



FY2005 1Q **Business Results**

28 July, 2004

Victor Company of Japan, Ltd.

JVC

The Perfect Experience 

1. Operating income increase compared to previous year (116%)

Good results in Consumer Electronics

2. Continuous structural reform

Structural reform of Components & Devices business and domestic after service company

3. Inventory increase

Inventory increase due to sales decrease in overseas

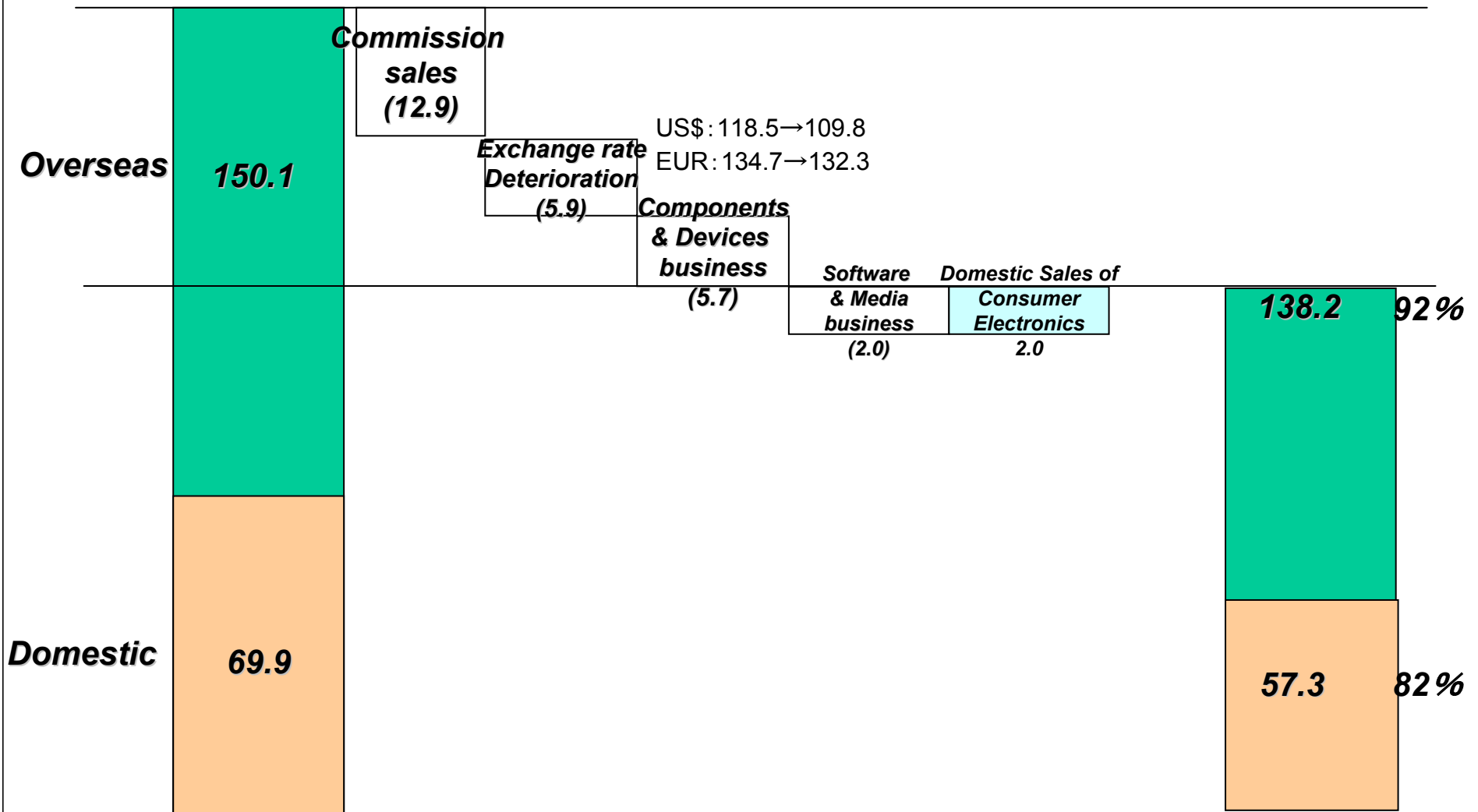
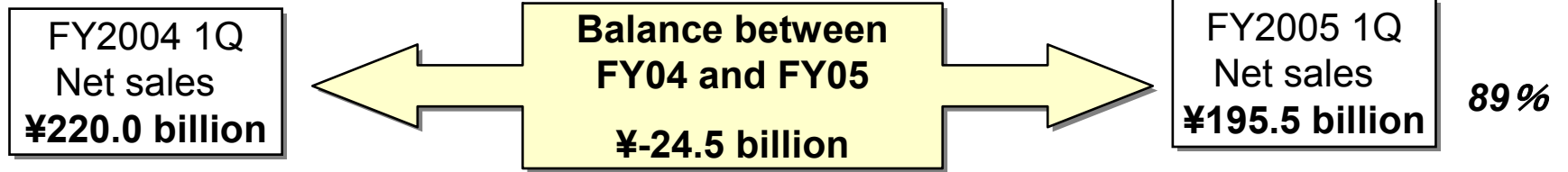
FY2005 1Q Consolidated Financial Results

(¥billion)

	FY2005 1Q	FY2004 1Q	vs FY2004 1Q
			94%*
Net sales	195.5	220.0	89%
Operating income	1.5% 2.9	1.1% 2.5	116% 0.4
Ordinary income	1.1% 2.1	0.6% 1.2	171% 0.9
Income before tax	1.2% 2.3	0.6% 1.2	182% 1.0
Net income	0.5% 1.1	0.0% 0.1	1440% 1.0

* Compared to net sales without commission sales portion

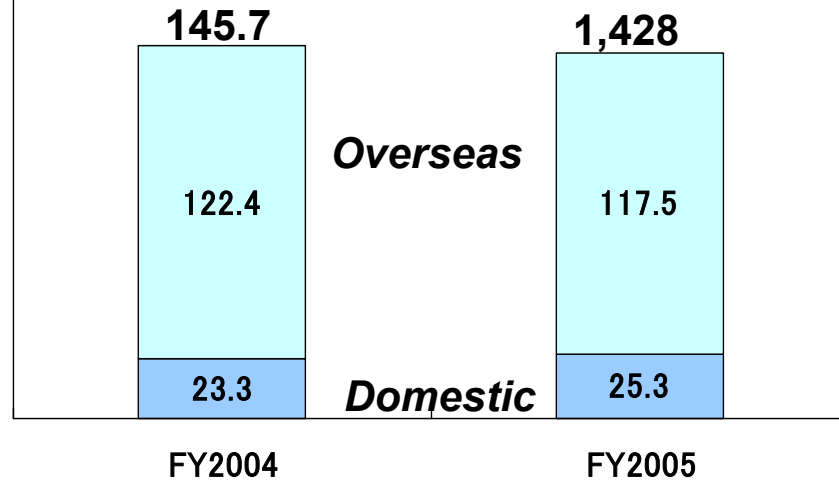
Breakdown of Change in Net Sales



FY2005 1Q Sales Results by Region

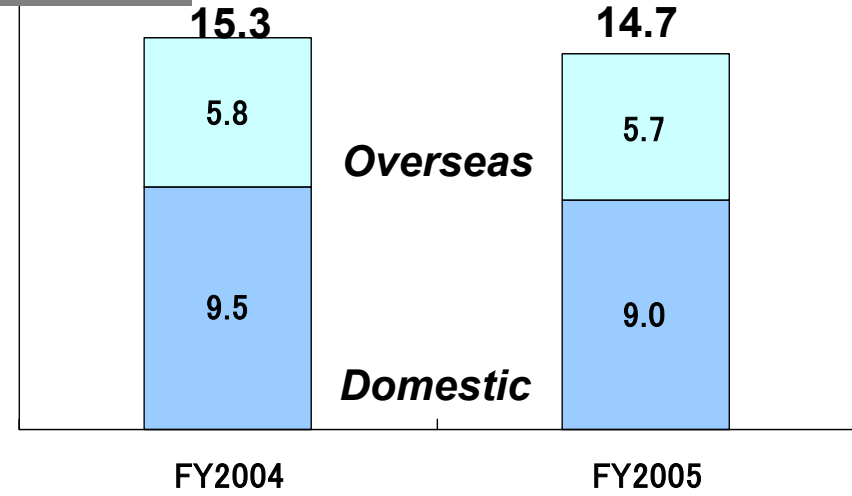
Consumer electronics

98% vs FY2004
101% on local currency basis



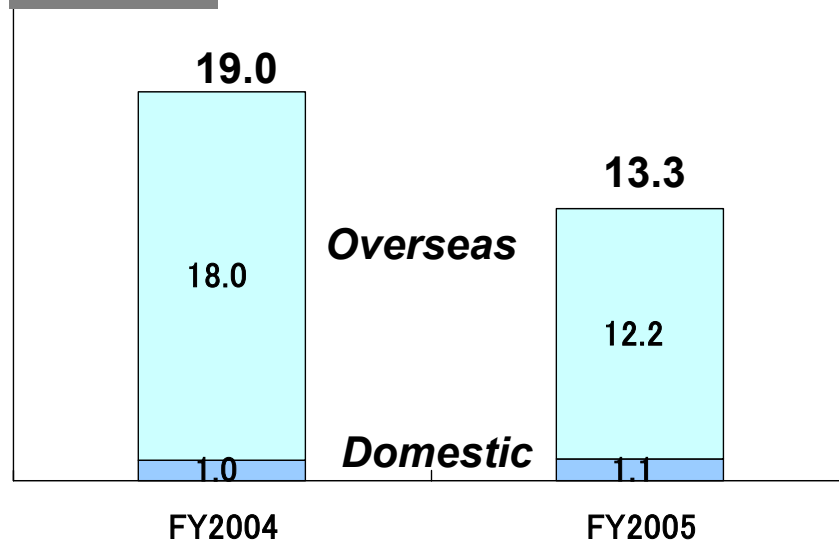
Professional electronics

96% vs FY2004



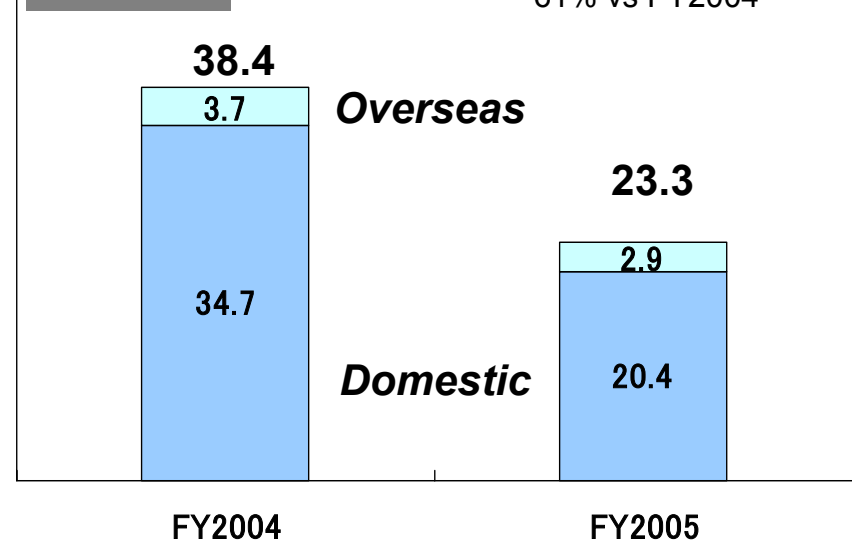
Components & Devices

70% vs FY2004

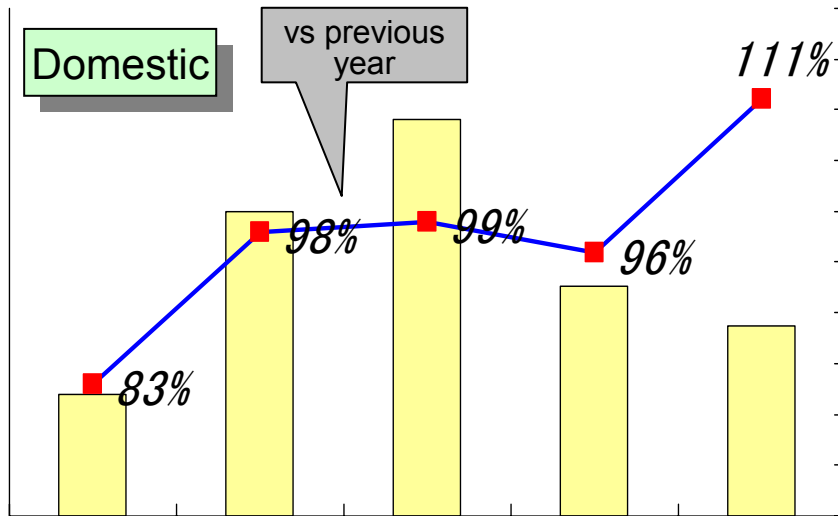


Software & Media

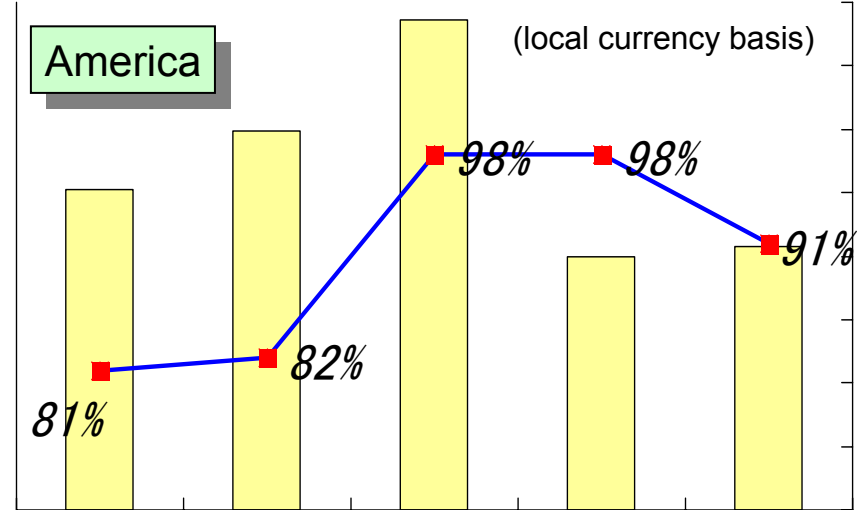
61% vs FY2004



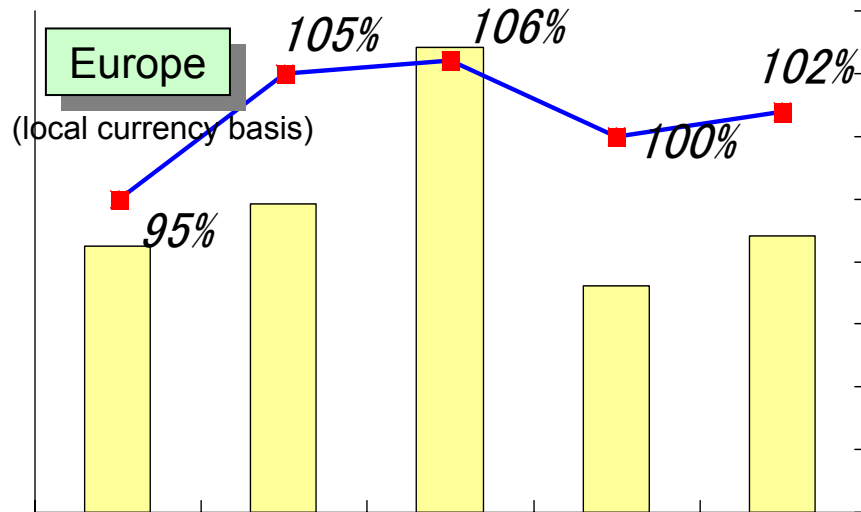
Consumer Electronics Quarterly Sales Results by Region



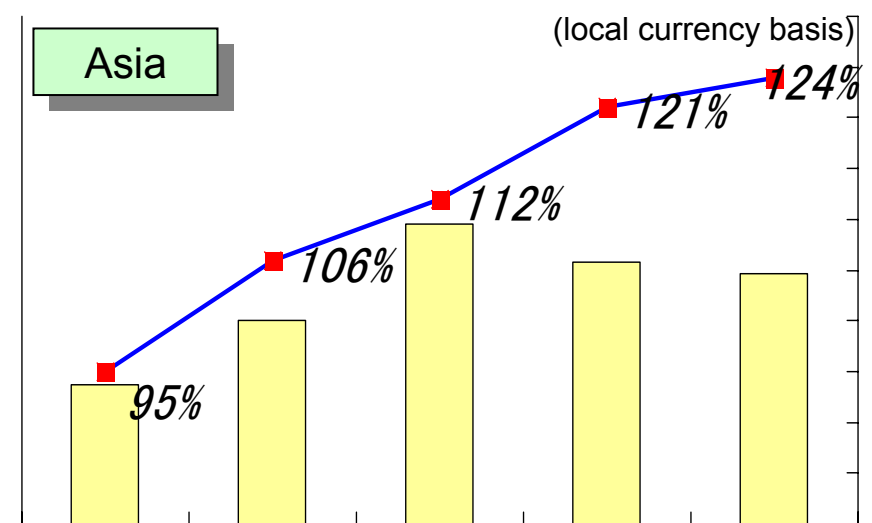
FY04/1Q FY04/2Q FY04/3Q FY04/4Q FY05/1Q



FY04/1Q FY04/2Q FY04/3Q FY04/4Q FY05/1Q



FY04/1Q FY04/2Q FY04/3Q FY04/4Q FY05/1Q

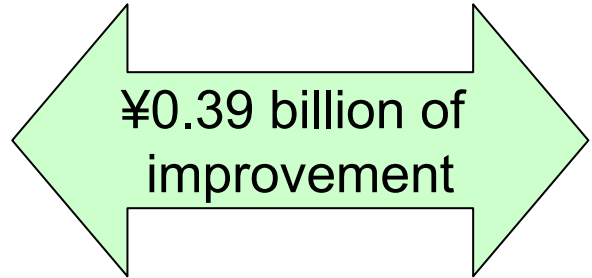


2003/1Q 2003/2Q 2003/3Q 2003/4Q 2004/1Q

FY2005 1Q Breakdown of Change in Operating Income

FY2004 1Q
Operating income 2.50

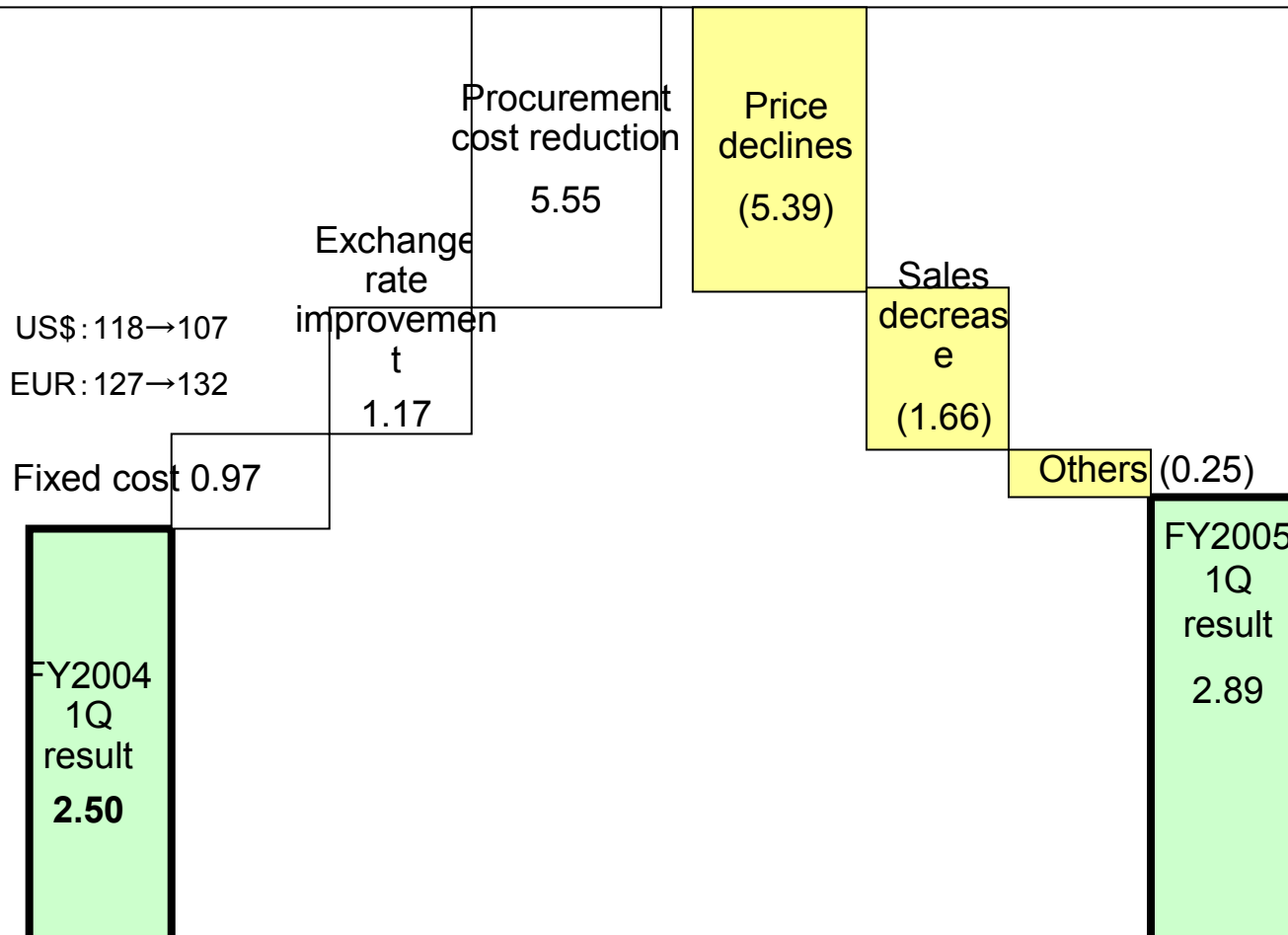
Positive factors



FY2005 1Q
Operating income 2.89

Negative factors

(¥billion)



FY2005 1Q Net Sales and Operating Income by Segment

(¥billion)

	Net sales			Operating income		
	FY2005 1Q result	FY2004 1Q result	FY05 vs FY04	FY2005 1Q result	FY2004 1Q result	FY05 vs FY04
Consumer electronics	142.8	145.7	98%	4.4% 6.3	2.8% 4.1	153% 2.2
Professional electronics	14.7	15.3	96%	-12.7% (1.9)	-11.9% (1.8)	- 0.0
Components & Devices	13.3	19.0	70%	-8.3% (1.1)	-1.7% (0.3)	- (0.8)
Software & Media	23.3	38.4	61%	-0.9% (0.2)	1.5% 0.6	- (0.8)

FY2005 1Q Extraordinary Profit and Loss

(¥billion)

	Result
Proceeds from sale of marketable securities	1.97
Structural reform	(1.29)
Patent	(0.48)
Others	(0.08)
Total	0.12

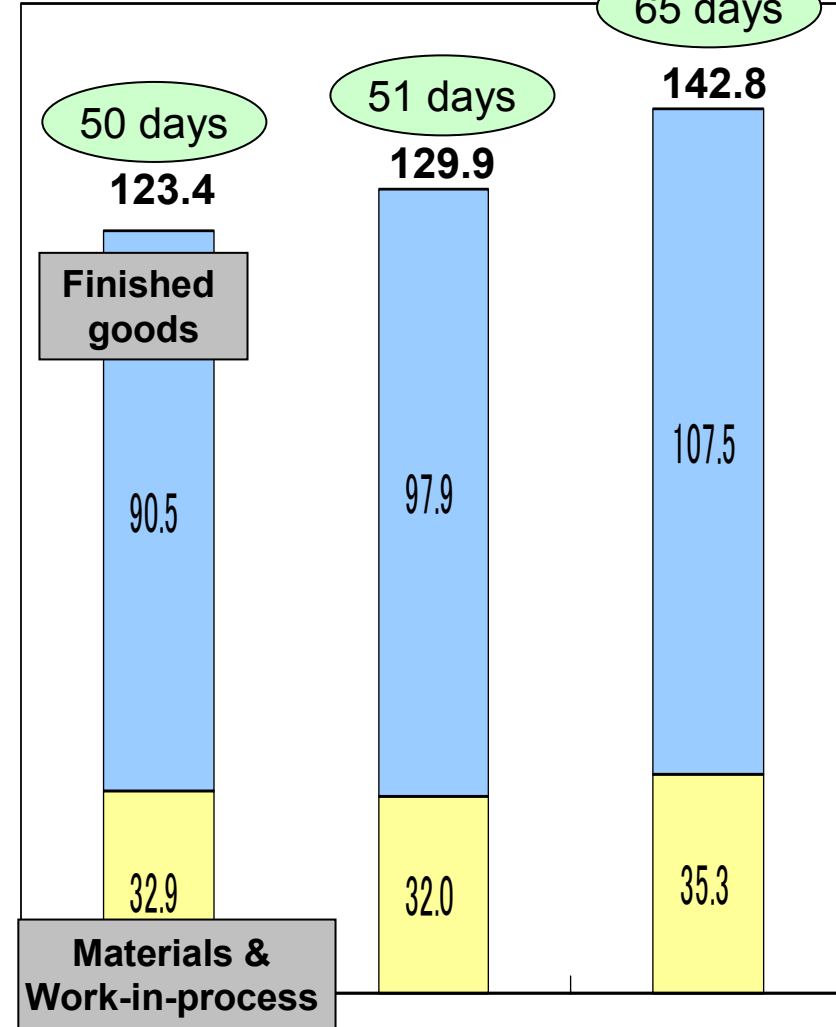
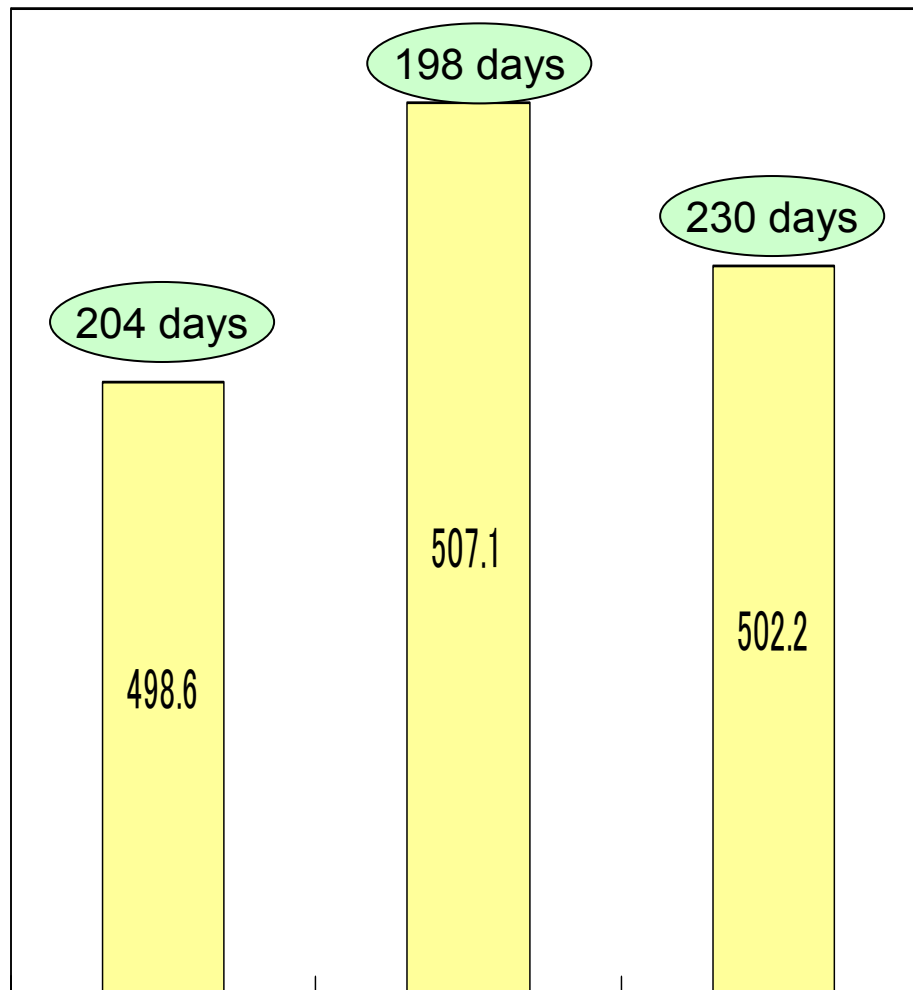
Trends in Asset and Inventory

Gross asset

Exch. rate	2004/6	2003/6
US \$	108.4	119.8
EUR	131.1	136.9

Inventory

(¥billion)



End of Jun. 2003

End of Mar. 2004

End of Jun. 2004

End of Jun. 2003

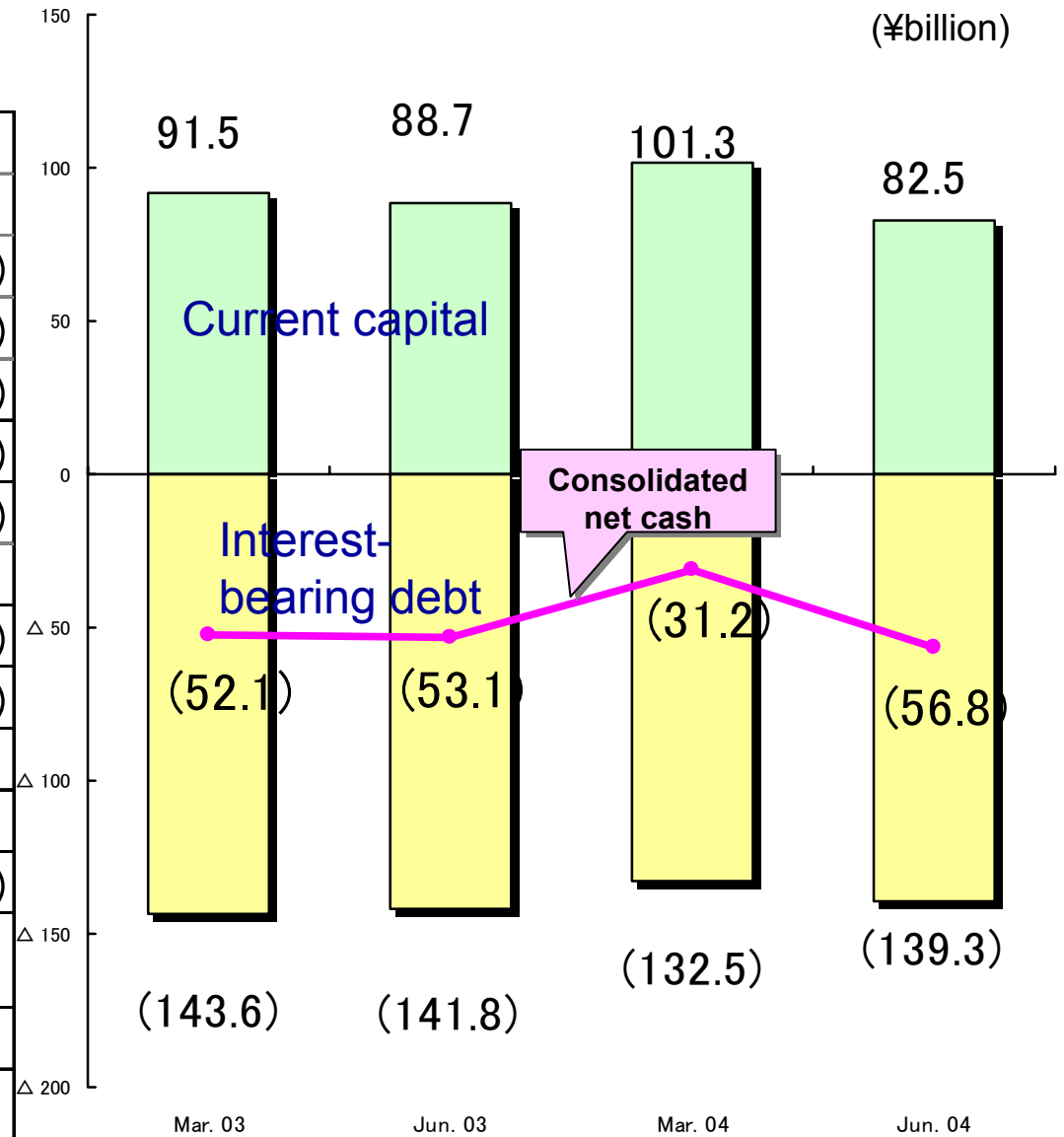
End of Mar. 2004

End of Jun. 2004

FY2005 1Q Cash Flow

Cash flow statement (consol.)

Pre-tax income	2.3
Depreciation	5.3
Operating cash flow	(8.0)
Inventory assets	(11.8)
Others	(7.0)
C/F from operating activities	(19.2)
Capital assets	(7.6)
Others	2.3
C/F from investing activities	(5.3)
Free cash flow	(24.5)
C/F from financing activities	5.0
Other adjustments	0.4
Net decrease in cash	(19.1)
Cash and cash equivalent at beginning of the year	97.2
New consolidation	0.3
Cash and cash equivalents	78.4



FY2005 Business Forecast (consolidated)

1H

(¥billion)

	Forecast	Apr. 27 forecast	vs Apr. 27 forecast	vs FY2004 1H	FY2004 1H
Net sales	432.0	432.0	100%	93%	462.7
Operating income	2.4% 10.5	2.4% 10.5	0.0	0.2	2.2% 10.3
Ordinary income	1.9% 8.4	1.9% 8.4	0.0	1.2	1.6% 7.3
Income before income taxes	0.7% 3.0	0.7% 3.0	0.0	(3.4)	1.4% 6.4
Net income	0.0% 0.2	0.0% 0.2	0.0	(3.3)	0.8% 3.5

Full year

Net sales	935.0	935.0	100%	101%	922.0
Operating income	3.0% 28.0	3.0% 28.0	0.0	2.9	2.7% 25.2
Ordinary income	2.5% 23.0	2.5% 23.0	0.0	2.8	2.2% 20.2
Income before income taxes	1.6% 15.0	1.6% 15.0	0.0	0.9	1.5% 14.1
Net income	0.9% 8.0	0.9% 8.0	0.0	(7.6)	1.7% 15.6