

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

***Pioneer Corporation***

***Earnings Announcement for  
Fiscal Year March 2008***

***May 13<sup>th</sup> 2008***

## Today's Agenda

- 1. Business Results for FY March 2008**
- 2. Business Forecasts for FY March 2009**
- 3. Measures for Restructuring the Display Business and Improving Profitability in the Home Electronics Business**
- 4. Medium-term Management Targets**

1. 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. .

2. Effective from this fiscal 2008, the Company changed business segment classification. Results related to Telephones have been moved from "Home Electronics" to "Others." Reclassifications have been made to previously reported operating revenue by segment and segment information to conform to this presentation.

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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# ***1. Business Results for FY March 2008***

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## Consolidated Results for FY March 2008

Unit: billion yen

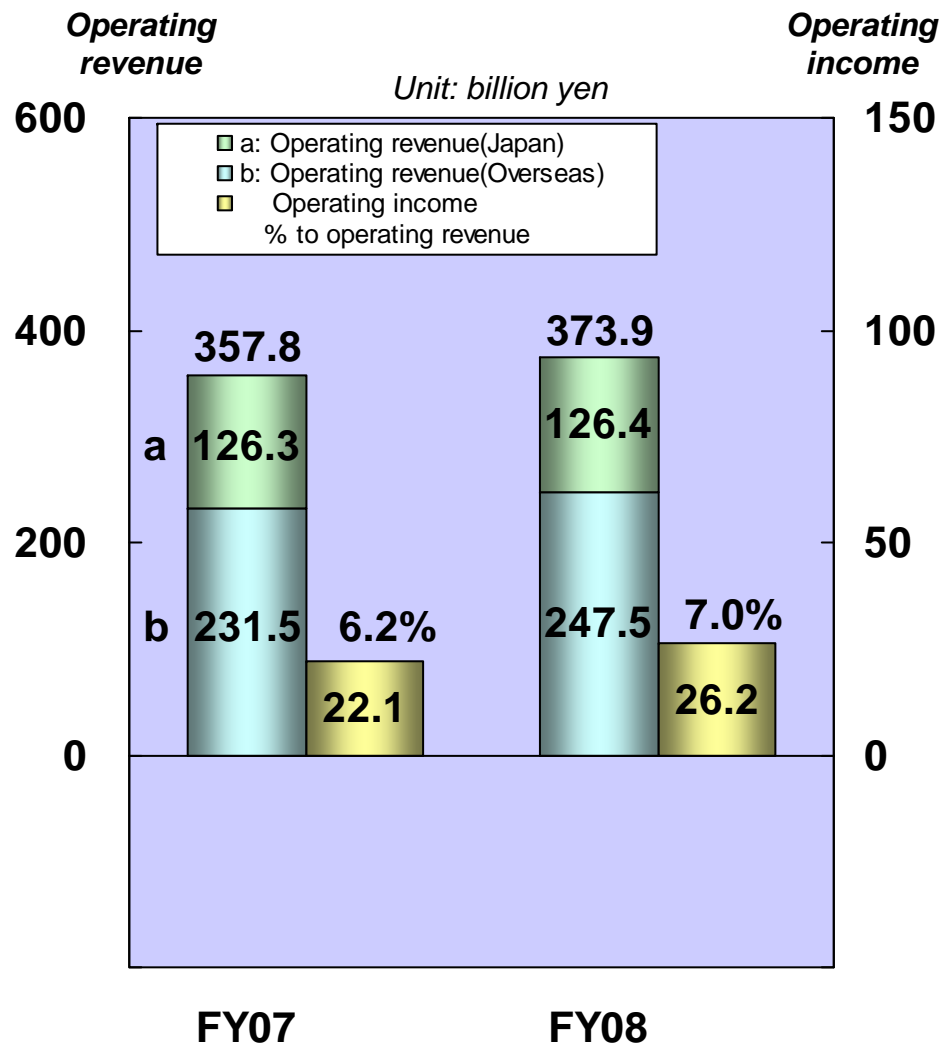
	<i>FY 2008</i>	<i>FY 2007</i>	<i>% to prior year</i>
<b>Operating revenue</b>	<b>774.5</b>	797.1	97.2%
<b>Operating income (loss)</b>	<b>10.9</b>	12.5	87.3%
<b>Income (loss) before taxes</b>	<b>3.4</b>	-7.7	-
<b>Income from discontinued operations, net of tax</b>	-	2.8	-
<b>Net income (loss)</b>	<b>-18.0</b>	-6.8	-

<b>Average foreign exchange rate</b> (unit: yen)	<b>1US \$</b>	<b>114.28</b>	117.02	-2.4%
	<b>1Euro</b>	<b>161.53</b>	150.09	+7.1%

(Unit: yen)

<b>Net income (loss) per share</b>	<b>-98.23</b>	-38.76	-59.47
<b>Book-value per share</b>	<b>1,206.71</b>	1,537.22	-330.51

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



### [Operating revenue]

% to prior year: 104.5%

(Japan 100.1%, Overseas 106.9%)

(Increase) OEM car audios  
 OEM car navigation systems

(Decrease) Consumer-market car audios

OEM ratio to the total segment :

approx. 39% (prior year approx. 36%)

### [Operating income]

(Positive factor) Consumer-market car audios  
 Consumer-market car navigation systems

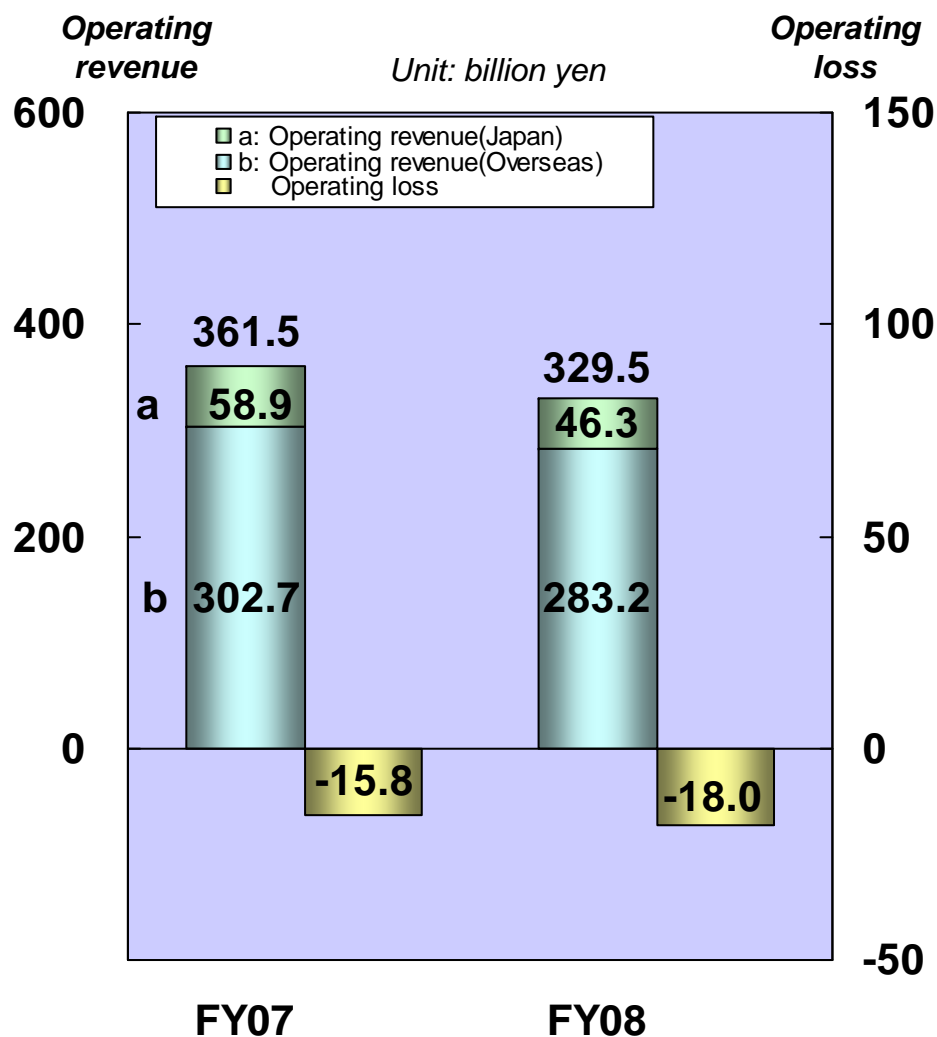
(Negative factor) OEM car navigation systems

### Products included in this segment:

- Car navigation systems
- Car audios (Car stereos, Car AV systems, Car speakers)

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

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



### [Operating revenue]

% to prior year : 91.2%

(Japan 78.6%, Overseas 93.6%)

(Increase) DVD drives  
Blu-ray Disc-related devices

(Decrease) Plasma displays  
DVD recorders

Plasma display sales ratio to the total segment :  
approx. 40% (prior year approx. 49%)

### [Operating loss]

(Positive factor) DVD recorders

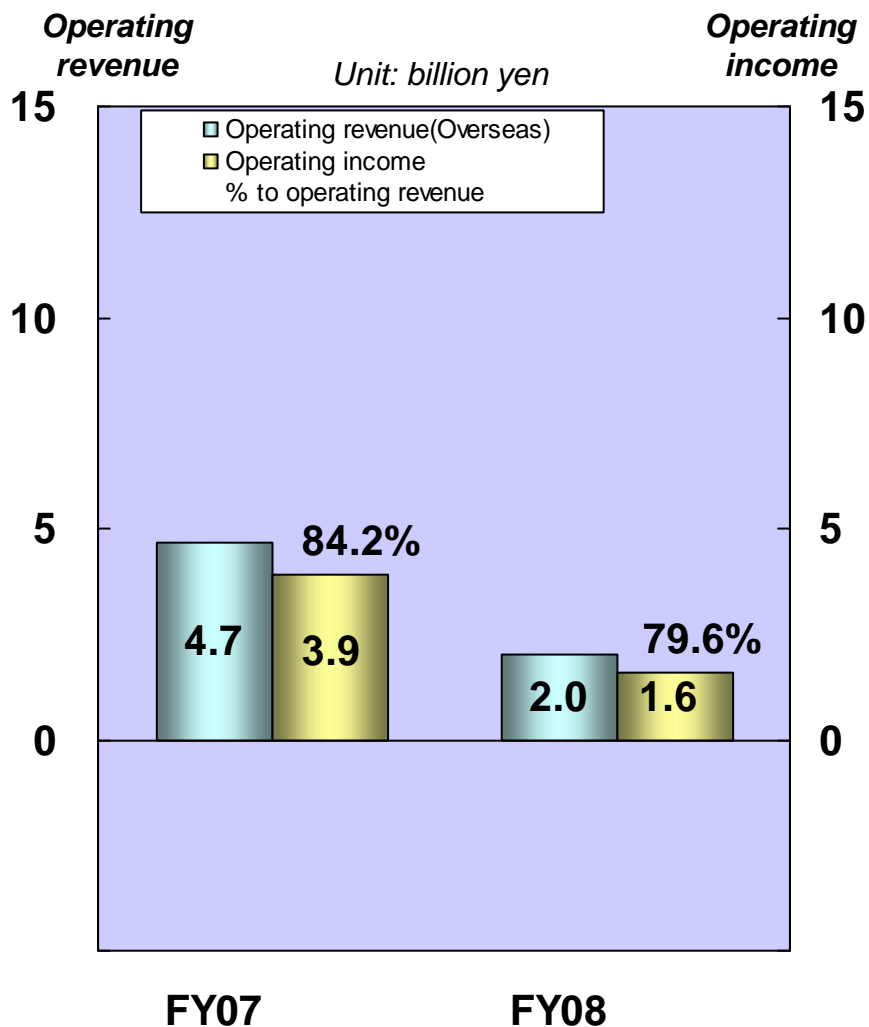
(Negative factor) Plasma displays

### 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.

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



**[Operating revenue]**

% to prior year : 42.9%

(Decrease) Optical disc related royalty revenue

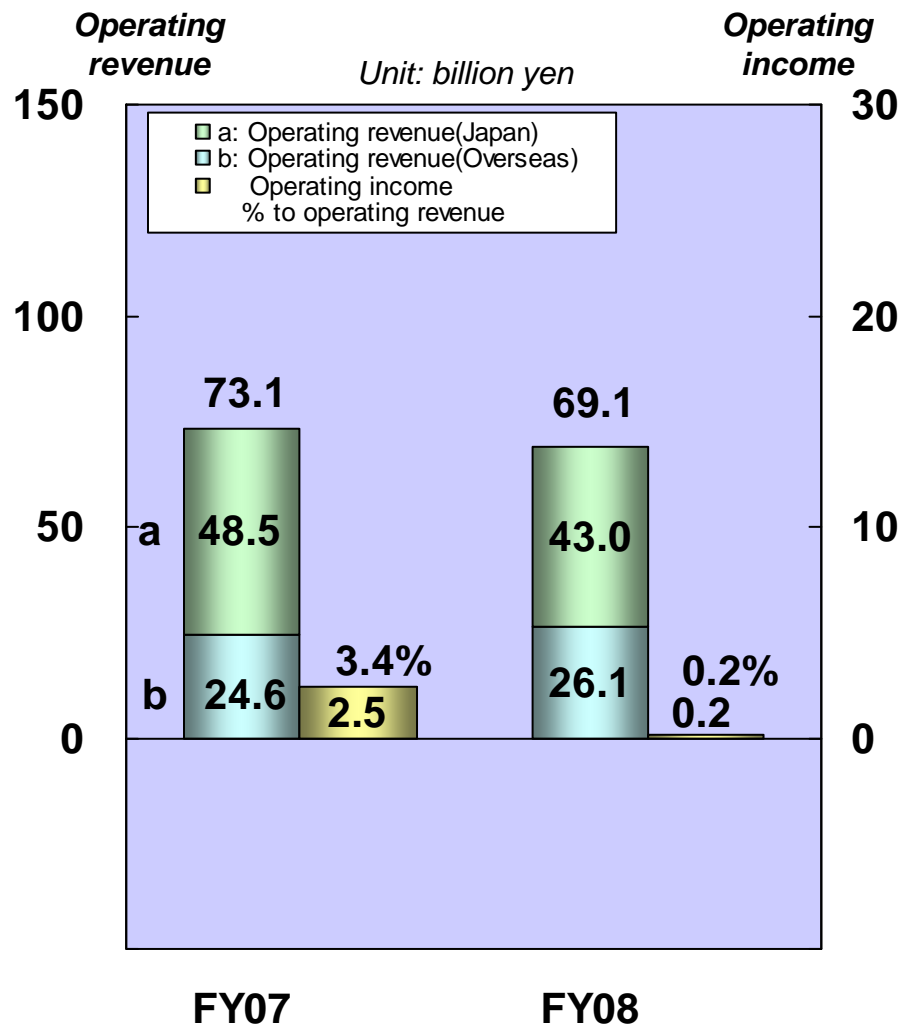
**[Operating income]**

(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 revenue]

% to prior year :94.5%

(Japan 88.7%, Overseas 105.8%)

(Decrease) Factory automation systems  
 Business-use AV systems

### [Operating income]

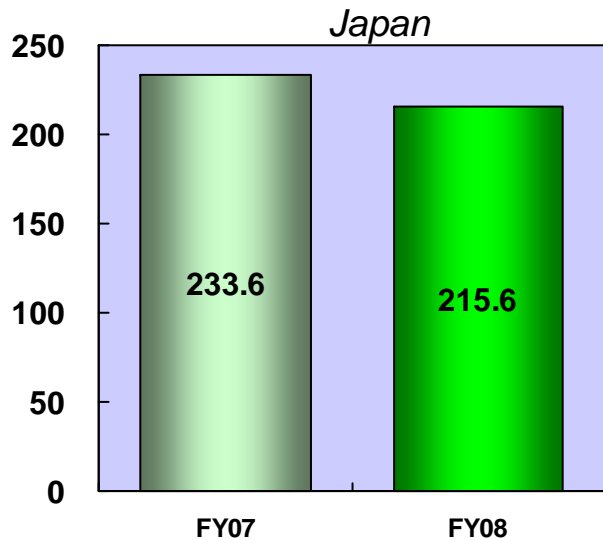
(Negative factor) Factory automation systems  
 Business-use AV systems

### Products included in this segment:

- OLED displays
- Factory automation systems, Speaker Units
- Electronic devices and parts (semiconductors etc.)
- Telephones, Business-use AV systems, etc.

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

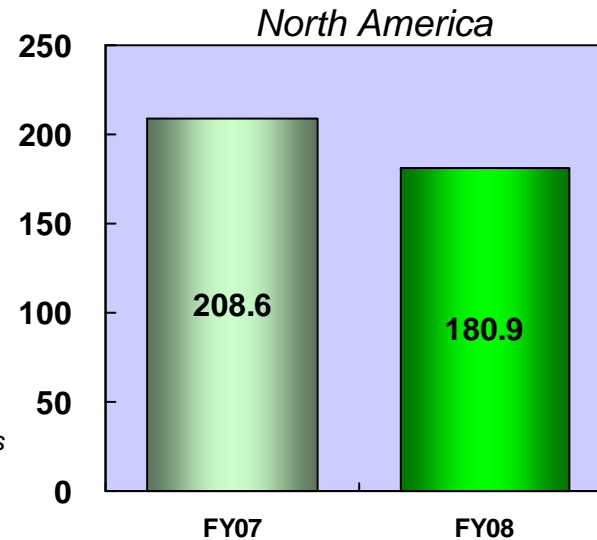
## FY March 2008: Operating Revenue by Geographic Segment



**FY08 % to prior year**  
92.3%

**(Positive factor)**  
OEM car audios  
Blu-ray Disc-related devices

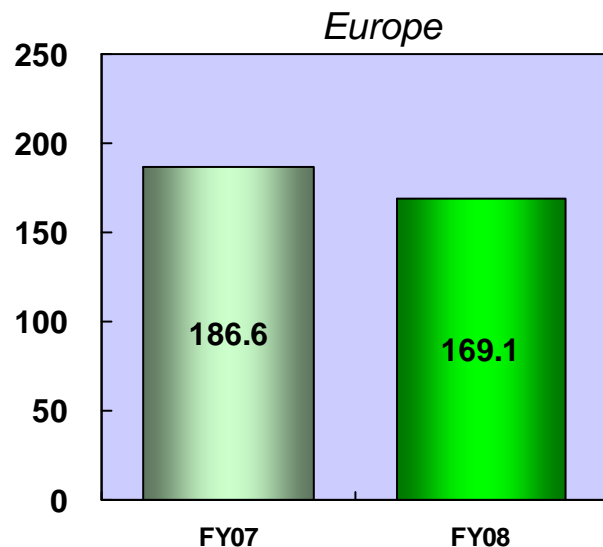
**(Negative factor)**  
DVD recorders  
Plasma displays  
Factory automation systems  
Car navigation systems  
DVD drives  
Business-use AV systems



**FY08 % to prior year**  
Yen basis: 86.7%  
Local currency basis: 88.3%

**(Positive factor)**  
OEM car navigation systems  
OEM car audios

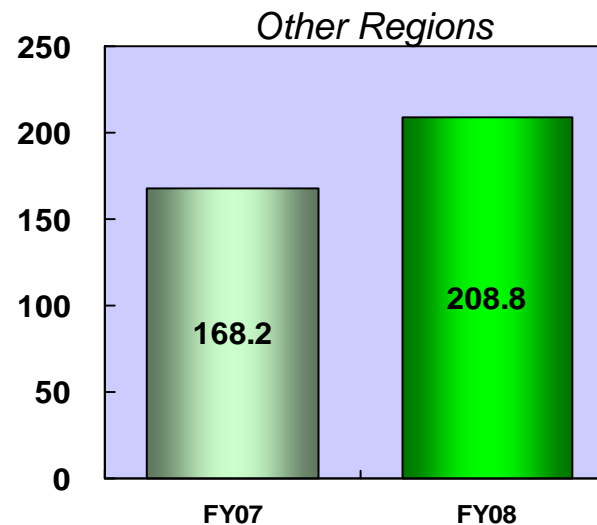
**(Negative factor)**  
Plasma displays  
Consumer-market car audios  
Audio systems



**FY08 % to prior year**  
Yen basis: 90.6%  
Local currency basis: 84.7%

**(Positive factor)**  
DJ equipment  
Consumer-market car audios  
Blu-ray Disc players

**(Negative factor)**  
Plasma displays  
DVD recorders  
DVD-related devices



**FY08 % to prior year**  
Yen basis: 124.1%  
Local currency basis: 122.5%

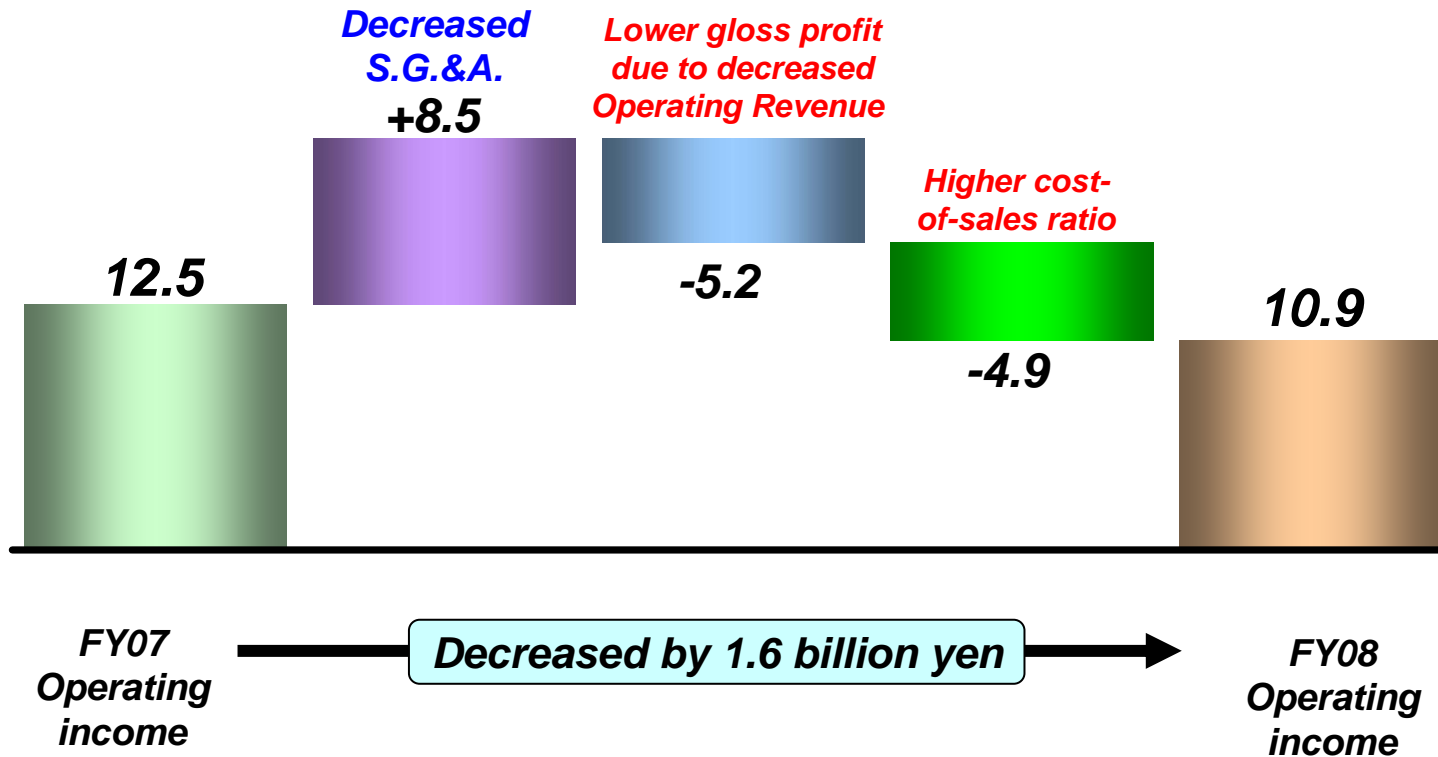
**(Positive factor)**  
DVD drives  
Car audios  
Blu-ray Disc-related devices

**(Negative factor)**  
Plasma displays

(Unit: billion yen)

## FY March 2008: Operating Income Structure Breakdown

(Unit: billion yen)



## FY March 2008: Consolidated P/L Statements

(Unit: billion yen)

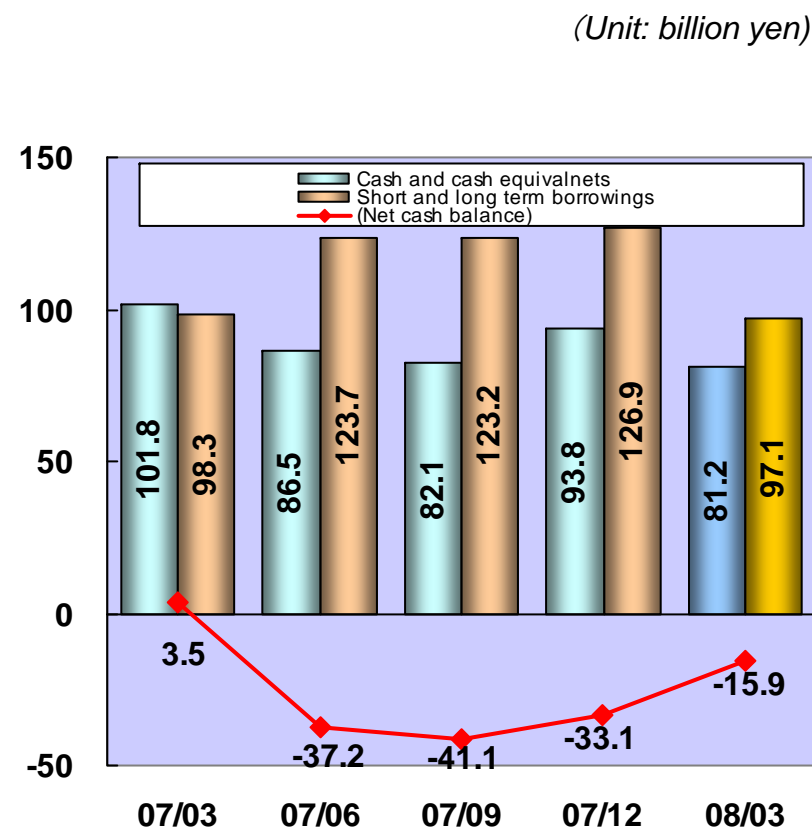
	<i>FY2008</i>	<i>FY2007</i>	<i>% to prior year</i>
<i>Operating revenue</i>	<b>774.5</b>	797.1	97.2%
<i>Cost of Sales</i>	<b>601.9</b>	614.4	98.0%
<i>Selling, general and administrative expenses</i>	<b>161.7</b>	170.2	95.0%
<i>Operating income</i>	<b>10.9</b>	12.5	87.3%
<i>Interest income/expenses</i>	<b>4.6</b>	3.3	141.8%
<i>Foreign exchange gain/loss</i>	<b>-1.0</b>	-2.6	-
<i>Other-net</i>	<b>-11.1</b>	-20.9	-
<i>Total other income/expenses</i>	<b>-7.5</b>	-20.2	-
<i>Income/loss before income taxes</i>	<b>3.4</b>	-7.7	-
<i>Current income taxes</i>	<b>8.0</b>	9.2	86.9%
<i>Deferred income taxes</i>	<b>13.3</b>	-7.4	-
<i>Income taxes</i>	<b>21.3</b>	1.8	-
<i>Minority interest in losses/earnings of subsidiaries</i>	<b>-0.3</b>	-0.4	-
<i>Equity in losses of affiliated companies</i>	<b>0.1</b>	0.3	39.7%
<i>Income from discontinued operations</i>	<b>-</b>	2.8	-
<i>Net income</i>	<b>-18.0</b>	-6.8	-

## FY March 2008: Summary of Consolidated Statements of Cash Flows

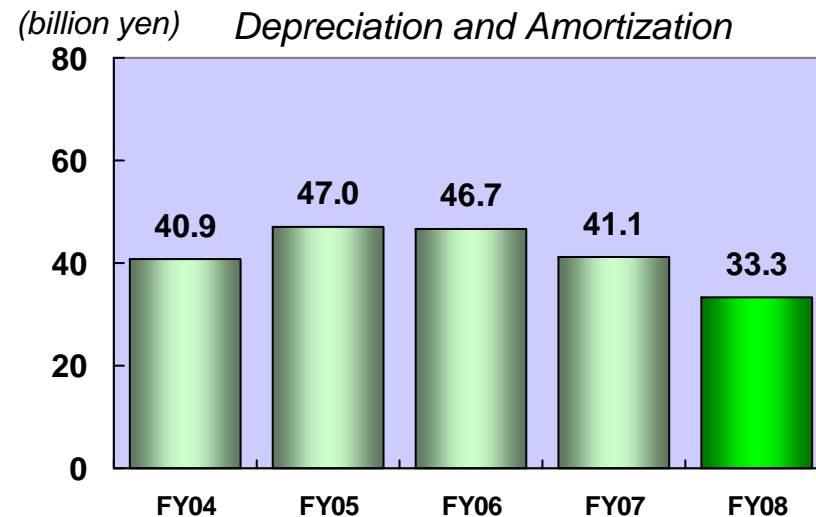
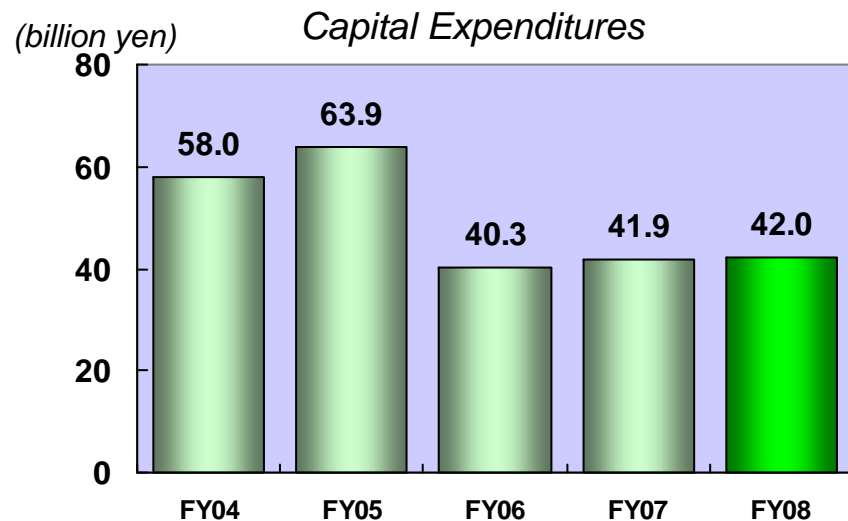
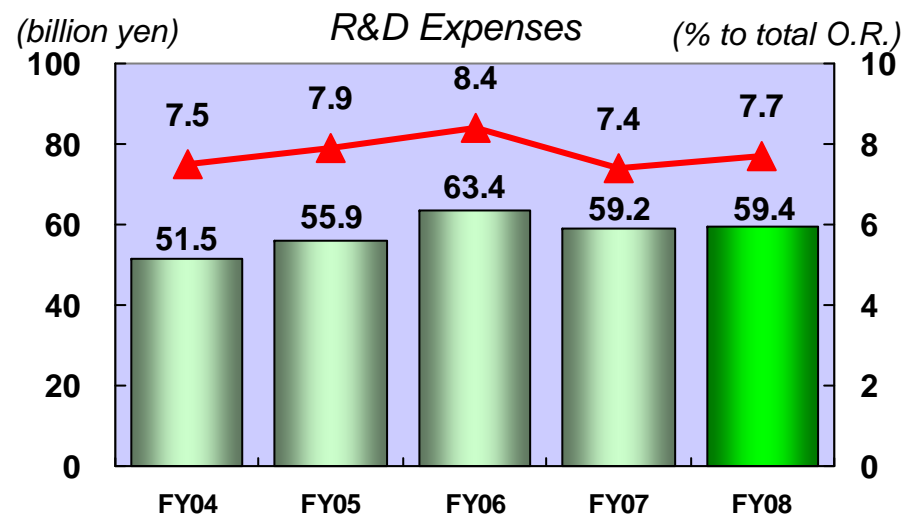
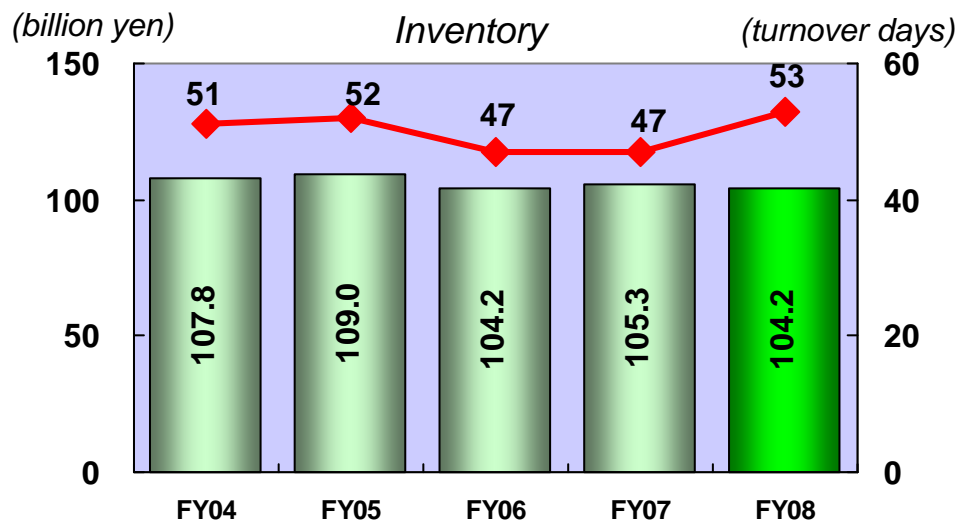
	FY2008	FY2007
Net income (loss)	-18.0	-6.8
Depreciation and Amortization	33.3	41.1
Deferred income taxes	13.3	-7.4
Impairment losses of long-lived assets	23.3	22.7
Loss (Gain) on sales of fixed assets	-11.7	0.2
Trade receivables	18.9	-6.3
Inventory	-7.0	4.4
Trade payables	-0.4	-11.8
Accrued liabilities	-12.3	-12.4
Other	-17.3	-6.8
<b>Cash flows from operating activities</b>	<b>22.0</b>	<b>16.8</b>
<b>Cash flows from investing activities</b>	<b>-72.4</b>	<b>-16.5</b>
<b>Cash flows from financing activities</b>	<b>35.9</b>	<b>-21.7</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-20.6</b>	<b>-19.9</b>

<b>Free cash flows</b>	<b>-50.3</b>	<b>0.3</b>
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<b>Net cash balance</b>	<b>-15.9</b>	<b>3.5</b>
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**FY March 2008: Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization**



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## ***2. Business Forecast for FY March 2009***

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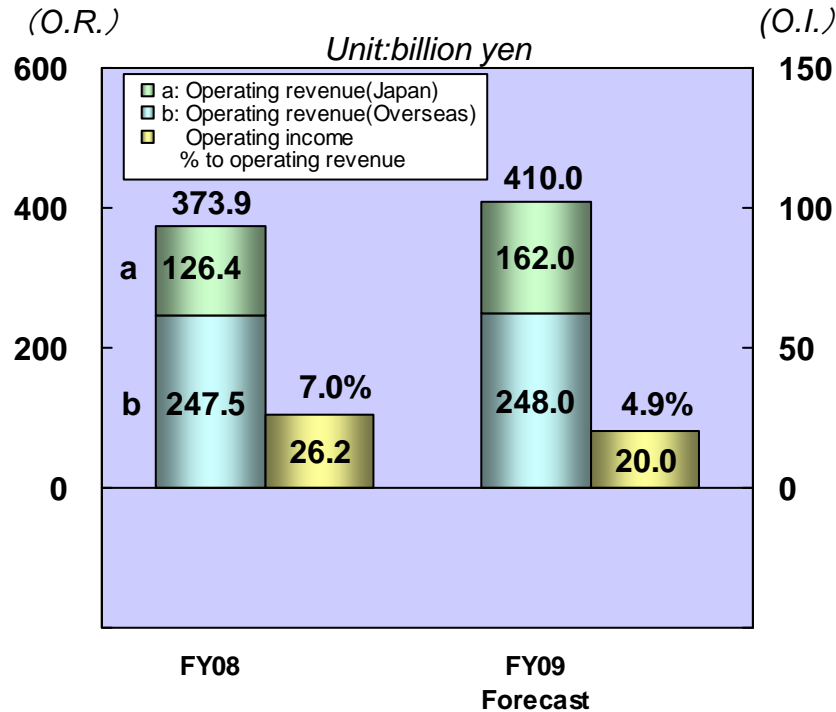
## FY March 2009: Consolidated P/L Forecast

(Unit: billion yen)

	<b>Forecast FY2009</b>	<b>Result FY2008</b>	<b>Variance</b>
<b>Operating revenue</b>	780.0	774.5	+5.5
<b>Operating income</b>	7.0	10.9	-3.9
<b>Income (loss) before taxes</b>	-7.5	3.4	-10.9
<b>Net income (loss)</b>	-19.0	-18.0	-1.0

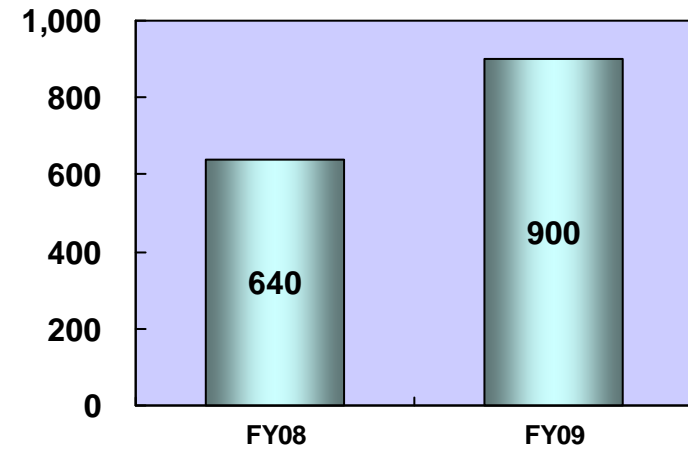
<b>Currency rates (Unit: yen)</b>	<b>1 US \$</b>	105.00	114.28
	<b>1 Euro</b>	155.00	161.53

## Forecast for FY March 2009: Car Electronics

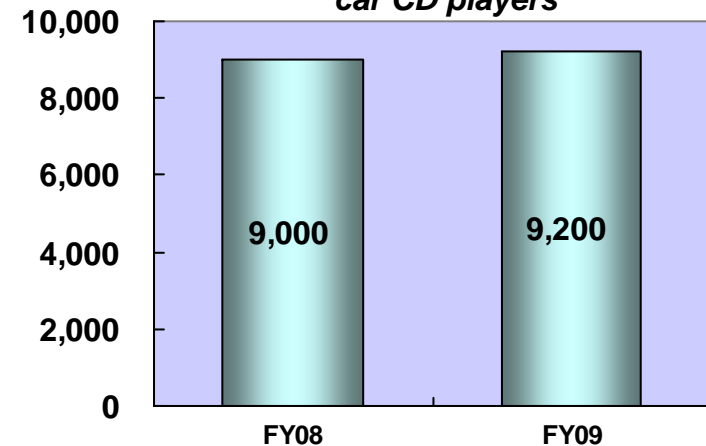


<Shipment forecasts>  
(in thousand units)

Consumer-market  
car navigation systems



Consumer-market  
car CD players



**[Operating revenue]**

% to prior year: 109.7%

(Increase) Consumer-market navigation systems, OEM

**OEM ratio to the segment: 37% (prior year 39%)**

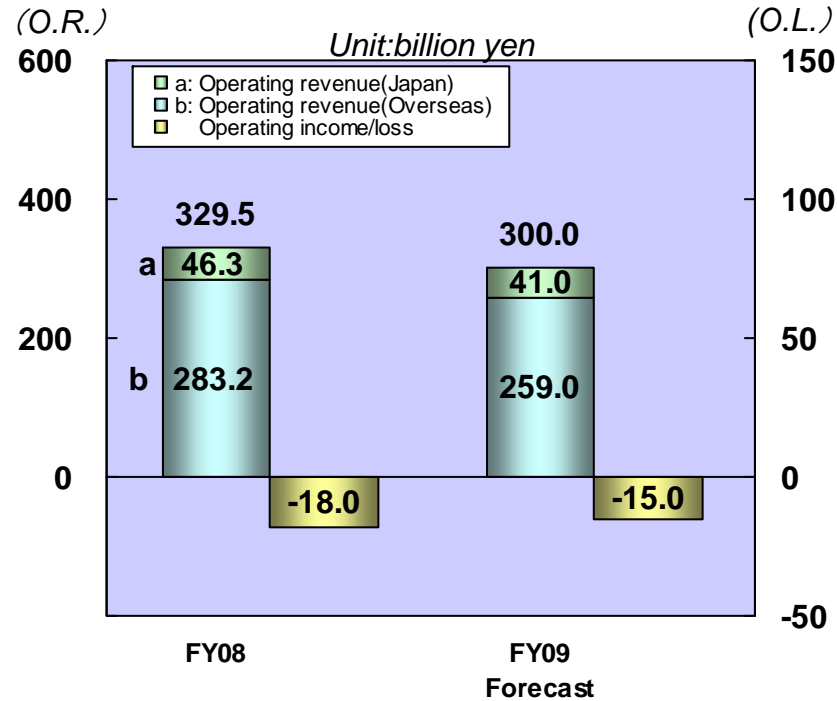
**[Operating income]**

% to prior year: 76.3%

(Increase) OEM

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

## Forecast for FY March 2009: Home Electronics



**[Operating revenue]**

% to prior year : 91.0%

(Decrease) Plasma displays  
DVD drives

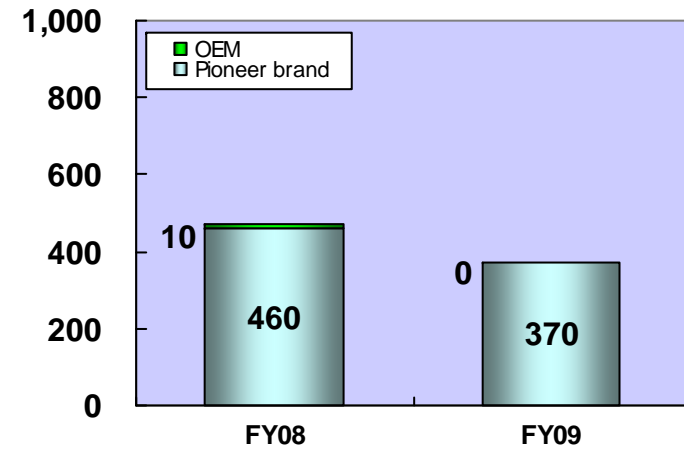
**[Operating loss]**

% to prior year : Deficit decreases

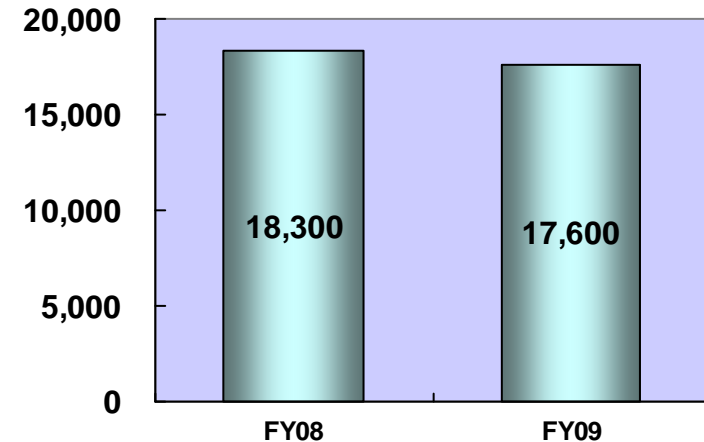
(Increase) Plasma displays

<Shipment forecasts>

(in thousand units) Plasma displays

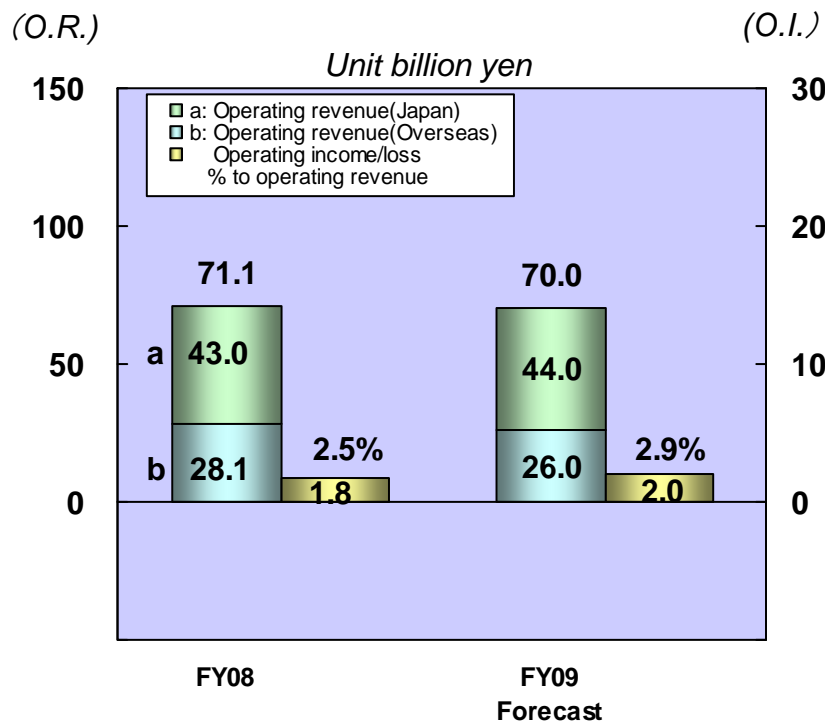


Recordable DVD drives for PCs



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

## Forecast for FY March 2009: Others



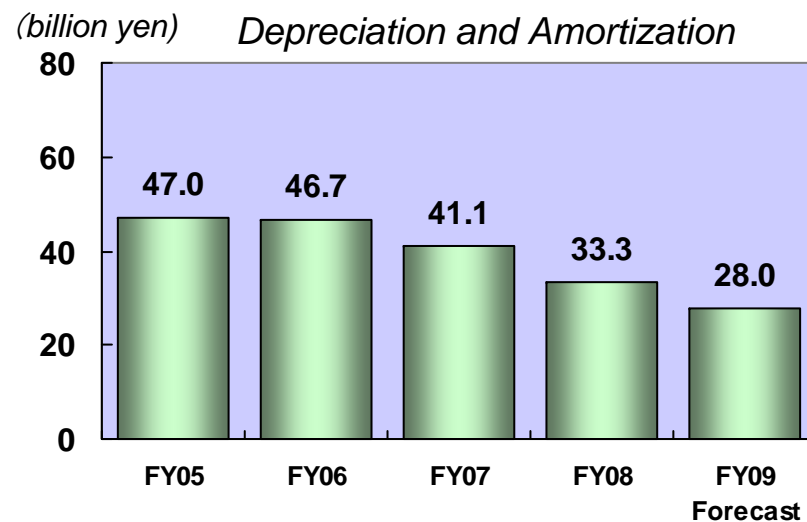
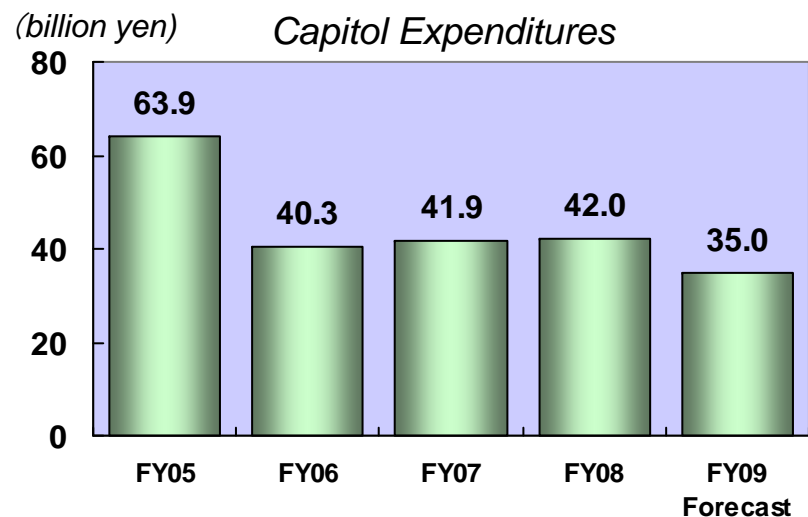
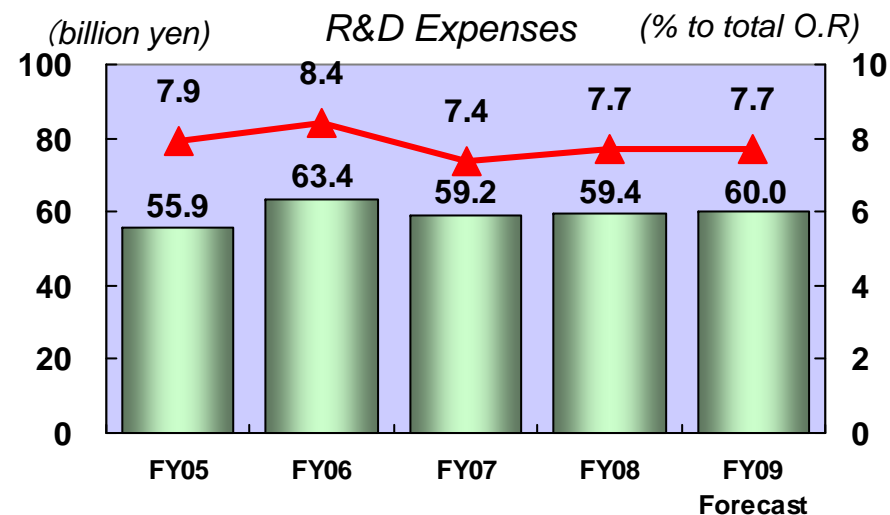
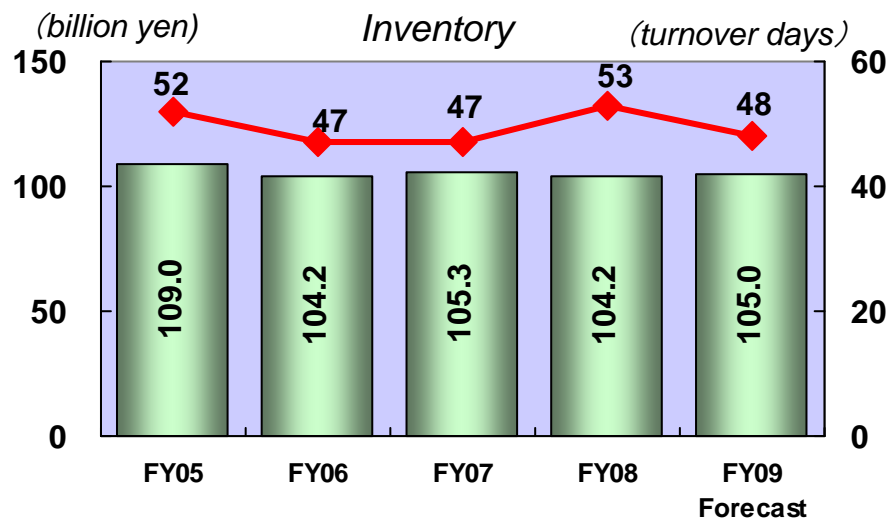
**[Operating revenue]**  
% to prior year : 98.5%

**[Operating income]**  
% to prior year: 111.1%  
(Positive factor) Speaker units for cellular phones  
(Negative factor) Optical disc related royalty revenue

\*Beginning with fiscal 2009 forecasts, the Patent Licensing segment has been integrated into the Others segment to reflect the former segment's diminished significance.

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

**Forecast for FY March 2009:  
Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization**



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***3. Measures for Restructuring the Display Business and  
Improving Profitability in the Home Electronics Business***

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## **Measures for Restructuring the Display Business**

- *Successively terminate in-house PDP production by March 2009*
- *Reached basic agreement with Matsushita Electric Industrial Co., Ltd. on procuring PDPs from summer 2009*
- *Close all PDP plants except Pioneer Display Products Corporation's Shizuoka Plant after PDP production ends; consider ways to utilize these facilities*
- *Redeploy PDP production personnel mainly to growth businesses and consider offering an incentive-based early retirement program to certain personnel*
- *Successively roll out Sharp-supplied LCD TVs starting in Europe in August 2008*
- *Reduce display business operating expenses by ¥15.0 billion in fiscal 2010, compared with fiscal 2008*

## **Improving profitability in the Home Electronics Business**

- *Redeploy approximately 200 of product design engineers in the display and audio/video products businesses to growth fields*
- *Reduce fixed costs by overhauling the overseas sales structure*
- *Readjustment of employment levels by around 300 employees in sales and administrative divisions in Japan*
- *Cut remuneration for corporate officers and make efforts to reduce external expenses by reviewing outsourced operations*
- *Achieve cost savings of ¥23.0 billion through actions such as display business restructuring*
- *Book business restructuring expenses of ¥15.0 billion in fiscal 2009*

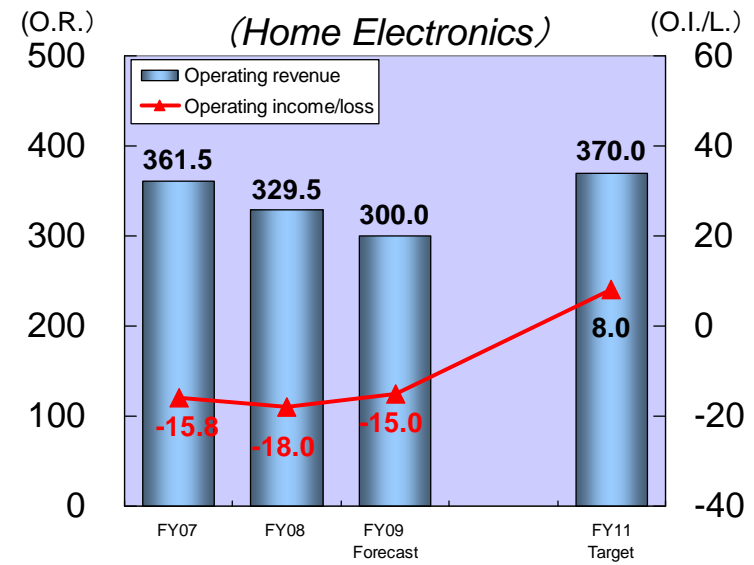
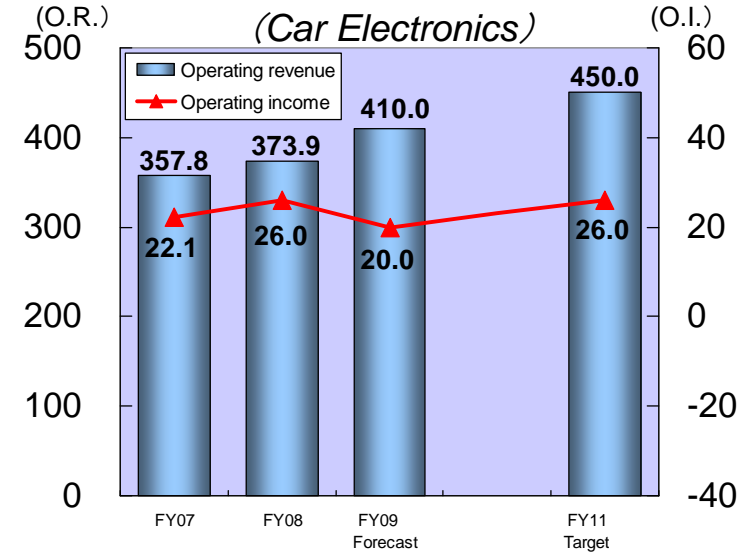
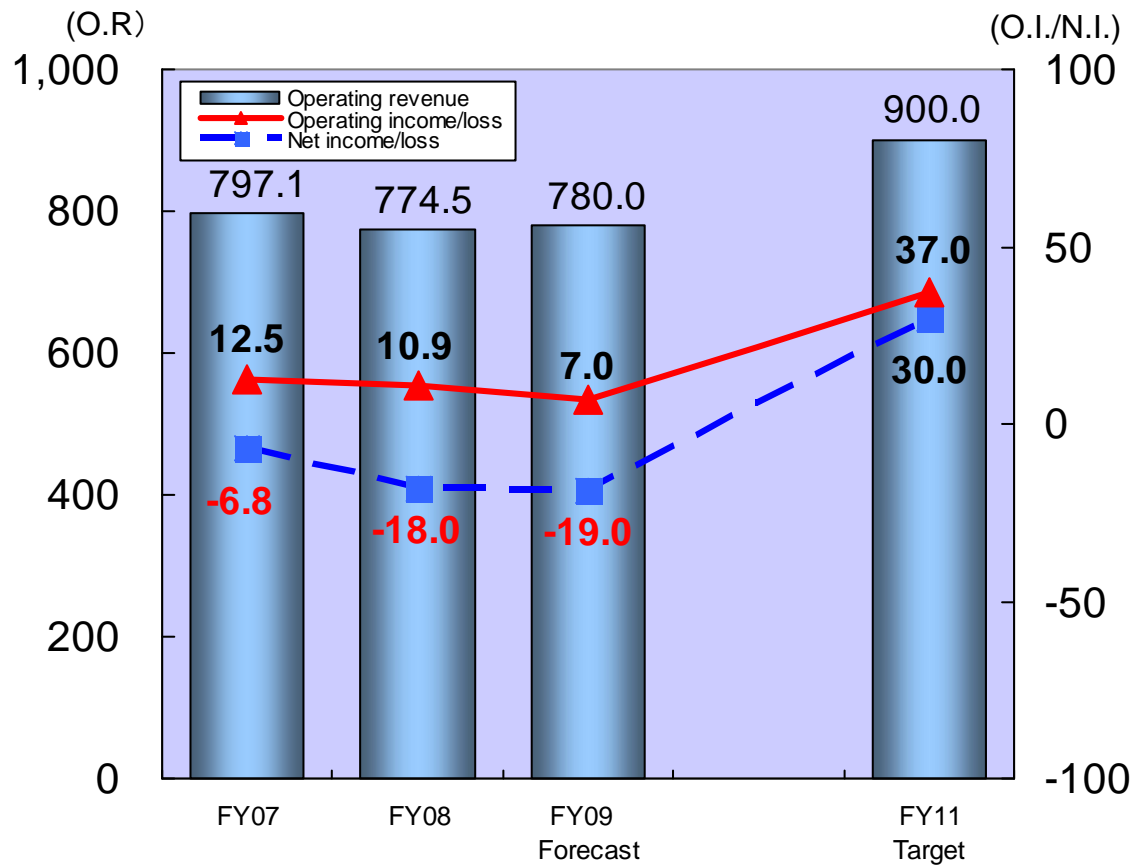
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## ***4. Medium-term Management Targets***

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# Medium-term Management Targets

(Unit: billion yen)



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