

# News Release

**For Immediate Release  
January 31, 2008**

## **Pioneer Announces Business Results for 3Q Fiscal 2008**

TOKYO — Pioneer Corporation today announced its consolidated third-quarter and nine-month business results, for the periods ended December 31, 2007.

### **Consolidated Financial Highlights**

(In millions of yen except per share information)

	<b>Three months</b> ended December 31			<b>Nine months</b> ended December 31		
	2007	2006	% to prior year	2007	2006	% to prior year
Operating revenue	¥211,039	¥214,601	98.3%	¥594,200	¥594,920	99.9%
Operating income	6,887	5,034	136.8	9,149	16,725	54.7
Income from continuing operations before income taxes	7,620	5,481	139.0	25,265	18,105	139.5
Income from continuing operations	1,688	2,436	69.3	11,624	8,869	131.1
Income from discontinued operations, net of tax	—	—	—	—	2,775	—
<b>Net income</b>	<b>¥ 1,688</b>	<b>¥ 2,436</b>	<b>69.3%</b>	<b>¥ 11,624</b>	<b>¥ 11,644</b>	<b>99.8%</b>
Net income per share:						
Basic	¥9.43	¥13.97		¥66.07	¥66.76	
Diluted	¥8.31	¥12.46		¥59.68	¥60.26	

Note: In fiscal 2007, the Company sold subsidiaries involved in the electronic components business. The operating results of these subsidiaries and the gain on the sale are presented as income from discontinued operations in the table above.

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## **Consolidated Business Results**

For the third quarter of fiscal 2008, the three months ended December 31, 2007, consolidated operating revenue decreased 1.7% compared with the third quarter of fiscal 2007 to ¥211,039 million (US\$1,851.2 million). This was mainly due to lower sales of plasma displays and DVD recorders, despite higher sales of car audio products and the beneficial effect of the yen's depreciation against the euro.

Operating income was ¥6,887 million (US\$60.4 million), an increase of 36.8% year on year, mainly due to higher earnings in the Car Electronics business and improved profitability in the Others segment, despite a larger loss in the plasma display business. Net income decreased 30.7% year on year to ¥1,688 million (US\$14.8 million), mainly because of an increase in income taxes in connection with accumulated losses at the parent company, Pioneer Corporation.

During the third quarter of fiscal 2008, the average value of the Japanese yen appreciated 4.1% against the U.S. dollar and depreciated 7.3% against the euro, compared with the third quarter of fiscal 2007.

**Car Electronics** sales increased 8.5% year on year to ¥92,691 million (US\$813.1 million) due to higher sales of car audio products, while sales of car navigation systems remained mostly the same. In car navigation systems, consumer-market and OEM (original equipment manufacturing) sales both decreased in Japan, but rose in North America. In car audio products, consumer-market sales rose in Central and South America, and OEM sales increased in North America, China and Japan. Total OEM sales in this segment accounted for approximately 40% of Car Electronics sales.

In terms of geographic sales, sales in Japan remained mostly the same at ¥33,519 million (US\$294.0 million), while overseas sales increased 14.0% to ¥59,172 million (US\$519.1 million) compared with the same period of the previous year.

Operating income in this segment increased 86.0% year on year to ¥5,905 million (US\$51.8 million) due to higher sales of car audio products and lower selling expenses for consumer-market car navigation systems.

**Home Electronics** sales decreased 9.6% year on year to ¥100,512 million (US\$881.7 million). Overall plasma display sales declined due to decreases in home-use sales in Europe and North America, despite higher home-use sales in Japan, and due to decreases in OEM and business-use sales. Plasma display sales accounted for approximately 42% of Home Electronics sales. Sales of Blu-ray Disc-related devices and DVD drives rose, but sales of DVD recorders decreased.

In terms of geographic sales, sales in Japan declined 19.0% to ¥14,709 million (US\$129.0 million), and overseas sales decreased 7.7% to ¥85,803 million (US\$752.7 million).

Operating income in this segment was down 72.8% year on year at ¥777 million (US\$6.8 million). This mainly reflected a larger loss in plasma displays in line with lower sales of these products, despite improved profitability in DVD recorders.

In **Patent Licensing**, royalty revenue decreased 57.6% to ¥148 million (US\$1.3 million) from the third quarter of fiscal 2007. This decrease was attributable to the impact of the expiration of some patents licensed to the optical disc industry.

This segment posted an operating loss of ¥55 million (US\$0.5 million) in line with the decrease in royalty revenue, compared with operating income of ¥68 million in the same period of the previous fiscal year.

In the **Others** segment, sales decreased 0.2% year on year to ¥17,688 million (US\$155.2 million), mainly reflecting a drop in sales of factory automation systems, despite higher sales of electronic devices and parts.

In terms of geographic sales, sales in Japan decreased 3.0% to ¥11,017 million (US\$96.6 million), while overseas sales increased 4.7% to ¥6,671 million (US\$58.5 million).

Operating income in this segment was ¥503 million (US\$4.4 million), improving from an operating loss of ¥598 million in the third quarter of fiscal 2007. This was mainly attributable to improved profitability in map software and factory automation systems.

For the nine-month period ended December 31, 2007, consolidated operating revenue decreased 0.1% year on year to ¥594,200 million (US\$5,212.3 million). Operating income was ¥9,149 million (US\$80.3 million), down 45.3% year on year. Meanwhile, net income decreased 0.2% year on year to ¥11,624 million (US\$102.0 million), with the decrease limited mainly by a gain on sale of all land and buildings at the Tokorozawa Plant and some at the Omori Plant, which was posted in the first quarter of fiscal 2008.

Note: Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.

### **Cash Flows**

During the nine-month period ended December 31, 2007, operating activities used net cash of ¥7,400 million (US\$64.9 million). The main factors reducing cash were an increase in trade notes and receivables of ¥9,477 million (US\$83.1 million), an increase in inventories of ¥29,060 million (US\$254.9 million) and a decrease in other accrued liabilities of ¥5,116 million (US\$44.9 million), as well as adjustments for a gain on sale and disposal of fixed assets of ¥12,402 million (US\$108.8 million), for which we received most of the cash proceeds in fiscal 2007. These factors outweighed factors increasing cash, such as net income of ¥11,624 million (US\$102.0 million), depreciation and amortization of ¥26,154 million (US\$229.4 million) and an increase in trade payables of ¥16,221 million (US\$142.3 million). Investing activities used net cash of ¥66,005 million (US\$579.0 million). This reflected capital expenditures of ¥34,240 million (US\$300.4 million), mainly related to the car electronics business and the newly established Kawasaki Plant, as well as ¥14,672 million (US\$128.7 million) for the purchase of shares of consolidated subsidiaries, mainly for making Tohoku Pioneer Corporation a wholly owned subsidiary. Additionally, cash of ¥19,750 million (US\$173.2 million) was used for the purchase of Sharp Corporation shares as part of a business and capital alliance with Sharp. Financing activities provided net cash of ¥64,741 million (US\$567.9 million) mainly through an increase in borrowings of ¥27,536 million (US\$241.5 million) and proceeds of ¥41,358 million (US\$362.8 million) from newly issued Pioneer shares through third-party allotment to Sharp.

Consequently, cash and cash equivalents at December 31, 2007 were ¥93,755 million (US\$822.4 million), a decrease of ¥8,065 million from March 31, 2007.

The alliance with Sharp provided net cash of ¥21,608 million (US\$189.5 million), after offsetting the aforementioned purchase of Sharp shares against the above proceeds from newly issued Pioneer shares through third-party allotment to Sharp.

## **Business Forecasts for Fiscal 2008**

We revised our consolidated business forecasts for fiscal 2008, ending March 31, 2008, which were announced on October 31, 2007, as follows:

(In millions of yen)

	Revised projections for fiscal 2008 (A)	Previous projections for fiscal 2008 (B)	Changes (A - B)	Results for fiscal 2007
Operating revenue	¥800,000	¥820,000	¥(20,000)	¥797,102
Operating income	10,000	10,000	0	12,487
Income (loss) before income taxes	26,000	26,000	0	(7,717)
Net income (loss)	¥ 6,000	¥ 6,000	¥ 0	¥ (6,761)

We have lowered our previous operating revenue forecast because plasma display sales are projected to fall below forecasts chiefly in Europe and North America. Turning to profitability, we have not revised our previous income forecasts.

This mainly reflects expectations of an increase in income in the Car Electronics business due primarily to an improving gross profit margin in this business and higher sales of car audio products for consumer markets in Central and South America, despite larger losses in the Home Electronics business due to lower plasma display sales.

We are assuming average yen-U.S. dollar and yen-euro exchange rates of ¥105 and ¥155, respectively, for the revised projections.

### **Cautionary Statement with Respect to Forward-Looking Statements**

Statements made in this release 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 for 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 expenditures; (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.

Pioneer Corporation is a leading global manufacturer of consumer- and business-use electronics products such as audio, video and car electronics. Its shares are listed on the Tokyo Stock Exchange.

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The U.S. dollar amounts in this release represent translation of Japanese yen, for convenience only, at the rate of ¥114=US\$1.00, the approximate rate prevailing as of December 31, 2007.

Attached are consolidated financial statements for the three months and the nine months ended December 31, 2007.

**(1) OPERATING REVENUE BY SEGMENT**

(In millions of yen)

	<b>Three months</b> ended December 31				
	2007		2006		% to prior year
	Amount	% to total	Amount	% to total	
Domestic	¥ 33,519	15.9%	¥ 33,507	15.6%	100.0%
Overseas	59,172	28.0	51,887	24.2	114.0
Car Electronics	92,691	43.9	85,394	39.8	108.5
Domestic	14,709	7.0	18,157	8.5	81.0
Overseas	85,803	40.6	92,969	43.3	92.3
Home Electronics	100,512	47.6	111,126	51.8	90.4
Domestic	-	-	-	-	-
Overseas	148	0.1	349	0.2	42.4
Patent Licensing	148	0.1	349	0.2	42.4
Domestic	11,017	5.2	11,360	5.3	97.0
Overseas	6,671	3.2	6,372	2.9	104.7
Others	17,688	8.4	17,732	8.2	99.8
Domestic	59,245	28.1	63,024	29.4	94.0
Overseas	151,794	71.9	151,577	70.6	100.1
<b>Total</b>	<b>¥211,039</b>	<b>100.0%</b>	<b>¥214,601</b>	<b>100.0%</b>	<b>98.3%</b>

(In millions of yen)

	<b>Nine months</b> ended December 31				
	2007		2006		% to prior year
	Amount	% to total	Amount	% to total	
Domestic	¥ 94,392	15.9%	¥ 96,389	16.2%	97.9%
Overseas	188,046	31.6	163,975	27.6	114.7
Car Electronics	282,438	47.5	260,364	43.8	108.5
Domestic	38,084	6.4	46,971	7.9	81.1
Overseas	221,308	37.3	231,060	38.8	95.8
Home Electronics	259,392	43.7	278,031	46.7	93.3
Domestic	-	-	-	-	-
Overseas	563	0.1	2,110	0.4	26.7
Patent Licensing	563	0.1	2,110	0.4	26.7
Domestic	31,888	5.4	36,441	6.1	87.5
Overseas	19,919	3.3	17,974	3.0	110.8
Others	51,807	8.7	54,415	9.1	95.2
Domestic	164,364	27.7	179,801	30.2	91.4
Overseas	429,836	72.3	415,119	69.8	103.5
<b>Total</b>	<b>¥594,200</b>	<b>100.0%</b>	<b>¥594,920</b>	<b>100.0%</b>	<b>99.9%</b>

**(2) CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions of yen)

	<b>Three months</b> ended December 31		
	2007	2006	% to prior year
Operating revenue:			
Net sales	¥210,891	¥214,252	98.4%
Royalty revenue	148	349	42.4
Total operating revenue	211,039	214,601	98.3
Operating costs and expenses:			
Cost of sales	157,817	163,780	96.4
Selling, general and administrative expenses	46,335	45,787	101.2
Total operating costs and expenses	204,152	209,567	97.4
Operating income	6,887	5,034	136.8
Other income (expenses):			
Interest income	1,562	1,550	100.8
Foreign exchange loss	(367)	(1,947)	18.8
Interest expense	(357)	(462)	77.3
Other—net	(105)	1,306	—
Total other income	733	447	164.0
Income from continuing operations before income taxes	7,620	5,481	139.0
Income taxes	5,929	2,634	225.1
Minority interest in earnings of subsidiaries	(63)	(406)	15.5
Equity in earnings (losses) of affiliated companies	60	(5)	—
Income from continuing operations	1,688	2,436	69.3
Income from discontinued operations, net of tax	—	—	—
<b>Net income</b>	<b>¥ 1,688</b>	<b>¥ 2,436</b>	<b>69.3%</b>

(In millions of yen)

	<b>Nine months</b> ended December 31		
	2007	2006	% to prior year
Operating revenue:			
Net sales	¥593,637	¥592,810	100.1%
Royalty revenue	563	2,110	26.7
Total operating revenue	594,200	594,920	99.9
Operating costs and expenses:			
Cost of sales	451,548	447,164	101.0
Selling, general and administrative expenses	133,503	131,031	101.9
Total operating costs and expenses	585,051	578,195	101.2
Operating income	9,149	16,725	54.7
Other income (expenses):			
Interest income	4,476	3,635	123.1
Foreign exchange loss	(199)	(2,332)	8.5
Interest expense	(1,286)	(1,078)	119.3
Other—net	13,125	1,155	—
Total other income	16,116	1,380	—
Income from continuing operations before income taxes	25,265	18,105	139.5
Income taxes	13,507	8,848	152.7
Minority interest in earnings of subsidiaries	(201)	(405)	49.6
Equity in earnings of affiliated companies	67	17	394.1
Income from continuing operations	11,624	8,869	131.1
Income from discontinued operations, net of tax	—	2,775	—
<b>Net income</b>	<b>¥ 11,624</b>	<b>¥ 11,644</b>	<b>99.8%</b>

**(3) CONSOLIDATED BALANCE SHEETS**

	(In millions of yen)				
	December 31			March 31	
	2007	2006	Increase (Decrease)	2007	Increase (Decrease)
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	¥ 93,755	¥ 77,219	¥ 16,536	¥101,820	¥ (8,065)
Trade receivables, less allowance	127,906	139,211	(11,305)	117,875	10,031
Inventories	135,101	138,677	(3,576)	105,331	29,770
Other current assets	72,779	74,448	(1,669)	69,066	3,713
<b>Total current assets</b>	<b>429,541</b>	<b>429,555</b>	<b>(14)</b>	<b>394,092</b>	<b>35,449</b>
Investments and long-term receivables	44,586	27,313	17,273	27,219	17,367
Property, plant and equipment, less depreciation	145,786	162,471	(16,685)	146,475	(689)
Intangible assets	18,801	19,199	(398)	18,248	553
Other assets	45,599	39,693	5,906	49,440	(3,841)
<b>Total assets</b>	<b>¥684,313</b>	<b>¥678,231</b>	<b>¥ 6,082</b>	<b>¥635,474</b>	<b>¥48,839</b>
<b>LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY</b>					
Current liabilities:					
Short-term borrowings and current portion of long-term debt	¥ 57,608	¥ 37,846	¥ 19,762	¥ 18,605	¥ 39,003
Trade payables	108,278	108,414	(136)	93,351	14,927
Other current liabilities	104,623	117,821	(13,198)	130,757	(26,134)
<b>Total current liabilities</b>	<b>270,509</b>	<b>264,081</b>	<b>6,428</b>	<b>242,713</b>	<b>27,796</b>
Long-term debt	73,115	87,564	(14,449)	86,015	(12,900)
Other long-term liabilities	22,848	23,650	(802)	24,341	(1,493)
<b>Total liabilities</b>	<b>366,472</b>	<b>375,295</b>	<b>(8,823)</b>	<b>353,069</b>	<b>13,403</b>
Minority interests	1,397	14,660	(13,263)	14,289	(12,892)
Shareholders' equity:					
Common stock	69,824	49,049	20,775	49,049	20,775
Capital surplus	103,578	82,971	20,607	82,983	20,595
Retained earnings	175,421	184,598	(9,177)	165,321	10,100
Accumulated other comprehensive loss	(21,255)	(15,891)	(5,364)	(16,784)	(4,471)
Treasury stock	(11,124)	(12,451)	1,327	(12,453)	1,329
<b>Total shareholders' equity</b>	<b>316,444</b>	<b>288,276</b>	<b>28,168</b>	<b>268,116</b>	<b>48,328</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>¥684,313</b>	<b>¥678,231</b>	<b>¥ 6,082</b>	<b>¥635,474</b>	<b>¥ 48,839</b>
Breakdown of accumulated other comprehensive loss:					
Minimum pension liability adjustments	-	¥ (5,166)	¥ 5,166	-	-
Pension liability adjustments	¥ (5,137)	-	(5,137)	¥ (5,009)	¥ (128)
Net unrealized gains on securities	5,857	8,073	(2,216)	7,405	(1,548)
Foreign currency translation adjustments	(21,975)	(18,798)	(3,177)	(19,180)	(2,795)
<b>Total accumulated other comprehensive loss</b>	<b>¥(21,255)</b>	<b>¥(15,891)</b>	<b>¥(5,364)</b>	<b>¥(16,784)</b>	<b>¥(4,471)</b>

**(4) CONSOLIDATED STATEMENTS OF CASH FLOWS**

	(In millions of yen)			
	<b>Three months</b>		<b>Nine months</b>	
	ended December 31		ended December 31	
	2007	2006	2007	2006
I. Cash flows from operating activities:				
Net income	¥ 1,688	¥ 2,436	¥ 11,624	¥ 11,644
Depreciation and amortization	9,382	9,695	26,154	28,195
Loss (gain) on sale and disposal of fixed assets	248	118	(12,402)	(579)
Increase in trade receivables	(4,286)	(17,494)	(9,477)	(27,459)
(Increase) decrease in inventories	3,249	3,240	(29,060)	(29,447)
Increase (decrease) in trade payables	(6,415)	(12,781)	16,221	4,403
Increase (decrease) in other accrued liabilities	(5,635)	1,560	(5,116)	(6,306)
Other	(466)	(2,284)	(5,344)	(5,816)
Net cash used in operating activities	(2,235)	(15,510)	(7,400)	(25,365)
II. Cash flows from investing activities:				
Payment for purchase of fixed assets	(8,930)	(11,836)	(34,240)	(32,313)
Payment for purchase of shares of consolidated subsidiaries	(330)	-	(14,672)	-
Payment for purchase of marketable equity securities	(19,750)	(1,679)	(19,750)	(1,679)
Proceeds from sale of discontinued operations	-	-	-	10,862
Other	(240)	1,422	2,657	3,279
Net cash used in investing activities	(29,250)	(12,093)	(66,005)	(19,851)
III. Cash flows from financing activities:				
Increase (decrease) in short-term borrowings and long-term debt	3,209	(4,193)	27,536	3,005
Dividends paid	(872)	(872)	(1,744)	(1,308)
Proceeds from new shares issued, net of stock issuance cost	41,358	-	41,358	-
Other	(647)	(866)	(2,409)	(2,593)
Net cash provided by (used in) financing activities	43,048	(5,931)	64,741	(896)
Effect of exchange rate changes on cash and cash equivalents	72	931	599	1,651
Net increase (decrease) in cash and cash equivalents	11,635	(32,603)	(8,065)	(44,461)
Cash and cash equivalents, beginning of period	82,120	109,822	101,820	121,680
Cash and cash equivalents, end of period	¥ 93,755	¥ 77,219	¥ 93,755	¥ 77,219
Free cash flows (I + II)	¥(31,485)	¥(27,603)	¥(73,405)	¥(45,216)

**(5) SEGMENT INFORMATION**

The following segment information is prepared pursuant to the regulations under the Financial Instruments and Exchange Law of Japan.

<Business Segments>

(In millions of yen)

	<b>Three months</b> ended December 31					
	2007		2006		% to prior year	
	Operating Revenue	Operating Income	Operating Revenue	Operating Income	Operating Revenue	Operating Income
Car Electronics	¥ 93,189	¥5,905	¥ 85,930	¥3,175	108.4%	186.0%
Home Electronics	100,677	777	111,309	2,856	90.4	27.2
Patent Licensing	301	(55)	388	68	77.6	-
Others	25,808	503	26,438	(598)	97.6	-
Total	219,975	7,130	224,065	5,501	98.2	129.6
Corporate and Eliminations	(8,936)	(243)	(9,464)	(467)	-	-
Consolidated	¥211,039	¥6,887	¥214,601	¥5,034	98.3%	136.8%

(In millions of yen)

	<b>Nine months</b> ended December 31					
	2007		2006		% to prior year	
	Operating Revenue	Operating Income	Operating Revenue	Operating Income	Operating Revenue	Operating Income
Car Electronics	¥283,974	¥19,540	¥261,843	¥16,293	108.5%	119.9%
Home Electronics	259,913	(8,765)	278,555	(1,277)	93.3	-
Patent Licensing	917	(52)	2,149	1,042	42.7	-
Others	77,158	20	80,607	2,094	95.7	1.0
Total	621,962	10,743	623,154	18,152	99.8	59.2
Corporate and Eliminations	(27,762)	(1,594)	(28,234)	(1,427)	-	-
Consolidated	¥594,200	¥ 9,149	¥594,920	¥16,725	99.9%	54.7%

Notes:

- The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, except for the disclosure of segment information.
- The Company's business is classified into four segments: "Car Electronics," "Home Electronics," "Patent Licensing" and "Others." Principal products and services included in each segment are as follows:
  - Car Electronics:
    - car navigation systems, car stereos, car AV systems and car speakers
  - Home Electronics:
    - plasma displays, DVD recorders, DVD players, DVD drives, Blu-ray Disc players, Blu-ray Disc drives, audio systems, audio components, DJ equipment and equipment for cable TV systems
  - Patent Licensing:
    - licensing of patents related to laser optical disc technologies
  - Others:
    - organic light-emitting diode displays, factory automation systems, speaker units, electronics devices and parts, telephones and business-use AV systems
- Effective from this fiscal 2008, the Company classified telephones in "Others," which were previously included in "Home Electronics." Reclassifications have been made to previously reported "operating revenue by segment" and "segment information" to conform to this presentation.
- In the second quarter of fiscal 2007, the Company sold subsidiaries involved in the electronic components business. The operating results of these subsidiaries and the gain on the sale are presented as income from discontinued operations in the consolidated statements of operations.

Pioneer Corporation—Consolidated

5. In the first quarter of fiscal 2008, the Company sold all land and buildings at the Tokorozawa Plant and some at the Omori Plant. The gain on the sale has been included in “Other—net” in the consolidated statements of operations.
6. From May 15, 2007 to June 19, 2007, the Company conducted a tender offer to make 67.1%-owned Tohoku Pioneer Corporation a wholly owned subsidiary. The Company acquired an additional 30.5% of Tohoku Pioneer’s shares for ¥13,506 million through this tender offer. The Company then acquired the remaining 2.4% of Tohoku Pioneer’s shares through a share exchange effective October 1, 2007, and Tohoku Pioneer accordingly became a wholly owned subsidiary of the Company.
7. On December 20, 2007, the Company issued 30,000,000 new shares of common stock (14.3% of post-allotment issued shares) through a third-party allotment to Sharp Corporation for ¥41,550 million. On the same date, the Company also subscribed to 10,000,000 shares of Sharp’s treasury stock (0.9% of Sharp’s issued shares) through a third-party allotment at a cost of ¥19,750 million.