

**Pioneer** *sound.vision.soul*

***Information Meeting***

***“Measures on Business Restructuring  
and  
Future Business Plans”***

***Pioneer Corporation  
Executive Vice President and Representative Director  
Tamihiko Sudo***

***December 8, 2005***

## ***Today's Agenda***

***I. Reforms for the entire Pioneer group***

***II. Restructuring of display businesses***

***III. Effects of business restructuring measures***

***IV. Future business plans***

## ***Today's Agenda***

***I. Reforms for the entire Pioneer group***

***II. Restructuring of display businesses***

***III. Effects of business restructuring measures***

***IV. Future business plans***

## ***I. Reforms for the Entire Pioneer Group***

### ***1. Improve management efficiency through organizational restructuring***

*A) Dismantle “internal company” system, reorganize into a two-department setup*

*B) Consolidate employees related to Home Entertainment Business to one location*

*C) Reorganize head office organization*

## ***I. Reforms for the Entire Pioneer Group***

### ***2. Reduction of fixed costs***

*A) Consolidate production sites*

*B) Reduce R&D expense ratio to consolidated net sales*

*C) Rationalize operations of overseas sales subsidiaries*

*D) Maintain the listing only on Tokyo Stock Exchange*

## ***I. Reforms for the Entire Pioneer Group***

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**3. Review the number of employees at Pioneer group in Japan**

**4. Reduce number of directors/executive officers**

*I. Reforms for the entire Pioneer group*

***II. Restructuring of display businesses***

*III. Effects of business restructuring measures*

*IV. Future business plans*

## ***II. Restructuring of Display Businesses***

### ***1. Plasma display business***

***1. Lower dependency on OEM business***

***2. Reduce panel production scale***

***3. Impairment losses for production facilities***

## ***II. Restructuring of Display Businesses***

### ***2. OLED business***

***1. Give up mass production of active type OLEDs***

***2. Focus on passive type OLED business***

*I. Reforms for the entire Pioneer group*

*II. Restructuring of display businesses*

***III. Effects of business restructuring measures***

*IV. Future business plans*

### ***III. Effects of business restructuring measures***

***1. Impact on business performance for  
FY March 2006***

***2. Effects for FY March 2007 and beyond***

***3. Business forecast for FY March 2007***

*I. Reforms for the entire Pioneer group*

*II. Restructuring of display businesses*

*III. Effects of business restructuring measures*

***IV. Future business plans***

## ***IV. Future business plans***

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***“Enhancing profitability by reorganizing  
business strategies”***

- 1. Mobile Entertainment Business- Strengthen  
business and expand profits***
- 2. Home Entertainment Business –Reinforce  
business and improve profitability***

**I. Mobile Entertainment Business- Strengthen Business and Expand Profit**

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**1. Ensure profits by strengthening after-market car audio business**

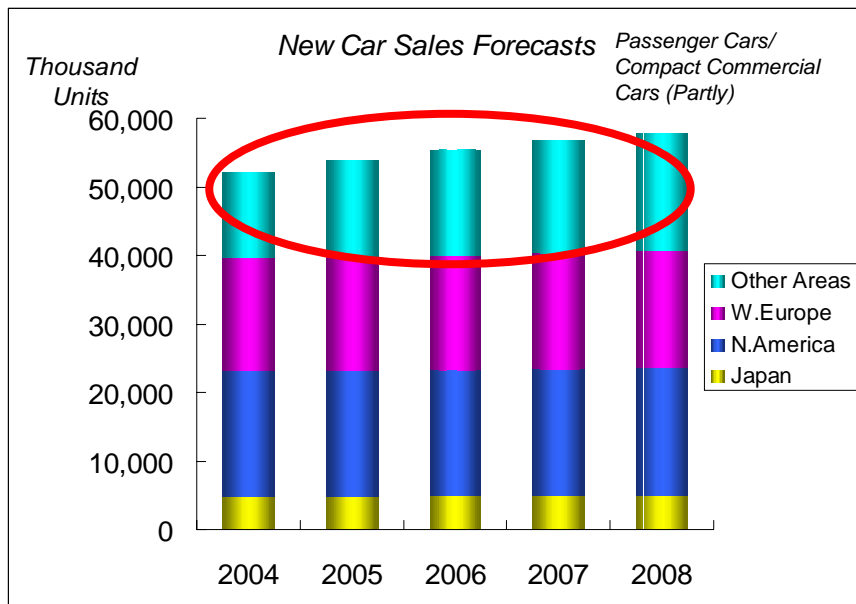
**2. Expand after-market car navigation system business**

**3. Expand OEM business**

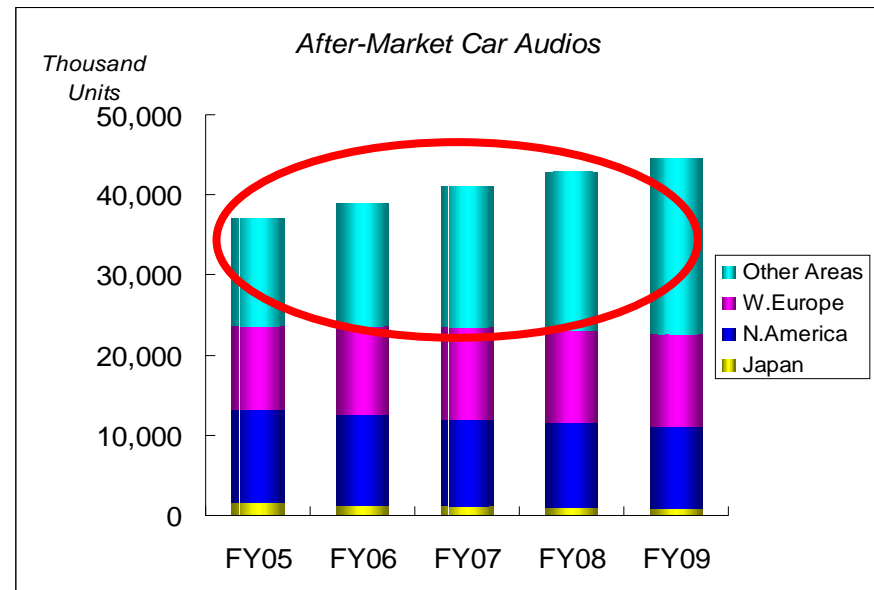
# I. Mobile Entertainment Business- Strengthen Business and Expand Profit

## 1. Ensure profits by strengthening after-market car audio business

- a. Expand sales aggressively in BRICs
- b. Propose new values and demonstrating Pioneer's uniqueness, while achieving intensive cost-down



Ref. Japan Automobile Dealers Association, WaRD'S, FOURIN, IRC and Automotive News

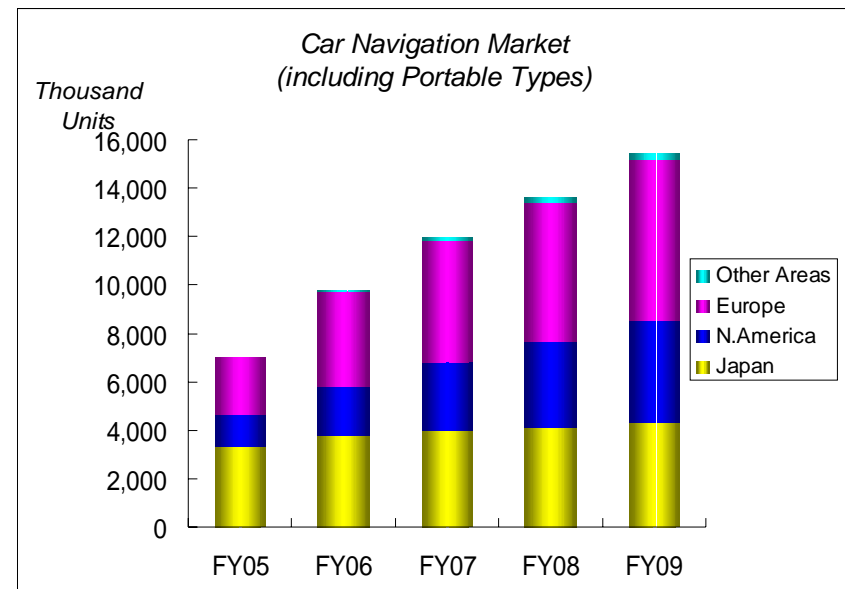


Pioneer Estimate (SCD+MCD+DVD+MD+Cassette)

# I. Mobile Entertainment Business- Strengthen Business and Expand Profit

## 2. Expand after-market car navigation system business

- a. **Maintain top share in Japan market**
- b. **Expand business in overseas market**
- c. **Develop products based on characteristics of each region**
- d. **Enhance efficiency by promoting process reforms**



**I. Mobile Entertainment Business- Strengthen Business and Expand Profit**

**3. Expand OEM business**

- a. Reinforce business for Japan car dealer option market**
- b. Expand business for market of assembly line genuine parts**
- c. Expand business towards fields of ITS/Telematics**

## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

**1. Points of reinforcement**

**2. Building organization and core process**

**3. Efforts in plasma displays**

**4. Efforts in optical discs**

**5. Efforts in home audios**

## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

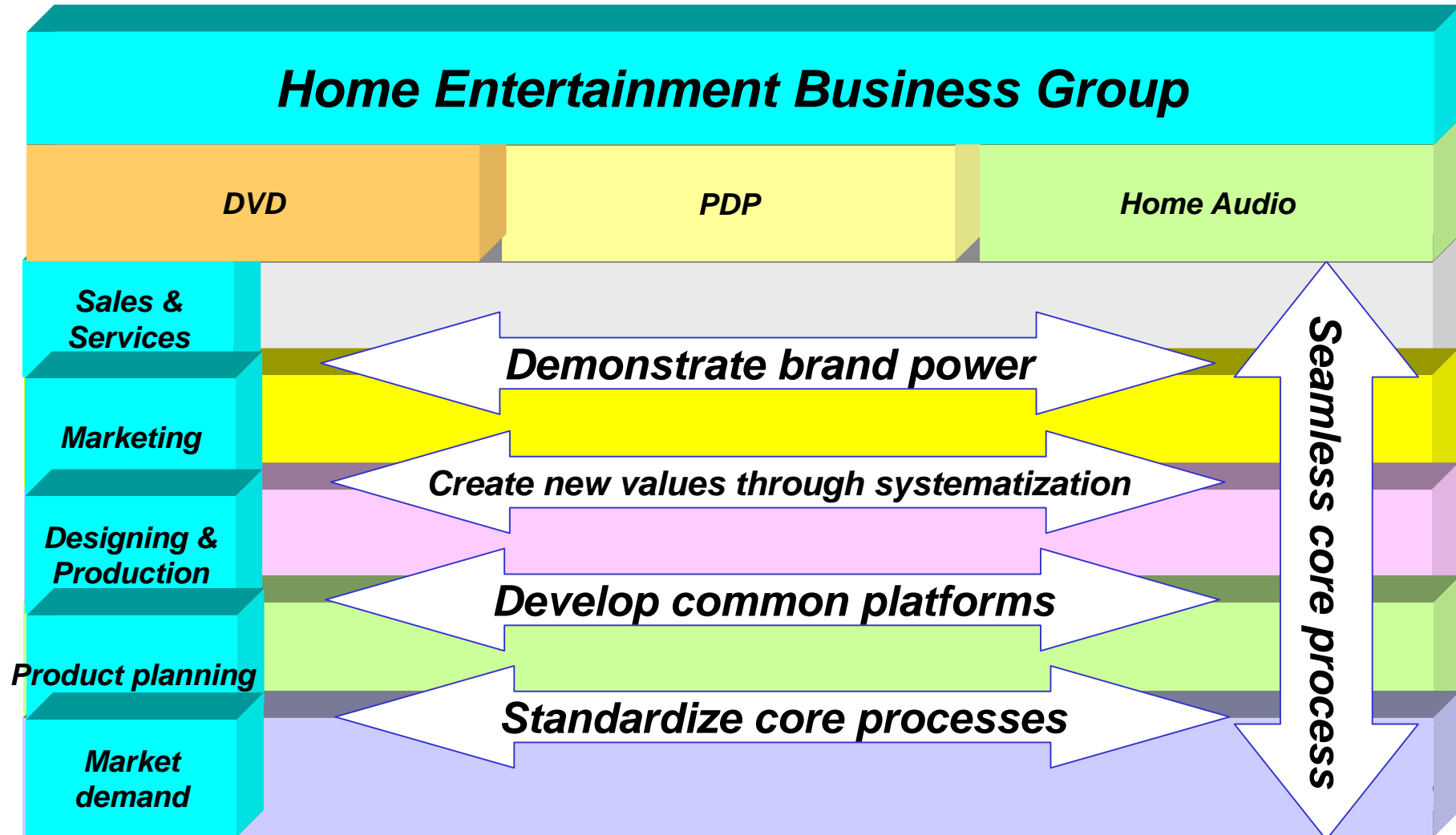
### **1. Points of reinforcement**

***“Demonstrate Pioneer’s uniqueness”***

- a. Reacknowledge our brand slogan, “sound.vision.soul”***
- b. Develop products demonstrating characteristics of Pioneer***

## II. Home Entertainment Business – Reinforce Business and Improve Profitability

### 2. Building organization and core process



## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

### **3. Efforts in plasma displays**

- a. Improve profitability by focusing on Pioneer brand products**
- b. Gain competitiveness by 1080p specification panels**
- c. Introduce advanced Home Entertainment centering on plasma displays**

## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

### **4. Efforts in optical discs (for home video recorders)**

- a. Select and focus on in-house development**
  - focus on advanced technology products**
- b. Improve profitability by strengthening and widening business alliance**
  - Promote alliance in LSI and software development**
  - Promote alliance in product manufacturing**



## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

### **4. Efforts in optical discs ( Recordable drives for PCs)**

- a. Recordable DVD drives for PCs**
  - **reinforce slim drive business**
  - **shift the focus of development towards Blu-ray disc drive business**
- b. Expand business for supplying drives for DVD recorders**
- c. Develop business in new areas**



*Recordable Blu-ray disc/DVD combo drive  
(Displayed at CEATEC 2005)*

## **II. Home Entertainment Business –Reinforce Business and Improve Profitability**

### **5. Efforts in home audios**

***Reactivate as core of Home Entertainment Business***



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## ***Rebuilding Pioneer***

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