

Pioneer *sound.vision.soul*

Pioneer Corporation
Earnings Announcement for
Fiscal Year March 2006

April 27th 2006

Today's Agenda

1. *Business Results for FY March 2006*
2. *Business Forecasts for FY March 2007*
3. *Current Challenges and Future Business 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 believe 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, 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.

Transfer of Shares of Subsidiaries

Companies for share transfer

1. *Pioneer Digital Technologies, Inc.*

(Business: Development of CATV software)

2. *Pioneer Precision Machinery Corporation*

(Business: Manufacture and sale of electronic components, such as light-guides for small LCDs)

Effect of the transfer of these businesses on consolidated results

	<i>FY March 2005</i>	<i>FY March 2006</i>
<i>Net sales</i>	<i>22.6 billion yen</i>	<i>30.3 billion yen</i>
<i>Operating income</i>	<i>1.9 billion yen</i>	<i>0.7 billion yen</i>
<i>Net income</i>	<i>1.3 billion yen</i>	<i>0.8 billion yen</i>

Business Results for FY March 2006

FY March 2006: Consolidated Results

(unit: billion yen)

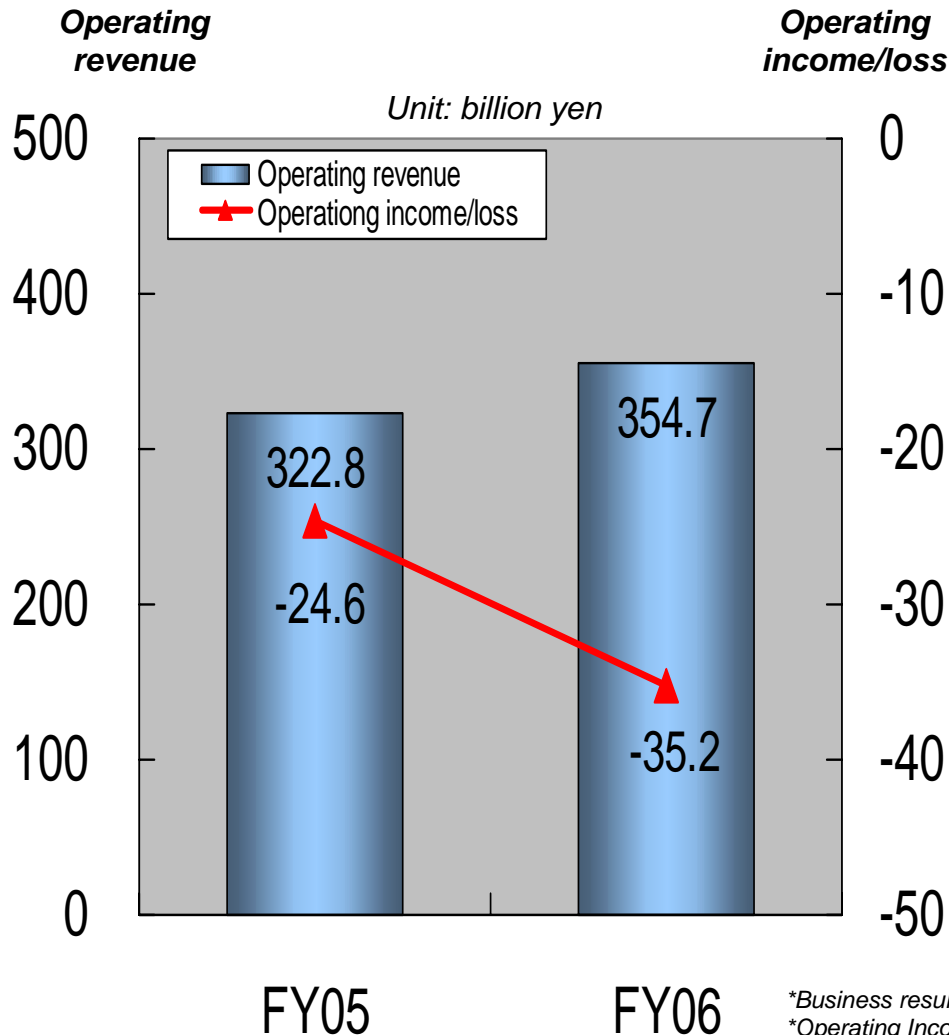
	FY2006	FY2005	Year on year
Operating revenue	755.0	711.0	106.2%
Operating income (loss)	(16.4)	0.7	-
Income (loss) before taxes	(71.2)	(2.1)	-
Net income (loss)	(85.0)	(8.8)	-

Average foreign exchange rate (unit: yen)	1US \$	113.31	107.55	+5.1%
	1Euro	137.86	135.19	+1.9%
Currency impact (unit: billion yen)	On operating revenue	+23.3		
	On operating income	+2.0		

(unit: yen)

Net income (loss) per share	(487.23)	(50.11)	(437.12)
Book-value per share	1,567	1,905	(338)

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



[Operating revenue]

% to prior year : 109.9% (Japan 90.3%, Overseas 117.6%)

(Increase) Plasma displays, DJ equipments

(Decrease) DVD recorders, DVD players, Stereo systems

[Operating income/loss]

(Positive factor) Equipment for CATV systems

(Negative factor) Plasma displays, DVD drives

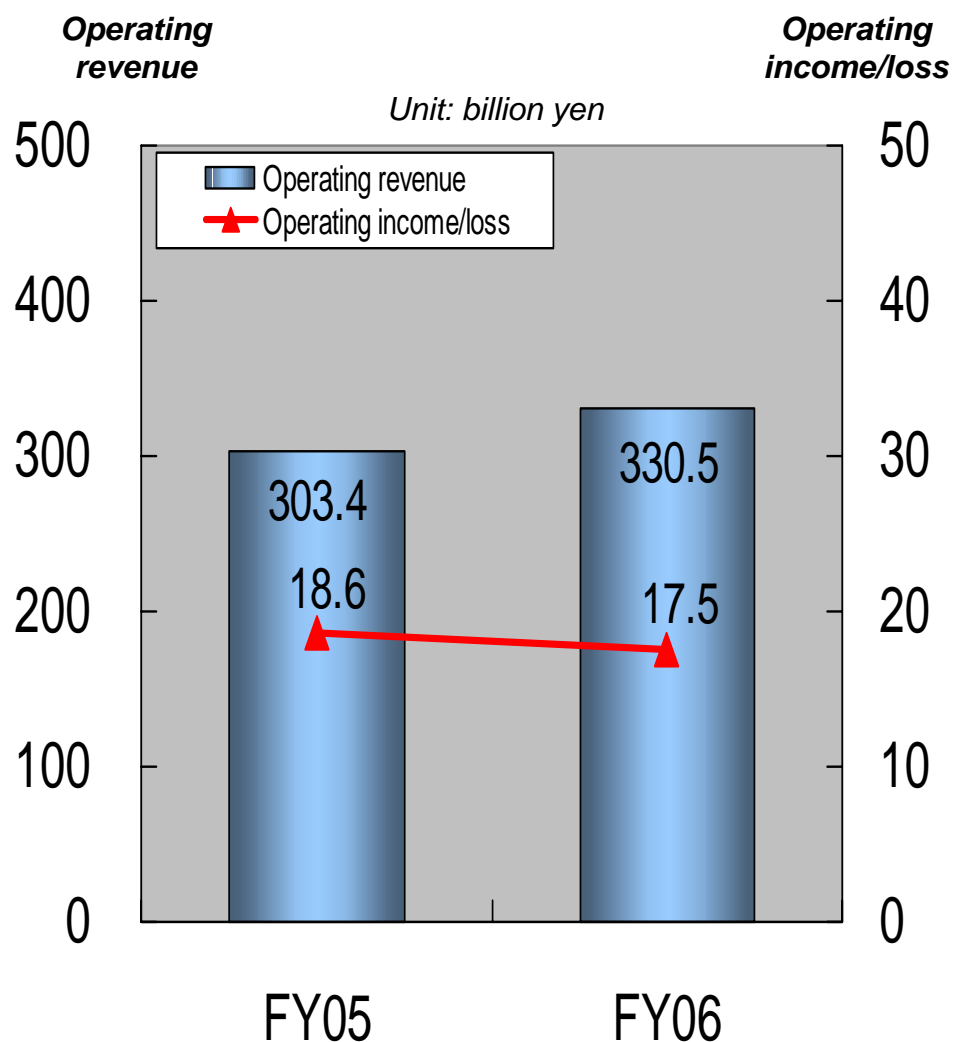
Products included in this segment:

- Plasma displays
- DVD recorders, DVD players, DVD drives
- Stereo systems · Individual stereo components
- DJ equipments · Telephones
- Equipment for CATV systems, etc.

*Business results of Pioneer Digital Technologies, Inc. has been disregarded from the figures shown.

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

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



[Operating revenue]

% to prior year : 108.9% (Japan 97.8%, Overseas 116.3%)

- (Increase) Consumer-market/OEM car audios
Consumer-market car navigation systems
- (Decrease) OEM car navigation systems

OEM ratio to the total segment: 35% (prior year 36%)

[Operating income/loss]

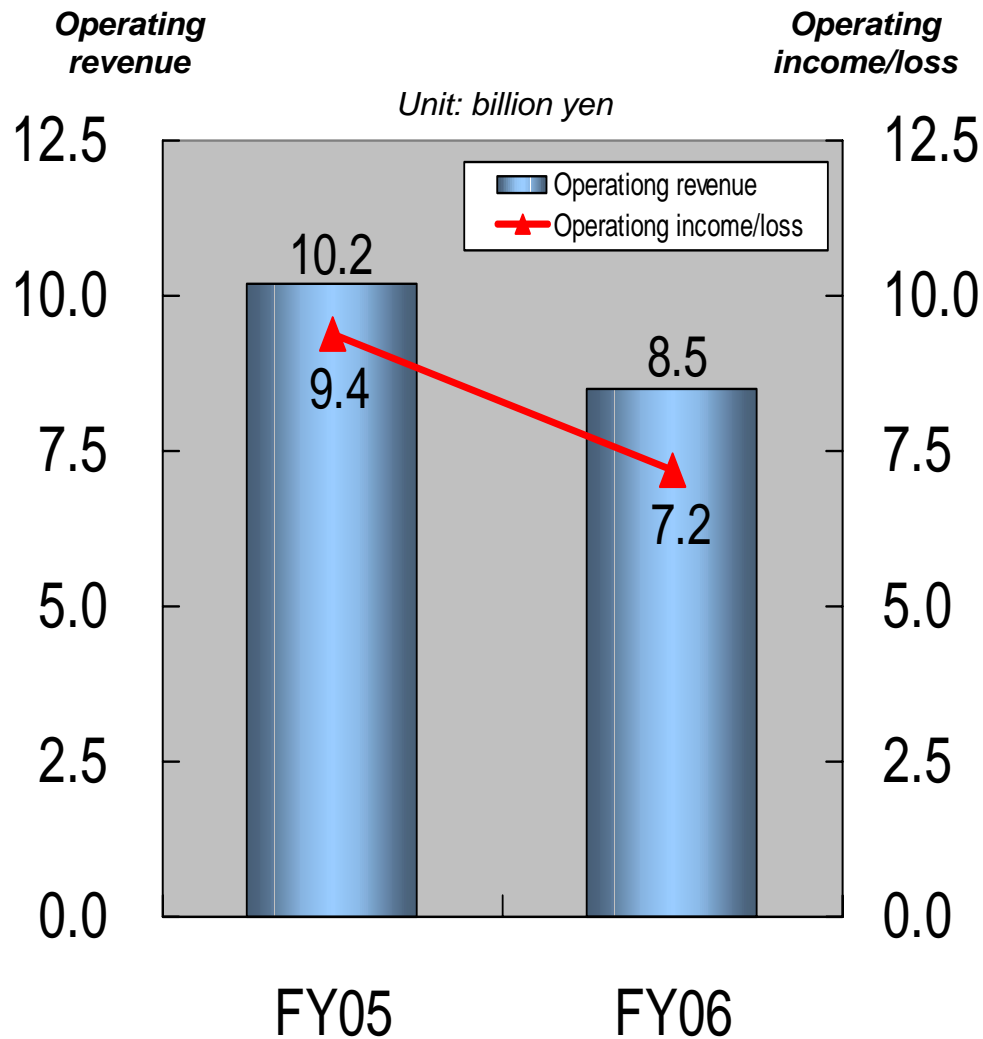
- (Positive factor) Consumer-market/OEM car audios
- (Negative factor) OEM car navigation systems

Products included in this segment:

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

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

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



[Operating revenue]
% to prior year :83.4%

(Decrease) Optical disc related royalty revenue

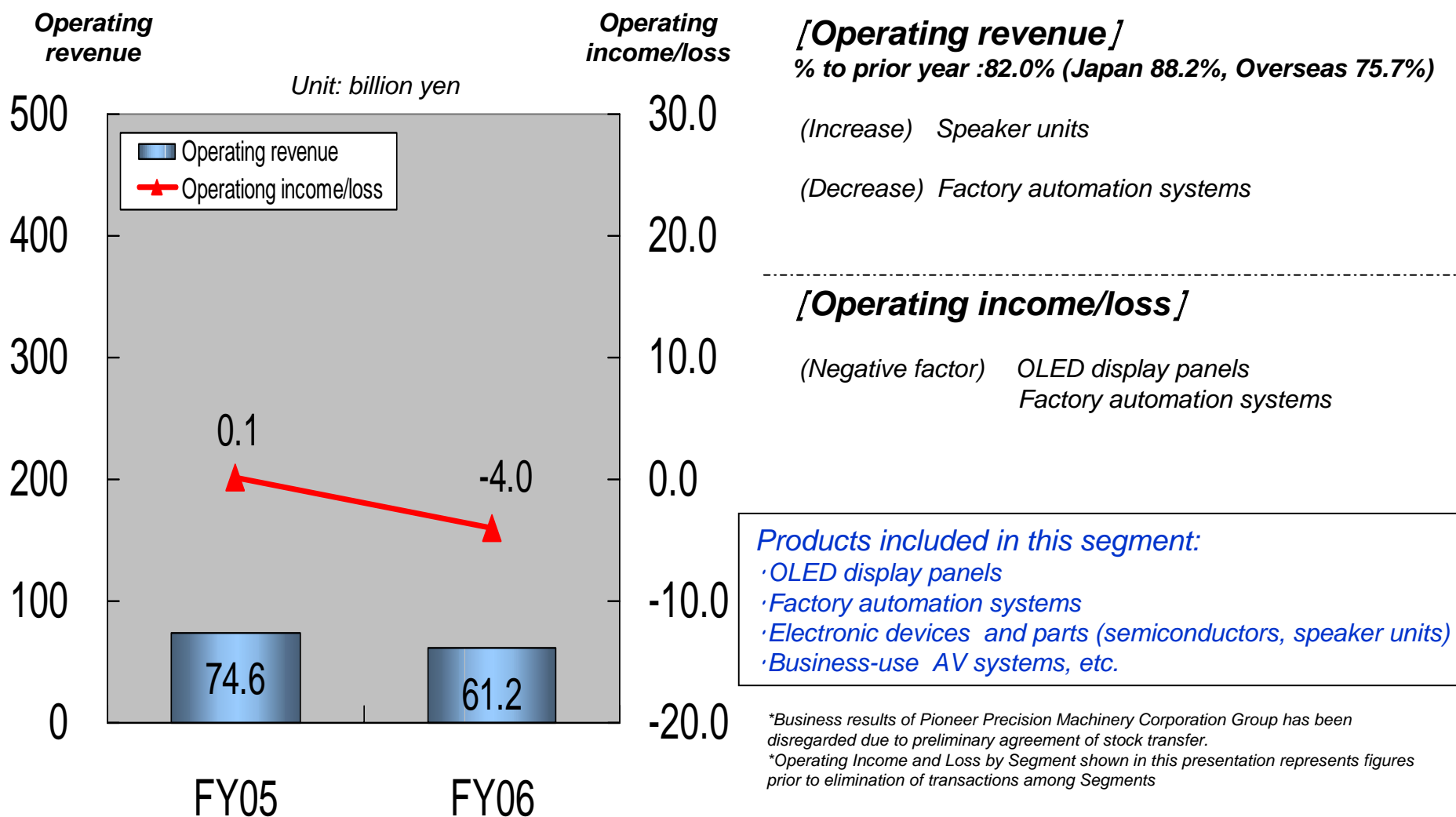
[Operating income/loss]

(Negative factor) Optical disc related royalty revenue

Royalty revenue shown here is the optical disc related royalty revenue managed in the U.S.

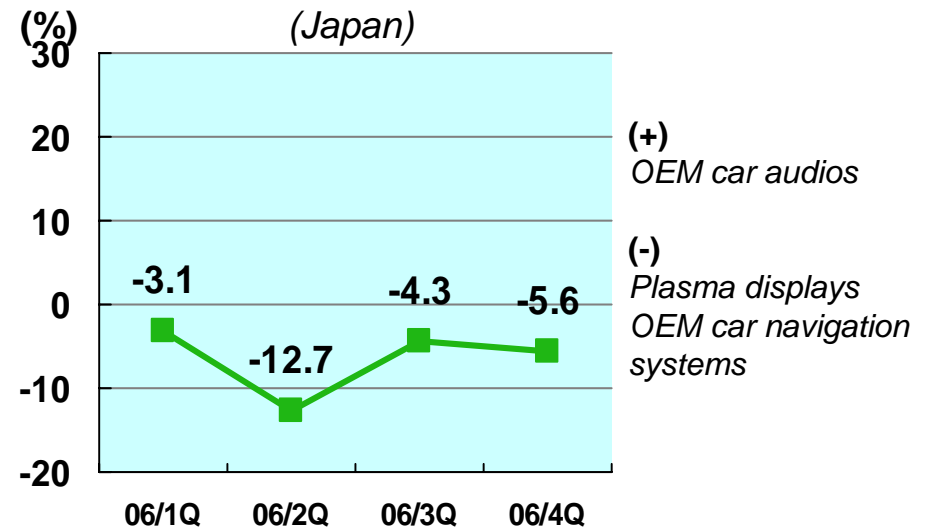
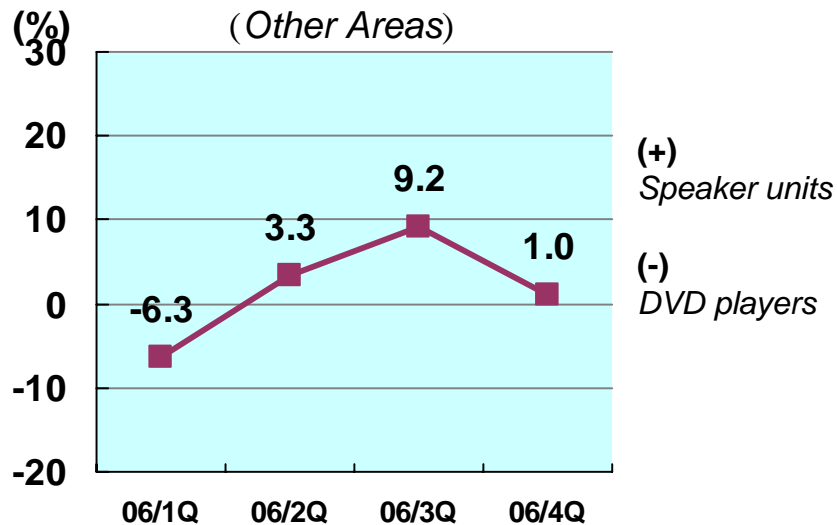
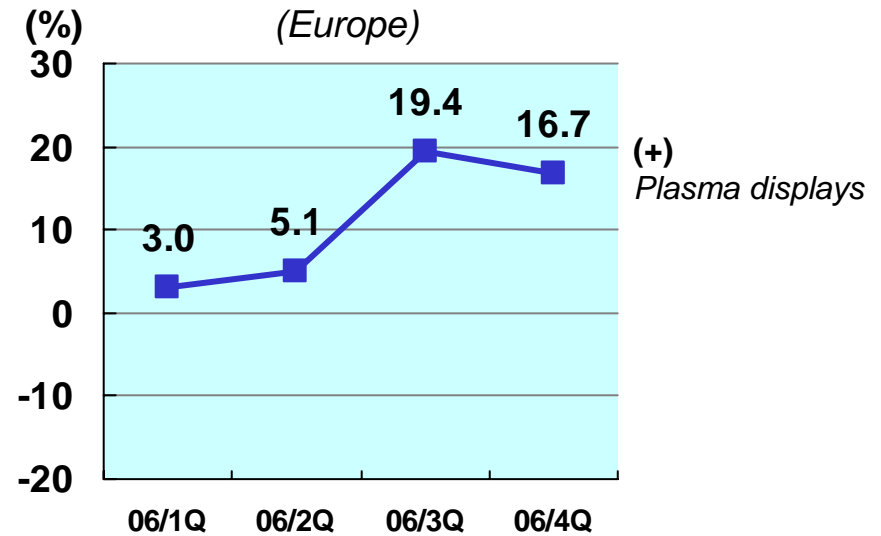
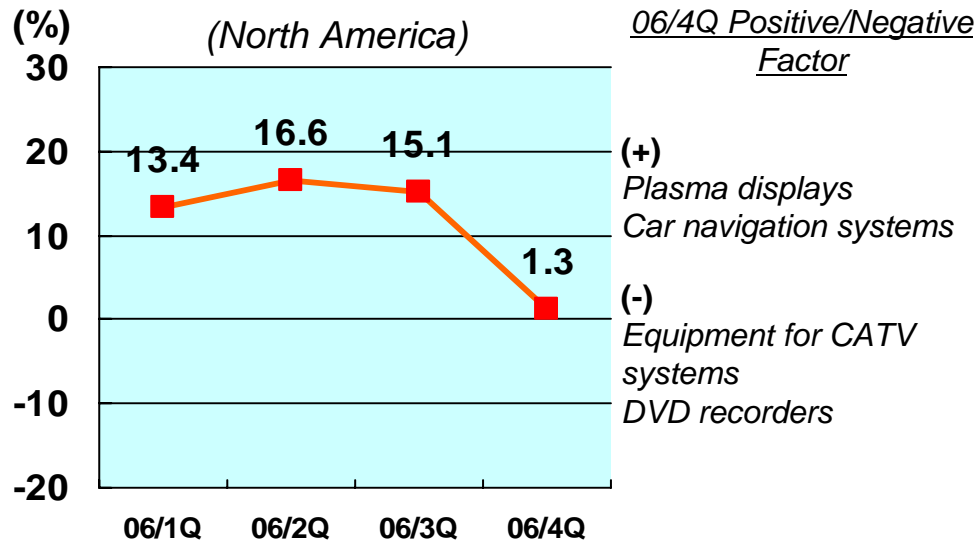
*Operating Income and Loss by Segment shown in this presentation represents figures prior to elimination of transactions among Segments

Others: Operating Revenue & Operating Income/Loss by Segment



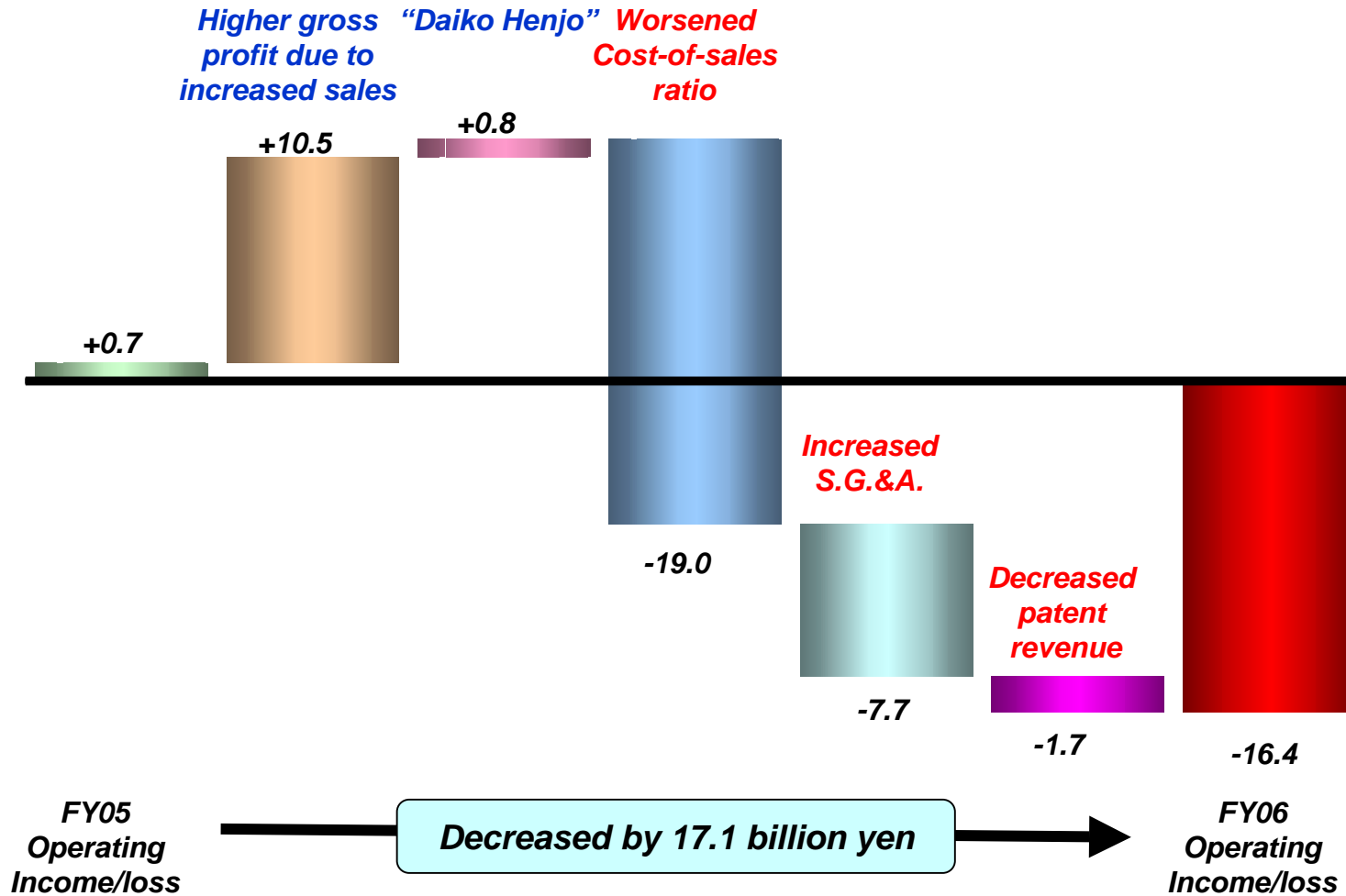
Fourth Quarter of FY March 2006:

Sales increase/decrease to preceding year on local currency basis



* Excludes Patent Licensing segment.. Figures for discontinued operations have been retroactively reclassified for prior fiscal years.

FY March 2006: Operating Income/loss Structure Breakdown



FY March 2006: Consolidated P/L Statements

Unit: billion yen

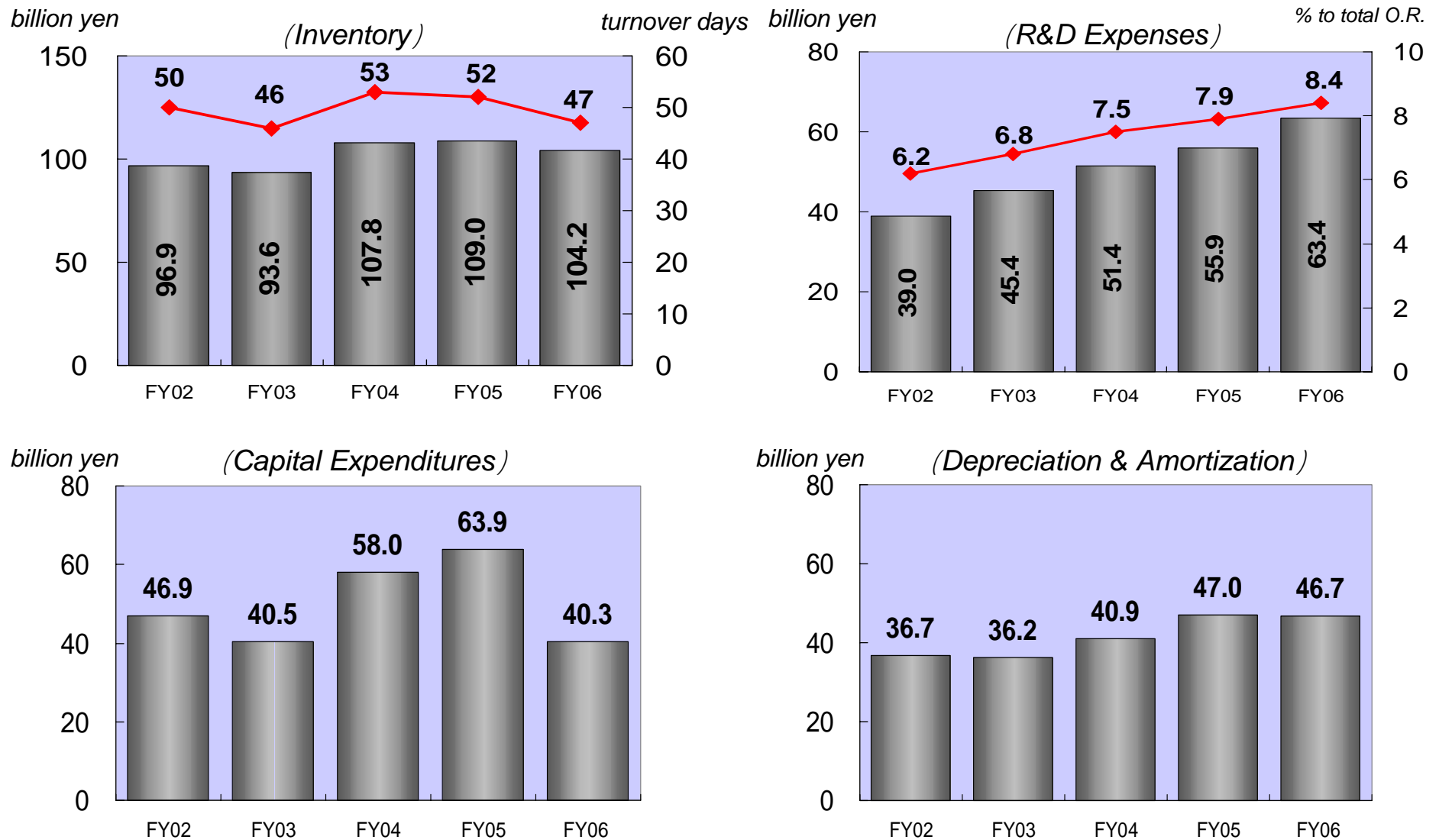
	FY 2006	FY 2005	Variance
Operating revenue	755.0	711.0	43.9
Cost of sales	593.2	539.1	54.1
Selling, general and administrative expenses	178.1	170.4	7.7
Net loss from transfer of pension plan	0	0.8	(0.8)
Operating income (loss)	(16.4)	0.7	(17.1)
Other income /expenses	0.7	3.4	(2.7)
Restructuring expenses	(55.5)	(6.2)	(49.3)
Total Other income/expenses	(54.8)	(2.8)	(52.0)
Income (loss) before income taxes	(71.2)	(2.1)	(69.1)
Income taxes	(4.7)	4.3	(9.0)
Minority interest in losses/earnings of subsidiaries	4.8	(0.7)	5.5
Equity in losses of affiliated companies	(24.0)	(3.1)	(21.0)
Income(loss) from discontinued operations	0.8	1.3	(0.6)
Net income (loss)	(85.0)	(8.8)	(76.2)

FY March 2006: Summary of Consolidated Statements of Cash Flows

Unit: billion yen

	FY 2006	FY 2005
Net income (loss)	(85.0)	(8.8)
Depreciation and amortization	46.7	47.0
Impairment loss of fixed assets	41.4	4.5
Inventory	9.5	6.3
Account receivables	16.6	(12.3)
Operating activities	68.3	19.9
Investing activities	(29.8)	(93.5)
Financing activities	(38.6)	(4.0)
Net change in cash and cash equivalents	5.0	(75.7)
Free cash flow	38.6	(73.6)
Net cash balance	7.5	(4.7)

Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization



Business Forecasts for FY March 2007

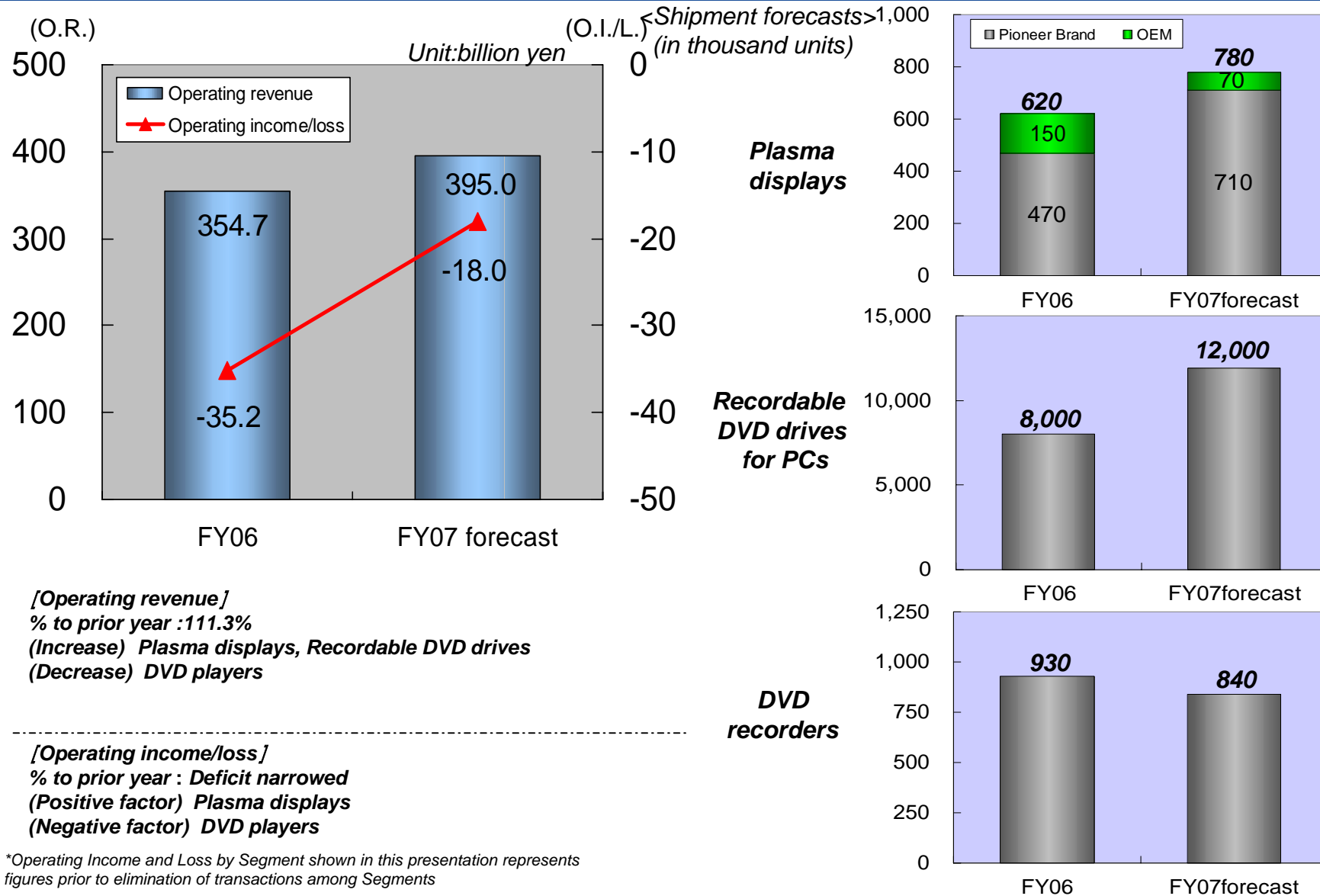
FY March 2007: Consolidated Business Forecast

Unit: billion yen

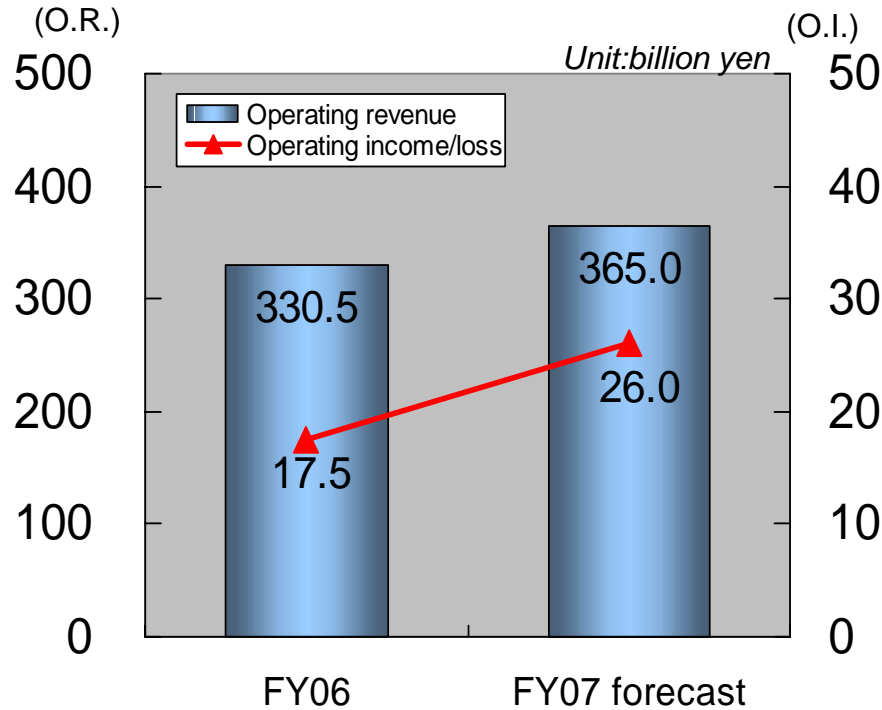
	<i>Forecast FY 2007</i>	<i>Result FY 2006</i>	<i>Variance</i>
<i>Operating revenue</i>	830.0	755.0	75.0
<i>Operating income (loss)</i>	12.0	(16.4)	28.4
<i>Income (loss) before taxes</i>	13.5	(71.2)	84.7
<i>Net income (loss)</i>	3.0	(85.0)	88.0

<i>Exchange rates (Unit: yen)</i>	1 US \$	115.00	113.31
	1 Euro	140.00	137.86

Forecast for FY March 2007: Home Electronics



Forecast for FY March 2007: Car Electronics

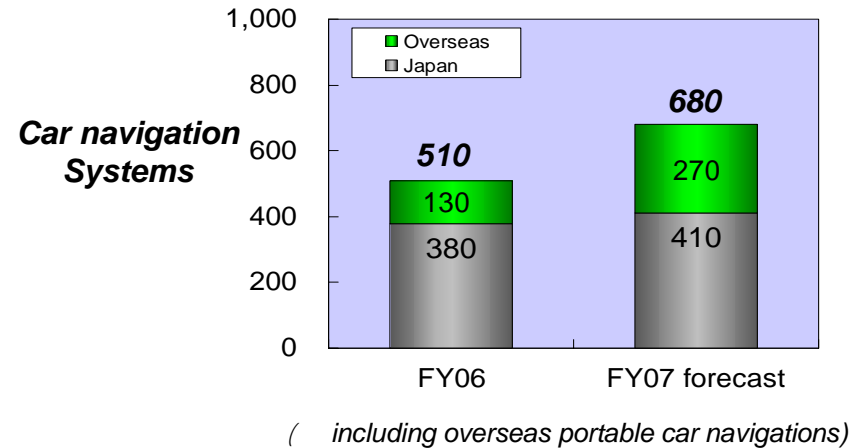


[Operating revenue]
 % to prior year :110.4%
 (Increase) Car audios
 Consumer-market car navigation systems
OEM ratio to the total segment: 36% (prior year 35%)

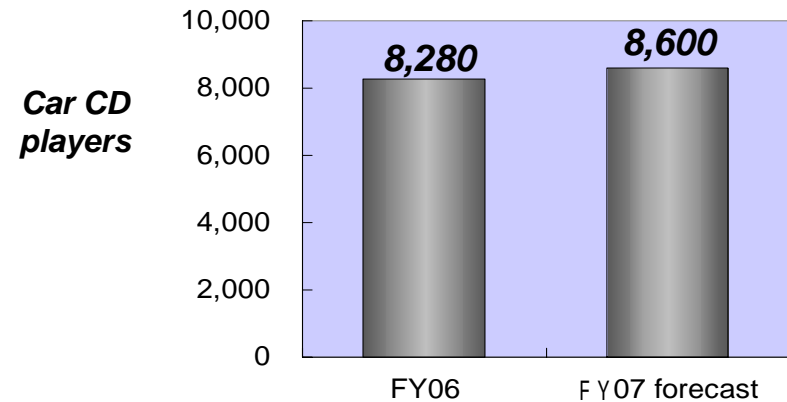
[Operating income/loss]
 % to prior year: 148.6%
 (Positive factor) Car audios
 Consumer-market car navigation systems

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

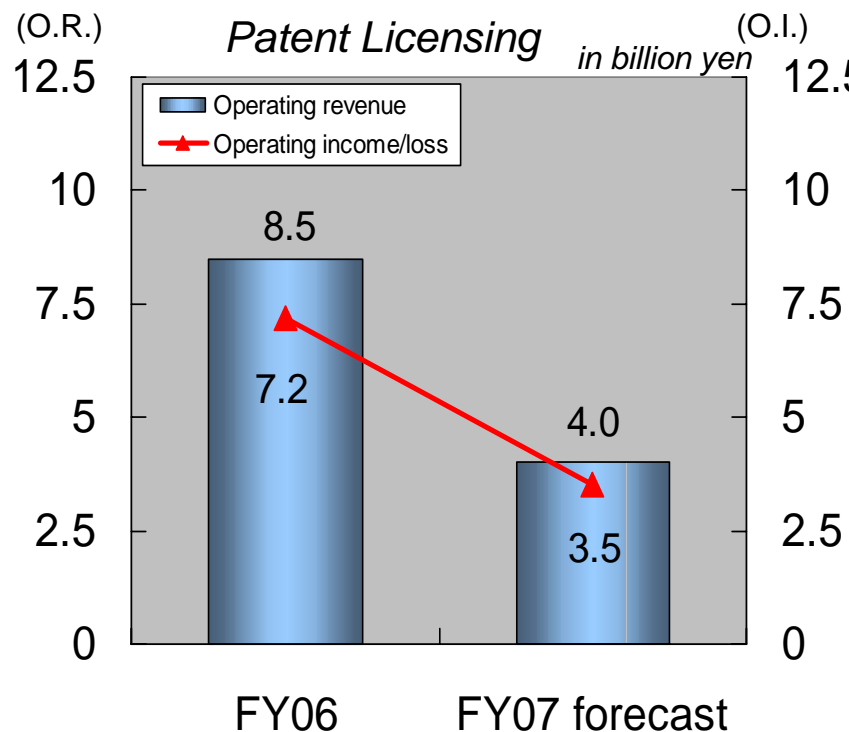
<Shipment forecasts – consumer market>
 (in thousand units)



(in thousand units)

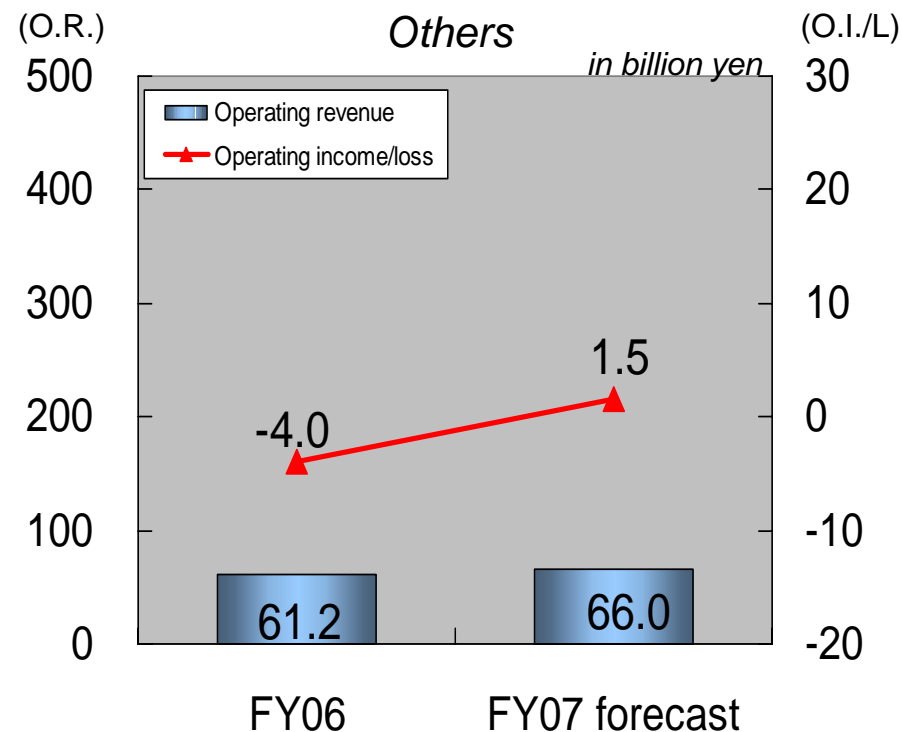


Forecast for FY March 2007: Patent Licensing/Others



[Operating revenue]
 % to prior year :47.1%
 (Decrease) Optical disc related royalty revenue

[Operating income/loss]
 % to prior year: 46.7%
 (Negative factor) Optical disc related royalty revenue

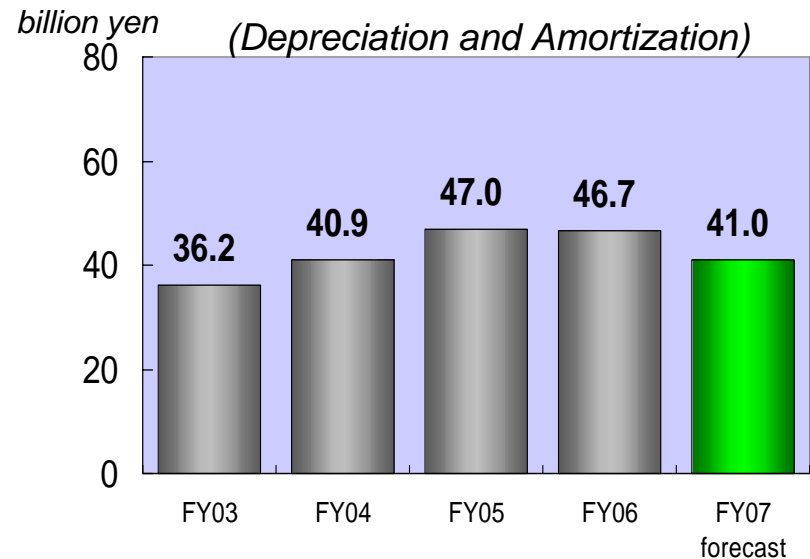
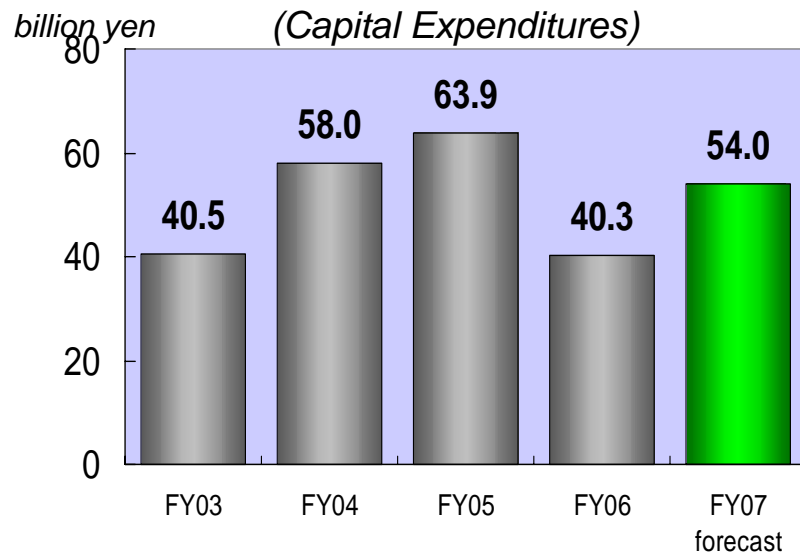
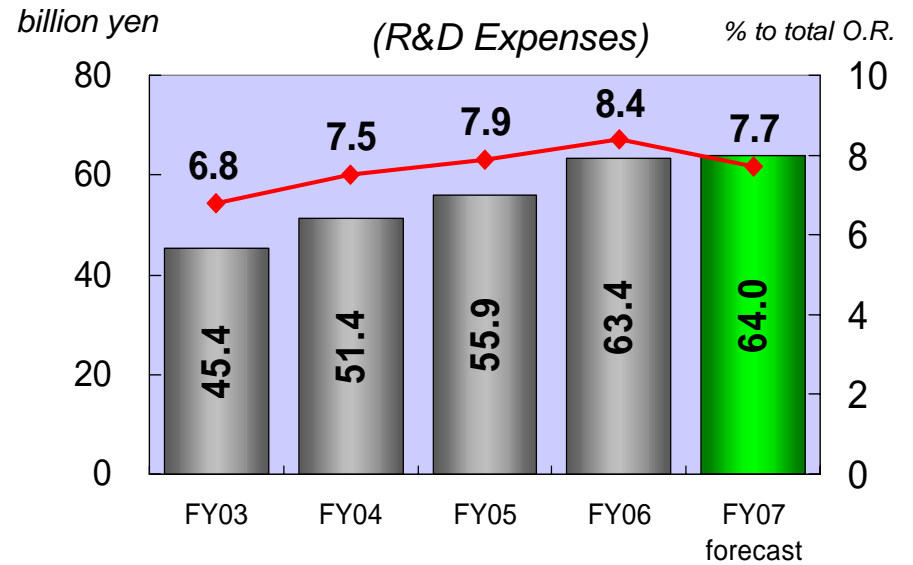
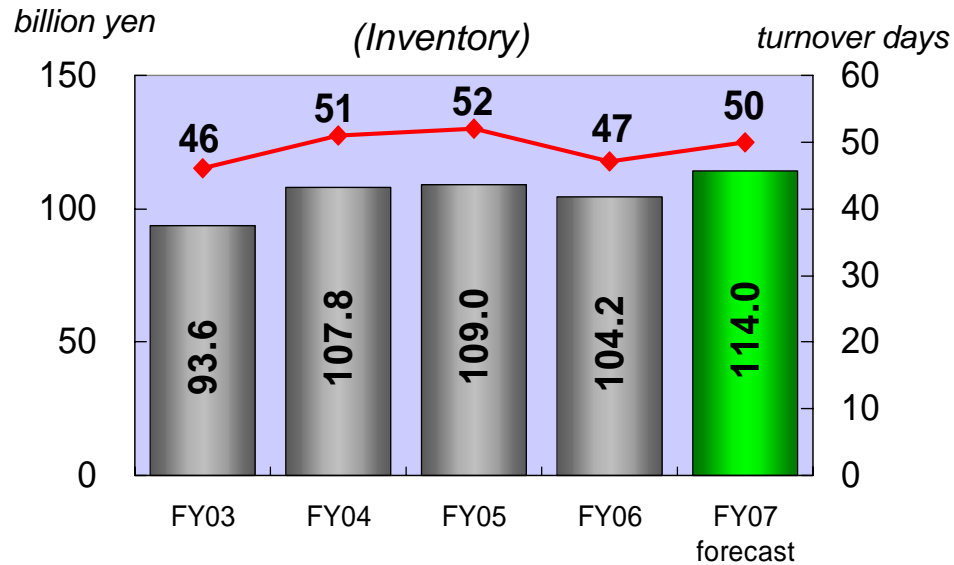


[Operating revenue]
 % to prior year :107.8%
 (Decrease) Factory automation systems, OLED display panels

[Operating income/loss]
 % to prior year: to turn into black
 (Positive factor) Factory automation systems, OLED display panels

*Operating Income and Loss by Segment shown in this presentation represents figures prior to elimination of transactions among Segments *In the Others segment, business results of Pioneer Precision Machinery Corporation Group has been disregarded due to preliminary agreement of stock transfer.

Inventory, R&D Expenses, Capital Expenditures, Depreciation & Amortization



Current Challenges and Future Business Plans

Home Electronics: Plasma Displays

- a. *Increase production line utilization rate in step with growing demand*
- b. *Improve profitability by focusing on Pioneer brand products*
- c. *Launch innovative products, including those featuring 1080p specifications*



**50-inch 1080p Plasma Monitor
PDP 5000EX**

Home Electronics: DVDs

- a. Raise efficiency in product development / co-development with partners*
- b. Externally sell key DVD recorder components*
- c. Enhance profitability by boosting DVD drive sales volume*
- d. Accelerate development of Blu-ray Disc products*
- e. Reduce DVD recorder lineup to products in areas of expertise*



*Digital high-definition program applicable
DVD Recorder, DVR DT100*



*Blu-ray Disc Drive
BDR 101A*

Car Electronics

- a. *Ensure profits by strengthening consumer-market car audio business*
- b. *Expand consumer-market car navigation system business*
- c. *Expand OEM business*



*HDD Car Navigation System
AVIC Z1*



*HDD "Raku-Navi"
AVIC HRZ09*

Progress in Structural Reforms

Structural reforms

- *Dismantle the “Internal Company” System*

Organization Change took effect January 1, 2006

- *Workforce Reduction in Japan*

Completed March 31, 2006

Management Innovation Projects

- 1. Formulate a new corporate vision*
- 2. Revise and reinforce core processes*
- 3. Change the corporate culture*
- 4. Revitalize the audio business*
- 5. Optimally allocate head office strategy formulation and administrative functions on a consolidated basis*

Pioneer *sound.vision.soul*