

*Business Development of the
Home Entertainment Company*

Pioneer Corporation

President of Home Entertainment Company

Senior Managing Director

Akira Nijima

November 26, 2003

Today's agenda

- 1. Business Forecast for FY 2004**
- 2. Plasma Display Business**
- 3. DVD Recorder Business**
- 4. Home Theater Business**
- 5. Strategy to Improve Profitability**

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.

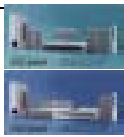



Home Electronics Segment Business Forecast FY 2004

(In billion yen)

	(1st half)	(2nd half)	(full year)
•Operating Revenue	80.1	166.9	247.0
•Operating Income	-10.1	11.1	1.0

Exchange rates (for 2nd half) US Dollar : 110 yen Euro : 125 yen

Japan : Introduction Schedule of Main Models

	1st half	2nd half
Home theater system		
DVD Recorder		
Plasma displays	<p>3rd line (Shizuoka) Operating from this August</p> <p>↓</p> <p>Good operational start in 2nd half, expanding production ability</p>	

Voluminous TV commercials mainly for Plasma displays and DVD Recorders towards Year-end sale, seeking for sales expansion.

Business Direction

Creation of Core Home AV Entertainment Systems
 by positioning the technology of
PDP, Set-top Boxes, Optical Disc and Audio Video
 as Pioneer's core competence, in order to attain the
No.1 position in the Home Audio Video Market



Display
 PDP technology



Network Gateways
 Digital STB
 (Cable & Satellite)
 technology



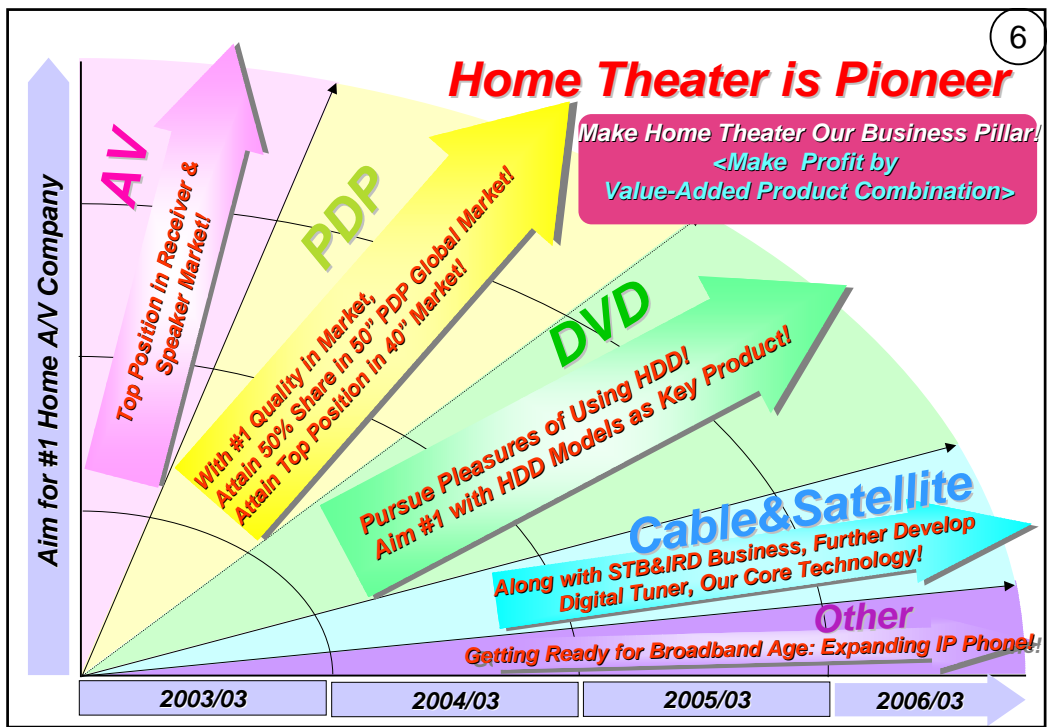
Communication
 Fixed cable
 telecommunication
 technology



Storage
 Optical Disc
 technology



Audio
 Hi-Fi &
 surround sound
 technology

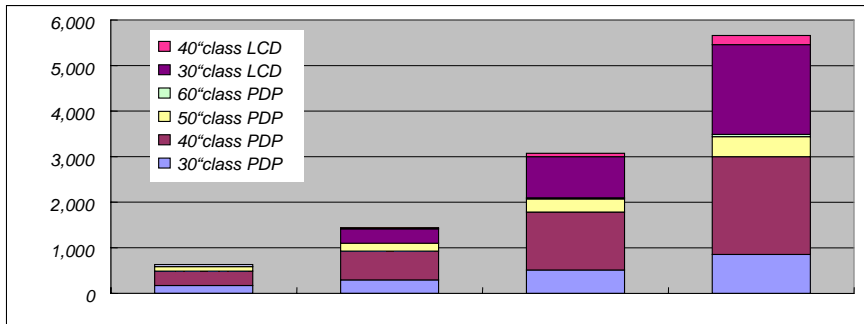


Plasma Display Business

Home Entertainment Company

Global Market & Projection of Flat Panel Displays

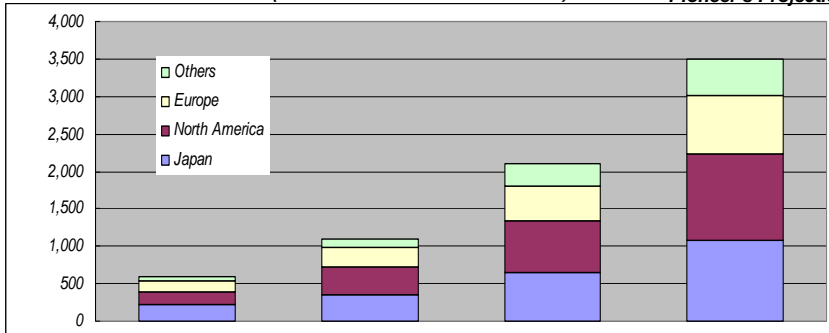
(1000 units) (Consumer + Industrial) Pioneer's Projection



	2003/03	2004/03	2005/03	2006/03
LCD above 30 inch	47	330	980	2,150
PDP	590	1,100	2,100	3,500
Flat Display Total	637	1,430	3,080	5,650

Global Market & Projections of PDP by Region

(1000 units) (Consumer PDP + Industrial PDP) Pioneer's Projection



	2003/03	2004/03	2005/03	2006/03
Japan	225	355	650	1,070
North America	165	365	695	1,165
Europe	147	260	460	770
Others	53	120	295	495
Total	590	1,100	2,100	3,500

PDP New Lineup

Separate type model
Layout overwhelming conventional TV

Small footprint/emphasized on usability
All in one TV model

PDP-434HD



On sale from Aug. 8, 2003
MSRP:¥850,000

PDP-504HD



On sale from Sep. 20, 2003
MSRP:¥1,100,000

PDP-434BX



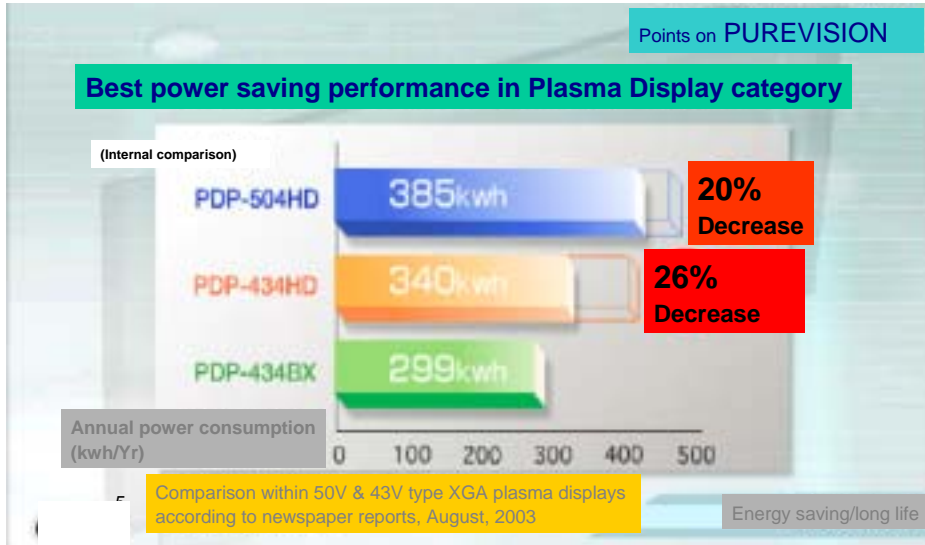
On sale from late October, 2003
MSRP:¥850,000

PDP-434TX



On sale from late November, 2003
MSRP:¥798,000

Improved Low Power Consumption, Trouble-free, Long Life Structure



Enlarging PDP Production Ability

	<u>Annual production ability</u>	<u>Start of operation</u>
1st line	50,000	April 1997
2nd line	100,000	October 2001
3rd line	100,000	August 2003
4th line	250,000 - 300,000	January 2005



<<3rd line, Shizuoka Factory>>

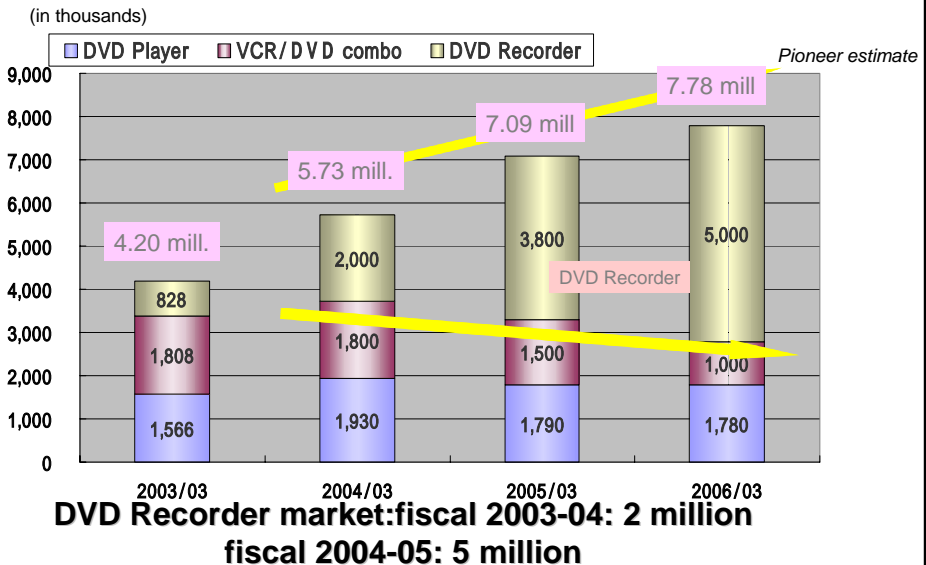


<< 4th line, Yamanashi Factory (under construction)>>

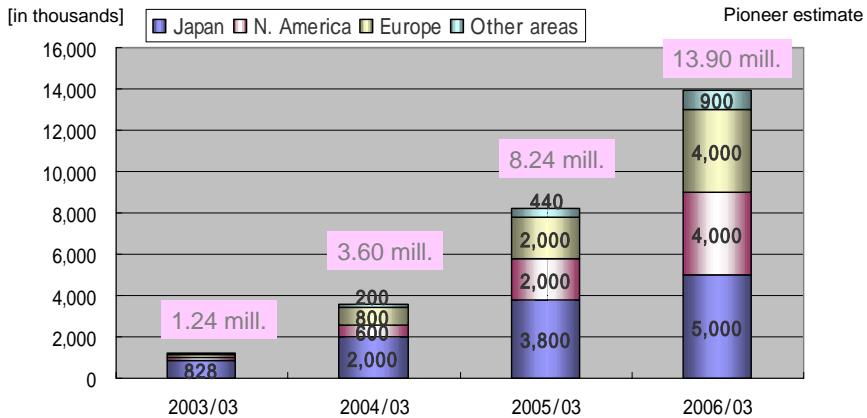
DVD Recorder Business

Home Entertainment Company

Domestic DVD Market Forecast (in units)



Global DVD Recorder Market Forecast (in units)



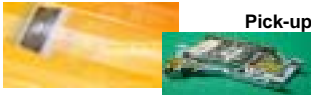
Fiscal 2003-04: 3.6 million to Fiscal 2005-06: 13.9 million

DVD Recorder Marketing Strategy

- Establish a leading brand through full-scale global launch
- Create attractive and competitive products with high consumer satisfaction
- Searching for playing compatibility and promote as a de-facto standard
- Expanding market share by hard-disk feature oriented lineup

Pioneer's Strength - Making Strategy Possible

- Quarter century of optical disc technology development
- Self production of DVD writer/pickup



-R/RW writer

Pick-up



DVD/LD Player

DVR-1000

LD Player

1 chip backend LSI

- Co-development of key LSI with device manufacturers
- Cost efficiency from volume effect through manufacturing DVD writer for PC and production in China



RENESAS technology



Manufacturing China
Pioneer Shanghai

-R/RW writer

- Synergy effect of plasma TV & Home theater

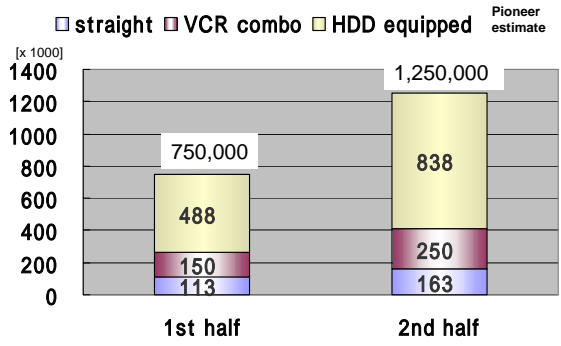


DVD Recorder Strategic Target

Fiscal 2005:
To gain 25% global market share

Fiscal 2003 2nd half domestic shipment:
380,000 units
Approx. 30% market share

Fiscal 2003 domestic market estimate, unit basis:
2 million



Japan: 2003 New Lineup



DVR-710H-s

Supreme model with full function
Ghost reduction tuner, with high picture quality progressive scan
160GB HDD equipped max. 204hrs recording, max. 24x speed dubbing



DVR-610H-s

Record-MORE large capacity 160GB HDD model
Easy dubbing from digital video cameras with DV input/output terminal
160GB HDD equipped max. 204hrs recording, max. 24x speed dubbing



DVR-515H-s

Easy & convenient 120GB HDD model
120GB HDD equipped max. 153hrs recording, max. 24x speed dubbing



DVR-510H-s

Easy & convenient 80GB HDD model
80GB HDD equipped max. 102hrs recording, max. 24x speed dubbing



DVR-310-s

6.9cm thin easy & convenient DVD recorder
Chase-play, advanced disc navi, disc directory making life easier

Full-scale Global Launch

Japan
5 models (4 with HDD)

Europe
2 models (1 with HDD)

North America
4 models (3 with HDD)



DVR-810H TiVo collaboration USA model

Home Theater Business

Home Entertainment Company

Home Theater is Pioneer

Picturesque from 1.7 billion colors

picture



Showing impressive scenes truly as they are

HD plasma TV "PUREVISION"

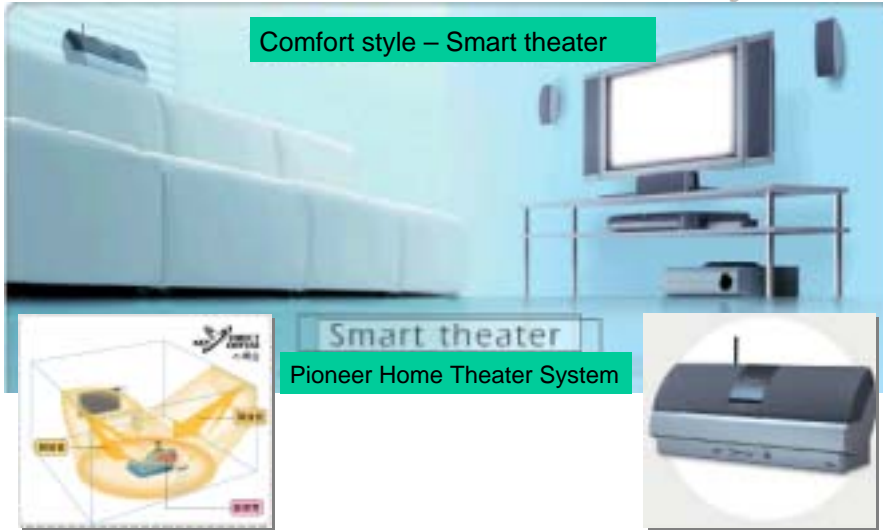
sound



Digital signal processing technology and sound field technology united as "Acoustronics" technology

Providing realistic playback to your daily life

Providing comfort in life **Pioneer Wireless System**



High sound quality 2.4 GHz digital transmission under CD quality

New sound field Living room full of new sensed realistic sound

Strategy to Improve Profitability

Home Entertainment Company

Strategy to Improve Profitability

<<Home A/V business>>

- Proposal of our original new home theater style through "Acoustronics" technology.
- Produce high value added products through switchover to DVD recorder system.

<<STB Business>>

- Proposal of high value added products, grabbing the business chance of global digitalization in broadcasting.
- Development and application of STB technology assets towards the digital broadcasting age.

Cost-cuts Details

Plasma display business

- Reduction of parts and cost cut by development of large scale/high dense ASIC.
- Efficient investment on line setting and process improvement, yield ratio enhancement strengthening cost competitiveness.
- Total cost reduction through accelerating product development and timely distribution – ready for the age of full scale competition.

DVD recorder business

- Expansion of production in China, and aggressive R&D in China reducing total cost
- Reduction of material cost and manufacture standing expense through volume efficiency of self manufacturing DVD writers for PC.
- Selective product development through original technology, and total cost reduction from scale merit from full scale global launch.
- Co-development of large scale/high dense LSI with device manufacturers