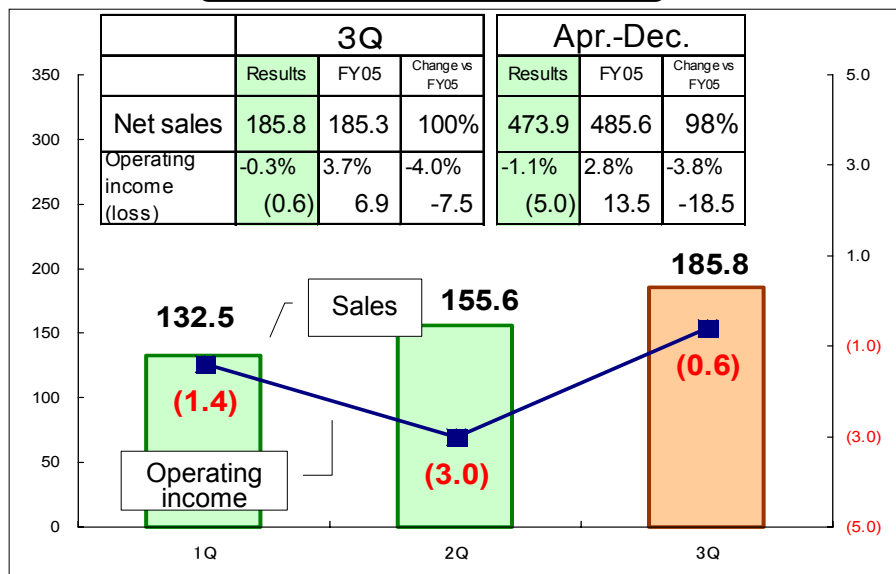
Exchange
rate
improvement
+0.3

FY06 3Q result
1.5

US\$ 109.1→110.3
EUR 133.0→134.5

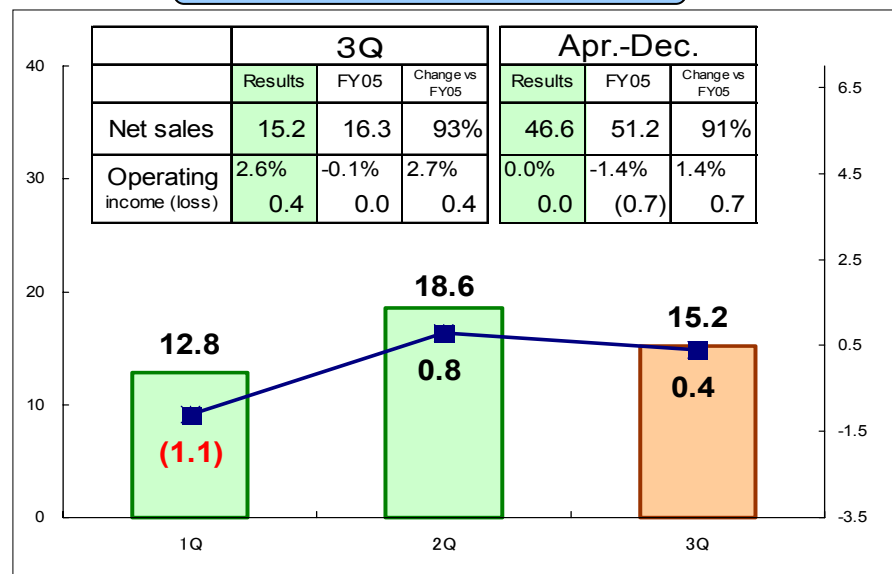
FY2006 3Q Sales Results by Segment

Consumer Electronics

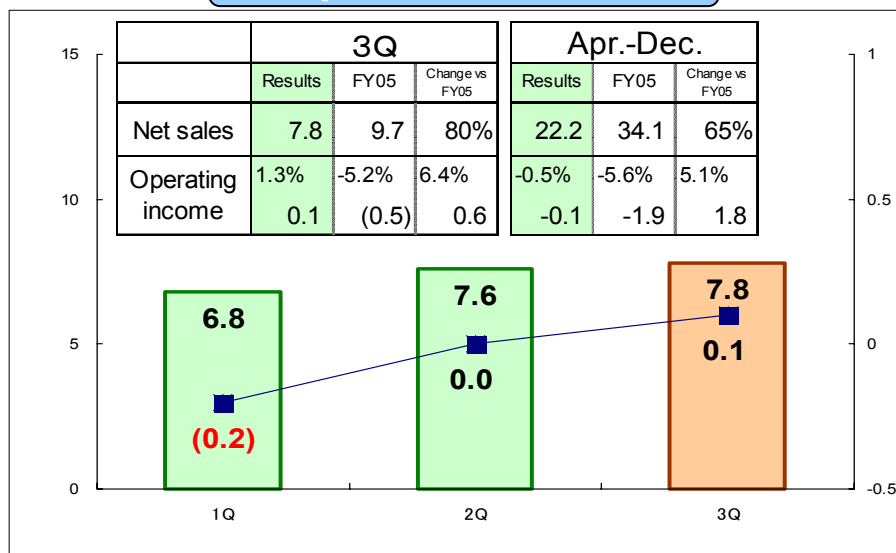


Professional Electronics

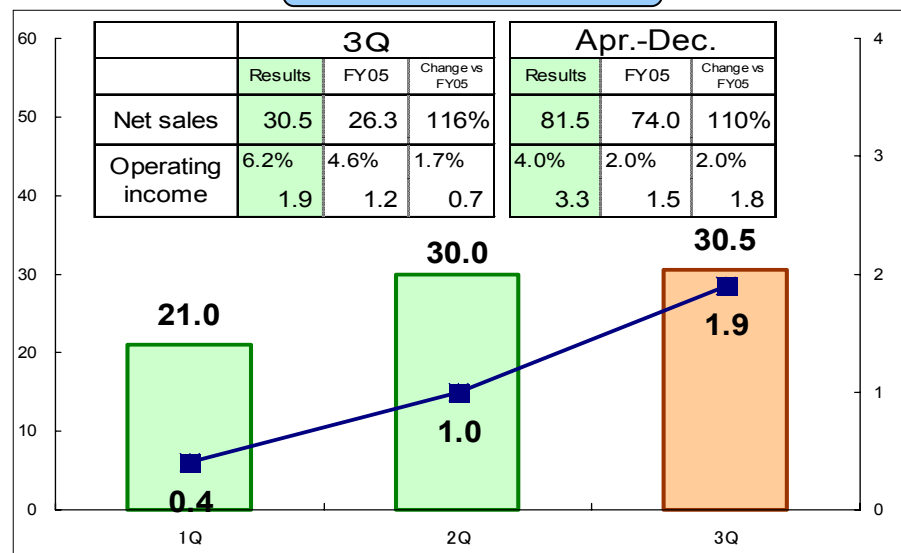
(¥billion)



Components & Devices



Software & Media



Fiscal 2006 3Q Extraordinary Profit (Loss)

(¥billion)

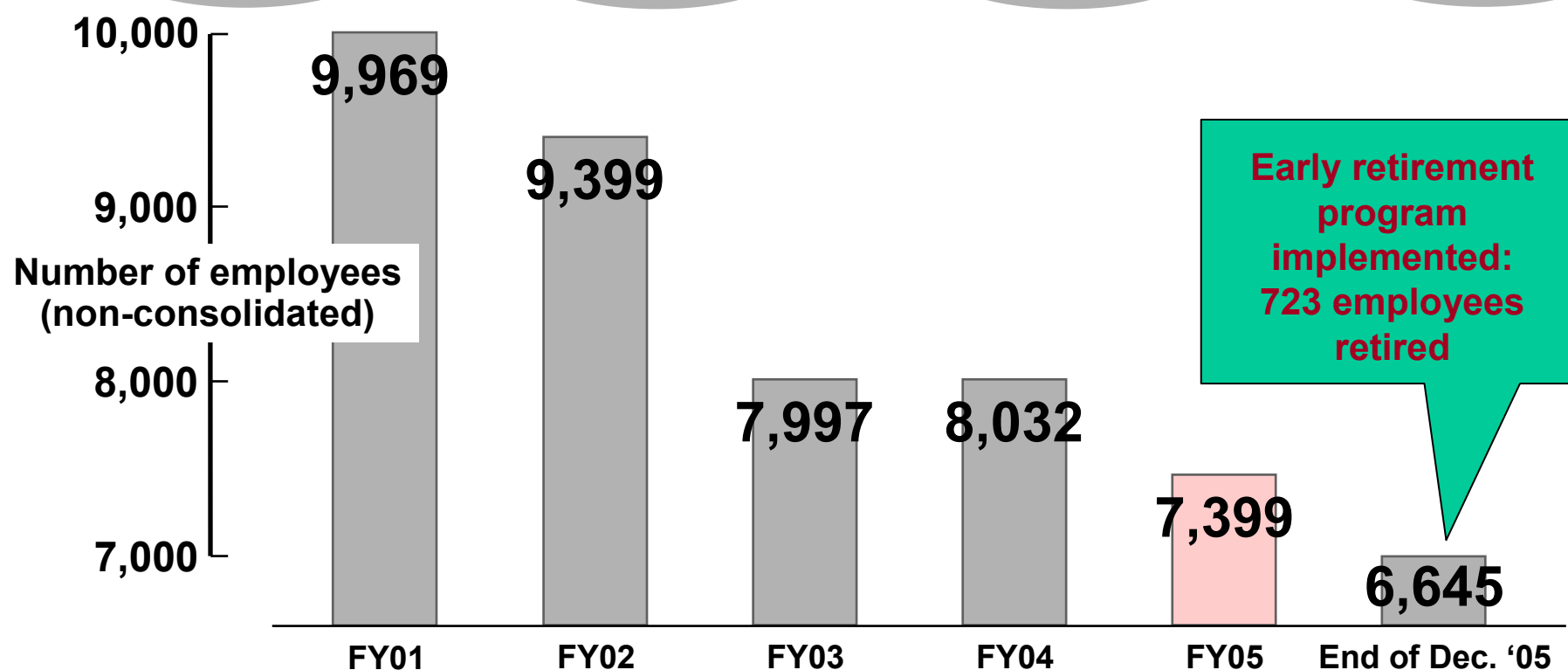
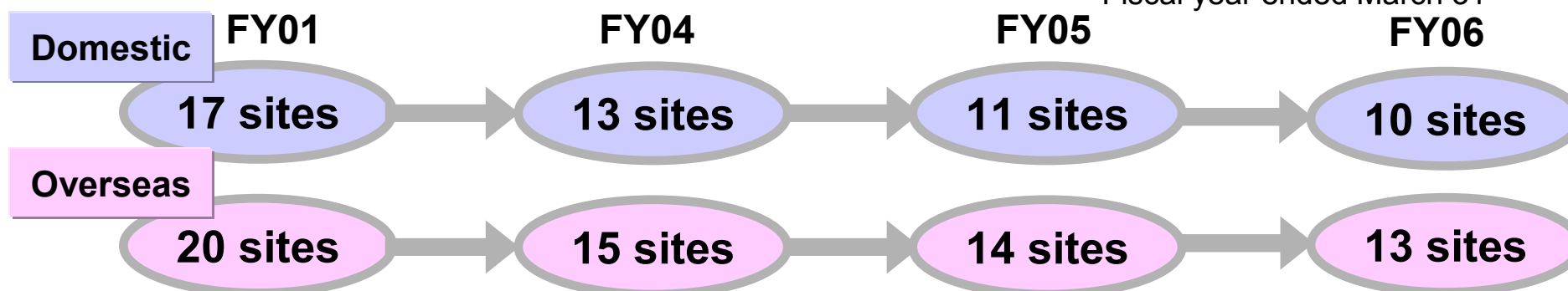
	Results
Gain on sales of property, plant and equipment	1.21
Others	(0.04)
Total	1.17

Changes in Number of Employees and Manufacturing Sites

“Value Creation 21” plan

“Leap Ahead 21” plan

*Fiscal year ended March 31



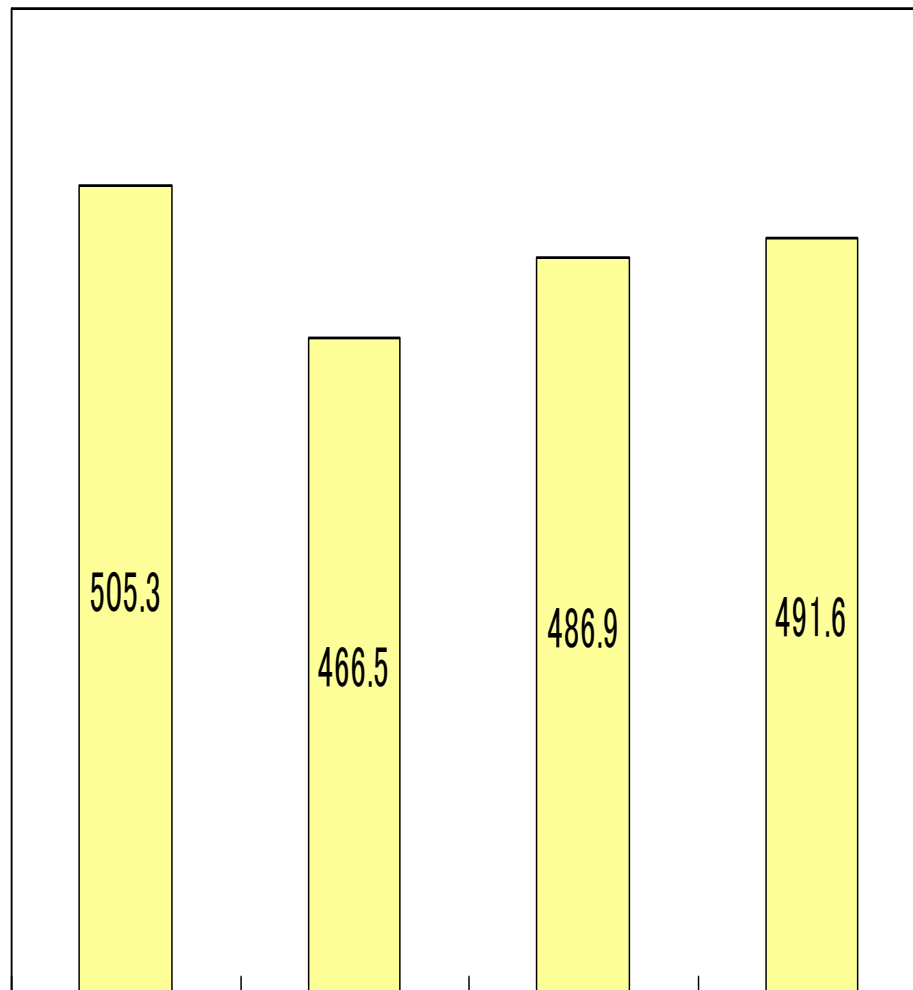
Trend in Asset and Inventory

Gross asset

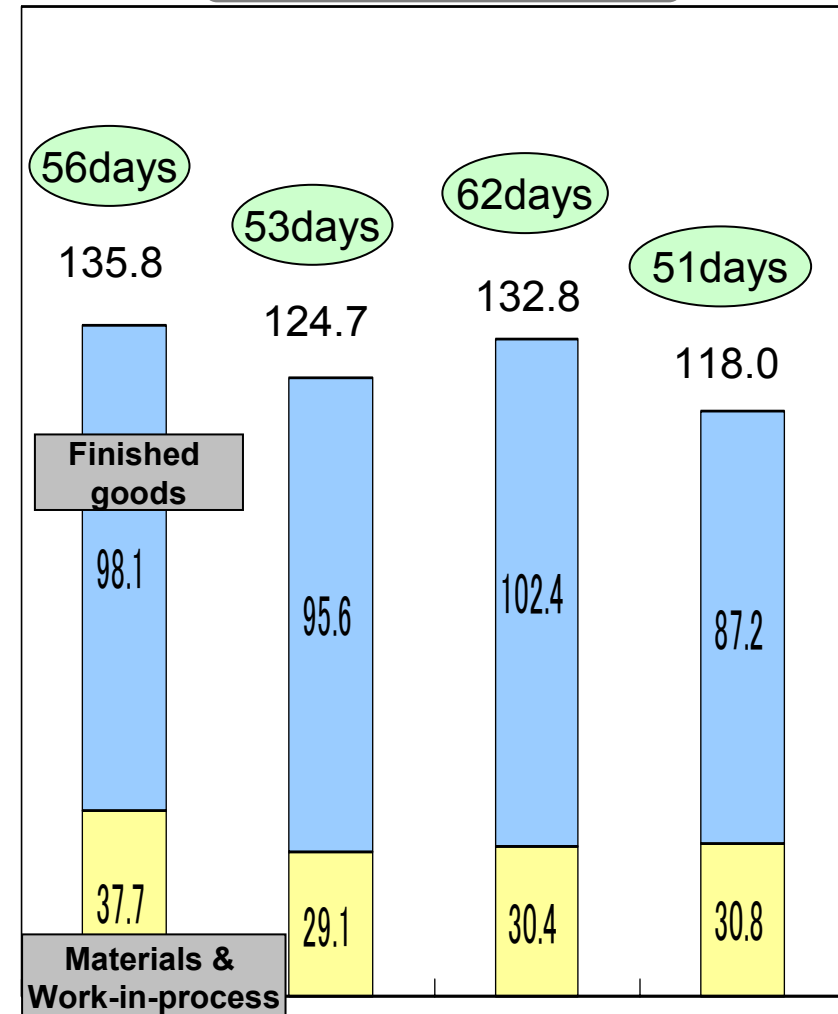
Exch.rate	2005/3	2005/9	2005/12
US \$	107	113	118
EUR	139	136	140

Inventory

(¥billion)



End of Dec. '04 End of Mar. '05 End of Sep. '05 End of Dec. '05

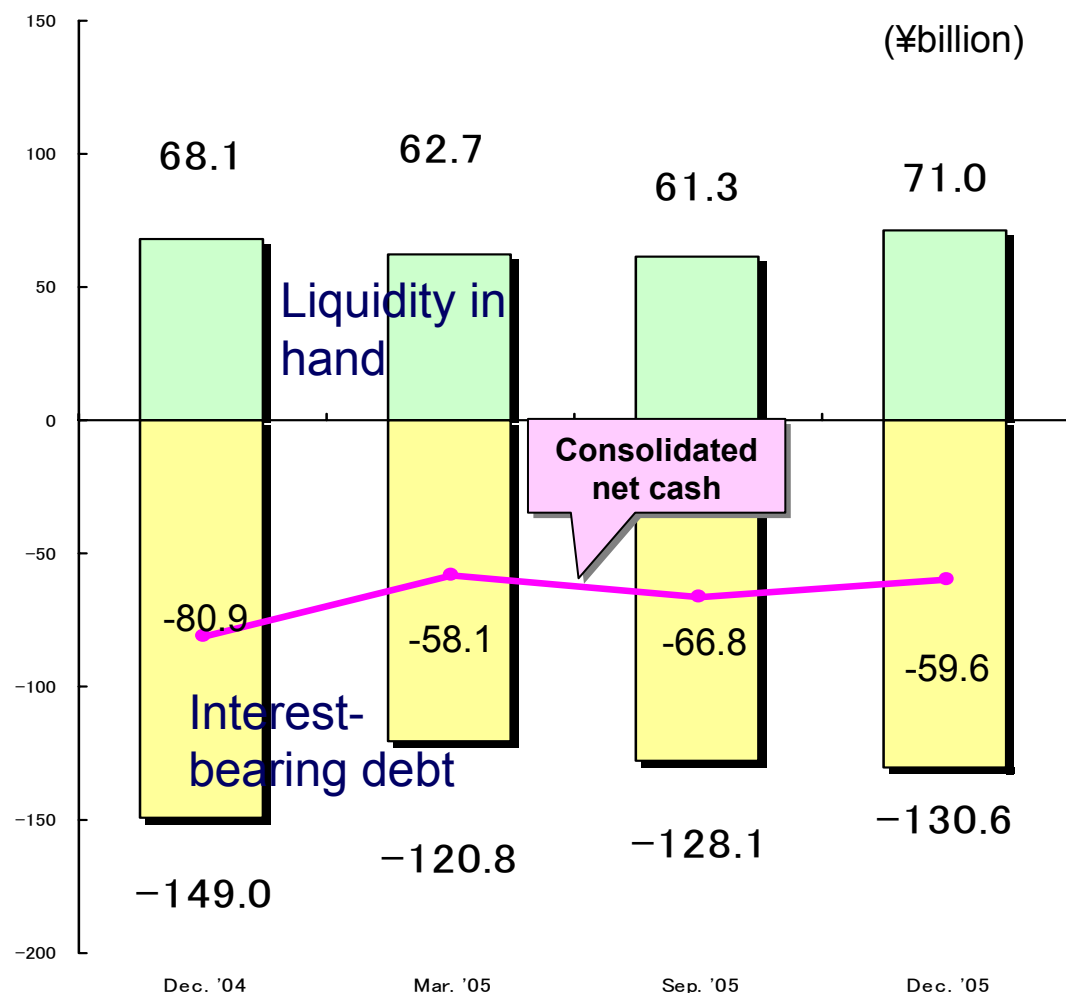


End of Dec. '04 End of Mar. '05 End of Sep. '05 End of Dec. '05

Fiscal 2006 3Q Cash Flow

Consolidated statements of cash flow

Income (loss) before income taxes	1.3
Depreciation	6.5
Decrease (increase) in inventory	17.8
Operating capital	(13.4)
Net cash provided by operating activities	12.2
Fixed asset	(5.3)
Others	1.3
Net cash used in investing activities	(4.0)
Free cash flow	8.2
Net cash used in financing activities	0.7
Other adjustments	0.8
Net increase (decrease) in cash	9.7
Cash at the beginning of the year	61.3
Cash at the end of 1H	71.0



(Tangible fixed assets excluding mold cost based on cash flow)

FY2006 3Q

Capital expenditure	2.0
Depreciation & amortization	3.6

Objectives in Fiscal 2006 4Q

Consumer Electronics

Launch of:

- New LCD TVs featuring new GENESSA/DynaPix
- New HD-ILA Hybrid projection TV
- New Hard Disk Drive camcorder “Everio”
- New Car DVD/CD receiver

Professional Electronics

- Sales expansion of HDV camcorder for professional
- Launch of new security purpose products (disk recorder and surveillance camera)

Components & Devices

- Sales expansion of FDB motor
- Launch of new pick up for Car CD/DVD
- Turning business profitable by expanding sales of VIL circuit board

Software & Media

- Software: new DVD release from music artists SAS, Love Psychedelico, Lemioromen, and new CD release from COCCO
- Media: sales expansion of 8cm DVD disc and DVC tape

Fiscal 2006 Business Forecast

(¥billion)

(Consolidated)

	Forecast announced on Oct.14	Fiscal 2005 results	Change vs fiscal 2005
Net Sales	860.0	840.6	102%
Operating income	0.8% 7.0	1.2% 10.4	-3.4
Ordinary income	0.0% 0.0	0.9% 7.3	-7.3
Net income (loss)	-1.3% (11.5)	-0.2% (1.9)	-9.6

(Non-consolidated)

	Forecast announced on Oct.14	Fiscal 2005 results	Change vs fiscal 2005
Net Sales	465.0	448.8	104%
Ordinary income	0.5% 2.5	1.3% 5.9	-3.4
Net income (loss)	-1.1% (5.0)	1.0% 4.6	-9.6