



Meeting for Medium-Term Management Plan

Pioneer Corporation

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President and Representative Director***

April 28, 2009

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. It is not 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 continuously design and develop highly rated products and services in extremely competitive markets, which are characterized by continual product launches, rapid technological development, intense price-based competition, subjective and changing consumer preferences and other factors; (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.

Today's Agenda

1. Restructuring Measures

2. Medium-Term Business Plan

- ***Car Electronics Business Strategies***

- ***Home Electronics Business Strategies***

1. Restructuring Measures

Restructuring Measures – Outline

Business Portfolio Realignment

- *Home Electronics: Withdraw from businesses offering no prospects for profitability, and generate earnings by focusing on home AV products, DJ equipment and cable TV set-top boxes*
- *In the optical business, continue discussion on the details of the joint venture*
- *Car Electronics: Shift resources to Car Electronics business, and expand both the consumer-market and OEM businesses*

Streamlining the Business Framework of the Entire Pioneer Group

- *Adjust group-wide operations to match the business scale after restructuring, and reduce fixed costs*

Improving Our Financial Position

- *Keep our efforts by generating cash*
- *Continue discussions on financial partnerships*

Restructuring Measures – Business Portfolio Realignment

Measures	Details
<i>Completely withdrawing from display business</i>	<ul style="list-style-type: none"> -End sales by March 2010 -Close production facilities and review organizations and personnel at related divisions
<i>Establishing a joint venture in the optical disc business</i>	<ul style="list-style-type: none"> -Basic agreement with Sharp Corporation on April 9, 2009 to establish a joint venture ⇒ Plans call for entering into joint-venture contract by June 25, 2009 and establishing joint venture by October 1, 2009 -Take advantage of the strengths of both companies to restore profitability in the optical disc business
<i>Building a lean operating structure and generating new businesses in Car Electronics</i>	<ul style="list-style-type: none"> -Agreed with Mitsubishi Electric Corporation to jointly develop hardware and software used in car navigation and car AV products -Pioneer has signed a basic agreement with Shanghai Automotive Industry Corporation (Group) on April 23, 2009 to establish a joint venture specializing in the development and sale of intelligent transport systems and provisions of related services as well as in the development and sales of car AV products and car navigation systems

Restructuring Measures

-Streamlining the Business Framework of the Entire Pioneer Group

Measures	Details
<i>Reducing number of production companies in Japan and overseas</i>	<i>-Close 9 and downsize 6 of 30 production companies</i>
<i>Streamlining worldwide sales structures</i>	<p><i><Japan></i></p> <ul style="list-style-type: none"> <i>-Car Electronics: Combine sales divisions with five sales subsidiaries</i> <i>-Home Electronics: Combine sales divisions, including those at subsidiaries, into a sales subsidiary</i> <p><i><Overseas></i></p> <ul style="list-style-type: none"> <i>-Reduce personnel by around 20% through adjustments to organizations and structures in all regions</i>
<i>Overhauling headquarters and R&D structure</i>	<ul style="list-style-type: none"> <i>-Integrate five domestic operating bases into two locations (Kawasaki and Kawagoe)</i> <i>-Reorganize operations with the aim of optimizing the efficiency of headquarters and back office functions</i> <i>-Select and focus R&D themes that match the realigned business portfolio</i>
<i>Readjusting personnel levels</i>	<i>Through the above streamlining, compared with December 31, 2008, we will reduce personnel by around 5,800 regular employees and about 4,000 temporary and contract employees (4,600 in Japan; 5,200 overseas)</i>
<i>Reduction of directors and executive officers</i>	<p><i>Number of directors and executive officers will be reduced after the AGM of shareholders in June, 2009</i></p> <p style="margin-left: 20px;"><i>Current 25 directors and executive officers</i></p> <p style="margin-left: 20px;"><i>→ 19 directors and executive officers</i></p>

Restructuring Measures — Improving Our Financial Position

Measures	Details
<i>Generating cash</i>	<ul style="list-style-type: none"> -Reducing inventories (FY09: ¥85.0bn /76 days → FY12: ¥51.0bn /37 days) -Accelerating trade receivables collections (FY09: 2 months → FY12: 1.7 months) -Curbing capital expenditures (FY09: ¥46.0bn → FY12: ¥32.0bn) -Selling idle assets -Cutting directors/executive officers' remuneration and employees' salaries
<i>Considering financial partnerships</i>	<ul style="list-style-type: none"> -Keep considering to raise around ¥40.0 billion. -The board of directors has resolved to raise ¥2.5 billion through a third-party allotment of shares to Honda Motor Co., Ltd.

Restructuring Measures – Costs and Benefits

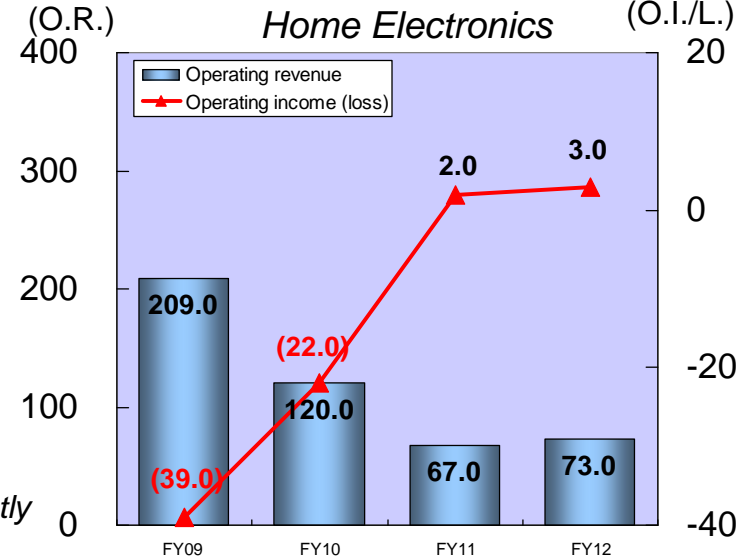
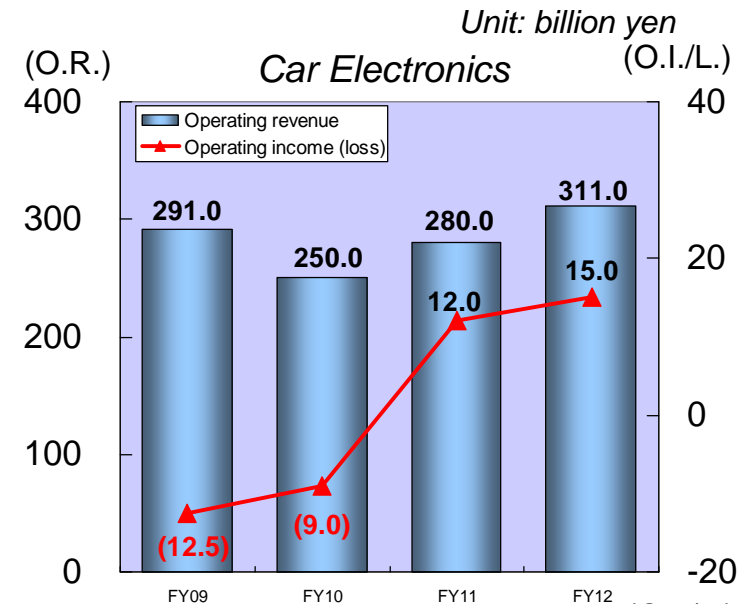
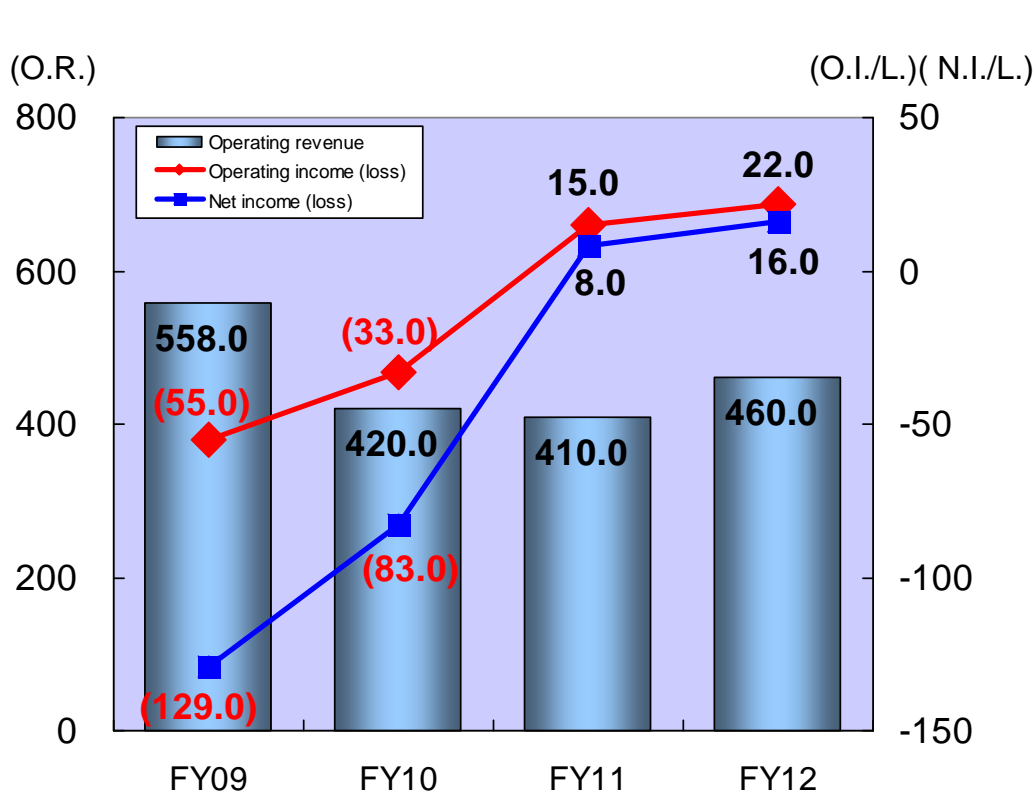
	FY 2010	FY 2011
<i>Business restructuring expenses (Including costs for personnel reductions)</i>	<i>47.0 billion yen (30.0 billion yen)</i>	/
<i>Reduction in fixed costs <versus Fiscal 2009></i>	<i>50.0 billion yen</i>	<i>85.0 billion yen</i>

Notes: 1 The above figures do not include in the impact of the joint venture currently being discussed with Sharp Corporation

2. The reduction in fixed costs include the cost savings from restructuring under way since the previous fiscal year.

2. Medium-Term Business Plan

Medium-Term Business Plan- Consolidated Business Forecasts

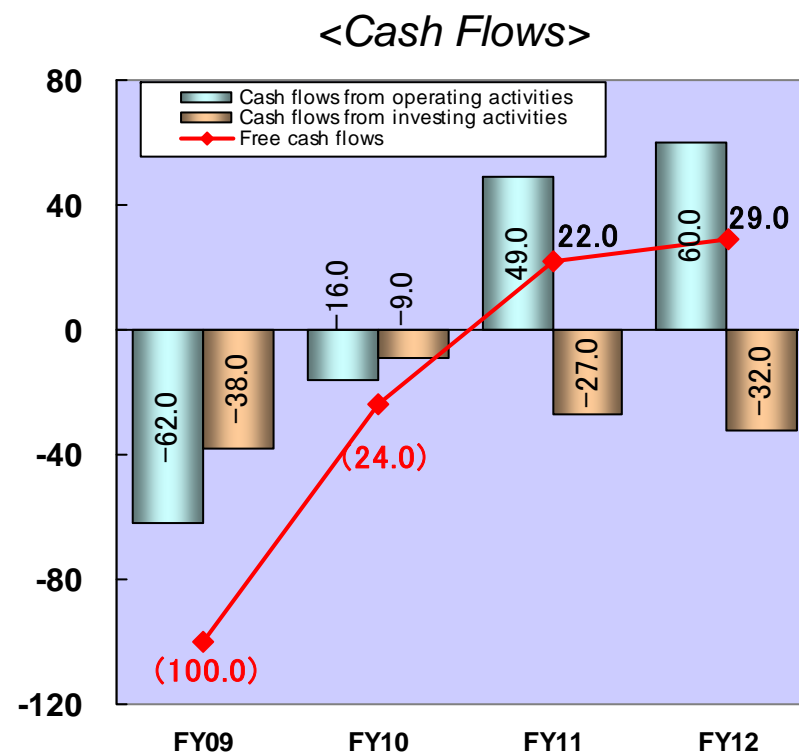
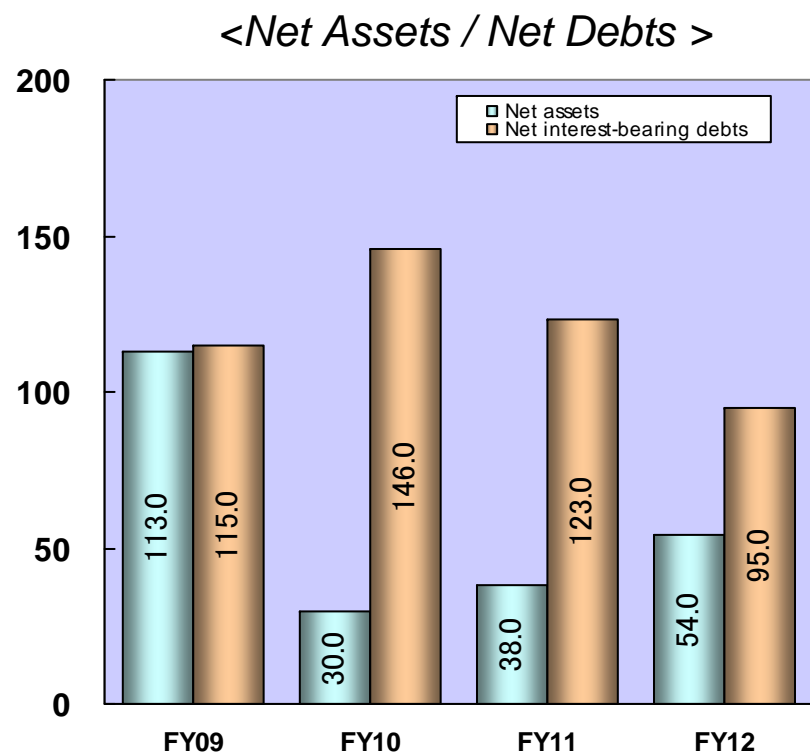


- Complete restructuring in fiscal 2010
- Restore profitability from fiscal 2011
- Exchange rate assumptions <FY10-FY12>:
90 yen/US\$; 115 yen/€

Note: The above graphs do not include the impact of the joint venture currently being discussed with Sharp Corporation.

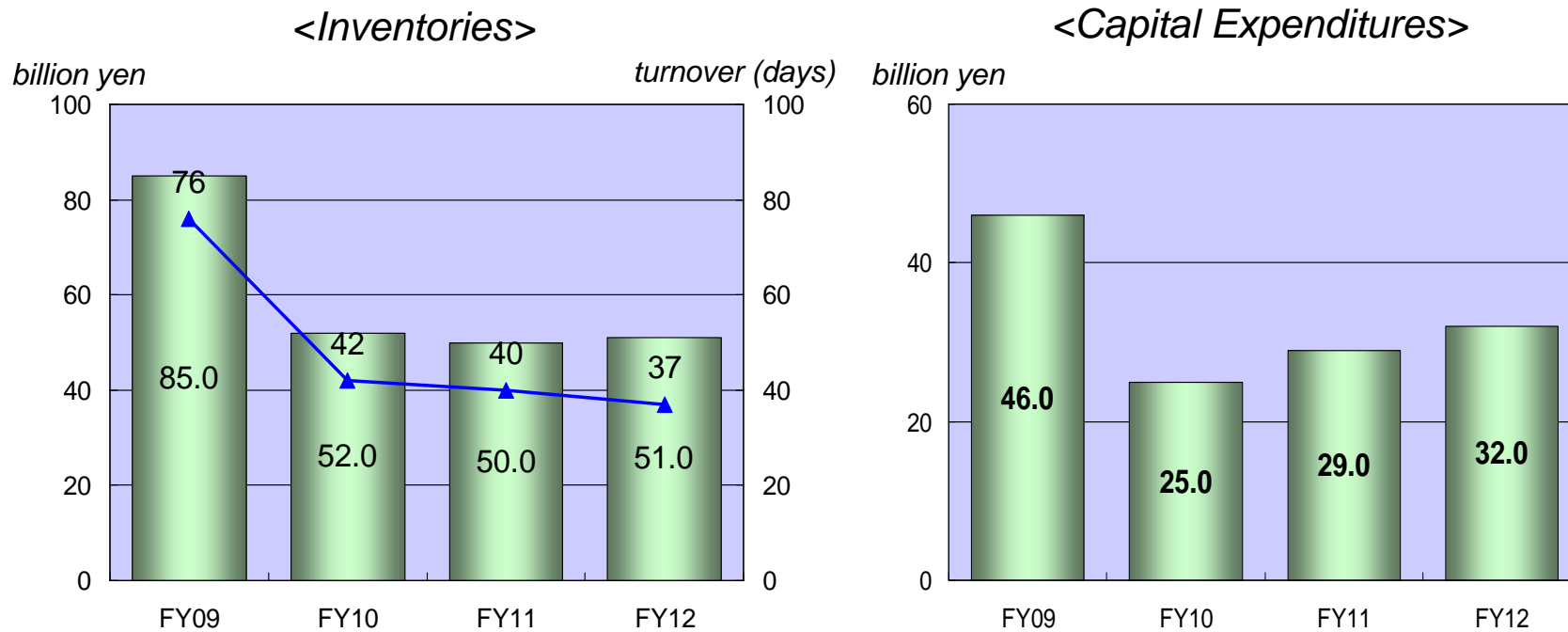
Medium-Term Business Plan – Net Assets / Net Debts and Cash Flows Forecast

Unit: billion yen



Note: The above graph does not include new fundraising of around ¥40 billion.

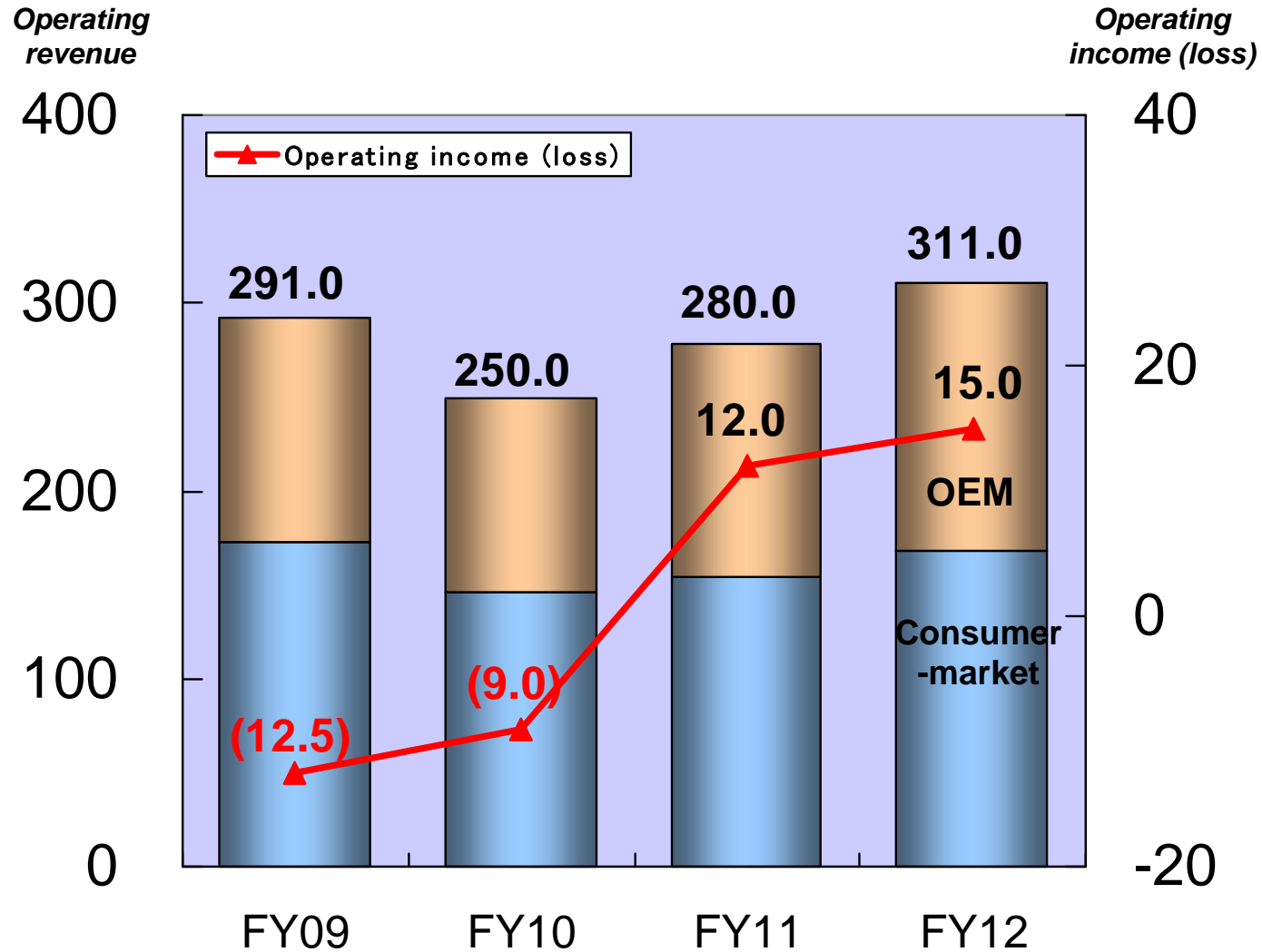
Medium-Term Business Plan- Inventories and Capital Expenditures



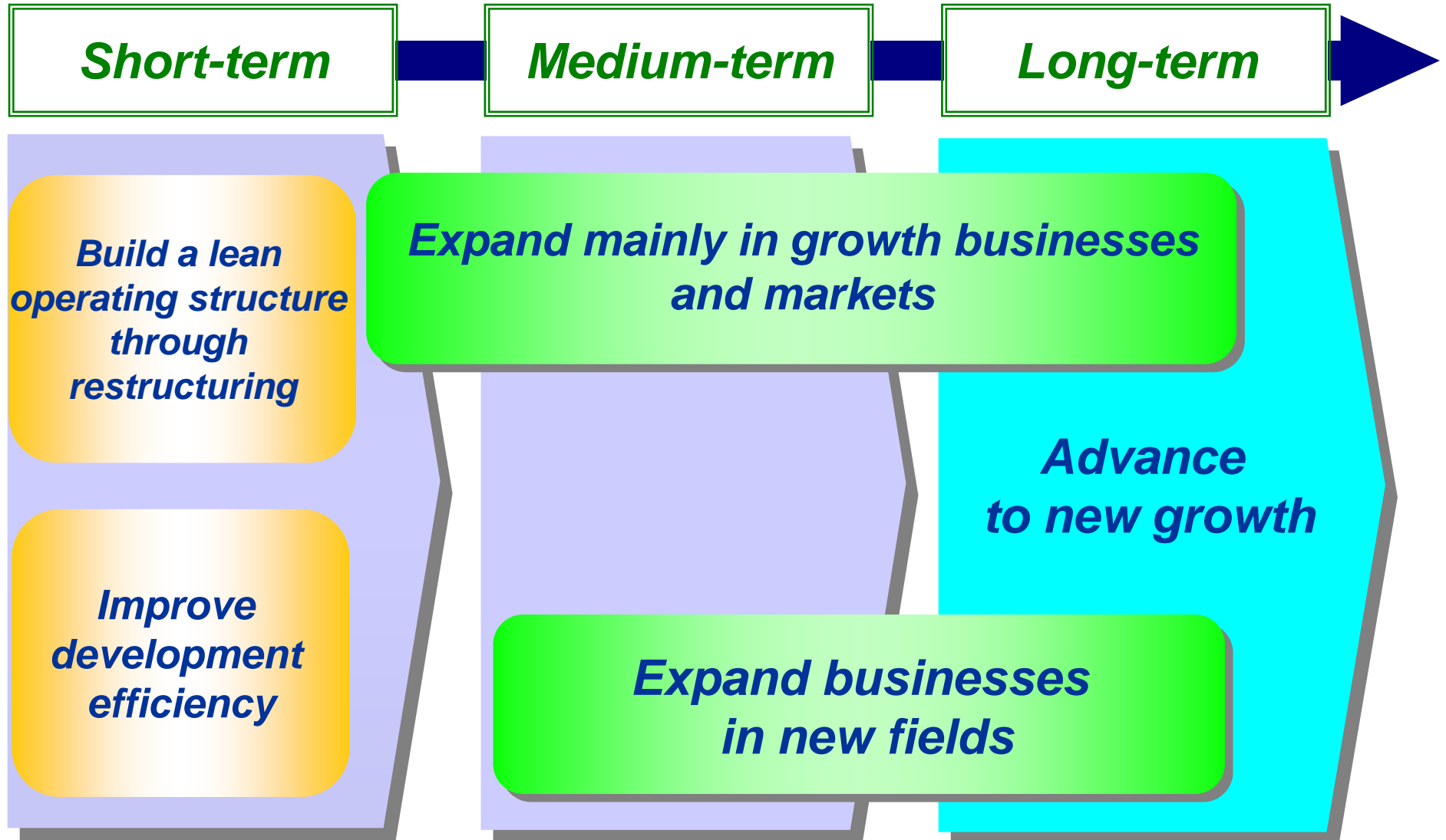
Note: The above graphs do not include the impact of the joint venture currently being discussed with Sharp Corporation.

Car Electronics Business Strategies- Medium-Term Business Plan

Unit: billion yen



Car Electronics Business Strategies- Growth Scenario



Car Electronics Business Strategies- Measures to Restore Growth

1. Consumer-Market Business

- *Expand overseas car AV product and car navigation system businesses with introduction of affordably-priced models*
- *Expand business in growth markets focusing on the BRICs and VISTA nations*
- *Establish the telematics business in Japan*

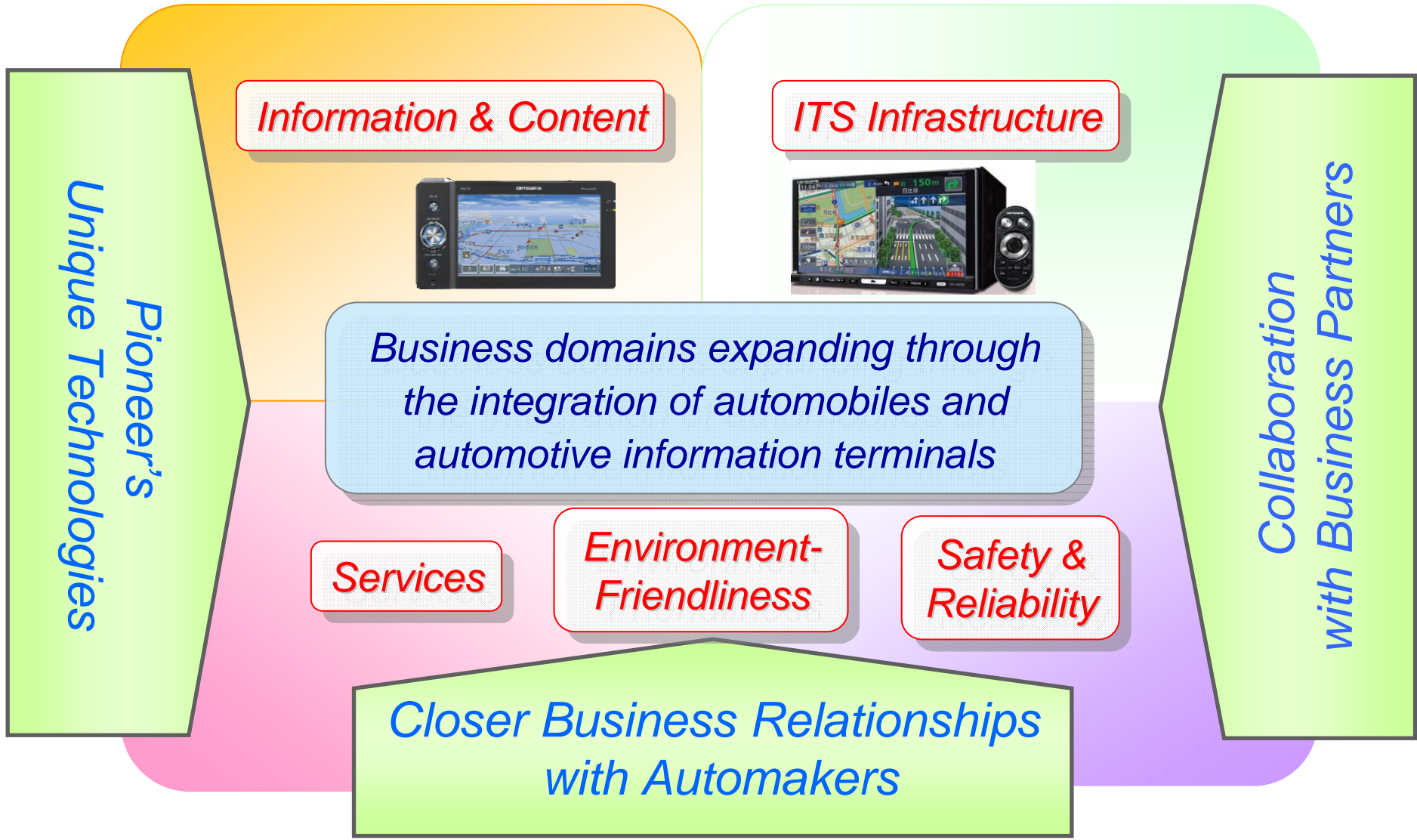
2. OEM Business

- *Further strengthen relationships with major clients (Toyota Motor Corporation and Honda Motor Co., Ltd.)*
- *Expand business centered on car navigation systems*
- *Expand business in China and other growth markets*

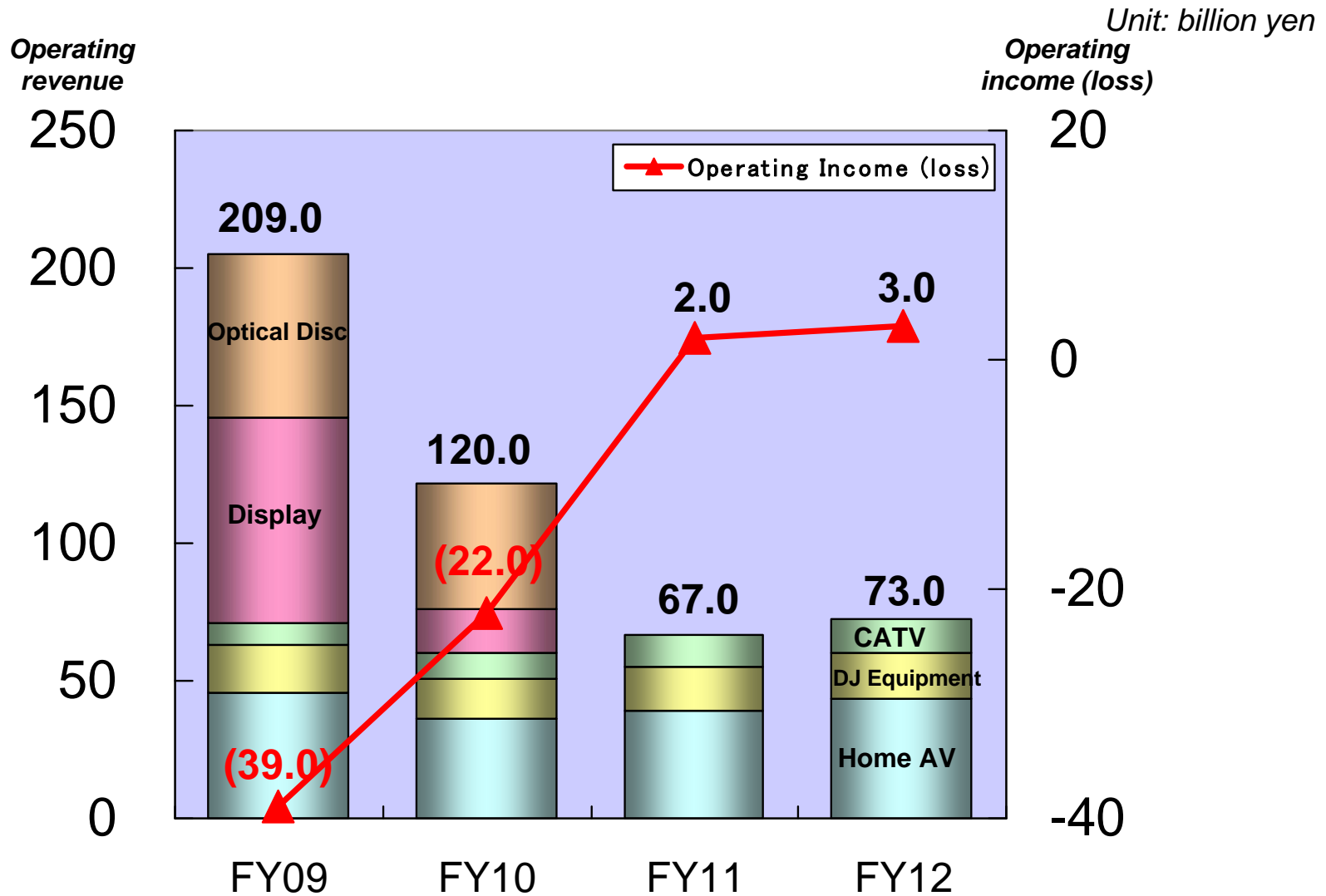
3. Offering New Value Propositions

- *Bolster environmental initiatives (more energy-efficient, compact and light weight products)*
- *Strengthen businesses related to new media and content such as Blu-ray Discs and networking capabilities*

Car Electronics Business Strategies- Expansion of Business Domains



Home Electronics Business Strategies- Medium-Term Business Plan



Note: The above graph does not include the impact of the joint venture currently being discussed with Sharp Corporation.

Home Electronics Business Strategies- Home AV

Strengthen the Audio Business

Expand sales with new market products in addition to our AV receivers having extensive product lineup

- Create markets with new concepts in audio products
- Introduction of new built-in home audio systems that support comfortable living through collaboration with housing-related companies

Audio Business

New Market Products

Built-in home audio systems

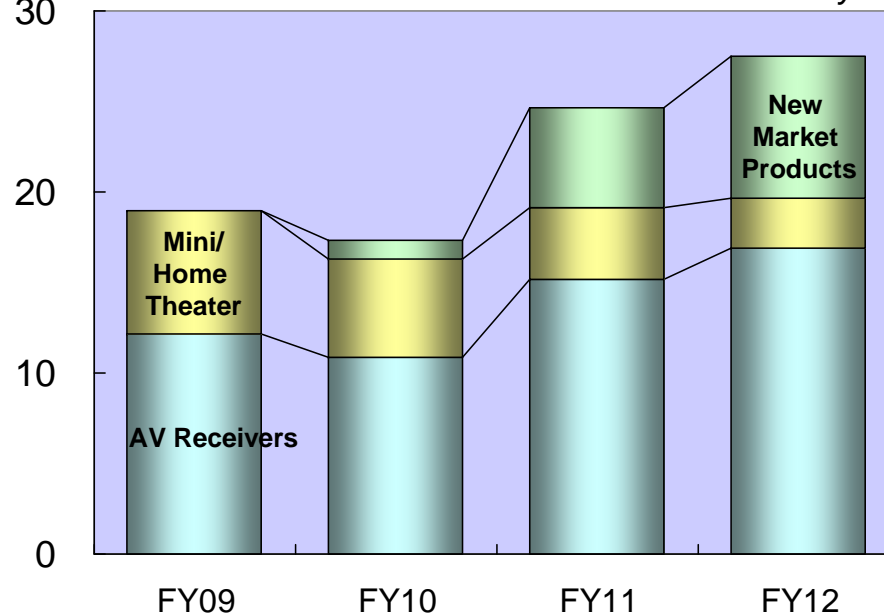
New Style Audios

AV receivers



(O.R.)

Unit: billion yen



BD/DVD

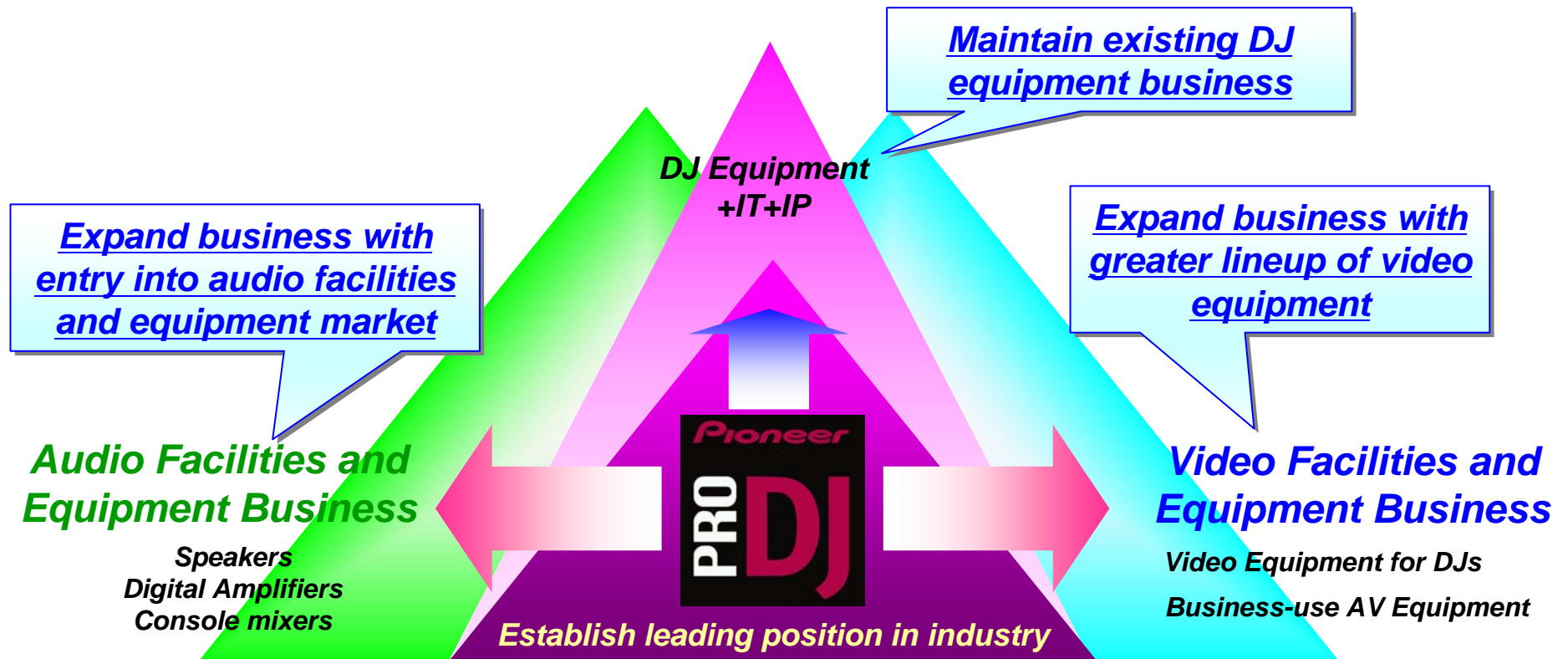


Speakers



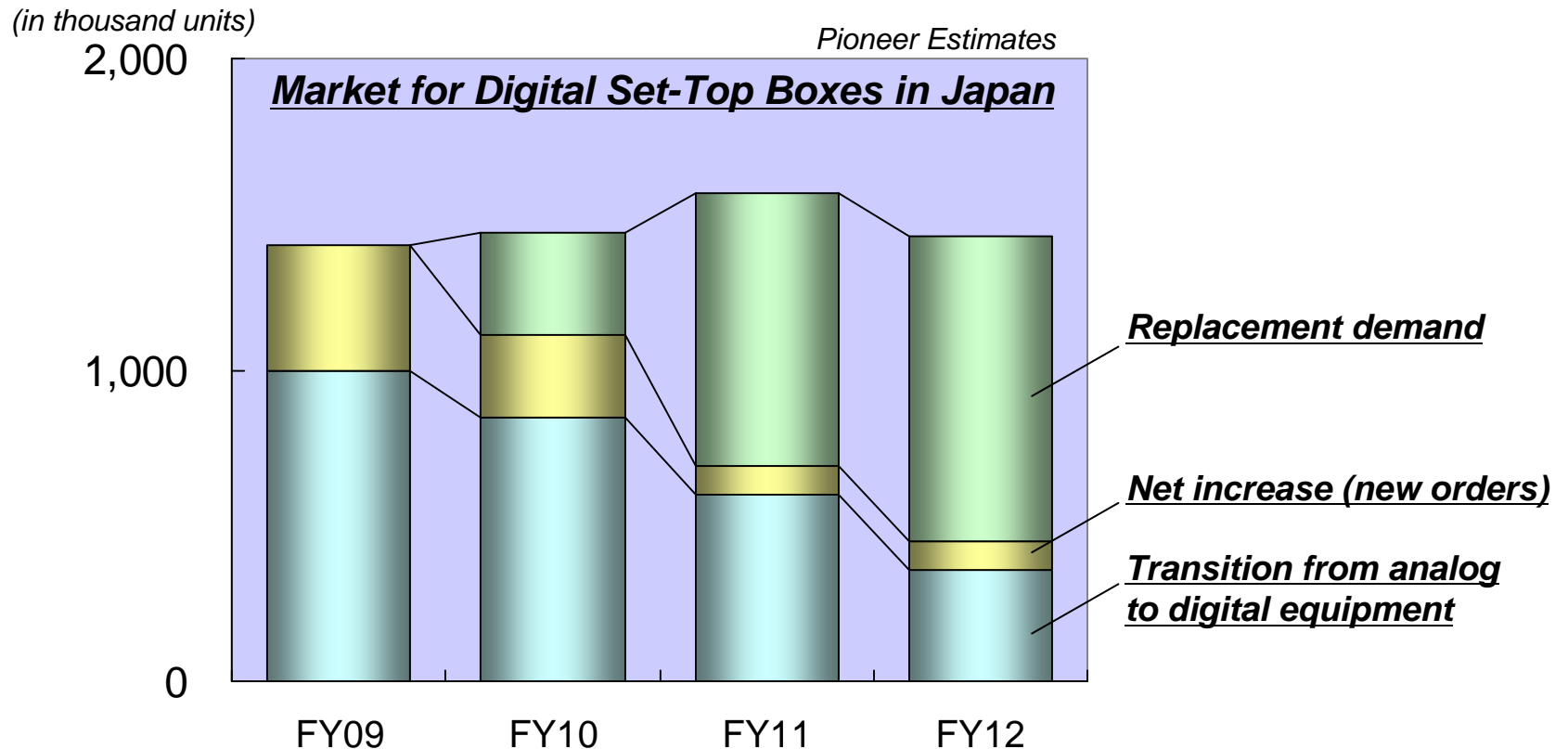
Home Electronics Business Strategies- DJ Equipment

- Continue product development that satisfies the demands of professional use
- Expand business with video and audio facilities and equipment in addition to the DJ equipment business



Home Electronics Business Strategies- Cable TV

■ *In a mature market, maintain profitability with a high market share achieved with reliable products*
<30% share of Japanese market for set-top boxes>



Pioneer