

News Release

***For Immediate Release
December 28, 2009***

Pioneer Announces Status of Postponement of Issuance of New Shares Through Third-Party Allotment

Pioneer Corporation (hereinafter "Pioneer") announced today the current status regarding the postponement of issuance of new shares through a third-party allotment to Honda Motor Co., Ltd. (hereinafter "Honda") as described below. On June 19, 2009 and September 28, 2009, Pioneer had made announcements on such postponement.

1. Current Status of the Issuance of New Shares

As of today, schedule of the issuance of new shares is not yet fixed. Please note, however, that Honda still intends to subscribe for the new shares in the amount of approximately ¥2.5 billion.

As previously announced, Pioneer has continued to negotiate with potential sponsors as a new counterparty of the financial partnerships to raise funds to meet anticipated needs for its medium-term management plan. Based on the status of negotiations with them, and as a result of the discussions with Honda, Pioneer made announcements with respect to postponement of issuance of new shares on June 19, 2009 and on September 28, 2009.

As to the restructuring, "Business Portfolio Realignment" and "Streamlining the Business Framework of the Entire Pioneer Group" are proceeding as planned, and accordingly, upward revision of consolidated business forecasts for fiscal 2010, the year ending March 31, 2010, have been announced on October 29, 2009. Also, regarding "Improving the Company's Financial Position," as announced on November 5, 2009, Pioneer now expects that the amount of funds needed to implement its medium-term management plan will be reduced to around half of the original estimate of approximately ¥40 billion, and the Company will reduce this amount further through the sale of assets, including the Head Office site. At the same time, Pioneer is continuing to negotiate earnestly with the potential sponsors in order to promptly and steadily implement the medium-term management plan after restructuring.

2. Future Prospects

The schedule of the issuance of new shares is to be fixed by the time the financial partnerships have been finally agreed upon with the potential sponsors. The issue date and the closing date will be announced once they have been determined. It is possible that the terms and conditions of the issuance may be modified as a result of future discussions with Honda. The status of the issuance will also be announced by March 2010.

3. Scheduled Timing of Expenditure of Funds

The scheduled timing of expenditure of funds is delayed from the original plan of the second quarter of fiscal 2010 (from July to September of 2009) in accordance with the postponement described above. However, there will not be any particular impact on the cash management of Pioneer.

Pioneer Corporation is a leading global manufacturer of consumer- and business-use electronics products such as car electronics, audio and video products. Its shares are traded on the Tokyo Stock Exchange.

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