

Pioneer *sound.vision.soul*

*Pioneer Corporation
Earnings Announcement for
First Quarter of Fiscal Year March 2006*

July 28th 2005

Today's Agenda

- 1. Business Results for First Quarter, FY2006***
- 2. Business Forecast for FY2006***
- 3. Major Businesses and Management Efficiency Enhancement***

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. You also should not rely on the belief that it is 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 and subjective and changing consumer preferences; (iv) our ability to implement successfully our business strategies; (v) our ability to compete and 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; and (ix) the outcome of contingencies.

Business Results
for First Quarter, FY2006

FY 2006 1st Quarter - Consolidated Results

	(billion yen)	(% to prior year)
Net sales	163.1	+ 1.5%
Patent revenue	1.1	- 60.9%
Operating revenue	164.2	+ 0.4%
Operating income	- 8.9	

Average foreign exchange rate

1US\$:last FY 109.77 yen --> this FY 107.69 yen

1Euro :last FY 132.28 yen --> this FY 135.57 yen

Currency impact

Operating revenue: - 0.3 billion yen

Operating income: + 0.6 billion yen

Change in Segment Classification

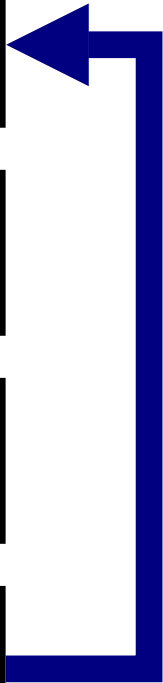
Business-Use PDP & Pro.SV Business
“Others” segment “Home Electronics” segment

Home Electronics

Car Electronics

Patent Licensing

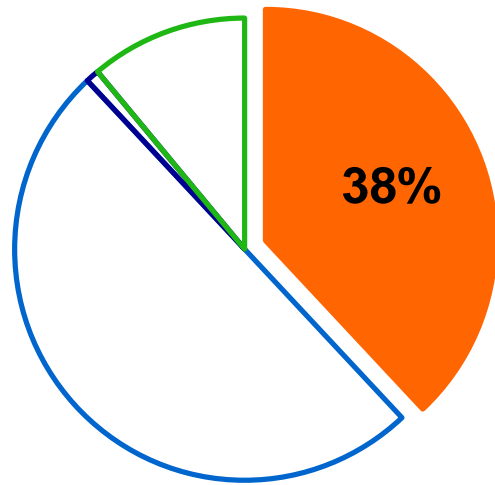
Others



Sales Subject to Reclassification
FY 2005 Result: 21.6 billion yen
FY 2006 Forecast: 33.0 billion yen

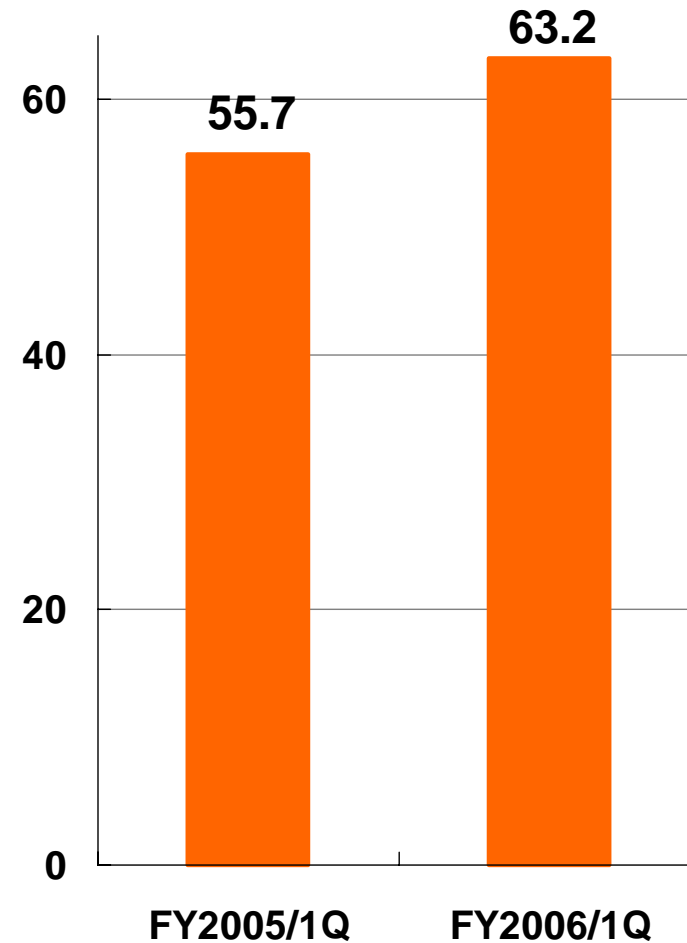
Sales by Segment ▶ Home Electronics Net Sales

Percentage to Total Revenue



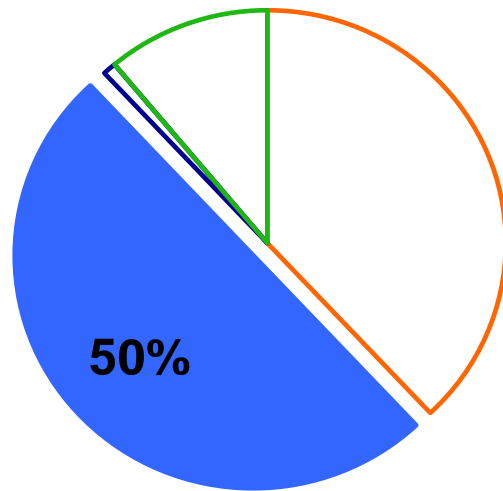
- Increase** | PDPs, DVD drives for PCs
- Decrease** | DVD recorders, AV systems, STBs

(billion yen) +13.4% Year on Year



Sales by Segment ▶ *Car Electronics Net Sales*

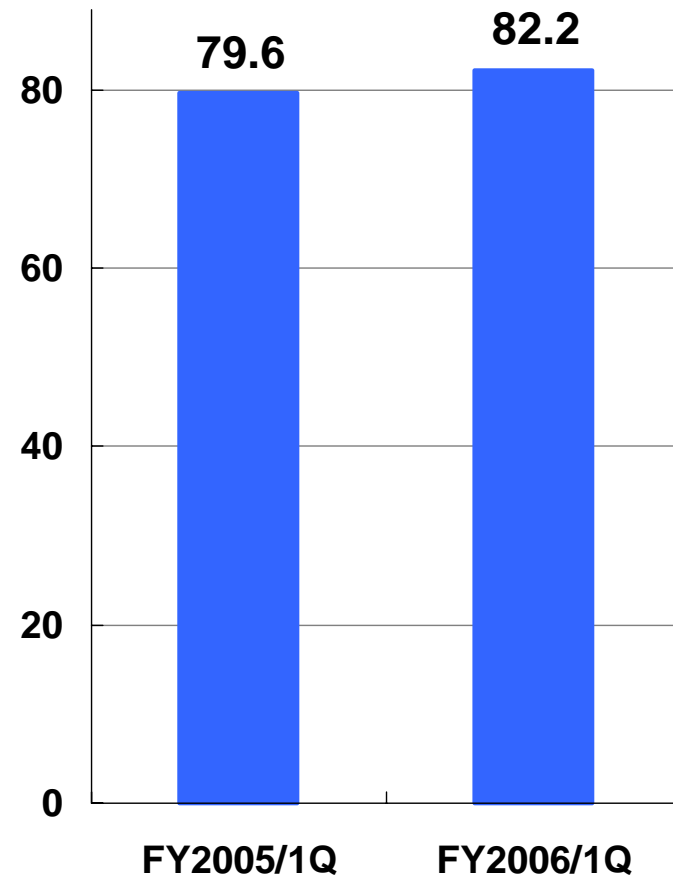
Percentage to Total Revenue



- Increase** | OEM car audios, After market car audios, After market car navigation systems
- Decrease** | OEM car navigation systems

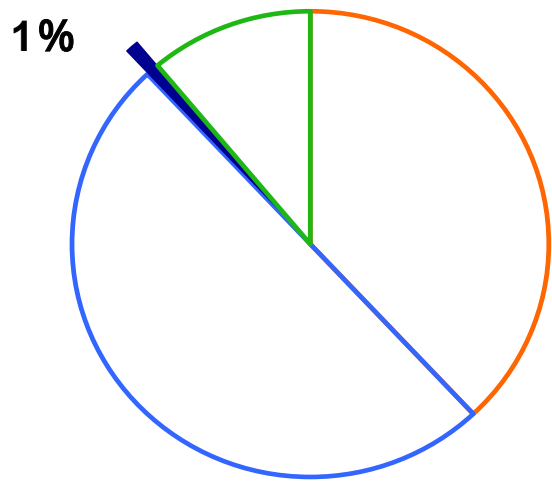
(billion yen)

+3.3% Year on Year



Operating Revenue by Segment ▶ Patent Revenue

Percentage to Total Revenue

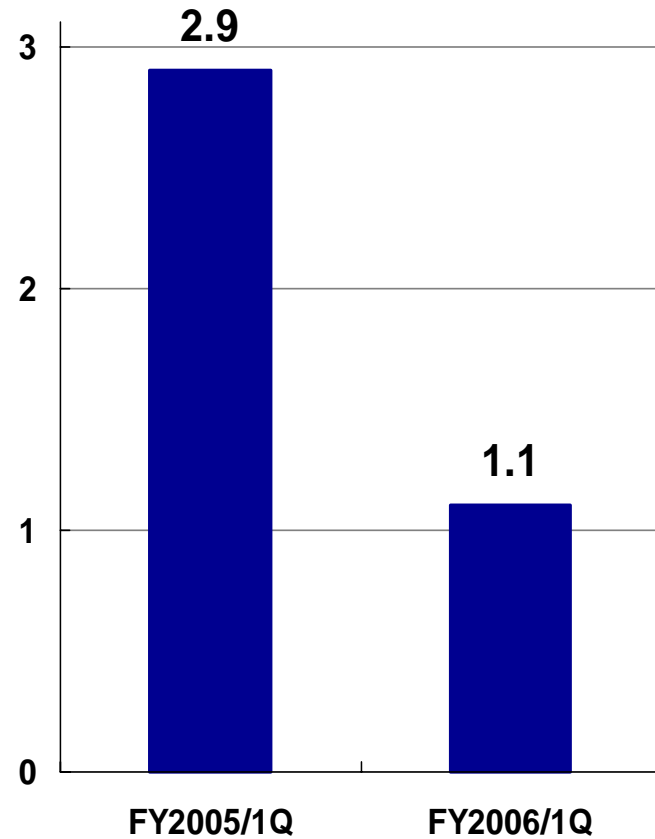


Increase

Decrease

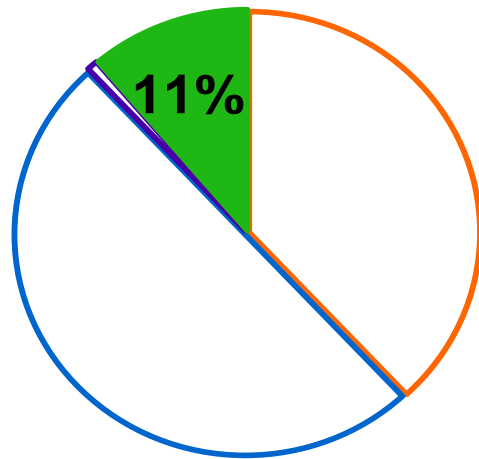
Royalty for optical disc related products

(billion yen) - 60.9% Year on Year



Sales by Segment ▶ Others

Percentage to Total Revenue

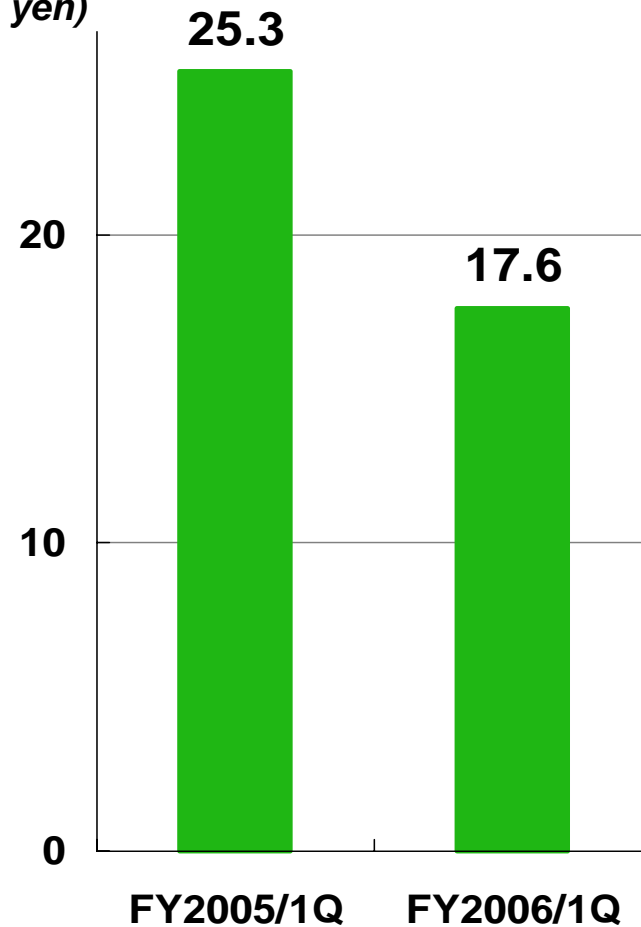


Increase Cellular phone-related parts

Decrease FA systems, OLED displays

- 30.3% Year on Year

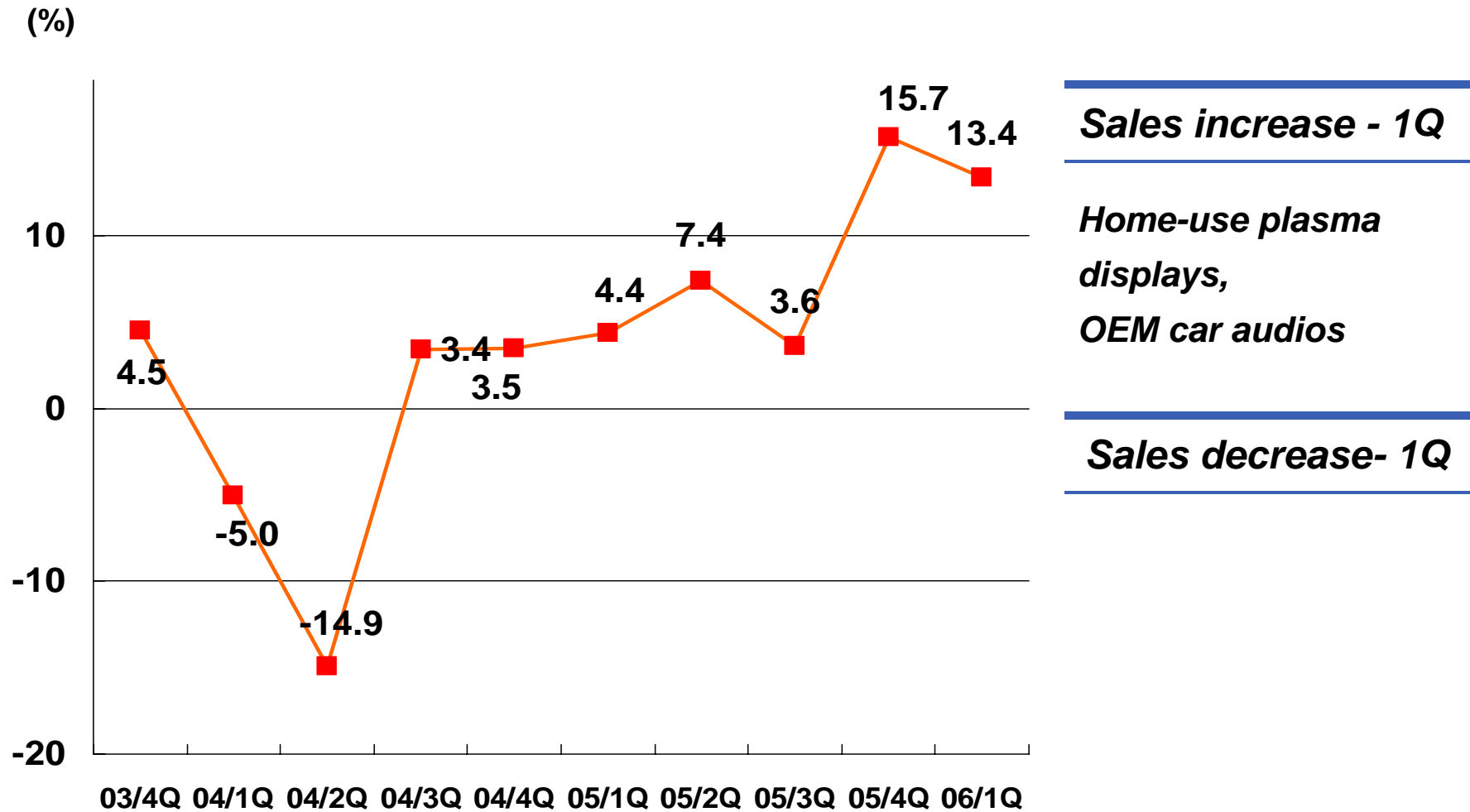
(billion yen)



Sales Based on Local Currency

Sales in North America ▶

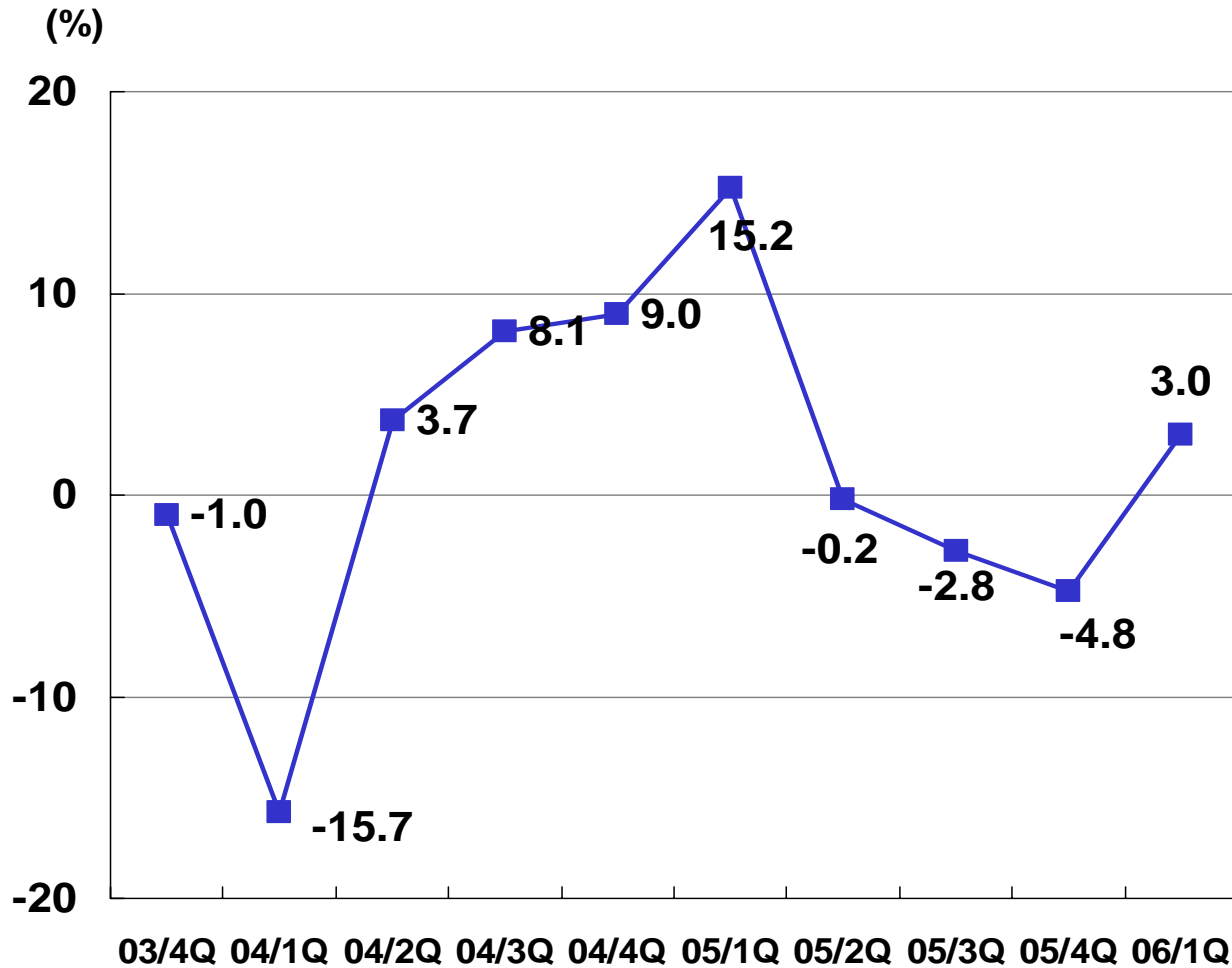
Sales increase/decrease to preceding year on local currency basis



* Percentages are figures after discontinued operations being set out of consideration.

Sales in Europe ▶

Sales increase/decrease to preceding year on local currency basis



Sales increase - 1Q

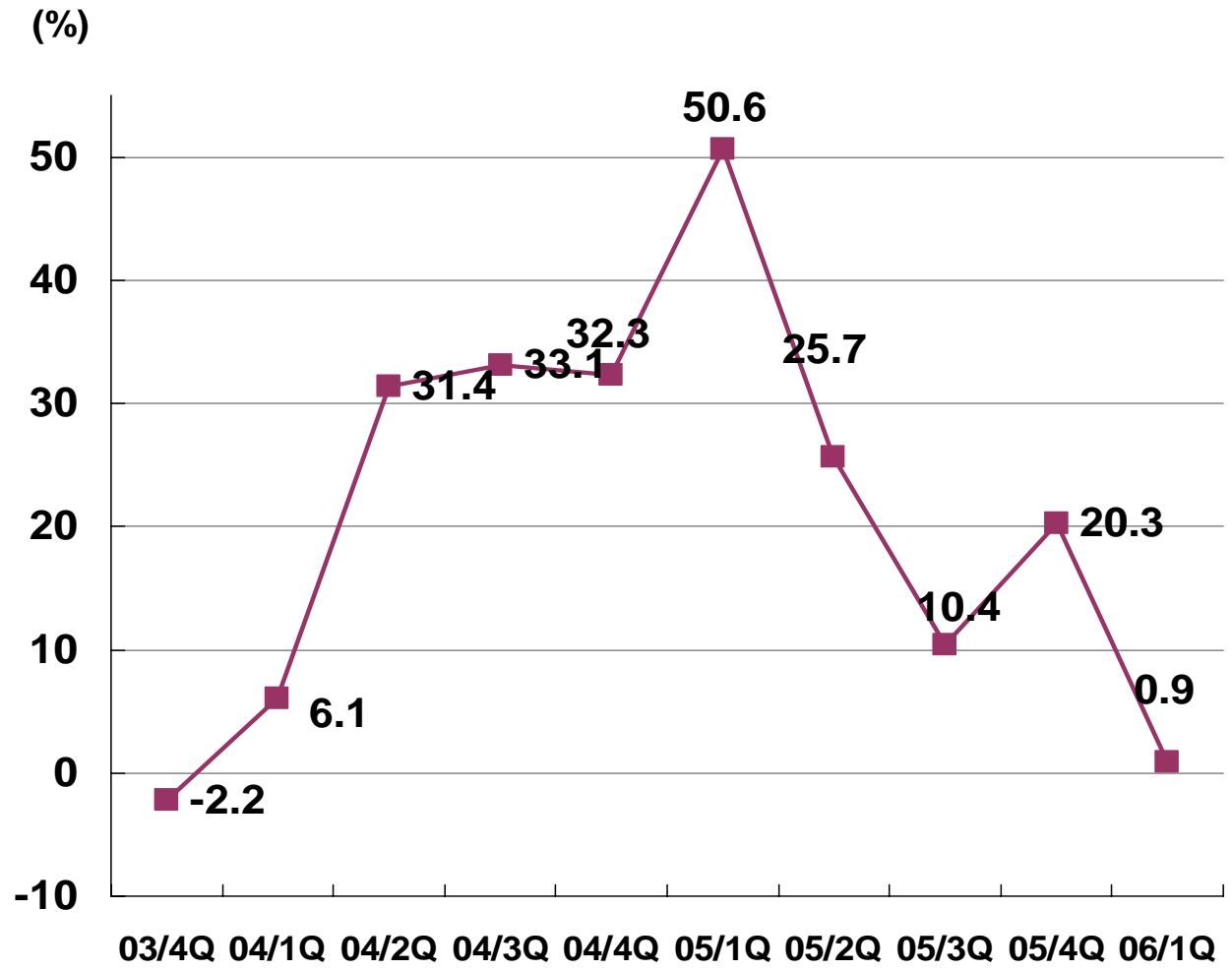
*Home-use plasma displays,
After market car audio systems*

Sales decrease- 1Q

AV systems

Sales in Other Areas ▶

Sales increase/decrease to preceding year on local currency basis



Sales increase - 1Q

Cellular phone related parts,
DVD drives for PCs,
After market car audios,
Home-use plasma displays

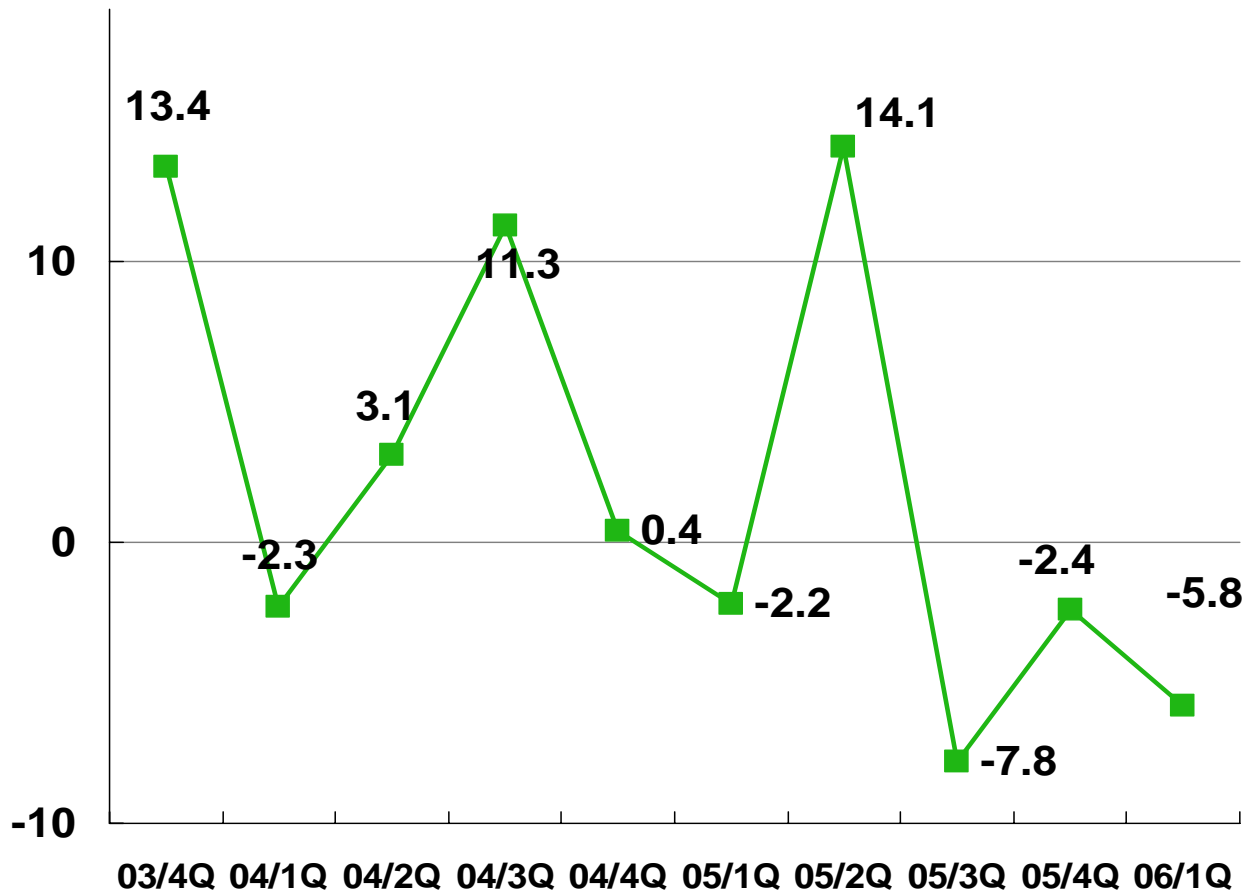
Sales decrease- 1Q

FA systems

Sales in Japan ▶

Sales increase/decrease to preceding year

(%)



Sales increase - 1Q

Plasma displays,
After market car
navigation systems

Sales decrease- 1Q

OEM car navigation
systems,
Cellular phone-related
parts,
DVD recorders

* Percentages are figures after discontinued operations being set out of consideration.

Profit and Loss Statement

FY2006 1Q - Consolidated Results

(billion yen)

	FY 2005	FY 2006	Variance
Operating revenue	163.5	164.2	+ 0.7
Cost of sales	117.3	130.2	+ 12.9
(%)	71.7%	79.3%	+ 7.6%
Selling, general and administrative	41.2	42.8	+ 1.6
Operating income	5.0	- 8.9	- 13.9
Other income (expenses)	- 0.8	2.3	+ 3.0
Income before income taxes	4.2	- 6.6	- 10.8
Income taxes	1.6	- 1.6	- 3.2
Minority interests in losses of subs/Equity in earnings of affiliated companies	- 1.1	- 0.3	+ 0.8
Net income/loss	1.5	- 5.3	- 6.8

FY2006 1Q - Factors for Decrease of Operating Income

(billion yen)

- Negative Factor-

- Deterioration in cost ratio -11.1*
- Decrease in patent revenue - 1.8*
- Increase in SG&A expenses - 1.6*

- Positive Factor-

- Increase of gross margin due to increase of sales + 0.7*

Decrease in Operating Income - 13.9

FY2006 1Q - Other Income/Expenses

(billion yen)

		<i>FY2005</i>	<i>FY2006</i>	<i>Variance</i>
	<i>Interest income</i>	0.4	0.6	+ 0.3
	<i>Interest expense</i>	- 0.4	- 0.4	0.0
	<i>Foreign exchange gain/loss</i>	- 0.9	- 0.7	+ 0.2
	<i>Others (net)</i>	0.2	2.8	+ 2.6
<i>Total</i>		- 0.8	2.3	+ 3.0

FY2006 1Q - Consolidated Results

(billion yen)

	FY 2005	FY 2006	Variance
Operating revenue	163.5	164.2	+ 0.7
Cost of sales	117.3	130.2	+ 12.9
(%)	71.7%	79.3%	+ 7.6%
Selling, general and administrative	41.2	42.8	+ 1.6
Operating income	5.0	- 8.9	- 13.9
Other income (expenses)	- 0.8	2.3	+ 3.0
Income before income taxes	4.2	- 6.6	- 10.8
Income taxes	1.6	- 1.6	- 3.2
Minority interests in losses of subs/Equity in earnings of affiliated companies	- 1.1	- 0.3	+ 0.8
Net income	1.5	- 5.3	- 6.8

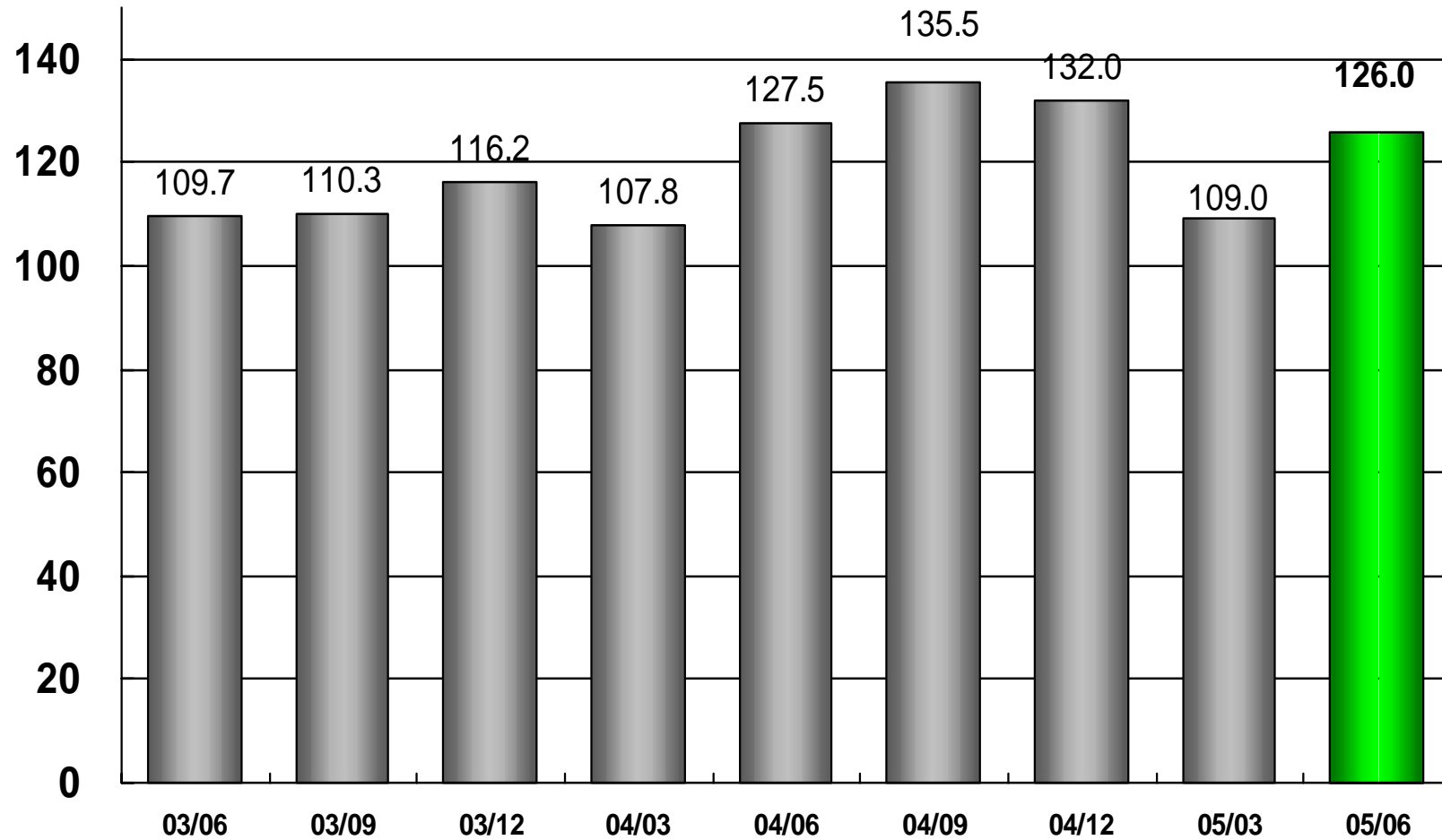
FY 2006 1Q - Operating Income by Segment

(billion yen)

	<i>FY 2005</i>	<i>FY 2006</i>	<i>Variance</i>
<i>Home Electronics</i>	- 4.3	- 12.4	- 8.1
<i>Car Electronics</i>	6.3	5.3	- 1.0
<i>Patent Licensing</i>	2.7	0.4	- 2.4
<i>Others</i>	1.0	- 0.8	- 1.8
<i>Corporate & Elimination</i>	- 0.8	- 1.4	- 0.6
<i>Total</i>	5.0	- 8.9	- 13.9

Inventories

(billion yen)



*Business Forecast
for FY 2006*

FY2006 Consolidated P/L Forecast

(billion yen)

	<i>FY2006 Original Forecast</i>	<i>FY2006 Current Forecast</i>	<i>Year on Year</i>
<i>Operating revenue</i>	810.0	810.0	+ 10.4%
<i>Operating income (Operating income ratio)</i>	8.0 1.0%	8.0 1.0%	3.1 times + 0.6%
<i>Income before tax</i>	7.5	7.5	-
<i>Net income</i>	1.0	1.0	-

Currency rates for FY2006 (From 2nd quarter)

1US\$: 105 yen -> **105 yen**

1Euro: 135 yen -> **135 yen**

FY2006 Operating Revenue by Segment

(billion yen)

	<i>FY2005 Result</i>	<i>FY2006 Original Forecast</i>	<i>FY2006 Current Forecast</i>	<i>Year on Year</i>
<i>Home Electronics</i>	<i>322.8</i>	<i>390.0</i>	<i>390.0</i>	<i>+ 20.8 %</i>
<i>Car Electronics</i>	<i>303.4</i>	<i>317.0</i>	<i>317.0</i>	<i>+ 4.5 %</i>
<i>Patent Licensing</i>	<i>10.2</i>	<i>8.0</i>	<i>8.0</i>	<i>- 21.9 %</i>
<i>Others</i>	<i>97.2</i>	<i>95.0</i>	<i>95.0</i>	<i>- 2.3 %</i>
<i>Consolidated Total</i>	<i>733.6</i>	<i>810.0</i>	<i>810.0</i>	<i>+ 10.4 %</i>

FY2006 Operating Income by Segment

(billion yen)

	<i>FY2005 Result</i>	<i>FY2006 Original Forecast</i>	<i>FY2006 Current Forecast</i>	<i>Year on Year</i>
<i>Home Electronics</i>	-23.5	- 12.0	- 12.0	-
<i>Car Electronics</i>	18.6	15.5	15.5	- 16.6%
<i>Patent Licensing</i>	9.4	6.0	6.0	- 36.1%
<i>Others</i>	0.9	0.5	0.5	-
<i>Corporate & Elimination</i>	-2.7	- 2.0	- 2.0	-
<i>Consolidated Total</i>	2.6	8.0	8.0	3.1 times

FY2006 Consolidated P/L Forecast

(billion yen)

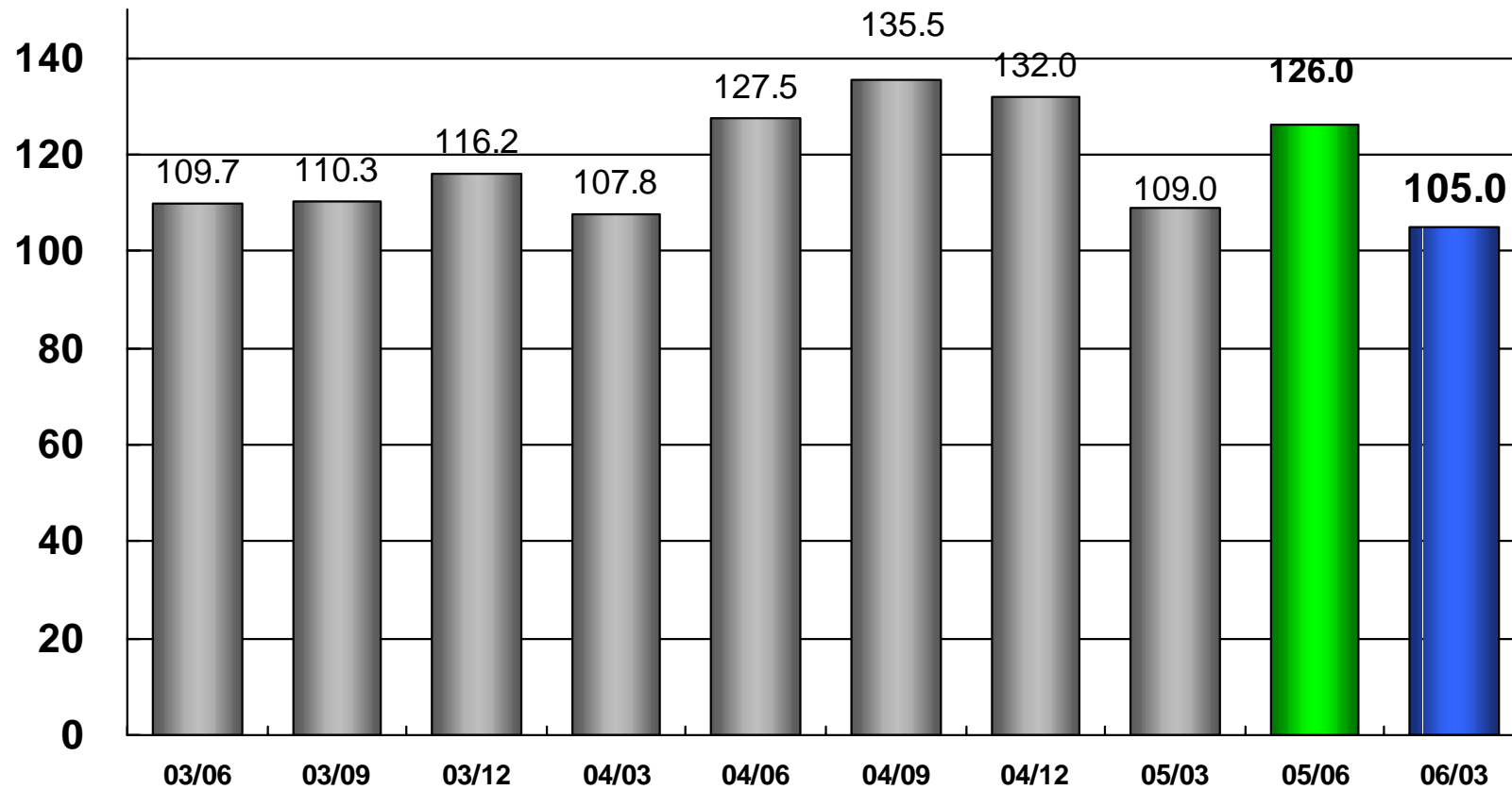
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<i>Operating income (Operating income ratio)</i>	8.0 1.0%	8.0 1.0%	3.1 times + 0.6%
<i>Income before tax</i>	7.5	7.5	-
<i>Net income</i>	1.0	1.0	-

Currency rates for FY2006 (From 2nd quarter)

1US\$: 105 yen -> **105 yen** 1Euro: 135 yen -> **135 yen**

Inventories

(billion yen)

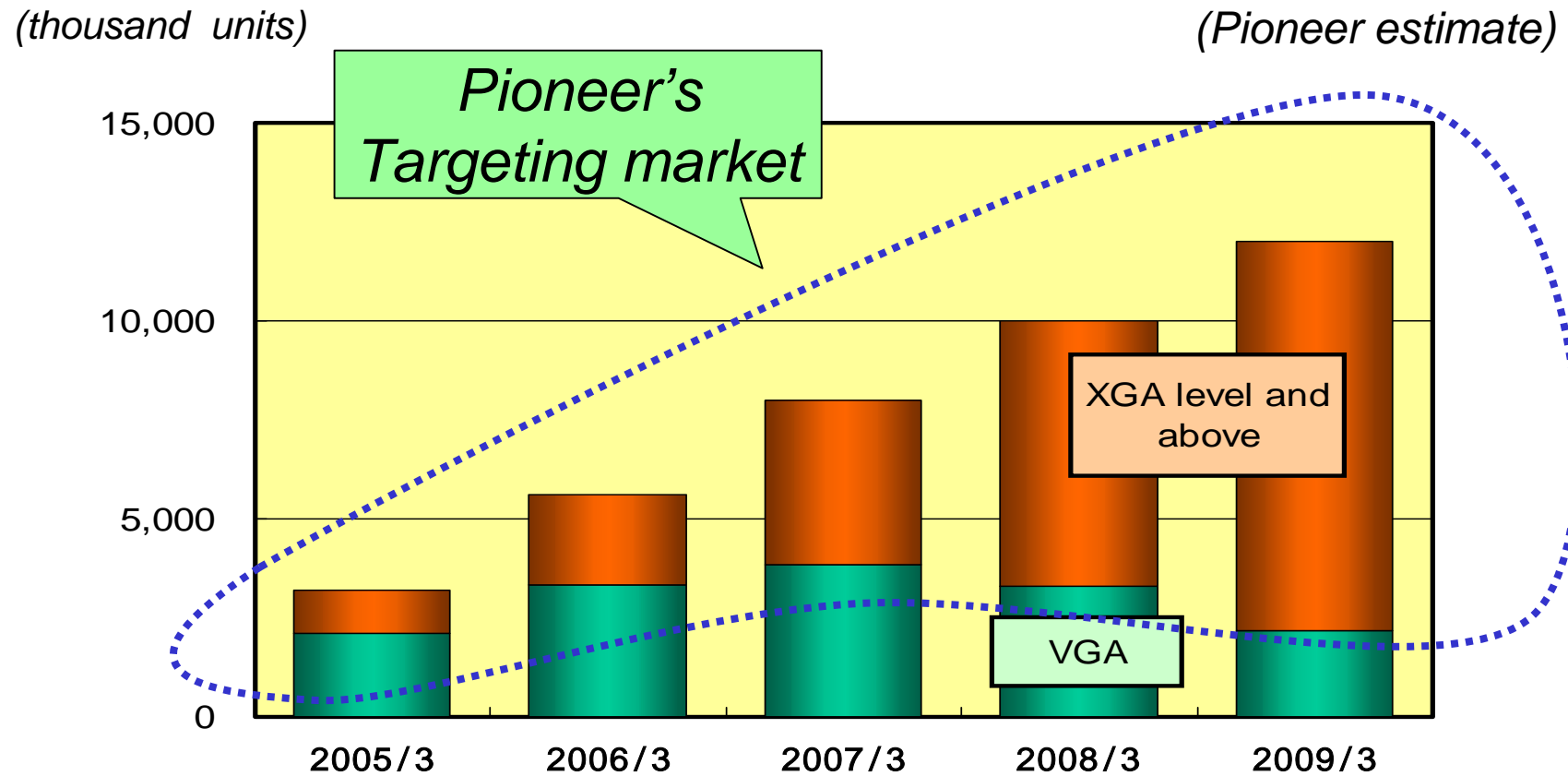


Capital Expenditures, Depreciation & R&D Expenses

(billion yen)

	<i>FY2006 Original Forecast</i>	<i>FY2006 Current Forecast</i>	<i>Year on Year</i>
<i>Capital Expenditures</i>	<i>47.0</i>	<i>47.0</i>	<i>- 26.4 %</i>
<i>Depreciation</i>	<i>48.0</i>	<i>48.0</i>	<i>+ 2.1 %</i>
<i>R&D Expenses</i>	<i>60.0</i>	<i>60.0</i>	<i>+ 7.3 %</i>

Global Plasma Display Market Forecast



Plasma Display Business

*Digital High-Definition Plasma Display
Analog terrestrial/Digital terrestrial & satellite broadcasting*

Separate receiver type model



*50V PDP-506HD (on sale from Sep.2nd, 2005)
43V PDP-436HD (on sale from Sep.2nd, 2005)*

*Newly developed:
“P.U.R.E. Black Panel”
Realizing deep blackness and depth in picture*

*“P.U.R.E. Drive II”
Smooth color gradation expression
with
contrastive picture*

Built-in receiver model



*Lowest annual power consumption in industry
289kwh/yr (PDP-436SX)*

43V PDP-436SX (on sale from early October, 2005)

Major Product Shipments

<Major Product Shipments plan for this fiscal year>

(In units)

Plasma displays / 800,000

After market car navigations / 530,000

DVD recorders / 1.2 million



HDD type
AVIC-ZH990MD
(on sale since May 2005)



3 in 1 type VCR/HDD/DVD recorder
DVR-RT7H (on sale since June 2005)

Recordable DVD drives for PCs / 10 million

Management Efficiency Enhancement

HR policy

Inventory & logistics policy

Production strategy

Back office efficiency enhancement

Cost reduction process reform

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