

***Pioneer*** *sound.vision.soul*

***Pioneer Corporation***

***Earnings Announcement for  
Fiscal Year March 2007***

***May 14<sup>th</sup> 2007***

## Today's Agenda

- 1. Business Results for FY March 2007**
- 2. Business Forecasts for FY March 2008**

*Note: In fiscal 2006, the Company sold a subsidiary engaged in the development of cable TV software, and in the second quarter of fiscal 2007, sold subsidiaries involved in the electronic components business. The operating results of these subsidiaries and the gain on the sales are presented as income from discontinued operations. Previously reported amounts have been reclassified accordingly.*

*Statements made in this presentation with respect to our current plans, estimates, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about our future performance. These statements are based on management's assumptions and beliefs in light of the information currently available to it. We caution that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. It is not our obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We disclaim any such obligation. Risks and uncertainties that might affect us include, but are not limited to, (i) general economic conditions in our markets, particularly levels of consumer spending; (ii) exchange rates, particularly between the yen and the U.S. dollar, euro, and other currencies in which we make significant sales or in which our assets and liabilities are denominated; (iii) our ability to continue to design and develop and win acceptance of our products and services, which are offered in highly competitive markets characterized by continual new product introductions, rapid developments in technology, severe price competition and subjective and changing consumer preferences; (iv) our ability to successfully implement our business strategies; (v) our ability to compete, as well as develop and implement successful sales and distribution strategies, in light of technological developments in and affecting our businesses; (vi) our continued ability to devote sufficient resources to research and development, and capital expenditure; (vii) our ability to continuously enhance our brand image; (viii) the success of our joint ventures and alliances; (ix) the success of our business restructuring plans; and (x) the outcome of contingencies.*

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## ***Business Results for FY March 2007***

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## Consolidated Results for FY March 2007

Unit: billion yen

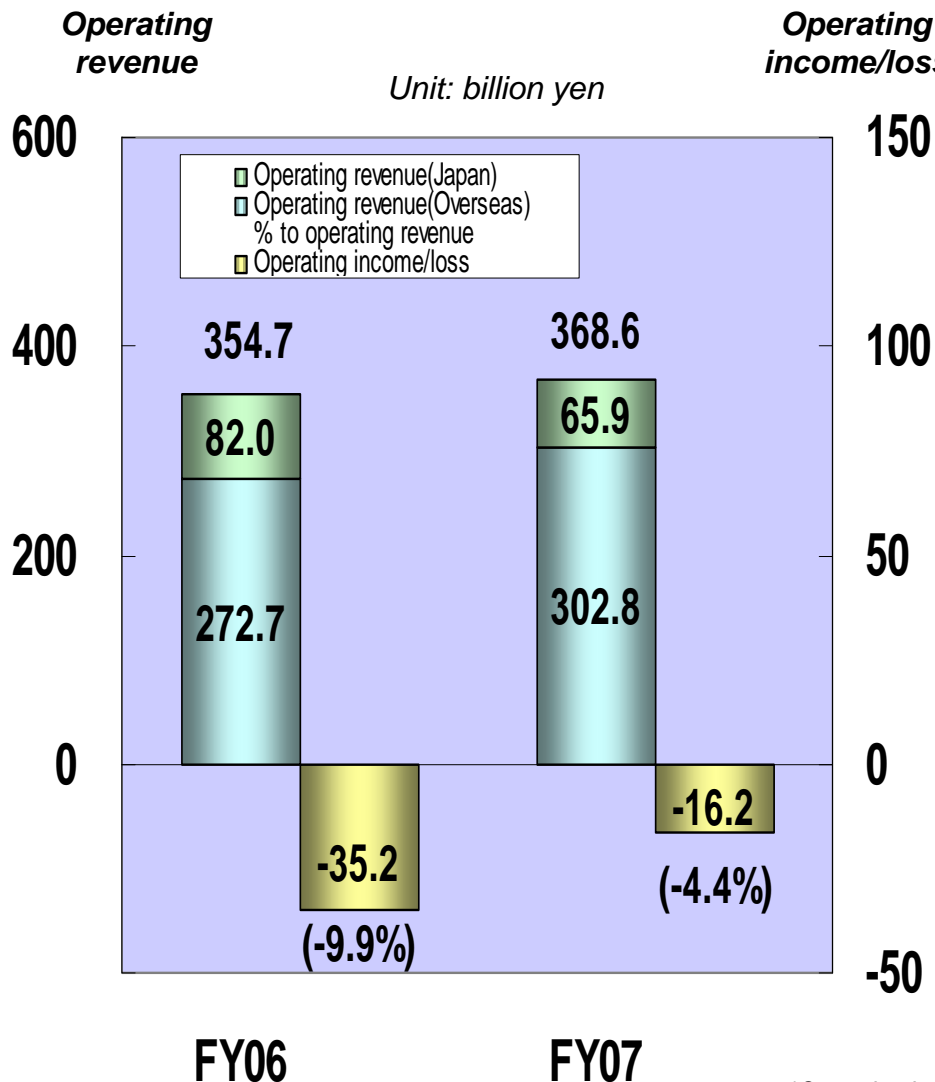
	<i>FY 2007</i>	<i>FY 2006</i>	<i>Year on year</i>
<b>Operating revenue</b>	<b>797.1</b>	<b>755.0</b>	<b>105.6%</b>
<b>Operating income (loss)</b>	<b>12.5</b>	<b>(16.4)</b>	<b>-</b>
<b>Income (loss) before taxes</b>	<b>(7.7)</b>	<b>(71.2)</b>	<b>-</b>
<b>Income from discontinued operations, net of tax</b>	<b>2.8</b>	<b>0.8</b>	<b>359%</b>
<b>Net income (loss)</b>	<b>(6.8)</b>	<b>(85.0)</b>	<b>-</b>

<b>Average foreign exchange rate (unit: yen)</b>	<b>1US \$</b>	<b>117.02</b>	<b>113.31</b>	<b>+3.2%</b>
	<b>1Euro</b>	<b>150.09</b>	<b>137.86</b>	<b>+8.1%</b>

(Unit: yen)

<b>Net income (loss) per share</b>	<b>(38.76)</b>	<b>(487.23)</b>	<b>+448.47</b>
<b>Book-value per share</b>	<b>1,537.22</b>	<b>1,566.60</b>	<b>-29.38</b>

## Home Electronics: Operating Revenue / Operating Income/Loss by Segment



### [Operating revenue]

% to prior year : 103.9% (Japan 80.3%, Overseas 111.0%)

(Increase) DVD drives  
DJ equipment

(Decrease) DVD recorders  
Plasma displays  
Telephones

Plasma display sales ratio to the total segment : approx. 48% (prior year approx. 51%)

### [Operating loss]

(Positive Factor) Plasma displays  
DJ equipment  
DVD recorders  
Audio products

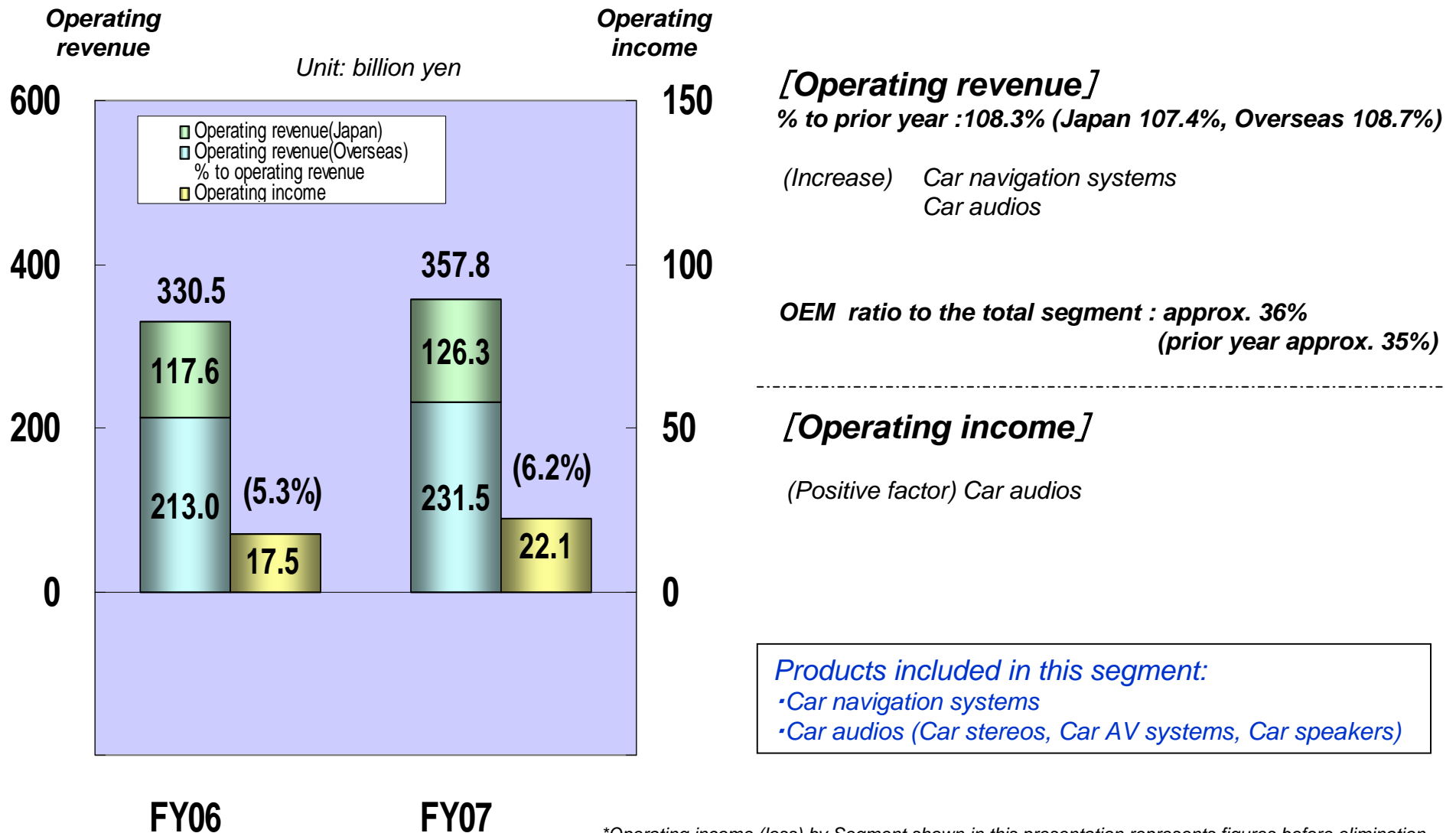
(Negative Factor) Telephones

### Products included in this segment:

- Plasma displays, DVD recorders, DVD players
- Blu-ray Disc Players, DVD drives, Blu-ray Disc Drives
- Audio systems, Audio components
- DJ equipment, Telephones
- Equipment for CATV systems, etc.

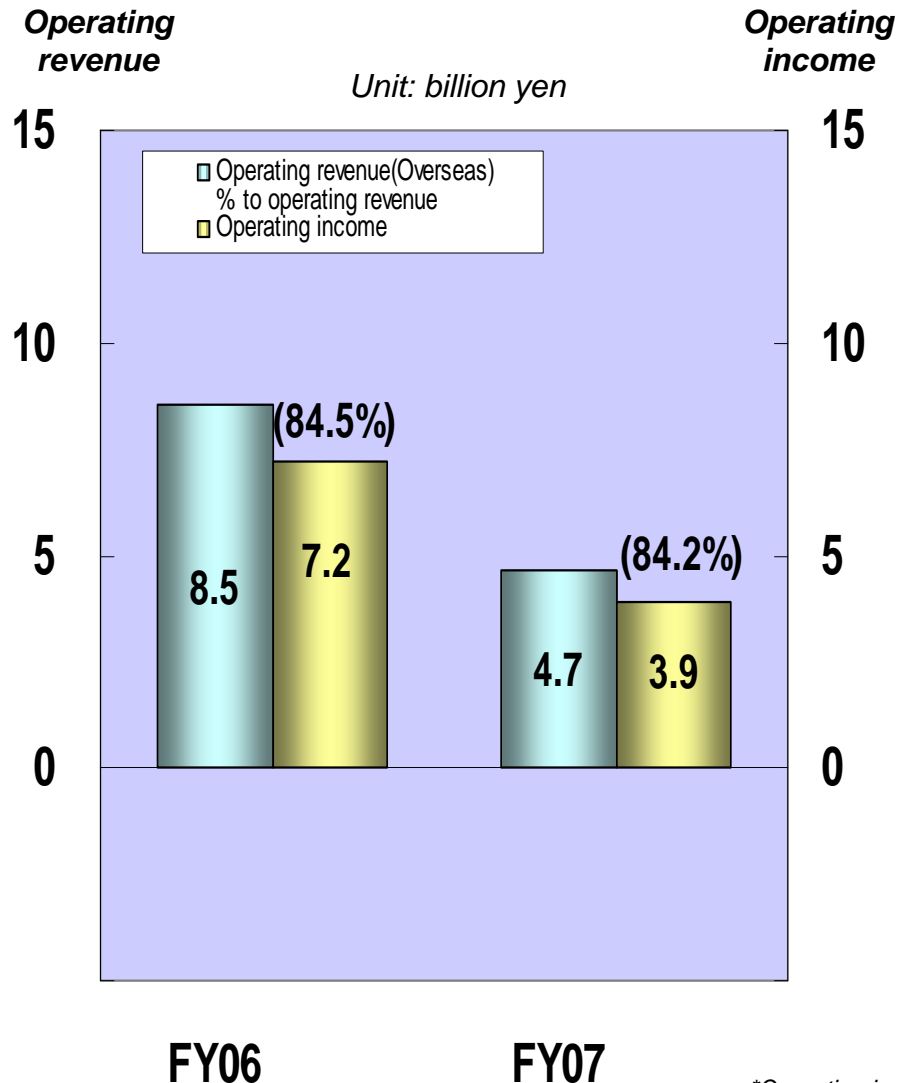
\*Operating income (loss) by Segment shown in this presentation represents figures before elimination of intersegment transactions.

## Car Electronics: Operating Revenue & Operating Income by Segment



\*Operating income (loss) by Segment shown in this presentation represents figures before elimination of intersegment transactions.

## Patent Licensing: Operating Revenue & Operating Income by Segment



**[Operating revenue]**  
% to prior year :54.6%

(Decrease) Optical disc related royalty revenue

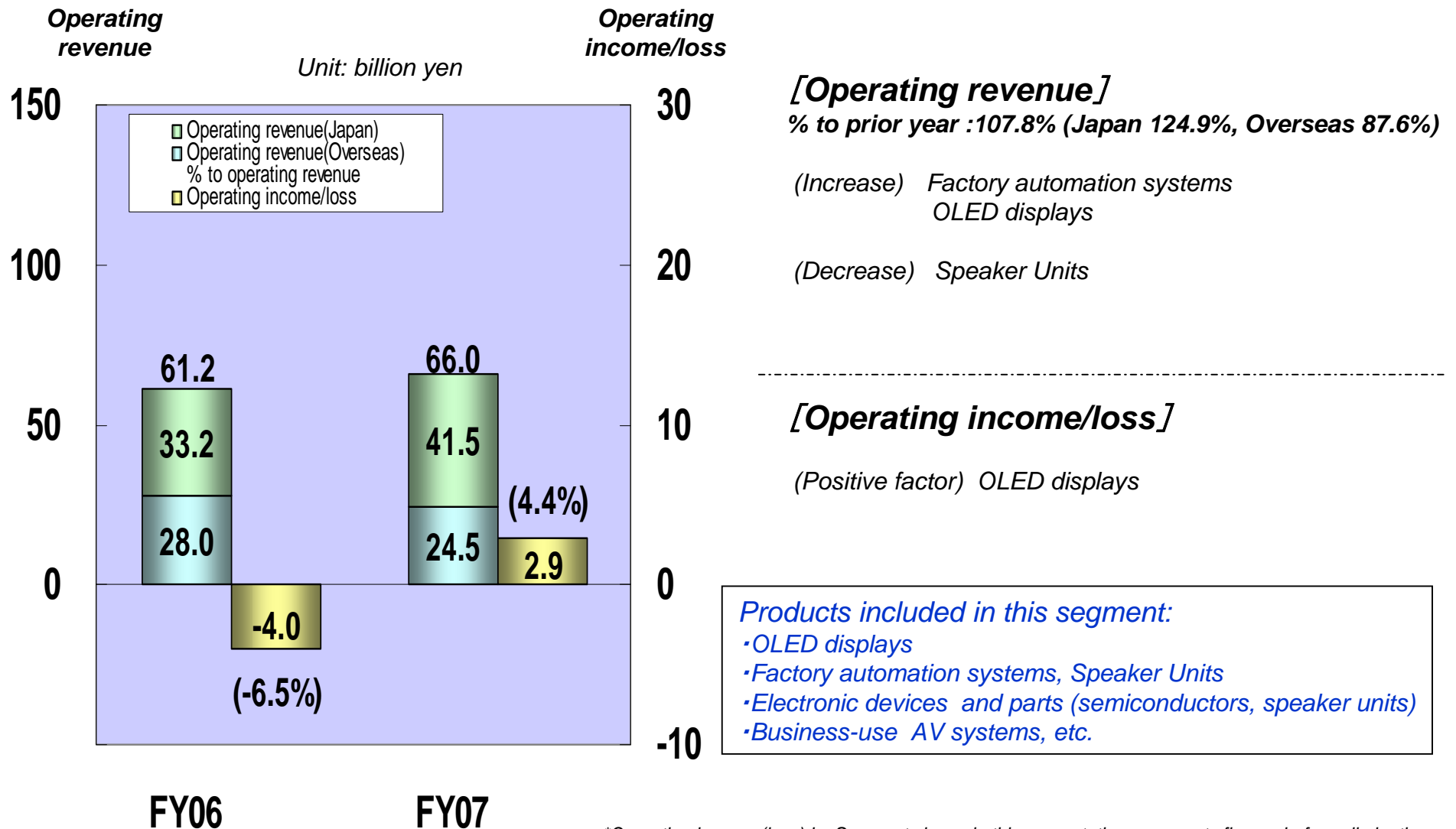
**[Operating income]**

(Negative factor) Optical disc related royalty revenue

Royalty revenue shown here is the optical disc related royalty revenue managed in the U.S.

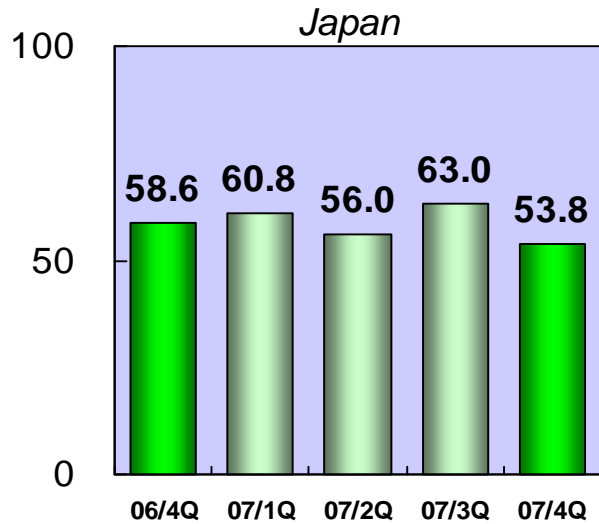
\*Operating income (loss) by Segment shown in this presentation represents figures before elimination of intersegment transactions.

## Others: Operating Revenue & Operating Income/Loss by Segment



\*Operating income (loss) by Segment shown in this presentation represents figures before elimination of intersegment transactions.

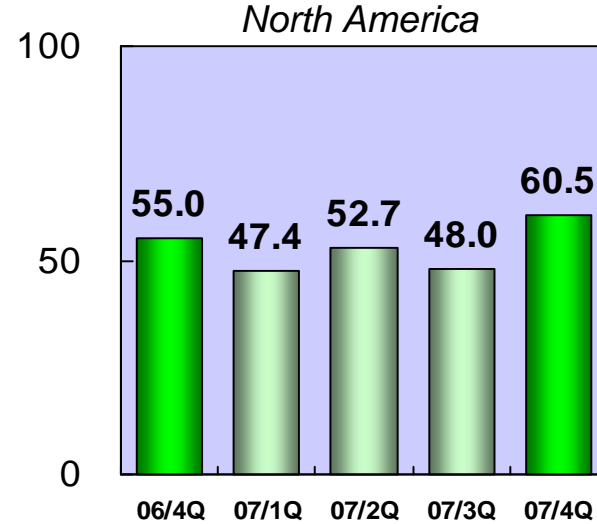
## Forth Quarter of FY March 2007: Operating Revenue by Geographic Segment



**07/4Q % to prior year**  
91.9%

**(Positive factor)**  
DVD drives  
Consumer-market car navigation systems  
OEM car audios  
OLED displays

**(Negative Factor)**  
Plasma displays  
DVD recorders  
Consumer-market car audios

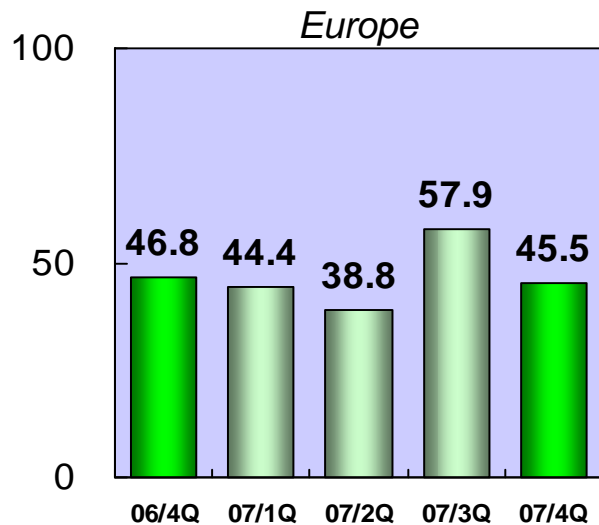


**07/4Q % to prior year**

Yen basis: 109.9%  
Local currency basis: 107.7%

**(Positive factor)**  
Car Navigation Systems  
Consumer-market car audios  
Royalty revenue from Patent Licensing

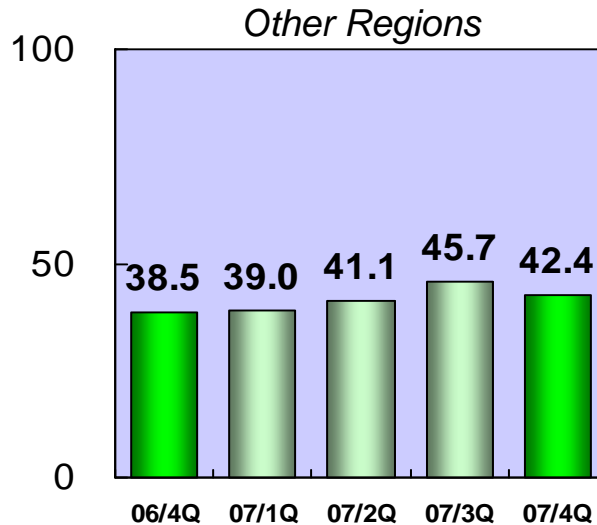
**(Negative Factor)**  
OEM car audios  
Plasma displays



**07/4Q % to prior year**  
Yen basis: 97.1%  
Local currency basis: 87.3%

**(Positive factor)**  
Consumer-market car audios

**(Negative Factor)**  
Plasma displays  
DVD recorders



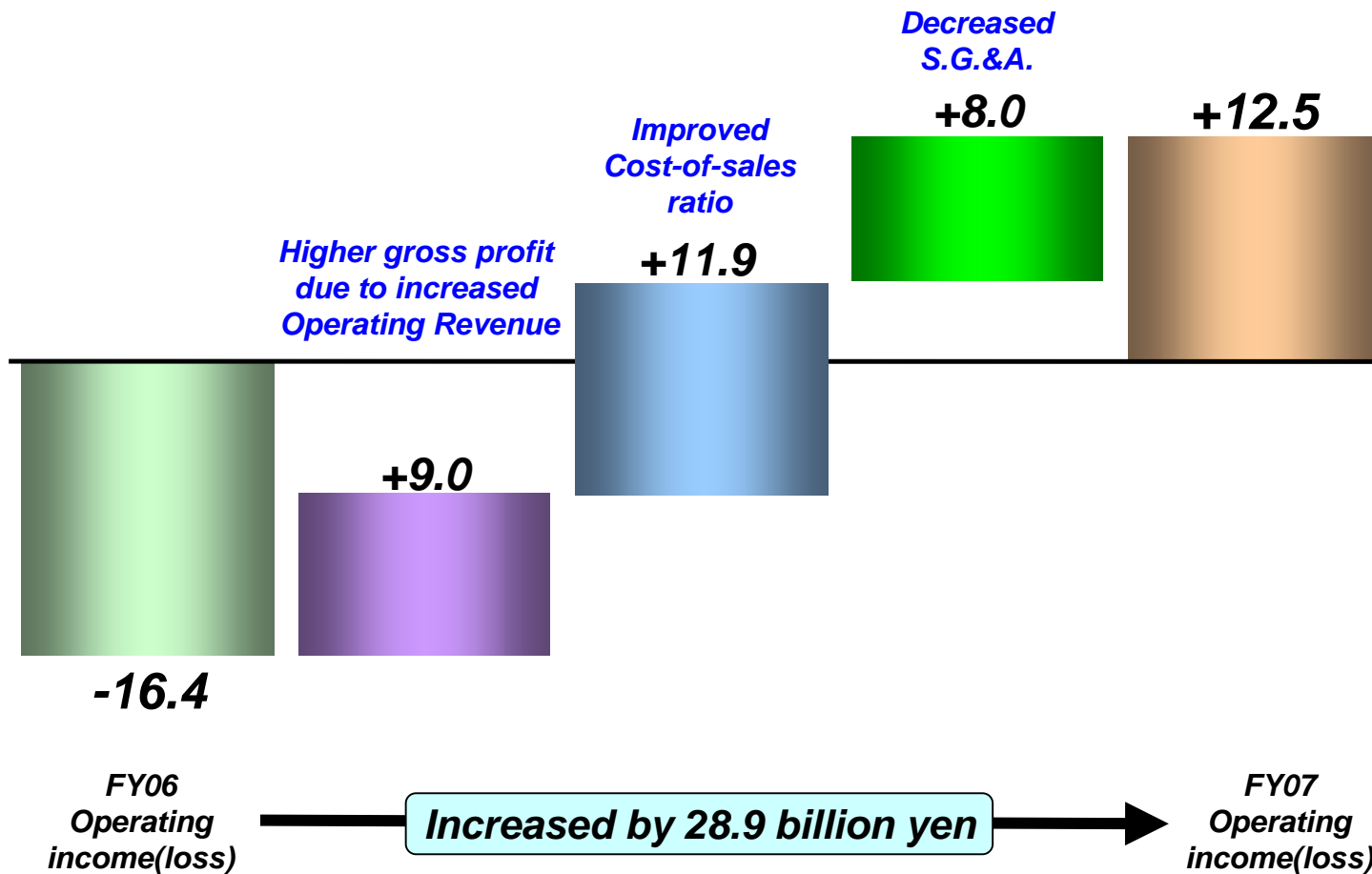
**07/4Q % to prior year**  
Yen basis: 110.1%  
Local currency basis: 106.7%

**(Positive factor)**  
Car audios  
DVD drives

**(Negative Factor)**  
Plasma displays  
Speaker Units

## FY March 2007: Operating Income Structure Breakdown

Unit: billion yen



## FY March 2007: Consolidated P/L Statements

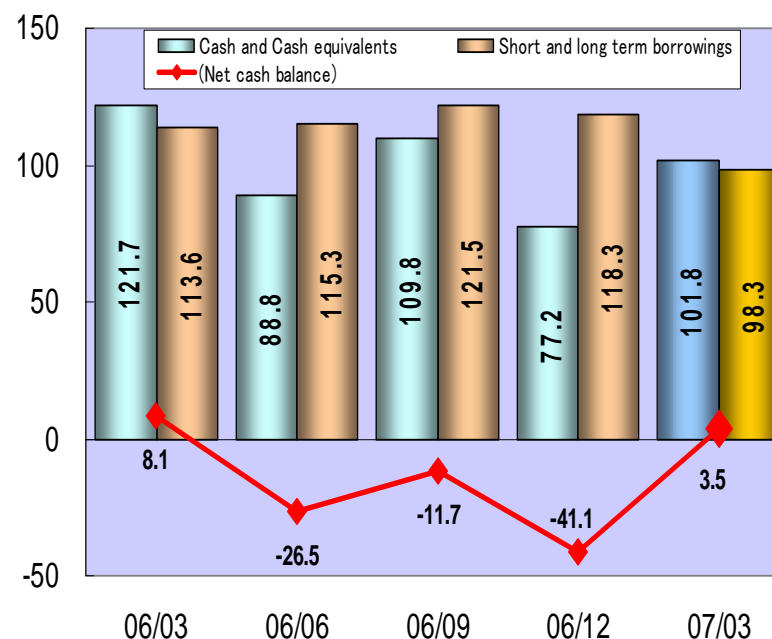
Unit: billion yen

	FY 2007	FY 2006	Variance
<b>Operating revenue</b>	<b>797.1</b>	755.0	42.1
<b>Cost of sales</b>	<b>614.4</b>	593.2	21.2
<b>Selling, general and administrative expenses</b>	<b>170.2</b>	178.1	(8.0)
<b>Operating income (loss)</b>	<b>12.5</b>	(16.4)	28.9
<b>Interest income/expenses</b>	<b>3.3</b>	1.2	2.1
<b>Foreign exchange loss</b>	<b>(2.6)</b>	(2.3)	(0.2)
<b>Other—net</b>	<b>(20.9)</b>	(53.6)	32.7
<b>Total other income/expenses</b>	<b>(20.2)</b>	(54.8)	34.6
<b>Income (loss) before income taxes</b>	<b>(7.7)</b>	(71.2)	63.4
<b>Income taxes</b>	<b>1.8</b>	(4.7)	6.4
<b>Minority interest in losses/earnings of subsidiaries</b>	<b>(0.4)</b>	4.8	(5.2)
<b>Equity in losses of affiliated companies</b>	<b>0.3</b>	(24.0)	24.4
<b>Income (loss) from discontinued operations</b>	<b>2.8</b>	0.8	2.0
<b>Net income (loss)</b>	<b>(6.8)</b>	(85.0)	78.2

**FY March 2007: Summary of Consolidated Statements of Cash Flows**

	<i>FY 2007</i>	<i>FY 2006</i>
<i>Net income(loss)</i>	<b>(6.8)</b>	(85.0)
<i>Depreciation and Amortization</i>	<b>41.1</b>	46.7
<i>Impairment losses of long-lived assets</i>	<b>22.7</b>	41.4
<i>Trade receivables</i>	<b>(6.3)</b>	19.3
<i>Inventory</i>	<b>4.4</b>	9.5
<i>Trade payables</i>	<b>(11.8)</b>	13.9
<i>Accrued liabilities</i>	<b>(12.4)</b>	24.1
<i>Other</i>	<b>(14.1)</b>	(1.7)
<b>Operating activities</b>	<b>16.8</b>	68.3
<b>Investing activities</b>	<b>(16.5)</b>	(29.8)
<b>Financing activities</b>	<b>(21.7)</b>	(38.6)
<b>Net change in cash and cash equivalents</b>	<b>(19.9)</b>	5.0

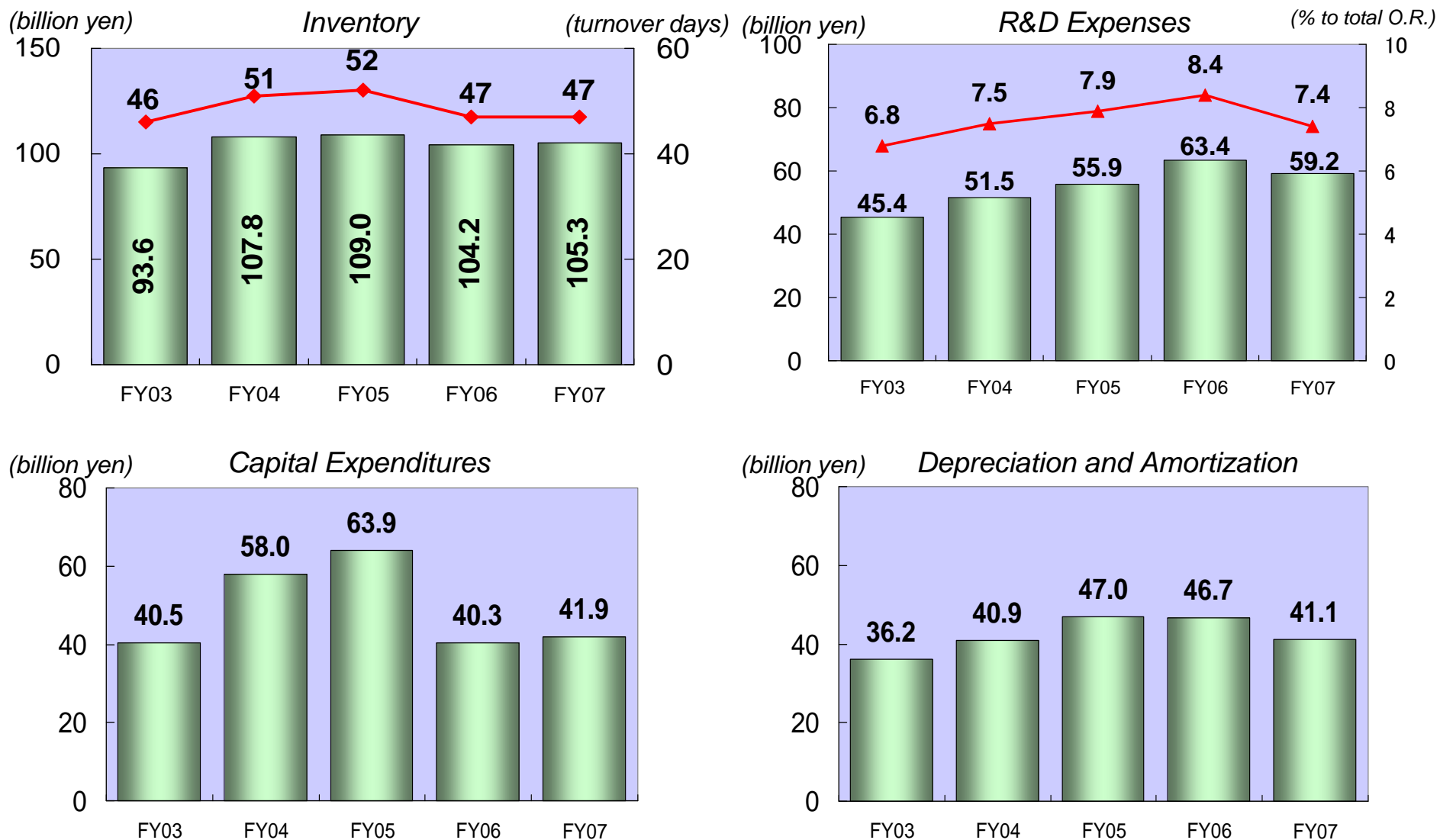
Unit: billion yen



<b>Free cash flow</b>	<b>0.3</b>	38.6
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<b>Net cash balance</b>	<b>3.5</b>	8.1
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**FY March 2007: Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization**



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# ***Business Forecast for FY March 2008***

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## FY March 2008: Consolidated P/L Forecast

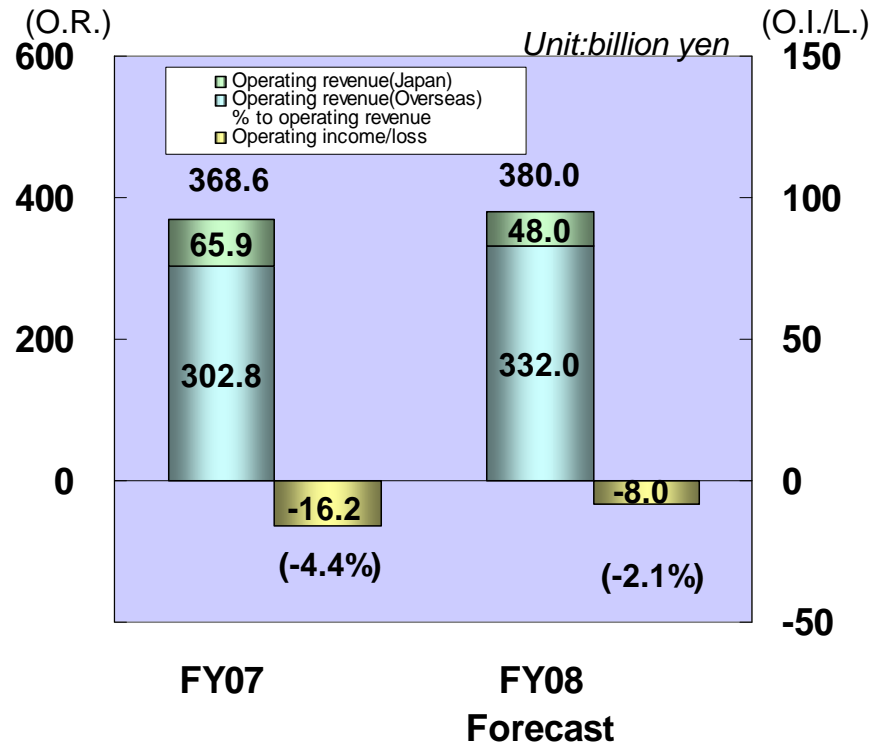
*Unit: billion yen*

	<b>Forecast FY2008</b>	<b>Result FY2007</b>	<b>Variance</b>
<b>Operating revenue</b>	<b>835.0</b>	797.1	37.9
<b>Operating income (loss)</b>	<b>15.0</b>	12.5	2.5
<b>Income (loss) before taxes</b>	<b>29.0</b>	(7.7)	36.7
<b>Net income (loss)</b>	<b>12.5</b>	(6.8)	19.3

*(Unit: yen)*

<b>Currency rates (Unit: yen)</b>	<b>1 US \$</b>	<b>115.00</b>	117.02
	<b>1 Euro</b>	<b>155.00</b>	150.09

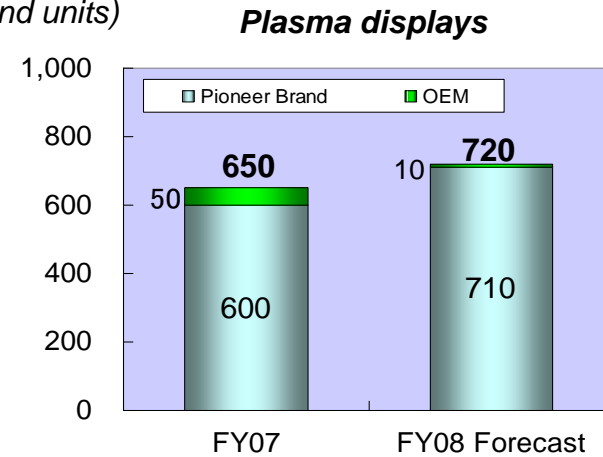
## Forecast for FY March 2008: Home Electronics



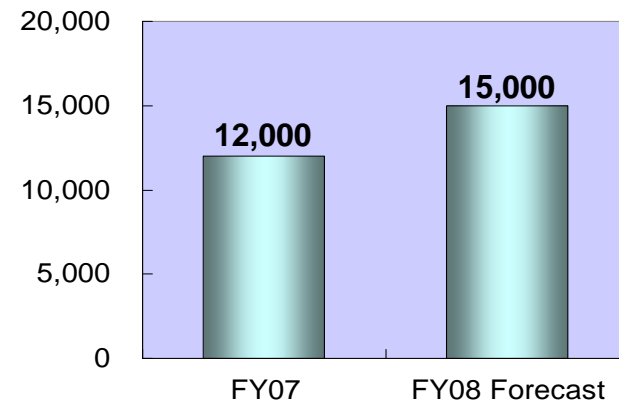
**[Operating revenue]**  
 % to prior year : 103.1%  
 (Increase) Plasma displays, Blu-ray Disc related products

**[Operating income/loss]**  
 % to prior year : Deficit narrowed  
 (Positive factor) Plasma displays

<Shipment forecasts>  
 (in thousand units)

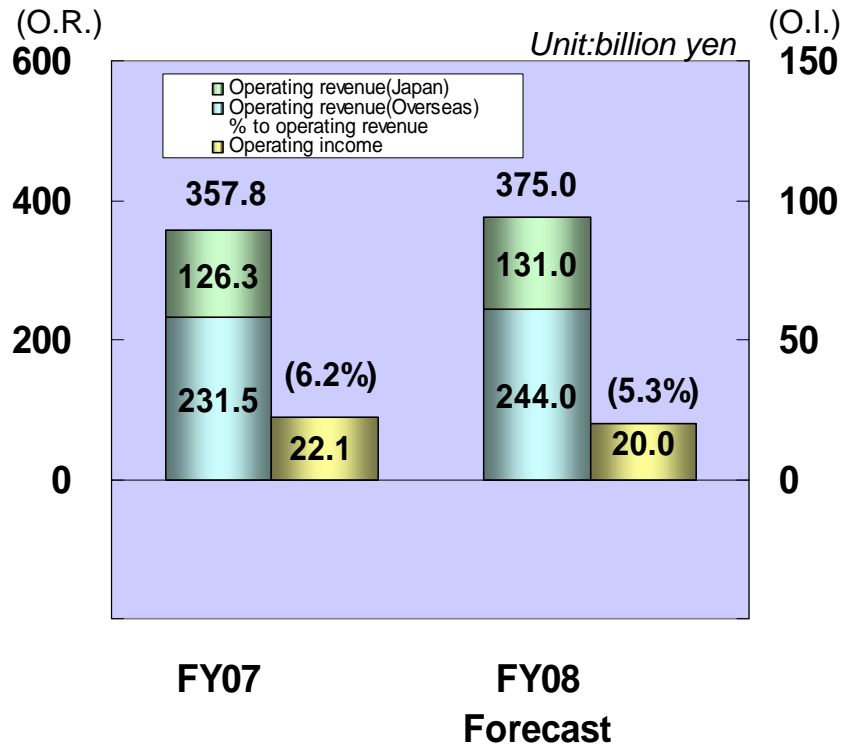


Recordable DVD drives for PCs



\*Operating Income and Loss by Segment shown in this presentation represents figures prior to elimination of transactions among Segments

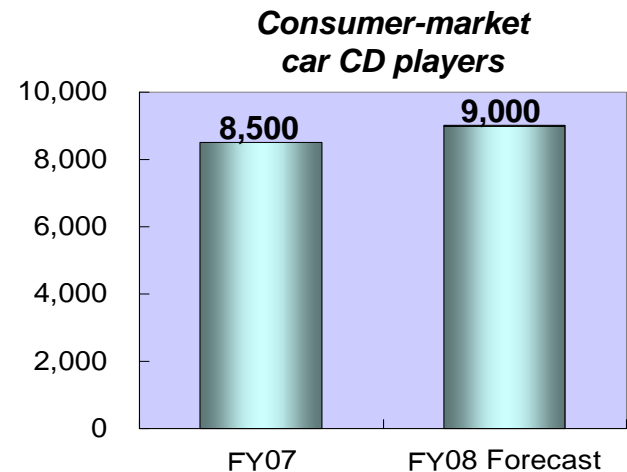
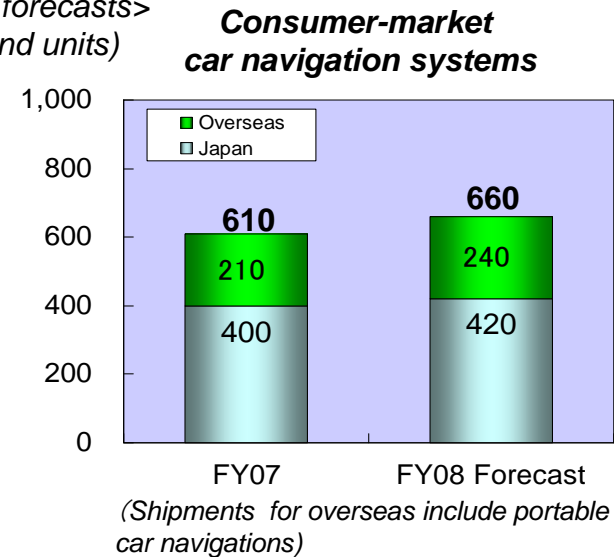
## Forecast for FY March 2008: Car Electronics



[Operating revenue]  
 % to prior year :104.8%  
 (Increase) OEM and Consumer-market car navigation systems  
 OEM ratio to the total segment: 38% (prior year 36%)

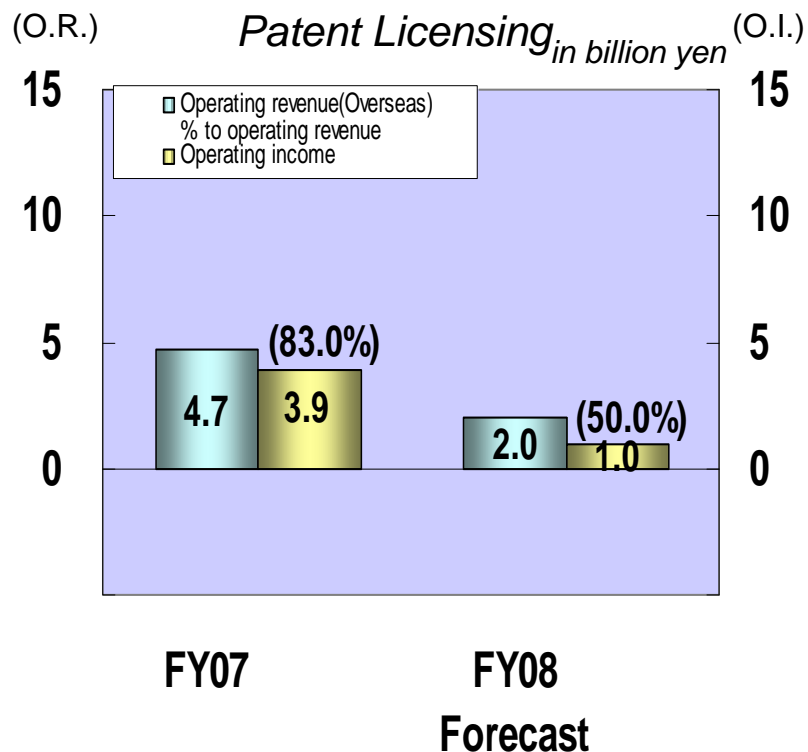
[Operating income]  
 % to prior year: 90.5%  
 (Positive factor) Consumer-market car navigation systems  
 (Negative factor) OEM

<Shipment forecasts>  
 (in thousand units)



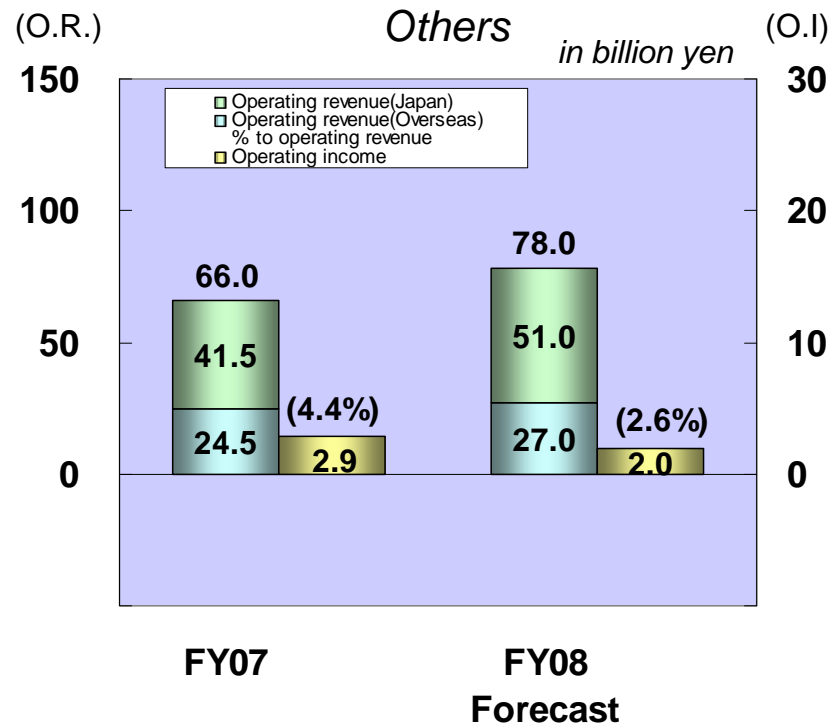
\*Operating Income and Loss by Segment shown in this presentation represents figures prior to elimination of transactions among Segments

## Forecast for FY March 2008: Patent Licensing/Others



[Operating revenue]  
 % to prior year :42.6%  
 (Decrease) Optical disc related royalty revenue

[Operating income]  
 % to prior year: 25.6%  
 (Negative factor) Optical disc related royalty revenue



[Operating revenue]  
 % to prior year :118.2%  
 (Increase) Speaker Units for cellular phones  
 (Reclassification) Telephones

[Operating income]  
 % to prior year: 69.0%  
 (Negative factor) Factory automation systems, OLED displays

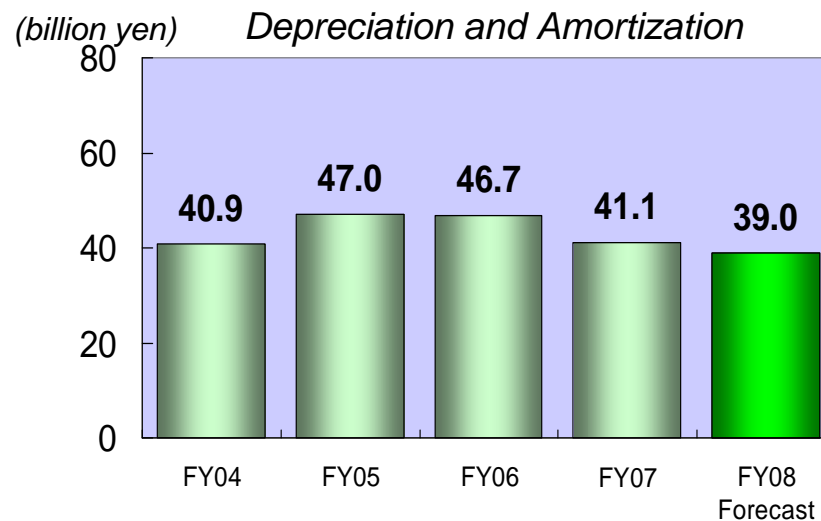
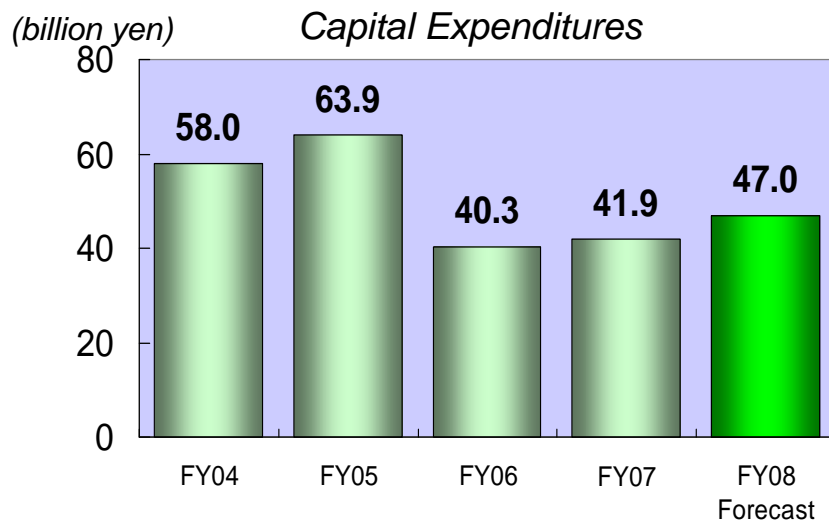
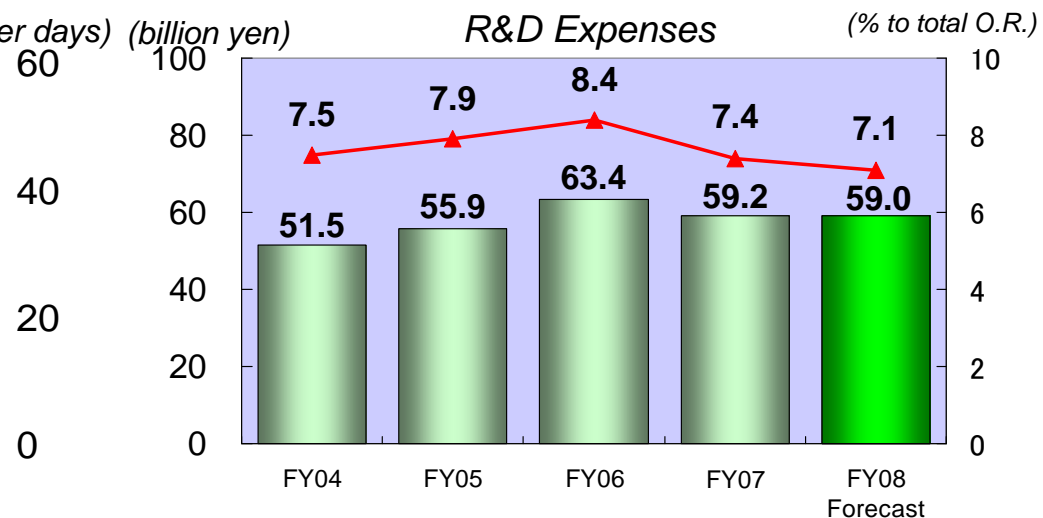
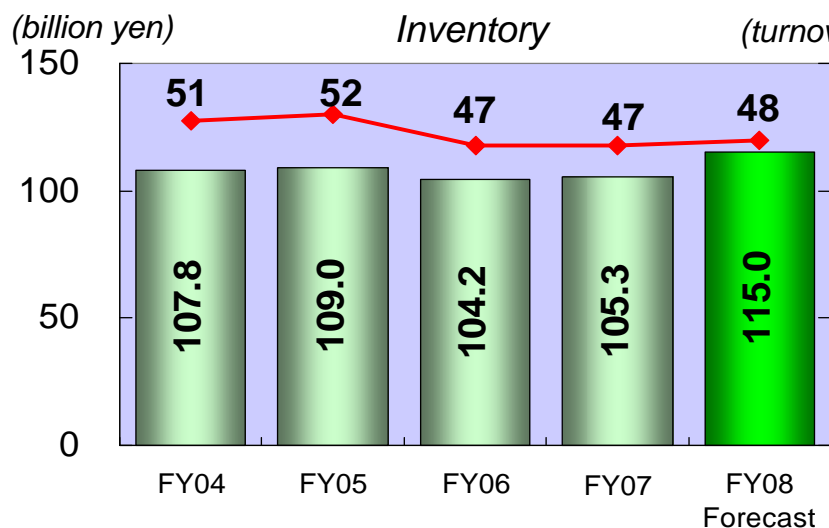
\*Operating Income and Loss by Segment shown in this presentation represents figures prior to elimination of transactions among Segments

## ***FY March 2008: Consolidated P/L Forecast (First Half & Full Year)***

*Unit: billion yen*

	<b><i>First Half</i></b>			<b><i>Full Year</i></b>		
	<b><i>Forecast FY2008</i></b>	<b><i>Result FY2007</i></b>	<b><i>Variance</i></b>	<b><i>Forecast FY2008</i></b>	<b><i>Result FY2007</i></b>	<b><i>Variance</i></b>
<b><i>Operating revenue</i></b>	<b>368.0</b>	380.3	(12.3)	<b>835.0</b>	797.1	37.9
<b><i>Operating income (loss)</i></b>	<b>(3.5)</b>	11.7	(15.2)	<b>15.0</b>	12.5	2.5
<b><i>Income (loss) before taxes</i></b>	<b>9.5</b>	12.6	(3.1)	<b>29.0</b>	(7.7)	36.7
<b><i>Net income (loss)</i></b>	<b>3.0</b>	9.2	(6.2)	<b>12.5</b>	(6.8)	19.3

**Forecast FY March 2008:**  
**Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization**



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