Jan 31, 2007

Fiscal 2007 Third Quarter, ended December 31, 2006 Business Results



When included in this presentation, the words "will", "should", "expects", "intends", "anticipates", "estimates", and similar expressions, among others, identify forward looking statements. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those set forth in this presentation. These forward-looking statements are made only as of the date of this presentation. The Company expressly disclaims any obligations or undertaking to release any update or revision to any forward-looking statement contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Actual results may vary widely from forecasts due to the following factors : 1) drastic changes in economic conditions and product supply and demand in major markets (Japan, Europe, The Americas, Asia etc.), 2) changes in trade regulations and other regulatory changes in major domestic and international markets, 3) Drastic changes in foreign exchange rates (yen-dollar, yen-euro etc.), 4) sharp moves in the capital markets, and 5) changes in social infrastructure caused by drastic changes in technology etc. Risks and uncertainties also include the impact of any future events with material unforeseen impacts.



Sales Slowdown

 Consumer electronics business
 Struggling especially in North American market mainly with display products (CRT·D-ILA)
 Software & Media business
 Slump of sales in Software business, in addition to difficulties in Media business

2

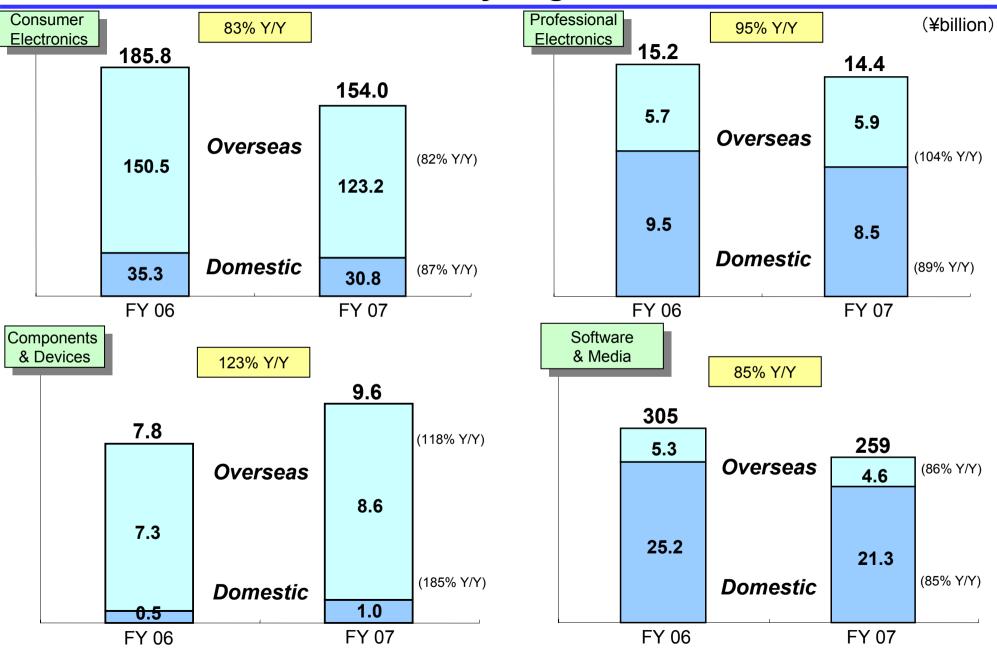
Reduction of inventory in progress

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(¥billion)

	I	FY07 3Q		2006/4-2006/12		
	Results	FY06 3Q	Changes vs FY06	Results	FY06 1-3Q	Changes vs FY06
Net sales	205.1	240.5	85%	576.3	627.8	92%
Operating income (loss)	0.4% 0.8	0.6% 1.5	-0.7	0.0% 0.1	- 0.4% (2.2)	2.3
Ordinary income (loss)	-0.2% (0.3)	0.1% 0.1	-0.4	-0.7% -3.8	-1.3% (8.3)	4.6
Income (loss) before income tax	0.0% 0	0.5% 1.3	-1.3	1.2% 7.0	-2.1% (12.9)	19.9
Net income (loss)	-0.7% (1.5)	0.0% 0.1	-1.5	0.6% 3.6	-2.4% (15.2)	18.8

Fiscal 2007 3Q Sales Results by Segment

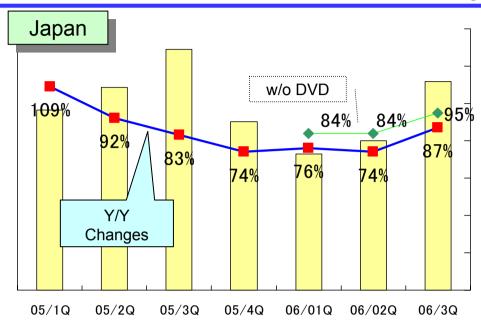


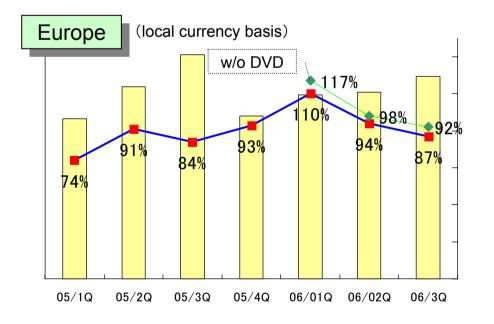
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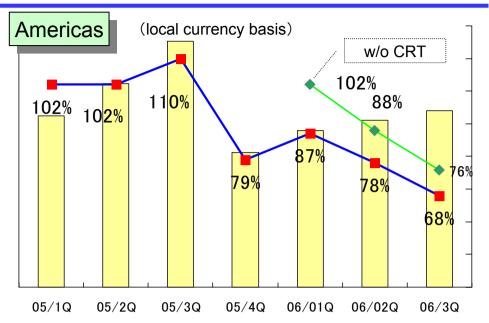
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Consumer Electronics Quarterly Y/Y Sales



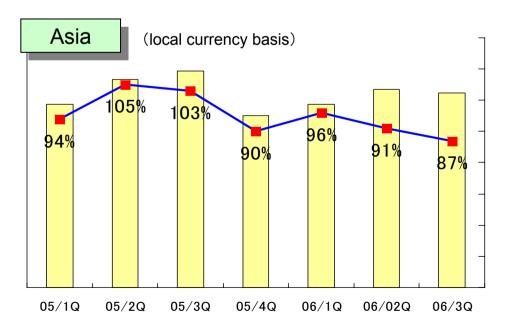




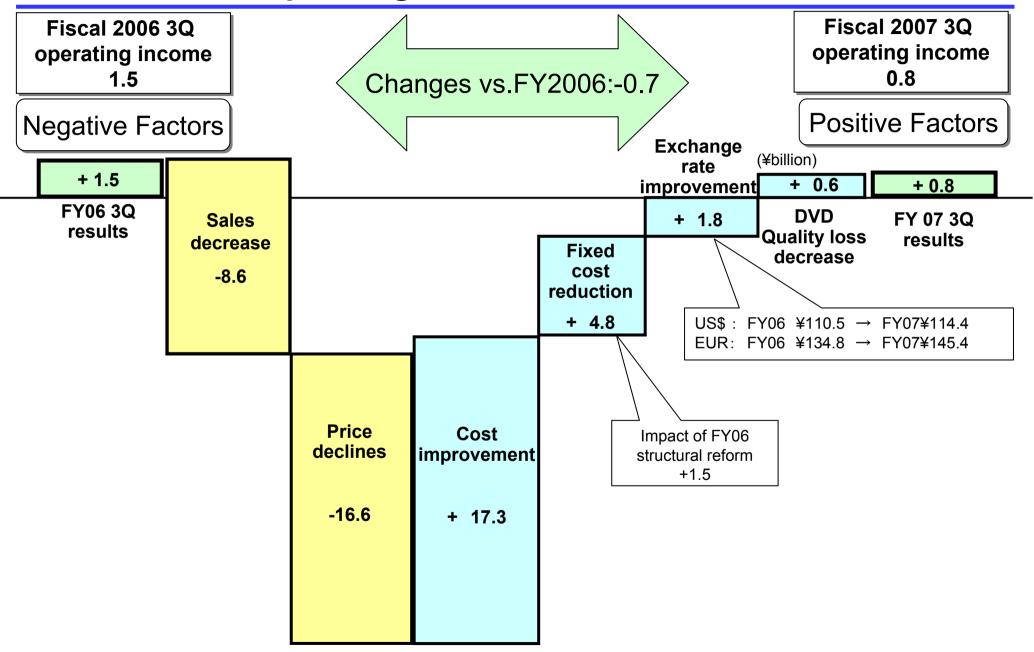
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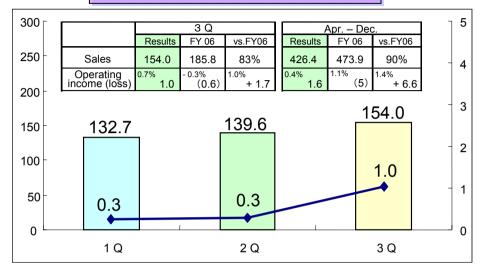
Fiscal 2007 3Q Operating Income Breakdown



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Fiscal 2007 3Q Business Results by Segment



Consumer Electronics

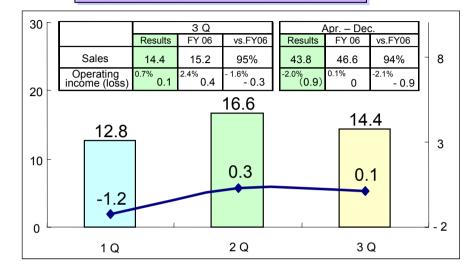
Professional Electronics

(¥billion)

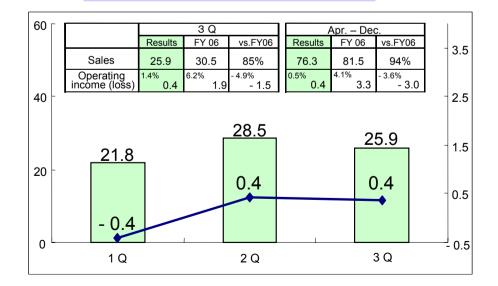
The Perfect Experience /____

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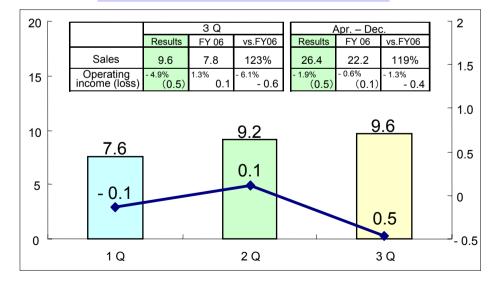
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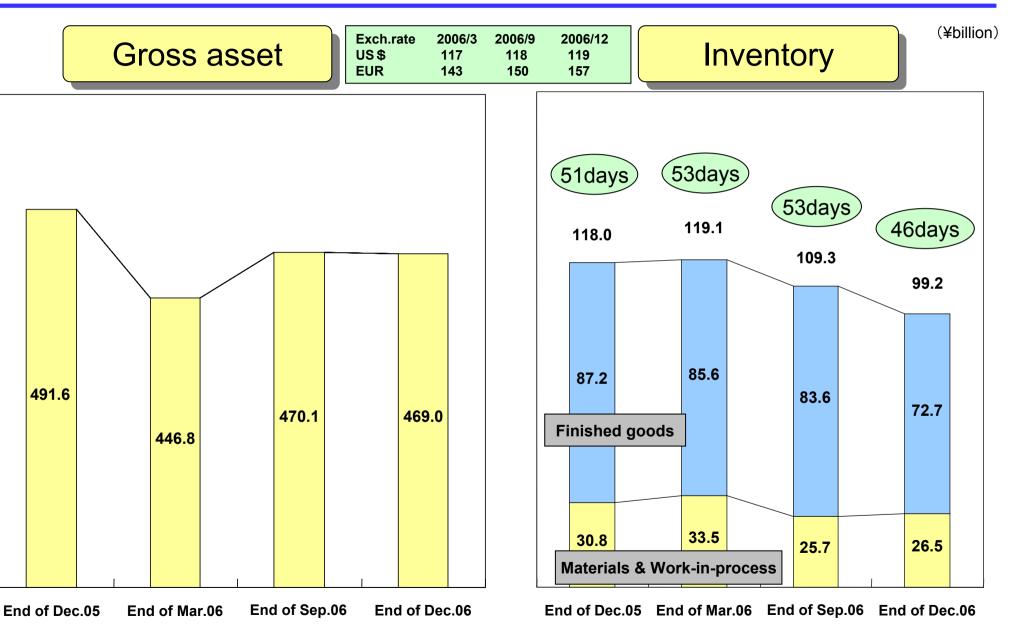
Software & Media



Components & Devices



Trend in Asset and Inventory



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(¥billion)

89.3 87.9 1.000 71.0 Income before 60.1 0 income taxes Liquidity in hand Depreciation 6.1 500 12.1 Inventory (5.9) **Operating capital** 0 (3.6)Others Consolidated Net cash provided by net cash 8.7 operating activities ▲ 500 Investment on 2.7 fixed assets -58.5 -59.6 -61.0 (2.2) -63.5 Investment on molds Proceeds from 1.0 **1,000** sales of property Interest-bearing 0.7 Others debt Net cash used in -123.6 4.7 investing activities -130.6**1,500** Free cash flow 4.0 -148.9 -147.8 Net cash used in 3.6 financing activities **1**2,000 Dec.'05 Mar.'06 Sep.'06 Dec.'06 1.0 Others (¥billion) 1.4 [Tangible fixed assets excluding mold cost] Net increase in cash [Capital expenditure plan for fiscal 07] Cash at the beginning of the year Cash flow basis for Fiscal 07 3Q 87.9 2.7 18.0 Capital expenditure Capital expenditure 89.3 Cash at the end of 3Q Depreciation & amortization 3.4 Depreciation & amortization 17.0

Consolidated statements of cash flow

<Consolidated>

	Current forecast	Original Forecast	Change vs original	FY2006 result	Change vs FY2006
Net sales	830.0	830.0	100%	806.9	103%
Operating	1.2%	1.2%		-0.9%	
income (loss)	10.0	10.0	0	(6.9)	16.9
Ordinary	0.5%	0.5%		-1.9%	
income (loss)	4.0	4.0	0	(15.0)	19.0
Net income	0.2%	0.2%		-3.8%	
(loss)	2.0	2.0	0	(30.6)	32.6

<Non-consolidated>

Net sales	420.0	420.0	100%	433.1	97%
Ordinary	0.6%	0.6%		-1.1%	
income (loss)	2.5	2.5	0	(4.8)	7.3
Net income	1.0%	1.0%		-3.9%	
(loss)	4.0	4.0	0	(16.7)	20.7





New Products in 4Q



High definition HDD camcorder	HD Everio -World's first full high definition 1920x1080 recording 5 hours recording on 60GBHDD -New developed high performance FUJINON lens -Implementation of full high definition recording with 3CCD camera system	LCD TV	New LCD TV lineup -New High-end lineup equipped with new "Genessa/DynaPix." engine and Clear Motion Drive with world's fastest frame rate of 5 milliseconds per frame -New design low-end lineup equipped with digital tuner
HDD camcorder	Everio -Newly developed high picture quality engine "Gigabrid" -Substantial lineup from high-end model equipped with industry leading 5.37M CCD to entry model featuring optical 32X zoom lens	Projection TV	 HD-ILA slim hybrid projection TV -Newly developed "slim function optical engine" realizing 10 inches depth -Full high definition, high luminance, high contrast, low power consumption
Compact Component system	Compact component system featuring Wood Cone speakers -Full range Wood Cone speaker enhancing low tone and widening sound scale -Vivid reproduction of digital audio source by K2 Technology	Front projector	D-ILA full high definition home theater projector -Industry-leading native contrast of 15000:1 reproducing "real black" -Newly developed 0.7 inches full high definition D-ILA device and new optical engine
Compact component system	Compact component system with memory -Able to record up to 500 songs in 1GB built-in memory -Industry-first feature allowing to enjoy WMA-DRM downloaded music files in high quality digital sound of this micro system	Car electronics	New car electronics lineup -DVD receiver equipped with 3.5 inches wide TFT LCD monitor and Bluetooth/USB terminals -CD receiver equipped with front AUX input