

PIONEER CORP  
Form 6-K  
July 28, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 6-K  
REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13A-16 OR 15D-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of July, 2005

Commission File Number 1-7616

**PIONEER CORPORATION**

(Translation of registrant's name into English)

**4-1, MEGURO 1-CHOME, MEGURO-KU, TOKYO 153-8654, JAPAN**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F:  
Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

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Pioneer Announces First-Quarter Results for Fiscal 2006

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIONEER CORPORATION  
(Registrant)

Date: July 28, 2005

By /s/ Kaneo Ito  
Kaneo Ito  
President and Representative Director

This report on Form 6-K contains the followings:

1. The announcement released by the Company to the press in Japan dated July 28 2005, concerning its consolidated first-quarter business results for the period ended June 30, 2005.
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July 28, 2005***Pioneer Announces First-Quarter Results for Fiscal 2006**

TOKYO Pioneer Corporation today announced its consolidated first-quarter business results for the period ended June 30, 2005.

**Consolidated Financial Highlights**

|                                   | (In millions of yen except per share<br>information) |           |                       |
|-----------------------------------|------------------------------------------------------|-----------|-----------------------|
|                                   | Three months ended June 30                           |           |                       |
|                                   | 2005                                                 | 2004      | % to<br>prior<br>year |
| Operating revenue                 | ¥ 164,183                                            | ¥ 163,487 | 100.4%                |
| Operating income (loss)           | (8,869)                                              | 5,012     |                       |
| Income (loss) before income taxes | (6,609)                                              | 4,239     |                       |
| Net income (loss)                 | ¥ (5,343)                                            | ¥ 1,497   |                       |
| Net income (loss) per share:      |                                                      |           |                       |
| Basic                             | ¥ (30.63)                                            | ¥ 8.53    |                       |
| Diluted                           | ¥ (30.63)                                            | ¥ 7.46    |                       |

Note: Effective from fiscal 2005 year-end presentation, the Company classified gains and losses on sale and disposal of fixed assets, which were previously included in Operating costs and expenses, into Other income (expenses). Previously reported amounts have been reclassified accordingly.

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**Consolidated Business Results**

For the first quarter of fiscal 2006, ended June 30, 2005, consolidated operating revenue was ¥164,183 million (US\$1,479.1 million), approximately the same as the corresponding period of the previous year. Operating loss, however, was ¥8,869 million (US\$79.9 million), compared with operating income of ¥5,012 million for the corresponding period of the previous year and net loss amounted to ¥5,343 million (US\$48.1 million), compared with net income of ¥1,497 million for the corresponding period of the previous year. The average value of the yen was up 1.9% against the U.S. dollar and down 2.4% against the euro from the corresponding period in the previous year.

**Home Electronics** sales increased 13.4% from the corresponding period in the previous year to ¥63,205 million (US\$569.4 million). In Japan, sales increased by 19.3% to ¥17,040 million (US\$153.5 million), primarily due to an increase in sales of plasma displays, reflecting the expansion of our OEM (original equipment manufacturing) sales caused by the acquisition of a new subsidiary last autumn, despite the decrease in sales of DVD recorders. Overseas sales increased 11.3% to ¥46,165 million (US\$415.9 million), due to a worldwide rise in sales of plasma displays, and in Asia of DVD drives for personal computers, despite a decline in sales of audio products in Europe and Asia.

**Car Electronics** sales amounted to ¥82,213 million (US\$740.7 million), up 3.3% over the corresponding period in the previous year. In Japan, sales decreased 7.4% to ¥29,941 million (US\$269.7 million), due to a decrease in sales of car navigation systems to automobile manufacturers, which resulted from the lack of new car model launches compared with the corresponding period of the previous year, despite increased sales of such systems to consumer markets. Overseas sales increased 10.7% to ¥52,272 million (US\$470.9 million), due to growth in sales of car audio products to automobile manufacturers in North America and consumer markets in Central and South America and Europe; and higher sales of car navigation systems in North America.

Royalty revenue from **Patent Licensing** decreased 60.9% from the corresponding period in the previous year to ¥1,123 million (US\$10.1 million), reflecting the expiration of patents included in a portfolio of patents licensed to the optical disc industry and the lack of revenue from renewed contracts with licensees compared with the corresponding period of the previous year.

**Others** sales decreased 30.3% from the corresponding period in the previous year to ¥17,642 million (US\$158.9 million). In Japan, sales decreased 30.9% to ¥8,442 million (US\$76.1 million) reflecting a sales shift from Japan to China of devices for cellular phones and a decrease in sales of organic light-emitting diode (OLED) display panels.

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Overseas, sales decreased 29.7% to ¥9,200 million (US\$82.9 million), due to a drop in sales of optical disc manufacturing systems in Asia, despite the increase in sales of devices for cellular phones in China.

Operating loss was ¥8,869 million (US\$79.9 million) compared with operating income of ¥5,012 million for the corresponding period of the previous year. The loss resulted mainly from decreased gross profit margins due to the continuing decline in market prices of our major products. Net loss amounted to ¥5,343 million (US\$48.1 million) compared with net income of ¥1,497 million for the corresponding period of the previous year.

**Cash Flows**

Net cash used in operating activities for the first quarter ended June 30, 2005 was ¥1,060 million (US\$9.5 million), compared with ¥5,676 million used in the corresponding period of the previous year. Although net loss of ¥5,343 million was posted this quarter, collection of accounts receivable increased, and resulted in less cash used in operating activities. Net cash used in investing activities was ¥4,924 million (US\$44.4 million), compared with ¥13,283 million used in the corresponding period of the previous year. The difference resulted from decreased investment in production facilities as well as proceeds from sales of investment securities. Net cash provided by financing activities was ¥2,830 million (US\$25.5 million), compared with ¥6,365 million used in the corresponding period of the previous year.

**Business Forecasts for Fiscal 2006**

Our consolidated business forecasts for fiscal 2006, ending March 31, 2006, are unchanged from those announced on April 27, 2005, which are shown below. We assume average yen-U.S. dollar and yen-euro exchange rates for the remaining period of fiscal 2006 of ¥105 and ¥135, respectively.

|                                   | (In millions of yen)              |                            |                    |
|-----------------------------------|-----------------------------------|----------------------------|--------------------|
|                                   | Projections<br>for<br>fiscal 2006 | Results for<br>fiscal 2005 | Percent<br>changes |
| Operating revenue                 | ¥ 810,000                         | ¥ 733,648                  | +10.4%             |
| Operating income                  | 8,000                             | 2,592                      | +208.6%            |
| Income (loss) before income taxes | 7,500                             | (187)                      |                    |
| Net income (loss)                 | ¥ 1,000                           | ¥ (8,789)                  |                    |

**Cautionary Statement with Respect to Forward-Looking Statements**

Statements made in this release 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

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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 and subjective and changing consumer preferences; (iv) our ability to successfully implement 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. Pioneer Corporation is one of the leading manufacturers of consumer- and business-use electronics products such as audio, video and car electronics on a global scale. Its shares are traded on the New York Stock Exchange (ticker symbol PIO), Euronext Amsterdam, Tokyo Stock Exchange, and Osaka Securities Exchange.

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The U.S. dollar amounts in this release represent translation of Japanese yen, for convenience only, at the rate of ¥111=US\$1.00, the approximate rate prevailing on June 30, 2005.

Attached are consolidated financial statements for the three months ended June 30, 2005.

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**Table of Contents****Pioneer Corporation and Subsidiaries****(1) OPERATING REVENUE BY SEGMENT**

(In millions of yen)

|                  | 2005      |               | Three months ended June 30<br>2004 |               | % to<br>prior<br>year |
|------------------|-----------|---------------|------------------------------------|---------------|-----------------------|
|                  | Amount    | % to<br>total | Amount                             | % to<br>total |                       |
| Domestic         | ¥ 17,040  | 10.4%         | ¥ 14,285                           | 8.7%          | 119.3%                |
| Overseas         | 46,165    | 28.1          | 41,468                             | 25.4          | 111.3                 |
| Home Electronics | 63,205    | 38.5          | 55,753                             | 34.1          | 113.4                 |
| Domestic         | 29,941    | 18.2          | 32,331                             | 19.8          | 92.6                  |
| Overseas         | 52,272    | 31.9          | 47,224                             | 28.9          | 110.7                 |
| Car Electronics  | 82,213    | 50.1          | 79,555                             | 48.7          | 103.3                 |
| Domestic         |           |               |                                    |               |                       |
| Overseas         | 1,123     | 0.7           | 2,875                              | 1.8           | 39.1                  |
| Patent Licensing | 1,123     | 0.7           | 2,875                              | 1.8           | 39.1                  |
| Domestic         | 8,442     | 5.2           | 12,223                             | 7.5           | 69.1                  |
| Overseas         | 9,200     | 5.5           | 13,081                             | 7.9           | 70.3                  |
| Others           | 17,642    | 10.7          | 25,304                             | 15.4          | 69.7                  |
| Domestic         | 55,423    | 33.8          | 58,839                             | 36.0          | 94.2                  |
| Overseas         | 108,760   | 66.2          | 104,648                            | 64.0          | 103.9                 |
| Total            | ¥ 164,183 | 100.0%        | ¥ 163,487                          | 100.0%        | 100.4%                |

**(2) CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions of yen)

|                                              | Three months ended June 30 |           | % to<br>prior year |
|----------------------------------------------|----------------------------|-----------|--------------------|
|                                              | 2005                       | 2004      |                    |
| Operating revenue:                           |                            |           |                    |
| Net sales                                    | ¥ 163,060                  | ¥ 160,612 | 101.5%             |
| Royalty revenue                              | 1,123                      | 2,875     | 39.1               |
| Total operating revenue                      | 164,183                    | 163,487   | 100.4              |
| Operating costs and expenses:                |                            |           |                    |
| Cost of sales                                | 130,213                    | 117,277   | 111.0              |
| Selling, general and administrative expenses | 42,839                     | 41,198    | 104.0              |

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|                                                        |           |         |         |
|--------------------------------------------------------|-----------|---------|---------|
| Total operating costs and expenses                     | 173,052   | 158,475 | 109.2   |
| Operating income (loss)                                | (8,869)   | 5,012   |         |
| Other income (expenses):                               |           |         |         |
| Interest income                                        | 627       | 358     | 175.1   |
| Foreign exchange loss                                  | (742)     | (933)   | 79.5    |
| Interest expense                                       | (395)     | (374)   | 105.6   |
| Other net                                              | 2,770     | 176     | 1,573.9 |
| Total other income (expenses)                          | 2,260     | (773)   |         |
| Income (loss) before income taxes                      | (6,609)   | 4,239   |         |
| Income taxes                                           | (1,552)   | 1,607   |         |
| Minority interest in losses (earnings) of subsidiaries | 567       | (290)   |         |
| Equity in losses of affiliated companies               | (853)     | (845)   | 100.9   |
| Net income (loss)                                      | ¥ (5,343) | ¥ 1,497 | %       |

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**Table of Contents****Pioneer Corporation and Subsidiaries****(3) CONSOLIDATED BALANCE SHEETS**

(In millions of yen)

|                                                             | June 30   |           | Increase/<br>(Decrease) | March 31  |                         |
|-------------------------------------------------------------|-----------|-----------|-------------------------|-----------|-------------------------|
|                                                             | 2005      | 2004      |                         | 2005      | Increase/<br>(Decrease) |
| <b><u>ASSETS</u></b>                                        |           |           |                         |           |                         |
| Current assets:                                             |           |           |                         |           |                         |
| Cash and cash equivalents                                   | ¥ 114,770 | ¥ 168,962 | ¥ (54,192)              | ¥ 116,681 | ¥ (1,911)               |
| Trade receivables, less allowance                           | 109,699   | 104,629   | 5,070                   | 132,176   | (22,477)                |
| Inventories                                                 | 125,968   | 127,499   | (1,531)                 | 109,015   | 16,953                  |
| Others                                                      | 73,627    | 66,794    | 6,833                   | 69,024    | 4,603                   |
| Total current assets                                        | 424,064   | 467,884   | (43,820)                | 426,896   | (2,832)                 |
| Investments and long-term receivables                       | 24,593    | 33,267    | (8,674)                 | 28,828    | (4,235)                 |
| Property, plant and equipment, less depreciation            | 205,477   | 160,512   | 44,965                  | 210,145   | (4,668)                 |
| Intangible assets                                           | 22,804    | 18,270    | 4,534                   | 24,052    | (1,248)                 |
| Other assets                                                | 37,870    | 35,208    | 2,662                   | 35,246    | 2,624                   |
| Total assets                                                | ¥ 714,808 | ¥ 715,141 | ¥ (333)                 | ¥ 725,167 | ¥ (10,359)              |
| <b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>          |           |           |                         |           |                         |
| Current liabilities:                                        |           |           |                         |           |                         |
| Short-term borrowings and current portion of long-term debt | ¥ 58,437  | ¥ 23,732  | ¥ 34,705                | ¥ 52,428  | ¥ 6,009                 |
| Trade payables                                              | 98,285    | 87,776    | 10,509                  | 96,335    | 1,950                   |
| Others                                                      | 88,260    | 97,803    | (9,543)                 | 102,407   | (14,147)                |
| Total current liabilities                                   | 244,982   | 209,311   | 35,671                  | 251,170   | (6,188)                 |
| Long-term debt                                              | 80,357    | 89,563    | (9,206)                 | 81,219    | (862)                   |
| Other long-term liabilities                                 | 42,458    | 58,938    | (16,480)                | 42,371    | 87                      |
| Minority interests                                          | 17,691    | 18,077    | (386)                   | 18,168    | (477)                   |
| Shareholders' equity:                                       |           |           |                         |           |                         |
| Common stock                                                | 49,049    | 49,049    |                         | 49,049    |                         |
| Capital surplus                                             | 82,797    | 82,549    | 248                     | 82,735    | 62                      |
| Retained earnings                                           | 255,213   | 275,215   | (20,002)                | 260,556   | (5,343)                 |
| Accumulated other comprehensive income (loss)               | (45,306)  | (57,094)  | 11,788                  | (47,669)  | 2,363                   |
| Treasury stock                                              | (12,433)  | (10,467)  | (1,966)                 | (12,432)  | (1)                     |
| Total shareholders' equity                                  | 329,320   | 339,252   | (9,932)                 | 332,239   | (2,919)                 |
| Total liabilities and shareholders' equity                  | ¥ 714,808 | ¥ 715,141 | ¥ (333)                 | ¥ 725,167 | ¥ (10,359)              |

|                                                             |            |            |          |            |         |
|-------------------------------------------------------------|------------|------------|----------|------------|---------|
| Breakdown of accumulated other comprehensive income (loss): |            |            |          |            |         |
| Minimum pension liability adjustments                       | ¥ (11,255) | ¥ (22,315) | ¥ 11,060 | ¥ (11,186) | ¥ (69)  |
| Net unrealized holding gain on securities                   | 6,499      | 9,296      | (2,797)  | 8,250      | (1,751) |
| Cumulative foreign currency translation adjustments         | (40,550)   | (44,075)   | 3,525    | (44,733)   | 4,183   |
| Total accumulated other comprehensive income (loss)         | ¥ (45,306) | ¥ (57,094) | ¥ 11,788 | ¥ (47,669) | ¥ 2,363 |

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**Table of Contents****Pioneer Corporation and Subsidiaries****(4) CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions of yen)

|                                                                 | Three months ended June 30 |            |
|-----------------------------------------------------------------|----------------------------|------------|
|                                                                 | 2005                       | 2004       |
| I. Operating activities:                                        |                            |            |
| Net income (loss)                                               | ¥ (5,343)                  | ¥ 1,497    |
| Depreciation and amortization                                   | 12,547                     | 10,509     |
| Decrease in trade receivables                                   | 22,878                     | 8,609      |
| Increase in inventories                                         | (16,031)                   | (18,808)   |
| Increase in trade payables                                      | 2,409                      | 7,244      |
| Decrease in other accrued liabilities                           | (8,085)                    | (12,730)   |
| Other                                                           | (9,435)                    | (1,997)    |
| Net cash used in operating activities                           | (1,060)                    | (5,676)    |
| II. Investing activities:                                       |                            |            |
| Payment for purchase of fixed assets                            | (8,927)                    | (13,638)   |
| Other                                                           | 4,003                      | 355        |
| Net cash used in investing activities                           | (4,924)                    | (13,283)   |
| III. Financing activities:                                      |                            |            |
| Increase (decrease) in short-term borrowings and long-term debt | 6,049                      | (4,069)    |
| Dividends paid                                                  | (2,180)                    | (2,193)    |
| Other                                                           | (1,039)                    | (103)      |
| Net cash provided by (used in) financing activities             | 2,830                      | (6,365)    |
| Effect of exchange rate changes on cash and cash equivalents    | 1,243                      | 1,867      |
| Net decrease in cash and cash equivalents                       | (1,911)                    | (23,457)   |
| Cash and cash equivalents, beginning of period                  | 116,681                    | 192,419    |
| Cash and cash equivalents, end of period                        | ¥ 114,770                  | ¥ 168,962  |
| Free cash flow (I + II)                                         | ¥ (5,984)                  | ¥ (18,959) |

**Table of Contents****Pioneer Corporation and Subsidiaries****(5) SEGMENT INFORMATION**

The following segment information is prepared pursuant to the regulations under the Securities and Exchange Law of Japan.

<Business Segments>

(In millions of yen)

|                            | 2005              |                  | Three months ended June 30<br>2004 |                  | % to prior year   |                  |
|----------------------------|-------------------|------------------|------------------------------------|------------------|-------------------|------------------|
|                            | Operating Revenue | Operating Income | Operating Revenue                  | Operating Income | Operating Revenue | Operating Income |
| Home Electronics           | ¥ 63,508          | ¥ (12,428)       | ¥ 56,383                           | ¥ (4,322)        | 112.6%            | %                |
| Car Electronics            | 82,608            | 5,314            | 79,601                             | 6,316            | 103.8             | 84.1             |
| Patent Licensing           | 1,123             | 371              | 3,262                              | 2,749            | 34.4              | 13.5             |
| Others                     | 27,639            | (754)            | 33,368                             | 1,048            | 82.8              |                  |
| Total                      | 174,878           | (7,497)          | 172,614                            | 5,791            | 101.3             |                  |
| Corporate and Eliminations | (10,695)          | (1,372)          | (9,127)                            | (779)            |                   |                  |
| Consolidated               | ¥ 164,183         | ¥ (8,869)        | ¥ 163,487                          | ¥ 5,012          | 100.4%            | %                |

Notes:

1. The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.
2. The consolidated financial statements include the accounts of the parent company and 125 subsidiaries and the investments in 5 affiliated

companies  
accounted for  
on an equity  
basis.

3. Effective from fiscal 2005 year-end presentation, operating income is presented as net sales less cost of sales, selling, general and administrative expenses in order to be consistent with generally accepted financial reporting practice in Japan. The Company believes that such presentation is useful for comparison of the Company's financial results with those of other Japanese companies. Under the U.S. GAAP, business restructuring expenses and losses on impairment of long-lived assets as well as gains and losses on sale and disposal of fixed assets included in Other net are included in operating

income.  
Previously  
reported  
amounts in  
consolidated  
statements of  
operations and  
segment  
information  
have been  
reclassified  
accordingly.

4. Effective from this first quarter, the Company changed business segment classification for certain businesses. Results related to plasma displays for business use and DJ equipment have been moved from Others to Home Electronics. Corresponding figures for the previously reported operating revenue by segment and segment information have been reclassified accordingly.