JVC
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PRESS Release

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For Immediate Release:

April 15, 2008

JVC Announces Revision of Consolidated and Non-Consolidated Business Forecasts for Fiscal 2008

Victor Company of Japan, Limited (JVC) revised its earlier business forecasts for fiscal 2008 as in the table below. Previous forecasts were announced on January 30, 2008.

1. Revision of Consolidated Business Forecast for Fiscal 2008
(April 1, 2007 through March 31, 2008)

Millions of yen

	Total Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecast (A) (Announced on January 30, 2008)	680,000	3,000	(7,000)	(32,500)
Revised Forecast (B)	658,000	3,100	(8,000)	(47,800)
(B-A)	(22,000)	100	(1,000)	(15,300)
Rate of Change (%)	(3.2%)	3.3%	-	-
FY 2007	742,685	(5,656)	(11,695)	(7,891)

2. Revision of Non-Consolidated Business Forecast for Fiscal 2008
(April 1, 2007 through March 31, 2008)

Millions of yen

	Total Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecast (A) (Announced on January 30, 2008)	340,000	1,000	(4,800)	(38,000)
Revised Forecast (B)	330,000	1,700	(4,800)	(50,800)
(B-A)	(10,000)	700	-	(12,800)
Rate of Change (%)	(2.9%)	70.0%	-	-
FY 2007	369,589	(4,468)	(6,955)	(24,455)

3. Reasons for Revisions
(1)Consolidated Business Forecasts

Regarding sales outlook, the consumer electronics segment is forecast to post a sales decline due to intensified competition as well as delays in the launch of some new products in the area of LCD televisions. In addition, the components & devices segment was negatively affected by production adjustments made by customers. Accordingly, the group-wide sales are expected to be about 22 billion yen below the previous forecast.

Turning to profitability, operating income is expected to achieve the previous forecast, reflecting the steady execution of profit-focused sales measures, the consolidation and elimination of production and sales facilities, and the smooth implementation of business transfers and other structural reforms. However, ordinary income is forecast to deteriorate mainly due to foreign exchange losses caused by the rapid appreciation of the yen.

The company is in the process of rethinking the business structure of the display related sector where earnings recovery has been slow, and is about to complete its formulation of a new mid-term strategy. In accordance with this new strategy, extraordinary losses of approximately 7.1 billion yen, including impairment losses, will be incurred and taken into account in addition to the previous forecasts.

Combined with impairment and other extraordinary losses to be incurred in the storage media, audio-related and other sectors, the forecast on extraordinary losses has been revised from 11 billion yen as of the previous announcement on January 30 to about 24.2 billion yen. As a result, net income for Fiscal 2008 is expected to be 15.3 billion yen below the previous forecast.

(2)Non-consolidated Business Forecasts

Operating income is expected to exceed the disclosed forecast just as on the consolidated basis. Net income, however, is expected to be 12.8 billion yen below the previous forecast. This down-revision is due to incurring impairment and other extraordinary losses as well as setting up investment loss reserves mainly for impairments in affiliated companies.

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