

January 30, 2008

**Third Quarter of Fiscal 2008**  
**(October 1, 2007 – December 31, 2007)**

# **Business Results**

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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 uncertainty 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.

1

**“Action Plan 2007”: Structural reforms is on track.**

- Turned into profitable structure
- Reduced inventory with operational reforms
- Squeezed interest-bearing debt

2

**Consumer Electronics: Sales decreased , profit increased.**

- Struggling sales: Rear Projection TV/Audio  
Sales of LCD TV grow, but not reach target.
- Contribution to profit : Camcorders/Accessories
- Display business is still facing challenges.

3

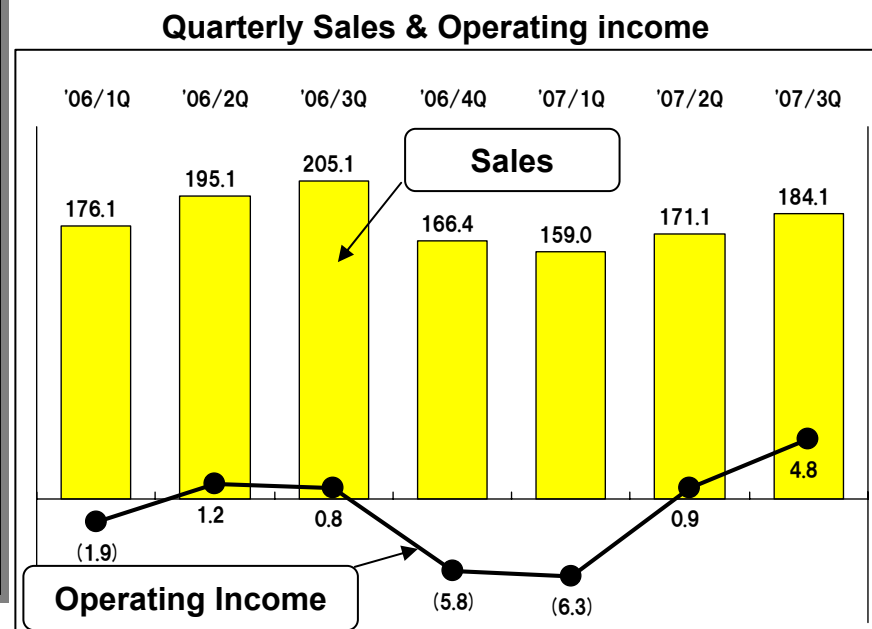
**Improved financial strength in other segments**

- Professional Electronics: Revenue and profit increased.
- Entertainment is on a recovery trend.  
Teichiku Entertainment is making good progress.

# Third Quarter FY2008: Consolidated Financial Results

3Q (Three Months)			
(billion yen)	3Q FY2008	3Q FY2007	change
<b>Sales</b>	184.1	205.1	90%
<b>Operating income</b>	2.6%	0.4%	4.0
<b>Ordinary income</b>	1.2%	-0.2%	2.6
<b>Net income</b>	1.8%	-0.7%	4.8

3Q (Nine Months)			
(billion yen)	3Q FY2008	3Q FY2007	Change
<b>Sales</b>	514.3	576.3	89%
<b>Operating income</b>	-0.1%	0.0%	(0.7)
<b>Ordinary income</b>	-1.6%	-0.7%	(4.5)
<b>Net income</b>	-7.5%	0.6%	(42.3)



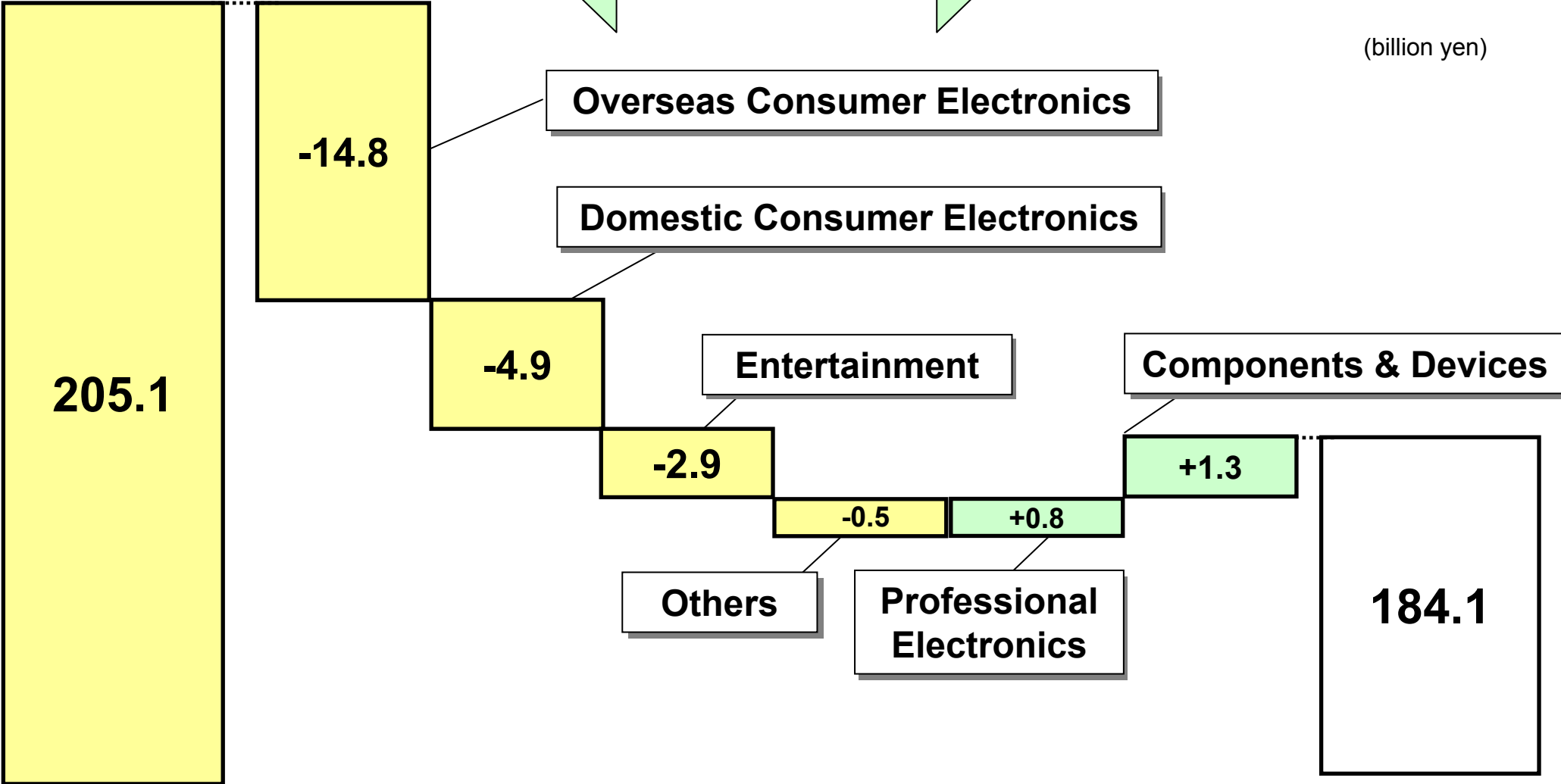
# Third Quarter FY2008: Sales Breakdown

3Q FY2007  
205.1

3Q FY2008  
184.1

Changes vs. FY2007  
**-21.0**

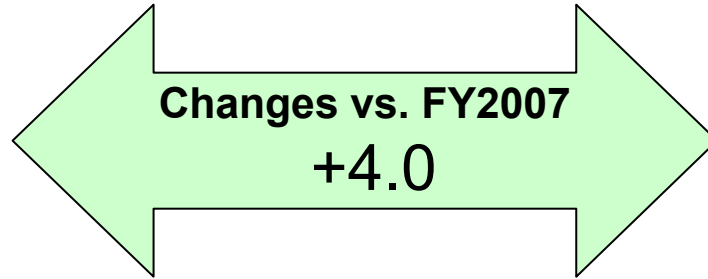
(billion yen)



# Third Quarter FY2008: Operating Income Breakdown

**3Q FY2007**  
0.8

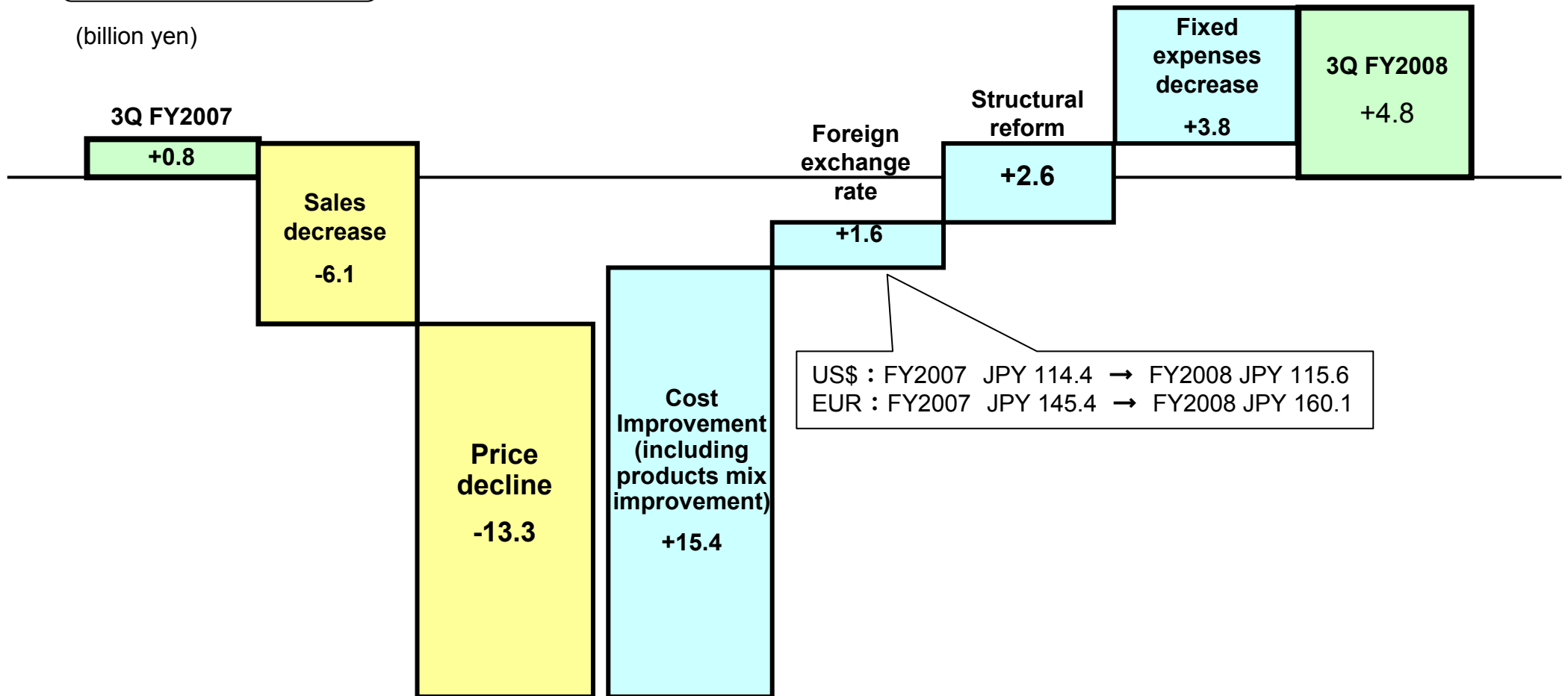
**Negative factors**



**3Q FY2008**  
4.8

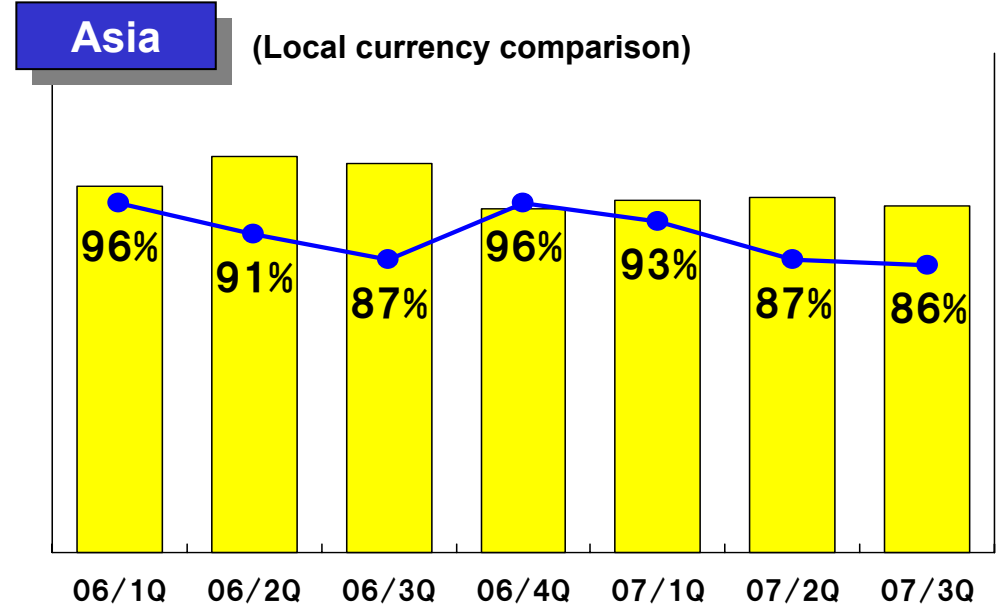
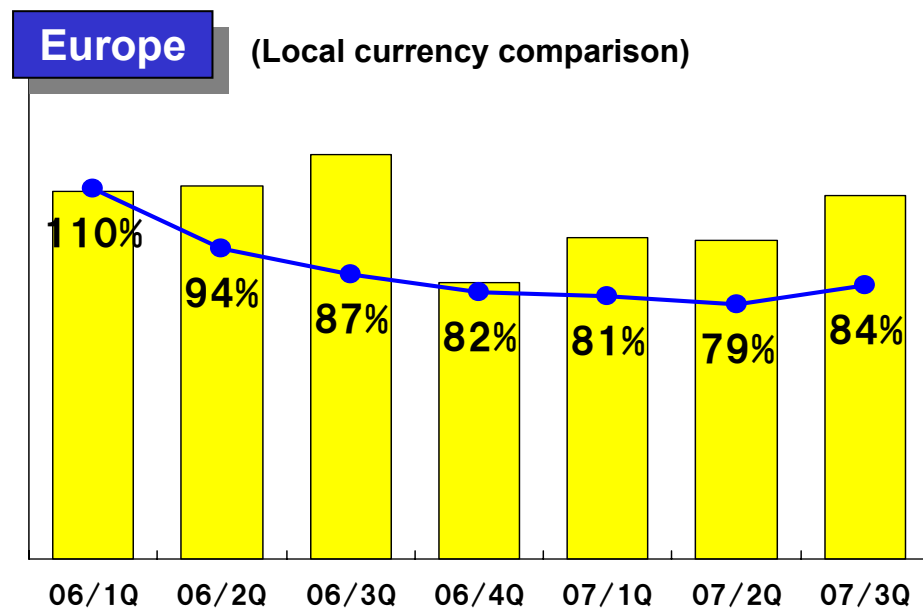
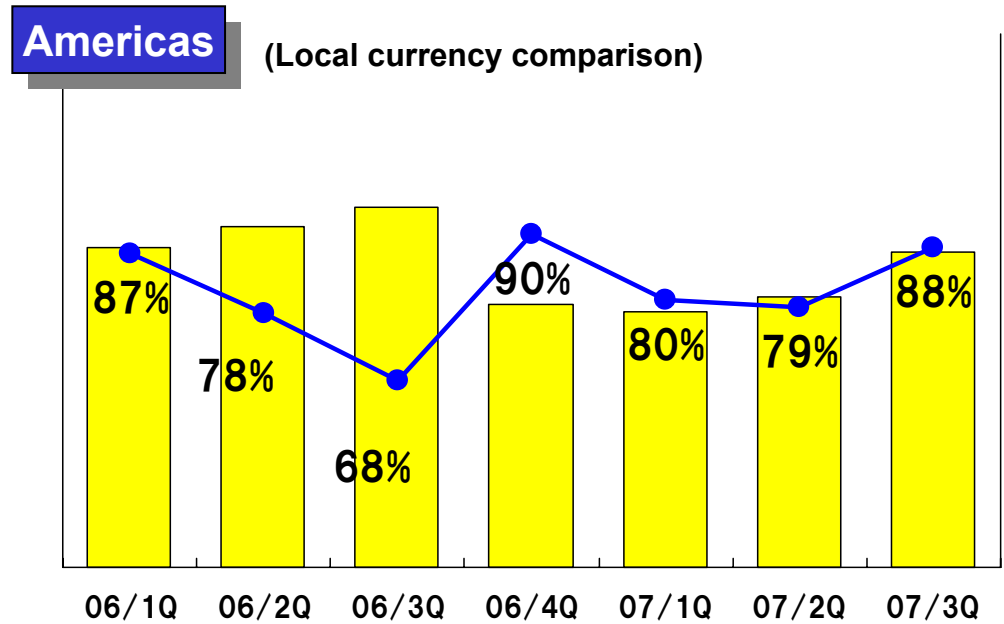
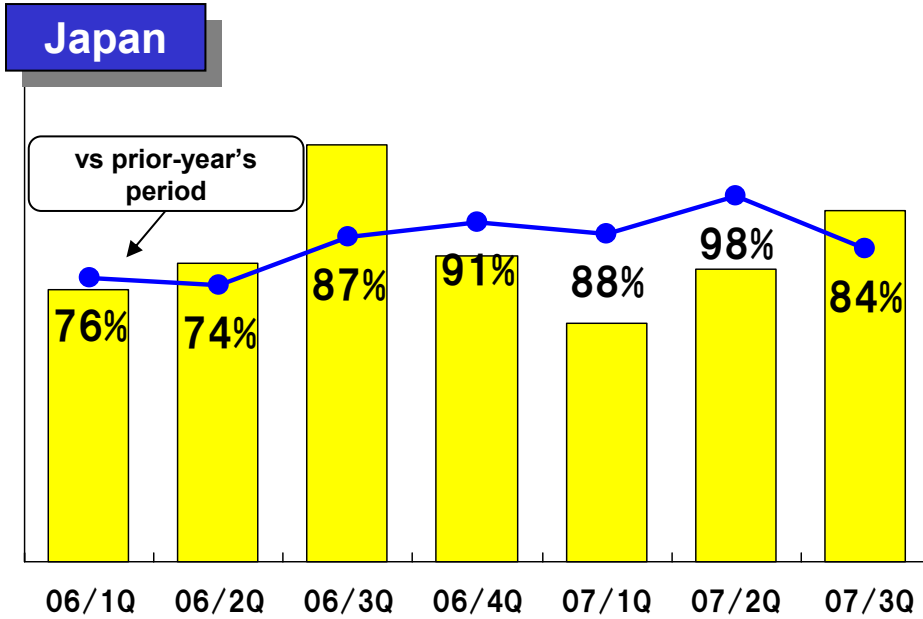
**Positive factors**

(billion yen)

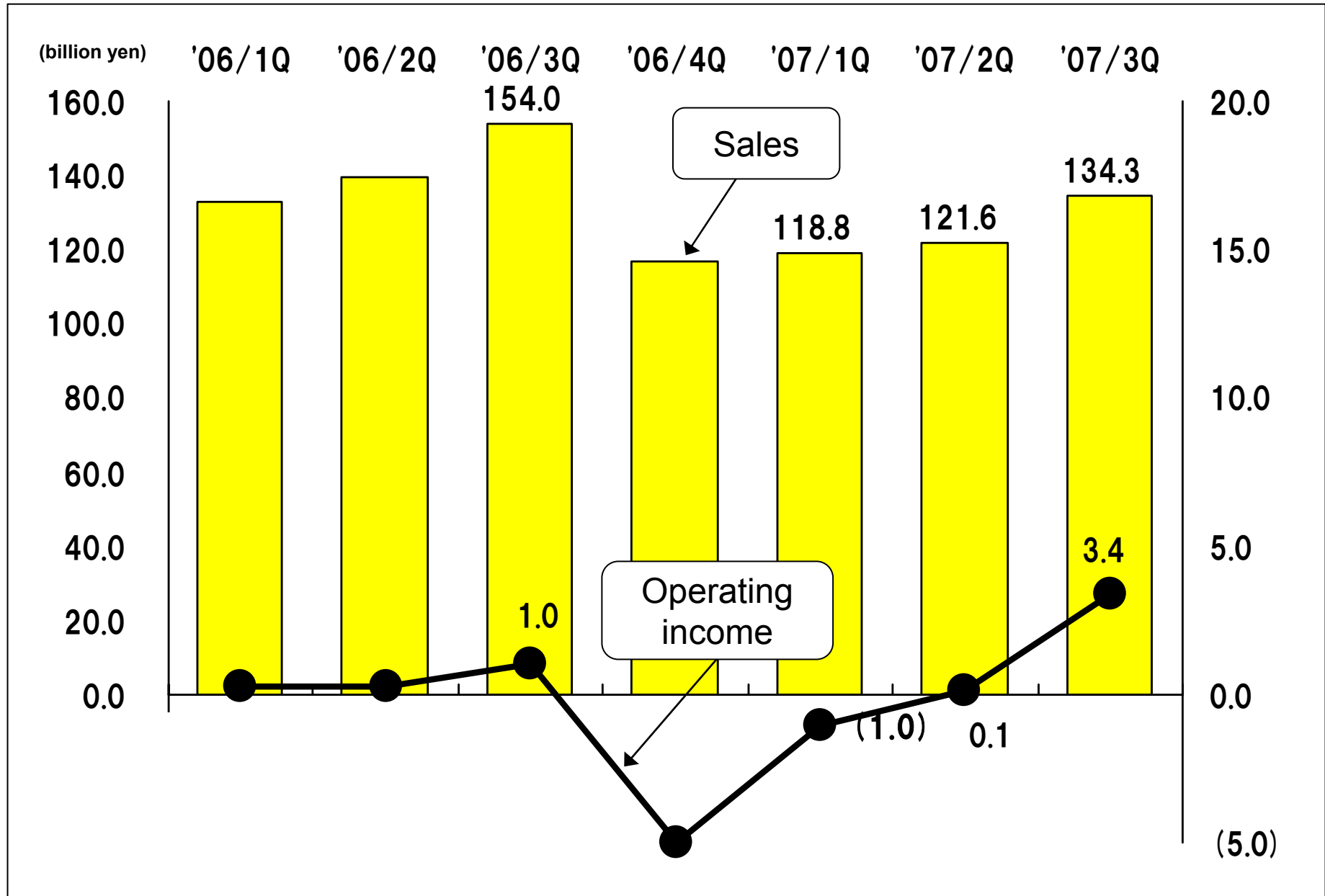


US\$ : FY2007 JPY 114.4 → FY2008 JPY 115.6  
 EUR : FY2007 JPY 145.4 → FY2008 JPY 160.1

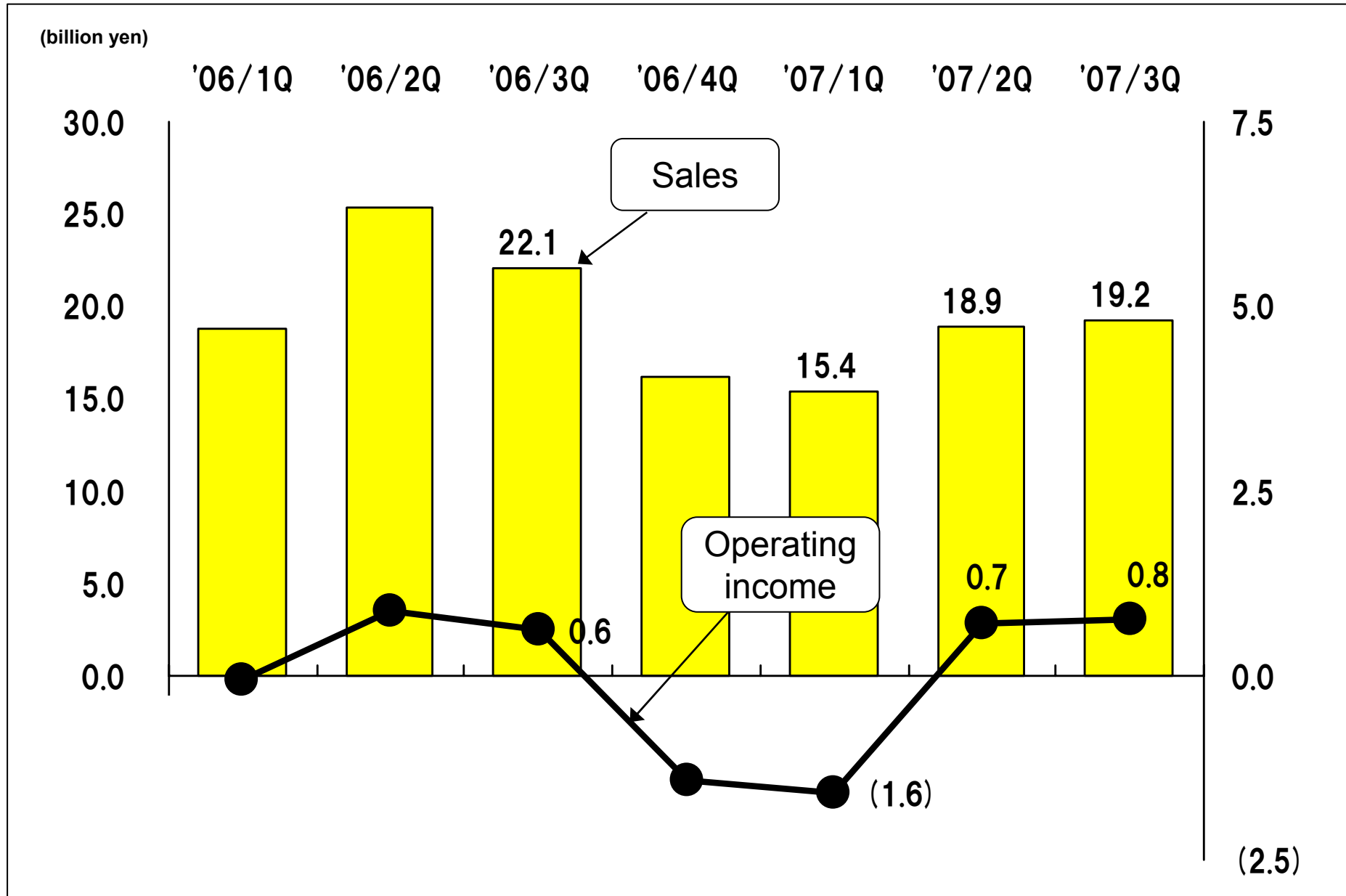
# Third Quarter FY2008: Consumer Electronics Sales by Region



# Third Quarter FY2008: Consumer Electronics Sales Results

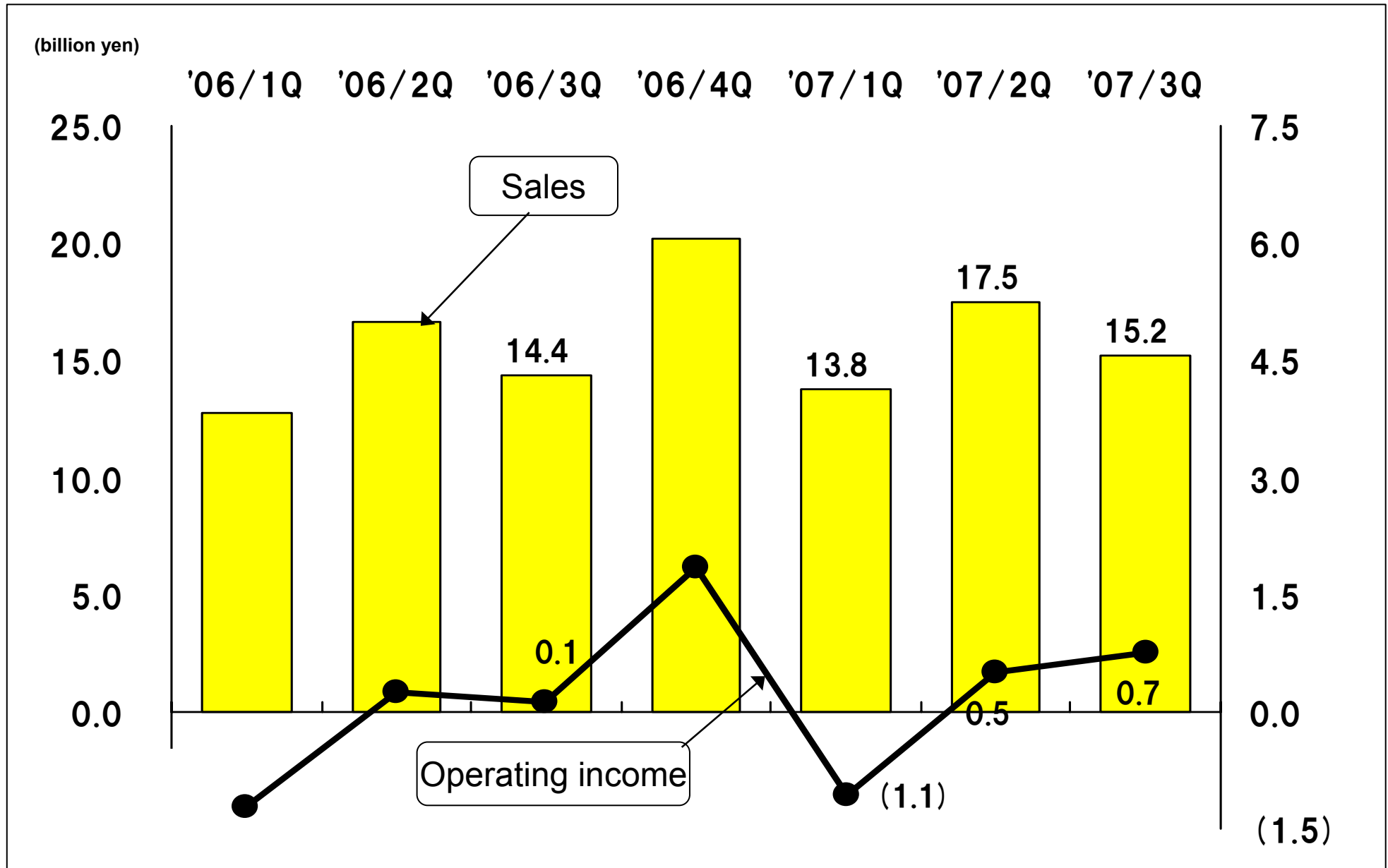


# Third Quarter FY2008: Entertainment Sales Results

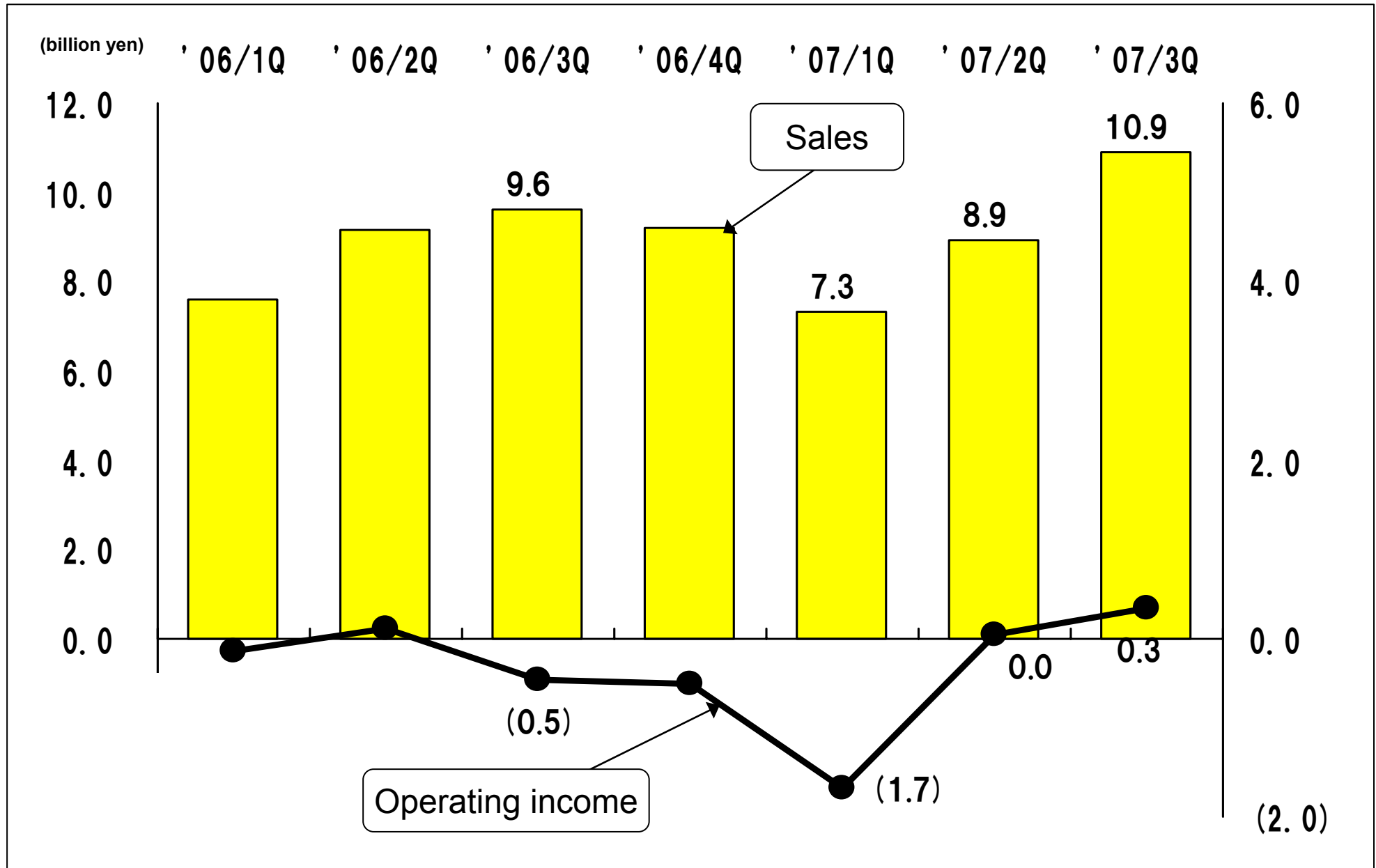




# Third Quarter FY2008: Professional Electronics Sales Results



# Third Quarter FY2008: Components & Devices Sales Results



# Third Quarter FY2008: Financial Performance

(billion yen)	Sep. 2006	Dec. 2006
Total assets	470.2	469.0
Net assets	144.0	144.9
Operating income (9months)	(0.7)	0.1
ROA (Operating income/Total assets)	-0.3%	0.0%

Sep. 2007	Dec. 2007	vs prior year
406.0	380.4	(88.7)
128.9	131.4	(13.5)
(5.4)	(0.6)	(0.7)
-2.6%	-0.2%	-0.2%

	53days	46days
Inventory assets	109.3	99.2

50days	45days	(1day)
94.4	86.5	(12.7)

Interest-bearing debt	148.9	147.8
Net funds	(61.0)	(58.5)

116.0	102.6	(45.2)
(32.7)	(52.2)	6.3

Cash provided by operating activities	4.1	8.7
Cash provided by investing activities	9.1	(4.7)
Free cash flow (3months)	13.2	4.0
Cash used in financing activities	15.9	(3.6)

5.8	(12.9)	(21.6)
(0.9)	(3.6)	1.1
4.9	(16.5)	(20.5)
22.4	(16.6)	(13.0)

# Third Quarter FY2008: Fiscal 2008 Business Forecast

4Q	(billion yen)	Current forecast	forecast on Oct. 29	FY 2007	Changes vs forecast	Changes vs FY 2007
			100%		100%	
	<b>Sales</b>	<b>165.7</b>		<b>166.4</b>		<b>100%</b>
	<b>Operating income</b>	2.2% <b>3.6</b>		-3.5% <b>(5.8)</b>		<b>9.4</b>
	<b>Ordinary income</b>	0.8% <b>1.3</b>		-4.8% <b>(7.9)</b>		<b>9.2</b>
	<b>Net income</b>	3.7% <b>6.2</b>		-6.9% <b>(11.5)</b>		<b>17.7</b>
FY 2008	<b>Sales</b>	<b>680.0</b>	<b>740.0</b>	<b>742.7</b>	<b>(60.0)</b>	<b>92%</b>
	<b>Operating income</b>	0.4% <b>3.0</b>	1.1% <b>8.1</b>	-0.8% <b>(5.7)</b>	-0.7% <b>(5.1)</b>	<b>8.7</b>
	<b>Ordinary income</b>	-1.0% <b>(7.0)</b>	0.1% <b>0.6</b>	-1.6% <b>(11.7)</b>	-1.1% <b>(7.6)</b>	<b>4.7</b>
	<b>Net income</b>	-4.8% <b>(32.5)</b>	-4.4% <b>(32.5)</b>	-1.1% <b>(7.9)</b>	-0.4% <b>0.0</b>	<b>(24.6)</b>