

Pioneer *sound.vision.soul*

Pioneer Corporation
Earnings Announcement for
Second Quarter of Fiscal Year March 2006

October 31st 2005

Today's Agenda

- 1. Business Results for Second Quarter, FY March 2006***
- 2. Business Forecast for FY March 2006***
- 3. Management Issues and Plans***

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
Second Quarter, FY March 2006*

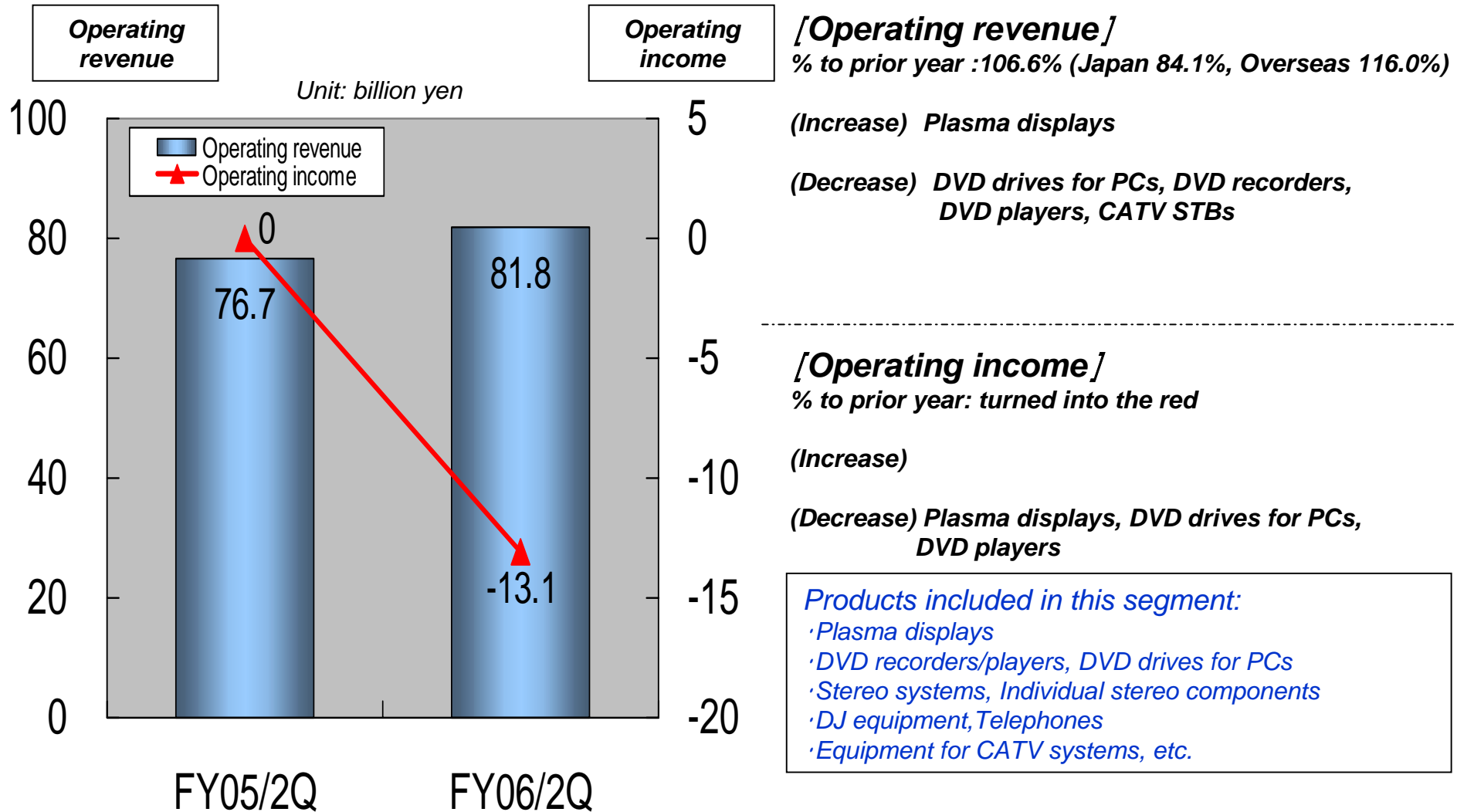
Consolidated Results for Second Quarter, FY March 2006

(unit: billion yen)

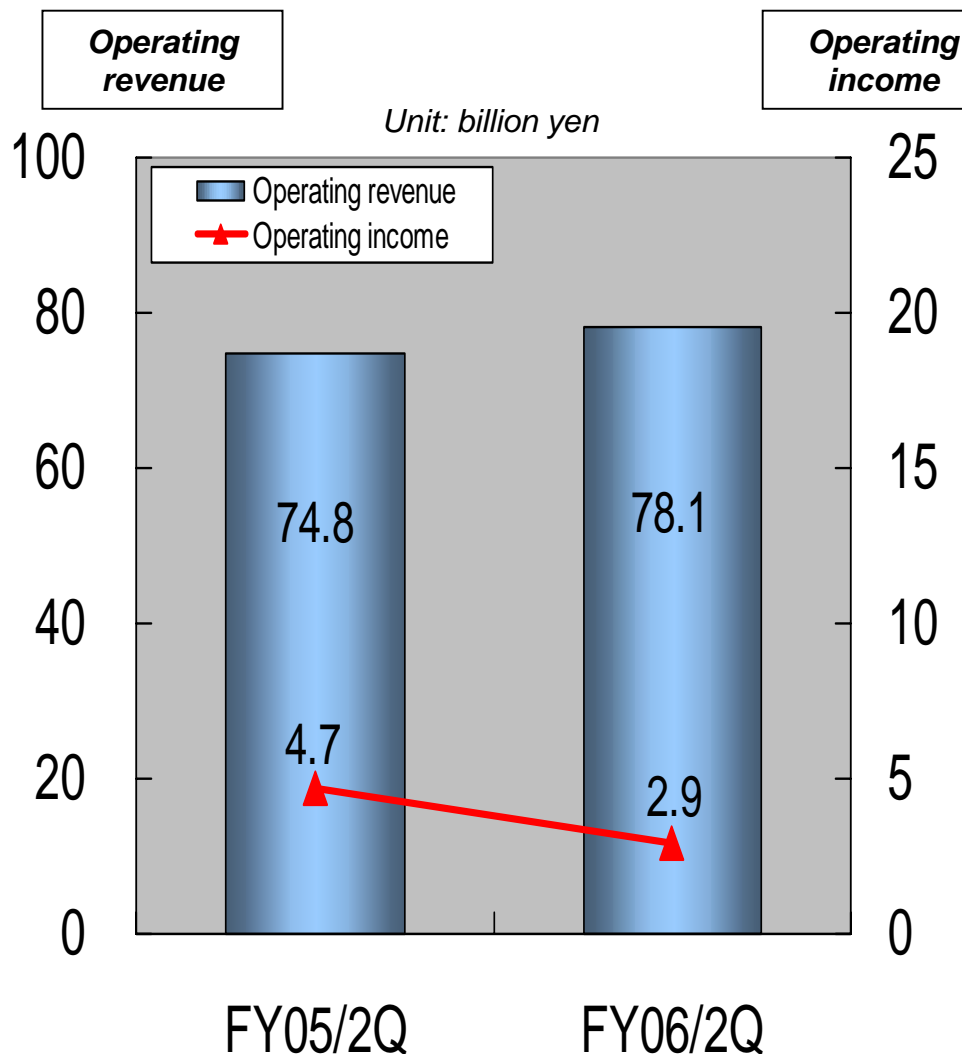
	Second Quarter FY March 2006			First Half FY March 2006		
	Three Months	Prior Year	% to Prior Year	Six Months	Prior Year	% to Prior Year
Operating revenue	185.7	181.6	102.3%	349.9	345.0	101.4%
Operating income	-7.5	8.4	-	-16.4	13.4	-
Income before taxes	-5.3	8.2	-	-12.0	12.4	-
Net income	-6.9	3.3	-	-12.3	4.8	-

Average foreign exchange rate (unit: yen)	1US \$	111.28	109.96	+1.19%	109.48	109.86	-0.35%
	1Euro	135.72	134.37	+0.99%	135.65	133.32	+1.72%
Currency impact (unit: billion yen)	Operating revenue	+ 2.6			+ 2.3		
	Operating income	+ 0.7			+ 1.3		

Quarterly Operating Revenue / Operating Income by Segment **Home Electronics**



Quarterly Operating Revenue / Operating Income by Segment **Car Electronics**



[Operating revenue]

% to prior year :104.5% (Japan 89.1%, Overseas 114.5%)

(Increase) Car audios

(Decrease) Car navigation systems

OEM ratio to the total segment OR: 36% (prior year 37%)

[Operating income]

% to prior year: 62.2%

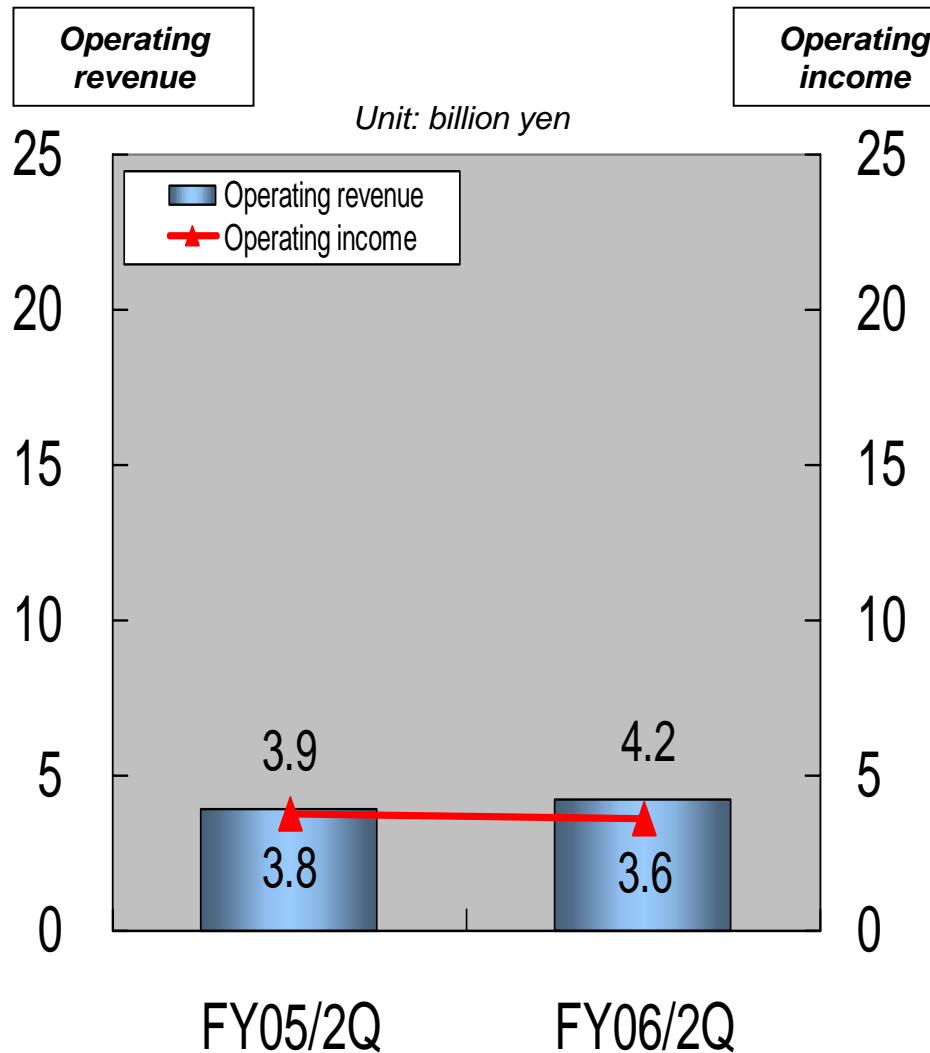
(Increase)

(Decrease) Car navigation systems

Products included in this segment:

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

Quarterly Operating Revenue / Operating Income by Segment **Patent Licensing**



[Operating revenue]
% to prior year :107.7%

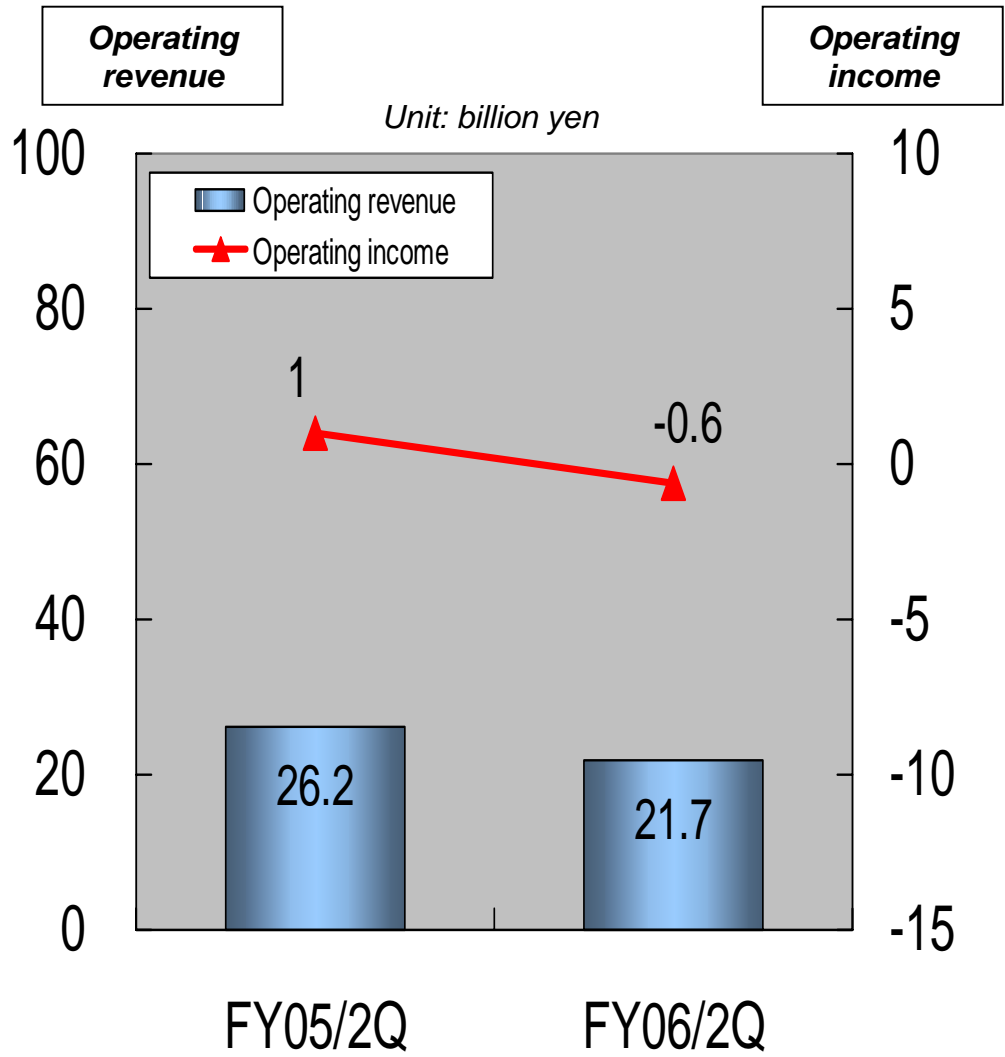
(Increase) Revenue from renewed contracts with licensees

(Decrease)

[Operating income]
% to prior year: 93.6%

Royalty revenue shown here is the optical disc related royalty revenue managed in the U.S. As for other royalty revenue, they are stated (included) in the S.G&A. of each business segment.

Quarterly Operating Revenue / Operating Income by Segment **Others**



[Operating revenue]

% to prior year :82.7% (Japan 87.9%, Overseas 77.5%)

(Increase)

(Decrease) **Factory automation systems**

[Operating income]

% to prior year: turned into the red

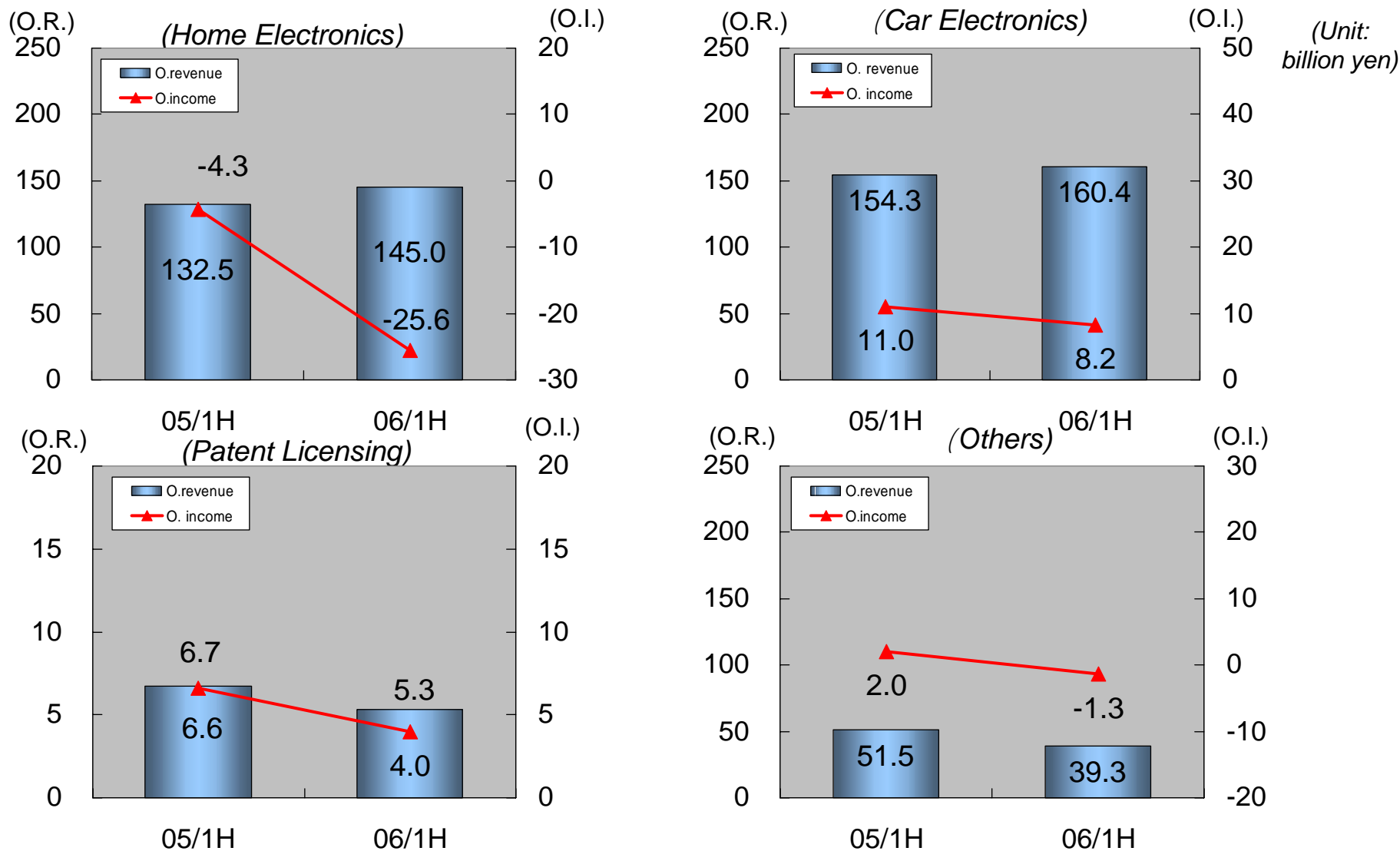
(Increase)

(Decrease) **Factory automation systems**

Products included in this segment:

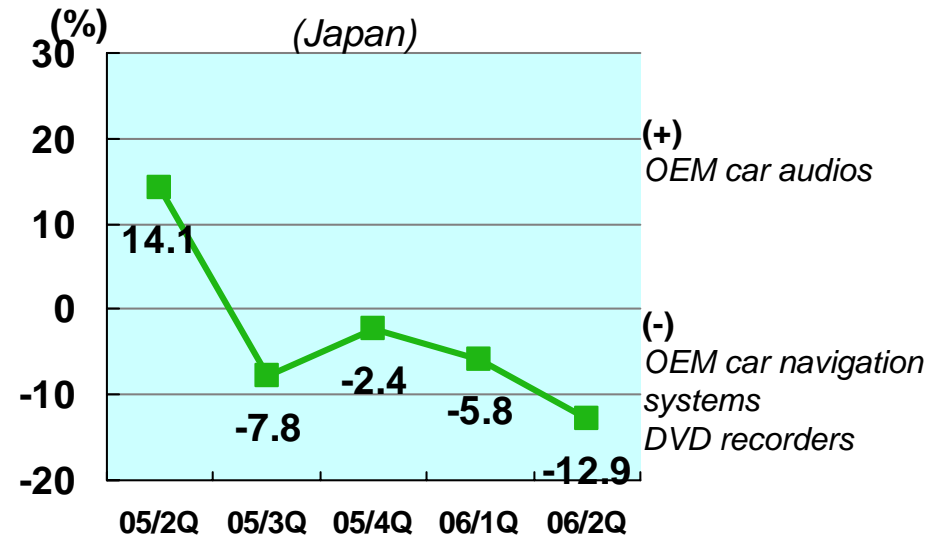
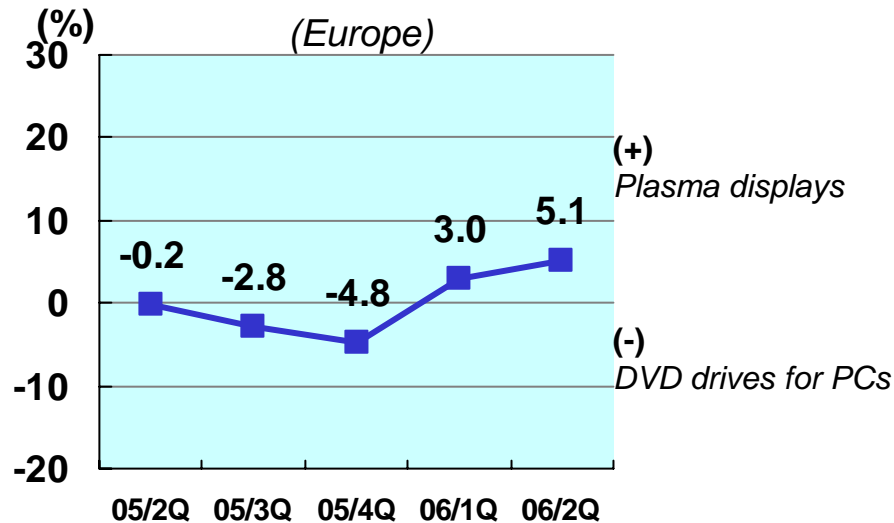
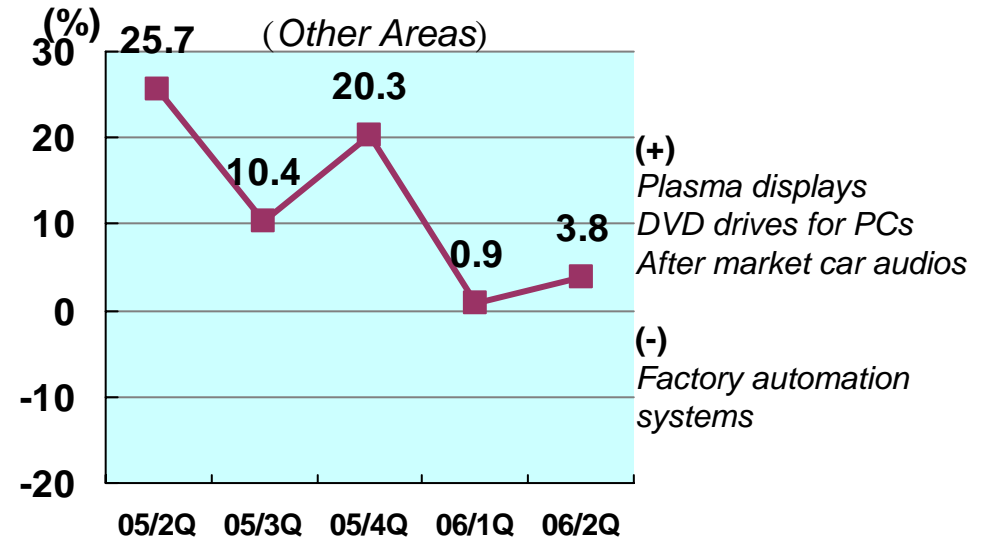
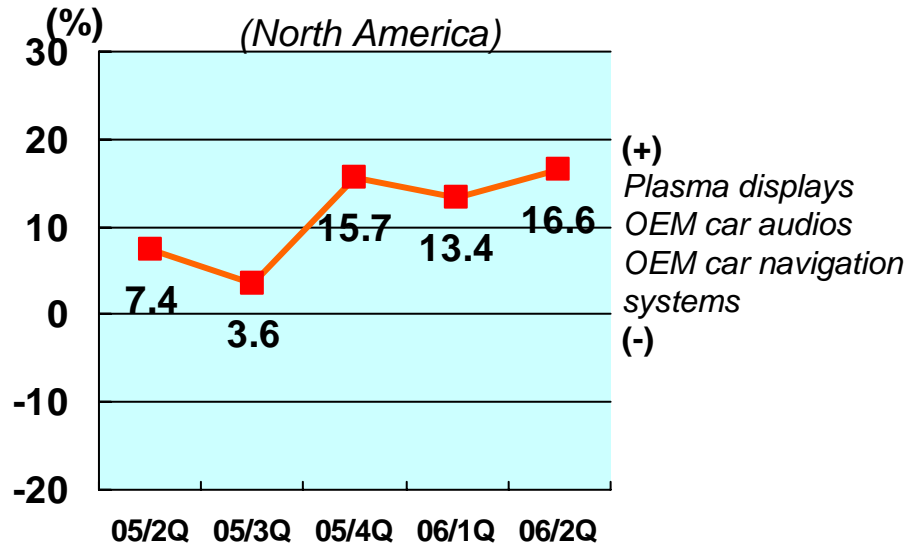
- OLED display panels
- Factory automation systems
- Electronic devices and parts (semiconductors, light guides, speaker units)
- Business-use AV systems, etc.

First Half of FY March 2006: Operating Revenue / Operating Income by segment



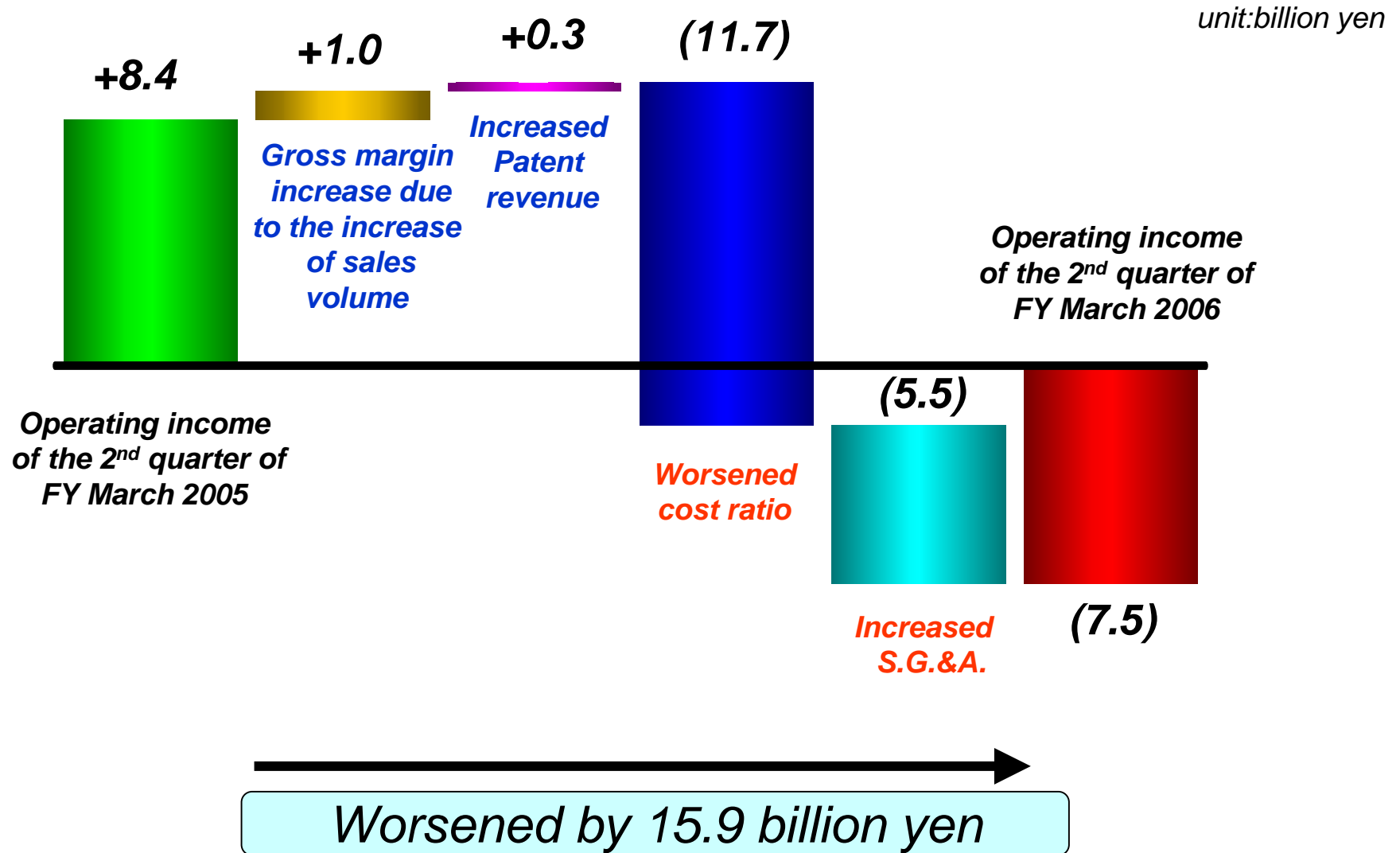
Second Quarter of FY March 2006:

Sales increase/decrease to preceding year on local currency basis



Growth% calculated by excluding the figures of discontinued operations

Second Quarter of FY March 2006: Operating Income Structure Breakdown



Second Quarter of FY March 2006: Other Income/Expenses, Net Income

Unit: billion yen

	Second Quarter FY 2006			First Half FY 2006		
	Three Months	Prior Year	Increase/Decrease	Six Months	Prior Year	Increase/Decrease
Operating revenue	185.7	181.6	4.2	349.9	345.0	4.9
Operating income(loss)	-7.5	8.4	-15.9	-16.4	13.4	-29.8
Interest income	0.6	0.4	0.2	1.3	0.8	0.5
Interest expense	-0.3	-0.3	0	-0.7	-0.7	0
Foreign exchange gain/loss	-0.3	-0.2	-0.1	-1.1	-1.2	0.1
Others (net)	2.2	-0.1	2.3	5.0	0.1	4.9
Other income /Expenses	2.2	-0.2	2.4	4.4	-1.0	5.4
Income(loss) before income taxes	-5.3	8.2	-13.5	-12.0	12.4	-24.4
Income taxes	0.3	3.9	-3.6	-1.2	5.5	-6.8
Minority interest in losses(earnings) of subsidiaries	0.7	-0.3	1.0	1.3	-0.6	1.8
Equity in losses of affiliated companies	-1.9	-0.7	-1.3	-2.8	-1.5	-1.3
Net income(loss)	-6.9	3.3	-10.2	-12.3	4.8	-17.1

Second Quarter of FY March 2006: Summary of Consolidated Statements of Cash Flows

Unit: billion yen

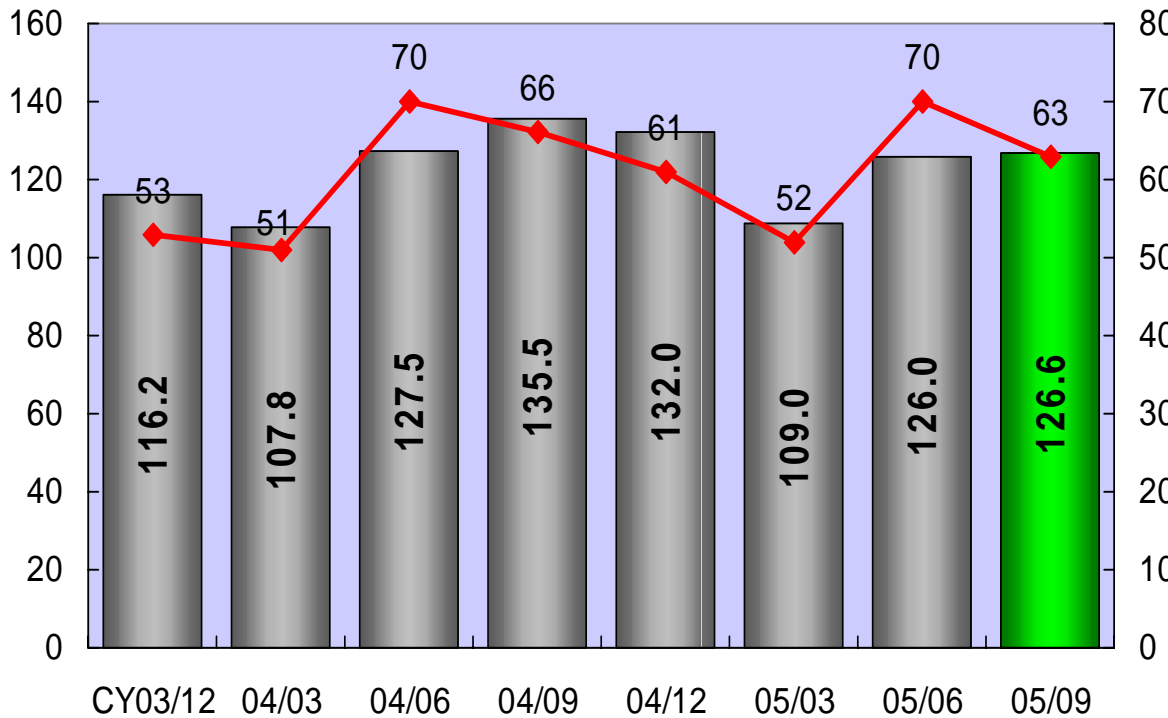
	Second Quarter FY 2006		First Half FY 2006	
	Three Months	Prior Year	Six Months	Prior Year
<i>Net income(loss)</i>	-6.9	3.3	-12.3	4.8
<i>Depreciation & Amortization</i>	11.6	10.8	24.1	21.3
<i>Operating activities</i>	2.3	1.6	1.2	-4.0
<i>Investing activities</i>	-7.0	-49.3	-11.9	-62.6
<i>Financing activities</i>	-4.2	0.8	-1.4	-5.6
<i>Net change in cash and cash equivalents</i>	-7.6	-45.0	-9.5	-68.5
Free cash flow	-4.7	-47.6	-10.7	-66.6

Inventories

Unit: billion yen

Inventory amount

Inventory turnover (days)



Inventories decreased from a year ago

Inventories decreased in:

AV systems for Overseas

DVD recorders

Factory automation systems

Changes in Counting Standard of Number of Consolidated Employees

	FY2002	FY2003	FY2004	FY2005	FY2006	
	2002/3	2003/3	2004/3	2005/3	2005/6	2005/9
Number of employees on the former standard	31,220	34,656	36,360	39,362	40,110	40,177
Number of short-term contract employees, temporary employees, contract workers (China Production Site)	727 (383)	3,101 (2,163)	3,834 (2,655)	5,953 (4,099)	6,810 (4,099)	6,537 (3,941)
Number of employees on the new standard	30,493	31,555	32,526	33,409	33,300	33,640

Business Forecast for FY March 2006

FY March 2006 : Consolidated P/L Forecast

Unit: billion yen

	Current forecast	<i>Previous forecast</i>	<i>Variance</i>	<i>Result FY2005</i>
Operating revenue	770.0	810.0	-40.0	733.6
Operating income	-25.0	8.0	-33.0	2.6
Income before taxes	-28.0	7.5	-35.5	-0.2
Net income	-24.0	1.0	-25.0	-8.8

Unit: yen

Currency rates for the Second Half	1 US \$	110.00	105.00
	1 Euro	135.00	135.00

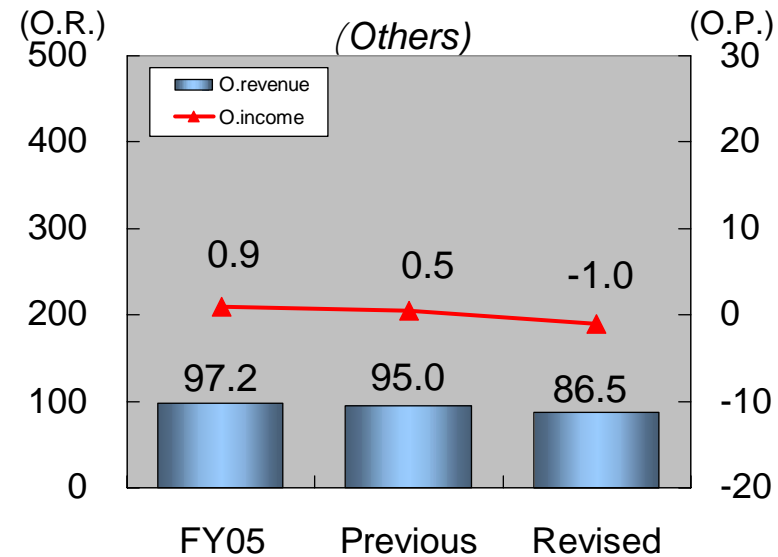
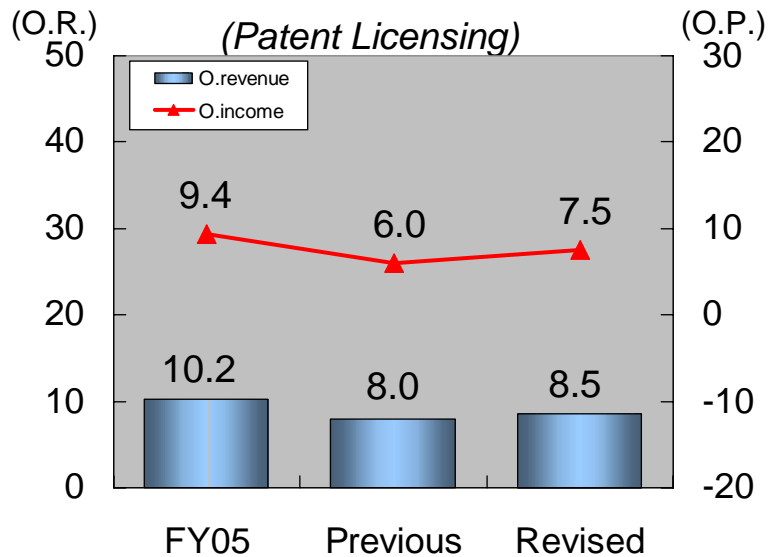
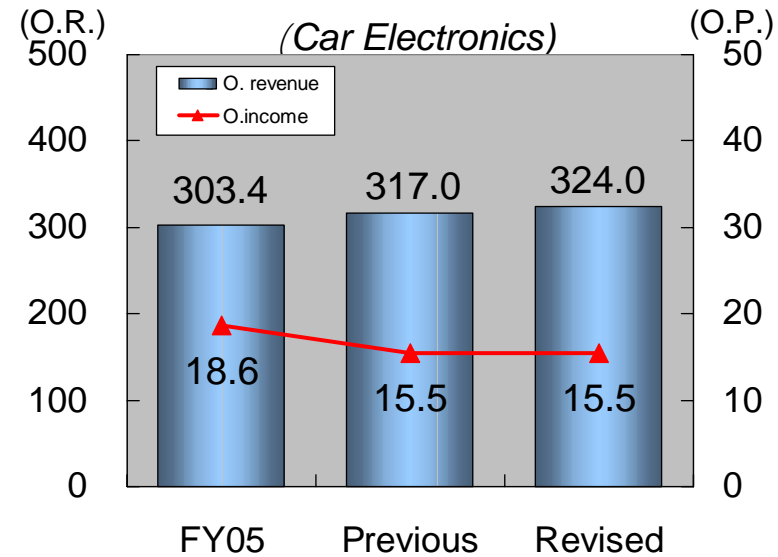
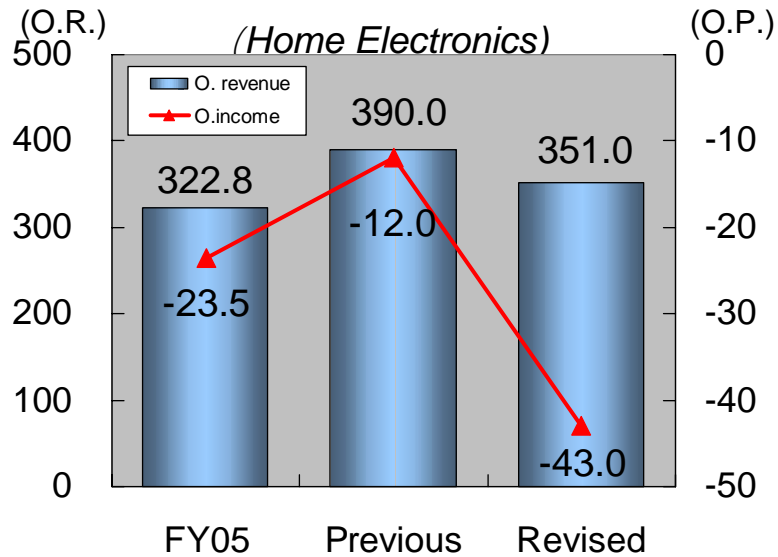
FY March 2006 : Major Product Shipments

(Thousand Units)

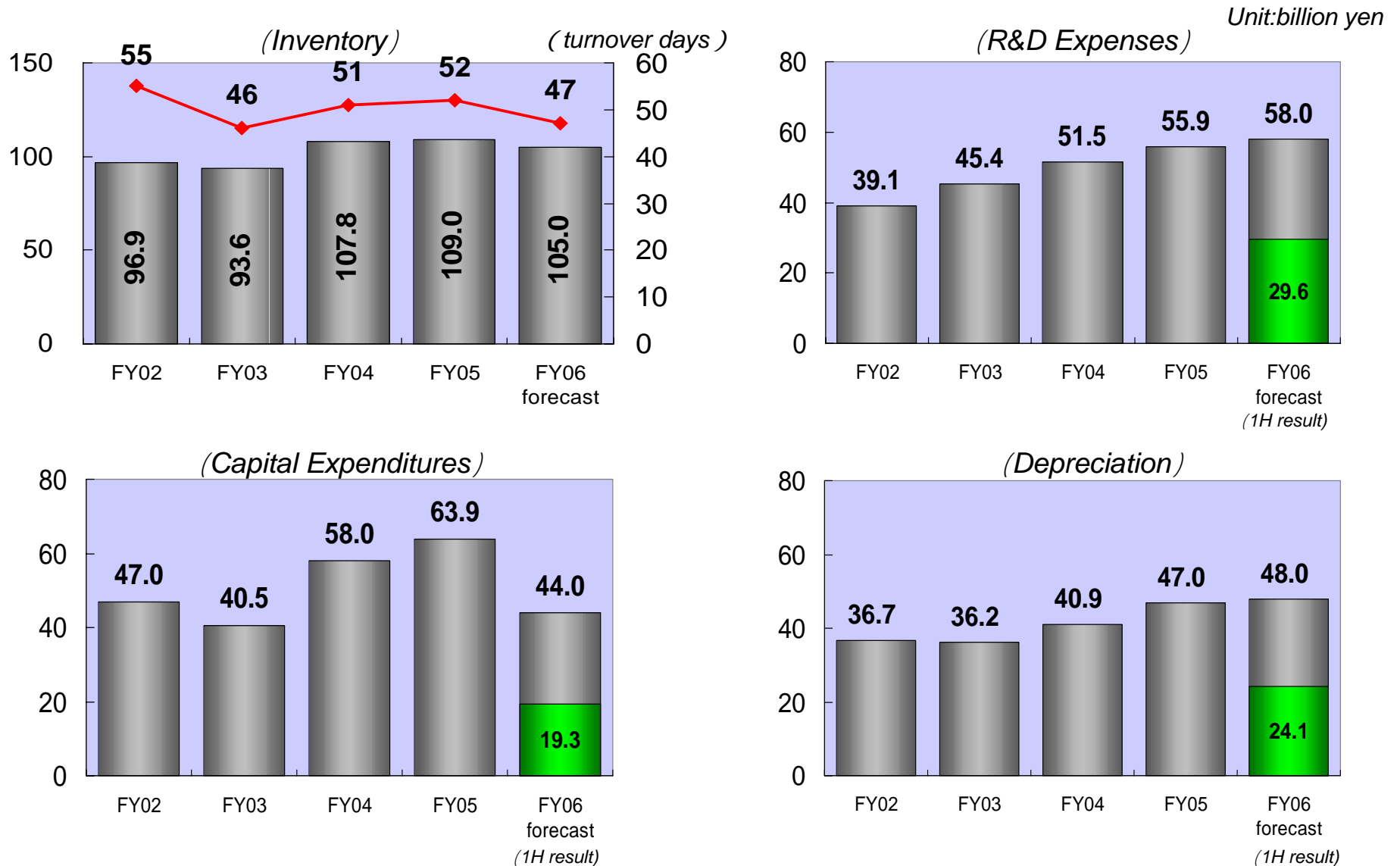
	<i>Current forecast</i>	<i>Previous forecast</i>	<i>Variance</i>	<i>Result FY2005</i>
<i>Pioneer Brand</i>	<i>460</i>	<i>500</i>	<i>-40</i>	<i>280</i>
<i>OEM</i>	<i>180</i>	<i>300</i>	<i>-120</i>	<i>100</i>
<i>Plasma Displays</i>	<i>640</i>	<i>800</i>	<i>-160</i>	<i>380</i>
<i>DVD Recorders</i>	<i>1,050</i>	<i>1,200</i>	<i>-150</i>	<i>950</i>
<i>Recordable DVD Drives for PCs</i>	<i>8,500</i>	<i>10,000</i>	<i>-1,500</i>	<i>5,600</i>
<i>After market Car Navigation</i>	<i>500</i>	<i>530</i>	<i>-30</i>	<i>430</i>

FY March 2006 : Operating Revenue / Operating Income Forecast by Segment

(Unit: billion yen)



Inventory, R&D Expenses, Depreciation and Capital Expenditures



Management Issues and Plans

Plasma Display Business

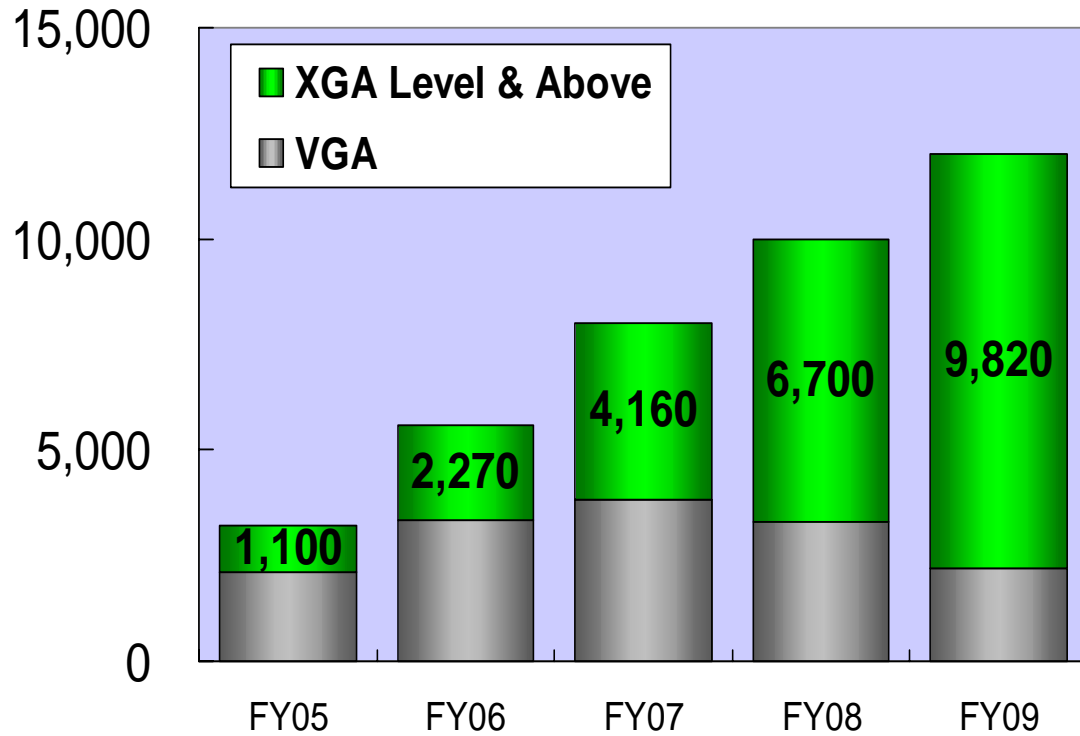


43-inch High-Definition Plasma TV
 PDP-436SX (On Sale from Oct. 2005)



(Thousand Units)

Global PDP Market



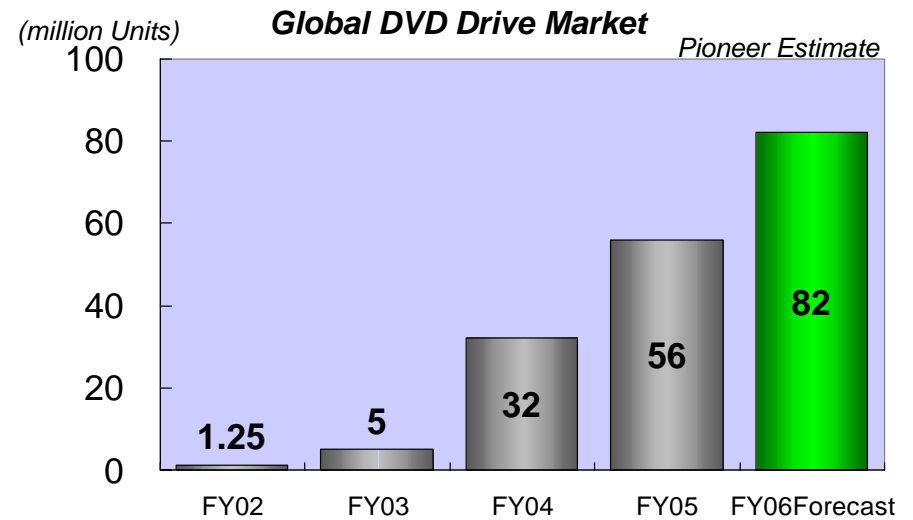
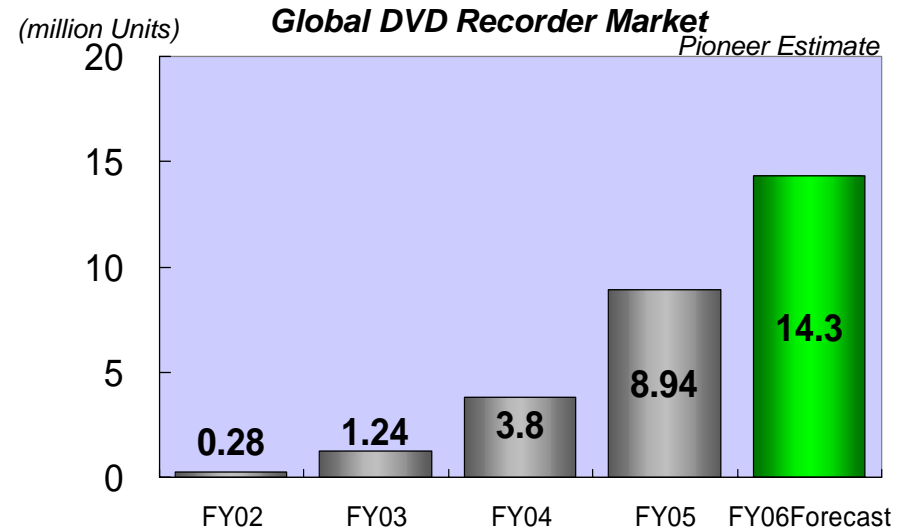
Pioneer Estimate

DVD Business

DVR-330H (On Sale from Oct. 2005)



DVR-A10-JBK



Car Electronics Business



**Car CD Player for Central & South America
DEH-3770MP**



**Car CD Player for Europe
DEH-P70BT**

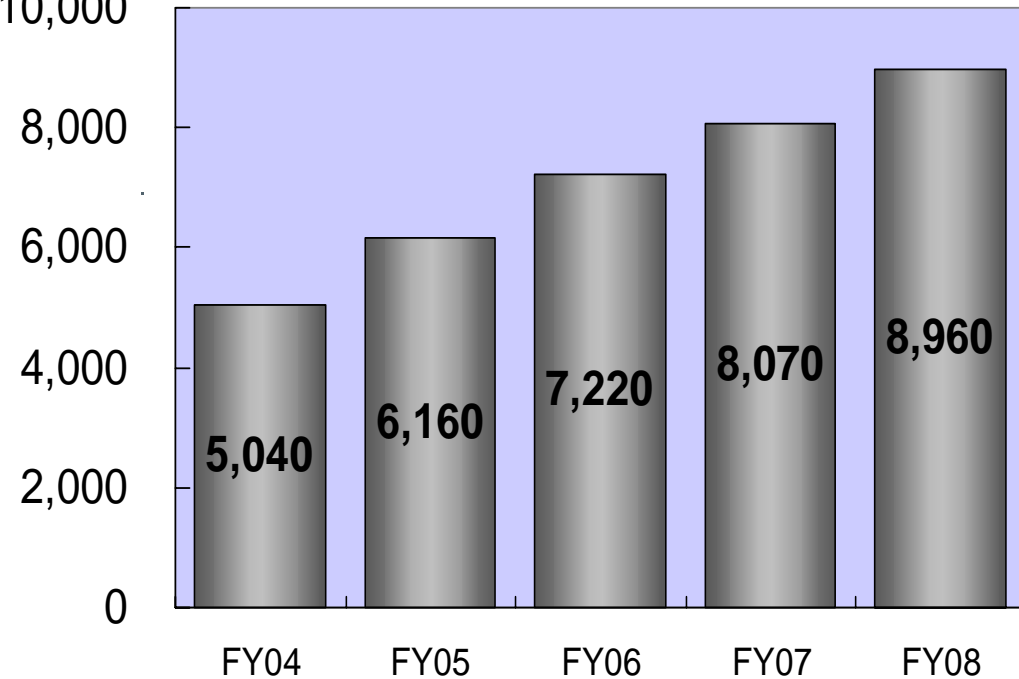


**HDD Raku-Navi for Japan
AVIC-HRZ09**



Global Car Navigation Market

(Thousand Units)



Pioneer Estimate
(* Japan, US & Europe)

Measurements on Business Restructuring

Pioneer *sound.vision.soul*