

News Release

For Immediate Release
March 5, 2010

**Pioneer Announces Determination of Payment Date
Relating to Issuance of New Shares Through
Third-party Allotment to Honda Motor Co., Ltd.**

Pioneer Corporation (hereinafter “Pioneer”) announced today that Pioneer finalized, by the board of directors at its meeting held on March 5, 2010, the subscription date and the payment date as described below, relating to the issuance of new shares through a third-party allotment to Honda Motor Co., Ltd. (hereinafter “Honda”), pursuant to the resolution adopted at the meeting of the board of directors of Pioneer held on April 28, 2009 (hereinafter the “Issuance of New Shares”). The substances of matters resolved at the meeting of the board of directors held on April 28, 2009 are also described below.

1. Outline of Offering

(1) Issue Date	Tuesday, March 23, 2010
(2) Number of Shares to Be Newly Issued	14,700,000 shares of common stock
(3) Issue Price	170 yen per share
(4) Amount of Funds to Be Raised	2,481,250,000 yen
(5) Subscription Date	Friday, March 19, 2010
(6) Payment Date	Tuesday, March 23, 2010
(7) Method of Offering or Allotment (Party to Which Shares Will Be Allotted)	Third-party allotment (Honda Motor Co., Ltd.)

Note: Items “(5) Subscription Date” and “(6) Payment Date” were resolved at the meeting of Pioneer’s board of directors held today, and the other items were resolved at the meeting of Pioneer’s board of directors held on April 28, 2009.

2. Purpose and Reason of Issuance of New Shares Through Third-party Allotment

As described in the news release dated April 28, 2009 entitled “Pioneer Announces Issuance of New Shares Through Third-party Allotment and Shelf Registration for Issuance of New Shares,” Pioneer is seeking to bolster ties with major clients, as well as fulfill its duties as a supplier and meet the expectations of automakers in the OEM business, as a means to grow the Car Electronics business, which Pioneer has positioned as its core business in the Medium-term Management Plan released on April 28, 2009. Pioneer resolved at the meeting of the board of directors held on April 28, 2009 to issue new shares to Honda, one of its major clients in the OEM business, through a third-party allotment, as a part of such means.

3. Amount, Use, and Scheduled Timing of Expenditure of Funds to Be Raised

(1) Amount of Funds to Be Raised

Aggregate amount to be paid:	2,499,000,000 yen
Estimated costs of issuance:	17,750,000 yen
Estimated net proceeds:	2,481,250,000 yen

(2) Use of Funds to Be Raised

The funds to be raised through the Issuance of New Shares will be applied to working capital. In particular, the funds will be applied to a part of research and development expenses for the Car Electronics business, which Pioneer has positioned as its core business.

(3) Scheduled Timing of Expenditure of Funds to Be Raised

During fiscal 2011, the year ending March 31, 2011, until which time such funds will be kept in Pioneer's current deposit account.

4 Rationale for the Use of Funds to Be Raised

Pioneer believes that application of the funds to a part of research and development expenses of the Car Electronics business, which Pioneer has positioned as its core business, will contribute to further enhancing proposal capabilities and quality of products, such as car navigation systems, and improving the expectations and trust of clients, as well as enhancing the corporate value of Pioneer.

5. Rationale for Conditions of Issuance

(1) Basis of Calculation of the Amount to Be Paid and Details Thereof

The issue price (the amount to be paid under the Company Law of Japan) was determined at the meeting of Pioneer's board of directors held on April 28, 2009 (hereinafter the "Determination Date") to be 170 yen, the average of the closing prices of regular trading of shares of common stock of Pioneer on the Tokyo Stock Exchange for the three-month period until the day immediately preceding the Determination Date (from January 28, 2009 to April 27, 2009) (any amount less than one yen being disregarded). This issue price represents a 53.3% discount against 364 yen, the closing price of the regular trading of shares of common stock of Pioneer on April 27, 2009, which is the day immediately preceding the Determination Date. In light of the volatility in the equity markets immediately prior to the Determination Date and the large fluctuation of the price of shares of the common stock of Pioneer immediately prior to the Determination Date, the board of directors of Pioneer unanimously determined that a fair manner by which to determine the reference issue price would be to use the average of market prices of shares of common stock of Pioneer during a period in which fluctuation is alleviated rather than the single day's market price of the shares on the date immediately preceding the Determination Date, and that it would be appropriate to take into consideration the market prices on February 12, 2009, the day on which Pioneer announced the revised business forecasts for fiscal 2009, the year ended March 31, 2009, which is the latest announcement regarding business results by Pioneer as of the determination of the issue price, and during a considerable period immediately thereafter. Taking into consideration those

matters described above, Pioneer resolved on the Determination Date the issue price to be 170 yen, the average of the prices in the last three (3) months, as described above. This issue price was also unanimously supported by the corporate auditors of Pioneer on the Determination Date. In addition, at the meeting of Pioneer's board of directors held today, all of the corporate auditors represented their opinion regarding the legality of the offering at a favorable price as of the Determination Date. The manner in which the issue price was calculated is in compliance with the "Guidance Concerning Handling of Capital Increase, Etc. Through a Third-party Allotment" established by the Japan Securities Dealers Association.

(2) Rationale for Judgment that the Number of Shares to Be Issued and the Level of Dilution of Shares Are Reasonable

The sum of (a) the number of shares to be increased by the Issuance of New Shares (14,700,000 shares) and (b) the number of shares increased by the issuances of new shares through third-party allotments to Mitsubishi Electric Corporation and Mitsubishi Chemical Corporation, which is described in 10.(4)(iii) and 10.(4)(iv) below (9,330,000 shares) is 24,030,000 shares (voting rights: 240,300), and the ratio of such sum to 210,063,836 shares (total voting rights as of September 30, 2009: 2,048,293), which is the total number of Pioneer shares issued as of February 9, 2010 on which Pioneer resolved the issuance of new shares through third-party allotments to Mitsubishi Electric Corporation and Mitsubishi Chemical Corporation, is 11.4% (ratio in voting rights: 11.7%). Therefore, Pioneer believes that the level of dilution of shares is limited.

In addition, Pioneer determined that the proposed size of the Issuance of New Shares is necessary in order to bolster ties with Honda, one of its major clients in the Car Electronics OEM business, as well as achieve the improvement of its financial position, one of the main measures of restructuring announced by Pioneer on April 28, 2009. Pioneer believes that bolstering ties with Honda will contribute to expanding the OEM business with an emphasis on car navigation systems by harnessing proposal capabilities honed in the consumer-market business and to enhancing the corporate value of Pioneer.

6. Reason for Selecting Honda and Other Related Matters

(1) Outline of Honda

(i) Trade name	Honda Motor Co., Ltd.
(ii) Location	1-1, 2-chome, Minami-Aoyama, Minato-ku, Tokyo, Japan
(iii) Representative	Takanobu Ito, President and Chief Executive Officer
(iv) Principal businesses	Manufacture and sales of transportation vehicles
(v) Stated capital	86,067 million yen
(vi) Date of incorporation	September 24, 1948
(vii) Total number of shares issued	1,834,828,430 shares
(viii) Fiscal year end	March 31

(ix)	Number of employees	177,249 (consolidated)		
(x)	Major business partners	Domestic and foreign manufacturers and distributors of transportation vehicles		
(xi)	Major transaction banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Saitama Resona Bank, Limited Mizuho Corporate Bank, Ltd.		
		Japan Trustee Services Bank, Ltd. (Trust Account)		7.35%
		The Master Trust Bank of Japan, Ltd. (Trust Account)		4.66%
(xii)	Major shareholders and their shareholding ratio	Moxley & Co.		4.04%
		JPMorgan Chase Bank 380055		3.76%
		Tokio Marine & Nichido Fire Insurance Co., Ltd.		3.53%
		Meiji Yasuda Life Insurance Company		2.79%
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2.00%
		Mitsui Sumitomo Insurance Company, Limited		1.91%
		Sompo Japan Insurance Inc.		1.89%
		Nippon Life Insurance Company		1.89%
(xiii)	Relationship between Pioneer and Honda	Capital relationship	Pioneer holds 400,000 shares of common stock of Honda.	
		Personnel relationship	Not applicable	
		Business relationship	Pioneer sells car electronics products to Honda.	
		Related party relationship	Not applicable	
(xiv)	Consolidated business results and financial position for the last three years (In millions of yen except per share information)			
		Year ended/As of March 31		
		2007	2008	2009
	Net sales	¥11,087,140	¥12,002,834	¥10,011,241
	Operating income	851,879	953,109	189,643
	Income before income taxes	792,868	895,841	161,734
	Net income	¥ 592,322	¥ 600,039	¥ 137,005
	Net income per share (yen)	¥324.62	¥330.54	¥75.50
	Dividend per share (yen)	¥ 67.00	¥ 86.00	¥63.00
	Net assets	¥ 4,488,825	¥ 4,550,479	¥ 4,007,288
	Total assets	¥12,036,500	¥12,615,543	¥11,818,917
	Net assets per share (yen)	¥2,463.69	¥2,507.79	¥2,208.35

Note: Stated capital, total number of shares issued and number of employees above are as of December 31, 2009. Major shareholders and their shareholding ratio above are based on the register of shareholders as of December 31, 2009.

(2) Reason for Selecting Honda

In the Medium-term Management Plan of Pioneer, the aim is to expand its Car Electronics business both in the areas of the consumer-market business and OEM business by allocating its business resources to its Car Electronics business. In accordance with this policy, Pioneer has come to the conclusion that Honda is one of the most appropriate partners to which new shares should be allotted in light of business relations, possibilities for development of future business, corporate scale, technical capability and distribution ability.

(3) Policy of Honda for Holding Shares of Pioneer

Pioneer has confirmed that Honda intends to hold the new shares to be allotted for the medium- and long-term.

In addition, Pioneer will request a written confirmation from Honda agreeing and/or acknowledging that, if Honda assigns all or a part of the new shares to be allotted within two years of the closing date, (i) Honda will immediately report to Pioneer, in writing, the name of the assignee, the number of shares assigned and other related matters, (ii) Pioneer will report such assignment to the Tokyo Stock Exchange, and (iii) Honda will consent to the substance of such report being available for public inspection.

(4) Details of the Confirmation of the Payment Capacity of Honda in Respect of the Payment for the Issuance of New Shares

After confirming the status of net sales, total assets, net assets, cash and deposits and other related matters described in the latest Annual Securities Report (filed on June 23, 2009) and the latest Quarterly Report (filed on February 10, 2010) that were filed with the Director-General of the Kanto Local Finance Bureau by Honda, Pioneer has confirmed that Honda has no problem with the payment for the Issuance of New Shares.

7. Pioneer's Major Shareholders and Their Shareholding Ratio (Note 1)

Before the issuance (Note 2)		After the issuance (Note 3)	
Sharp Corporation	9.63%	Sharp Corporation	9.19%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3.45%	Honda Motor Co., Ltd.	4.50%
Japan Trustee Services Bank, Ltd. (Trust Account)	2.59%	The Master Trust Bank of Japan, Ltd. (Trust Account)	3.29%
Mitsubishi Electric Corporation	2.41%	Japan Trustee Services Bank, Ltd. (Trust Account)	2.48%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.08%	Mitsubishi Electric Corporation	2.30%
Mizuho Bank, Ltd.	1.28%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.99%
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd.	1.27%	Mizuho Bank, Ltd.	1.22%

Pioneer Employee Stock Ownership Plan	1.22%	Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) for the Re-trust by the Trustee of Trust & Custody Services Bank, Ltd.	1.21%
Sumitomo Mitsui Banking Corporation	0.83%	Pioneer Employee Stock Ownership Plan	1.16%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	0.78%	Sumitomo Mitsui Banking Corporation	0.79%

- Notes: 1. The above table is based on the register of shareholders as of September 30, 2009.
2. The above major shareholders and their shareholding ratios before the issuance have been calculated by adding (i) the sum (101,330,000 shares) of (a) the number of shares issued through the international offering on March 2, 2010 (92,000,000 shares), (b) the number of shares issued through the third-party allotment to Mitsubishi Electric Corporation on March 2, 2010 (7,530,000 shares) and (c) the number of shares issued through the third-party allotment to Mitsubishi Chemical Corporation on March 2, 2010 (1,800,000 shares) to (ii) the total number of shares issued as of September 30, 2009.
3. The above major shareholders and their shareholding ratios after the issuance have been calculated by adding (i) the number of shares to be increased by the Issuance of New Shares (14,700,000 shares) to (ii) the total of (a) the total number of shares issued as of September 30, 2009 and (b) the sum (101,330,000 shares) of the number of shares issued through each of the issuances of new shares described in Note 2 above.
4. Pioneer held treasury stocks at the ratio of 2.38% of its total shares issued as of September 30, 2009, which are not included in the major shareholders set forth above.

8. Future Prospects

The Issuance of New Shares will have no impact on Pioneer's business results.

9. Matters concerning Procedures in the Code of Corporate Conduct

Pioneer is not required to obtain an opinion of an independent third party or to obtain an approval of shareholders concerning the Issuance of New Shares, as provided for in Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., since (i) the dilution rate of the Issuance of New Shares is less than 25% and (ii) the Issuance of New Shares does not involve any change in the controlling shareholder(s).

10. Business Results for and Equity Finance Executed in the Last Three Years

(1) Consolidated Business Results for the Last Three Years

(In millions of yen except per share information)
Year ended/As of March 31

	2007 (U.S. GAAP)	2008 (Japan GAAP)	2009 (Japan GAAP)
Net sales	¥797,102	¥774,477	¥558,837
Operating income (loss)	12,487	9,216	(54,529)
Ordinary income (loss)	-	12,428	(54,420)
Net loss	¥(6,761)	¥(19,040)	¥(130,529)
Net loss per share (yen)	¥(38.76)	¥(103.95)	¥(636.68)
Dividend per share (yen)	¥10.0	¥7.5	¥0
Net assets per share (yen)	¥1,537.22	¥1,258.40	¥538.98

- Notes: 1. Effective from the year ended March 31, 2009, Pioneer changed its accounting principles for preparing consolidated financial statements from the accounting principles generally accepted in the United States of America (hereinafter the "U.S. GAAP") to the accounting principles generally accepted in Japan (hereinafter the "Japan GAAP"). Therefore, the figures described above for the year ended March 31, 2008 are figures restated in accordance with the Japan GAAP. The figures described above for the year ended March 31, 2007 are figures that have already been prepared in accordance with the U.S. GAAP and announced.
2. The figure presented as net sales for the year ended March 31, 2007 represents operating revenue pursuant to the U.S. GAAP, and operating income for the year ended March 31, 2007 is presented as operating revenue pursuant to the U.S. GAAP less cost of sales and selling, general and administrative expenses. Ordinary income (loss) for the year ended March 31, 2007 is not presented, because, under the U.S. GAAP, there is no item corresponding to ordinary income (loss).
3. The figure presented as net assets as of March 31, 2007 represents total shareholders' equity pursuant to the U.S. GAAP. Net assets per share as of March 31, 2007 are calculated by using total shareholders' equity pursuant to the U.S. GAAP.

(2) Number of Shares Issued and Dilutive Shares (As of December 31, 2009)

	Number of shares	Ratio to total number of shares issued
Total number of shares issued	210,063,836	100%
Number of dilutive shares	15,605,388	7.42%

- Notes: 1. As described in (4) (ii), (iii) and (iv) below, Pioneer issued new shares in the total amount of 101,330,000 shares on March 2, 2010.
2. Dilutive shares relate to stock acquisition rights and bonds with stock acquisition rights, the exercise price of which has no maximum or minimum.

(3) Stock Prices

(i) Stock Prices for the Last Three Years Prior to the Date on Which the Payment Date was Determined

(In yen)

	Year ended March 31		
	2007	2008	2009
Opening	¥1,940	¥1,555	¥ 980
High	2,295	1,837	1,102
Low	1,480	722	82
Closing	¥1,540	¥ 990	¥ 129

(ii) Stock Prices for the Last Six Months Prior to the Determination Date

(In yen)

	2008			2009		
	October	November	December	January	February	March
Opening	¥700	¥306	¥211	¥175	¥165	¥102
High	710	369	213	224	182	156
Low	245	200	140	154	94	82
Closing	¥284	¥213	¥163	¥168	¥103	¥129

(iii) Stock Prices for the Last Six Months Prior to the Date on Which the Payment Date was Determined

(In yen)

	2009				2010	
	September	October	November	December	January	February
Opening	¥295	¥201	¥221	¥238	¥288	¥354
High	304	253	289	320	364	391
Low	211	198	220	235	263	306
Closing	¥216	¥231	¥233	¥286	¥352	¥314

(iv) Stock Price on the Day Immediately Preceding the Date on Which the Payment Date was Determined

(In yen)

	March 4, 2010
Opening	¥311
High	311
Low	305
Closing	¥306

(4) Equity Finance in the Last Three Years

(i) Issuance of New Shares Through a Third-party Allotment

Issue date	December 20, 2007
Amount of funds raised	41,400,000,000 yen (estimated net proceeds)
Issue price	1,385 yen per share
Total number of issued shares before issuance	180,063,836 shares
Increase in number of shares by such issuance	30,000,000 shares
Total number of issued shares after issuance	210,063,836 shares
Party to which shares were allotted	Sharp Corporation
Use of the funds planned at the time of issuance	Working capital (funds for the alliance and joint developments with Sharp Corporation)
Scheduled timing of expenditure at the time of issuance	At any time from December 2007
Current status of application	Application of the funds has been completed.

(ii) Issuance of New Shares Through an International Offering

Issue date	March 2, 2010
Amount of funds raised	29,044,850,000 yen (estimated net proceeds)
Issue price	318.16 yen per share
Total number of issued shares before issuance	210,063,836 shares
Increase in number of shares by such issuance	92,000,000 shares

Total number of issued shares after issuance	311,393,836 shares (Note)
Use of the funds planned at the time of issuance	Funds for the medium- to long-term growth of the Car Electronics business
Scheduled timing of expenditure at the time of issuance	At any time from March 2010
Current status of application	Funds will be applied in accordance with the use of the funds planned at the time of issuance.

(iii) Issuance of New Shares Through a Third-party Allotment

Issue date	March 2, 2010
Amount of funds raised	2,489,210,000 yen (estimated net proceeds)
Issue price	332 yen per share
Total number of issued shares before issuance	210,063,836 shares
Increase in number of shares by such issuance	7,530,000 shares
Total number of issued shares after issuance	311,393,836 shares (Note)
Party to which shares were allotted	Mitsubishi Electric Corporation
Use of the funds planned at the time of issuance	Working capital (funds for the joint development with Mitsubishi Electric Corporation of the hardware and software platforms for car navigation systems)
Scheduled timing of expenditure at the time of issuance	During the year ending March 31, 2011
Current status of application	Funds will be applied in accordance with the use of the funds planned at the time of issuance.

(iv) Issuance of New Shares Through a Third-party Allotment

Issue date	March 2, 2010
Amount of funds raised	595,030,000 yen (estimated net proceeds)
Issue price	332 yen per share
Total number of issued shares before issuance	210,063,836 shares
Increase in number of shares by such issuance	1,800,000 shares
Total number of issued shares after issuance	311,393,836 shares (Note)
Party to which shares were allotted	Mitsubishi Chemical Corporation
Use of the funds planned at the time of issuance	Working capital (funds for the business alliance with Mitsubishi Chemical Corporation, including as funds for the joint development with Mitsubishi Chemical Corporation of the wet-coating type organic light emitting diode lighting)
Scheduled timing of expenditure at the time of issuance	During the year ending March 31, 2011

Current status of application	Funds will be applied in accordance with the use of the funds planned at the time of issuance.
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Note: Since each issuance of new shares described in (ii), (iii) and (iv) above occurred on the same day (March 2, 2010), “total number of issued shares after issuance” in (ii), (iii) and (iv) represents the number calculated by adding (i) the sum (101,330,000 shares) of the number of shares increased by each such issuance to (ii) “total number of issued shares before issuance.”

11. Terms and Conditions of Issuance

- (1) Number of Shares to Be Newly Issued:
14,700,000 shares of common stock
- (2) Issue Price: 170 yen per share (the amount to be paid under the Company Law of Japan)
- (3) Aggregate Amount of Issue Price:
2,499,000,000 yen
- (4) Amount to Be Accounted for as Stated Capital:
1,249,500,000 yen (85 yen per share)
- (5) Method of Offering or Allotment:
Third-party allotment
- (6) Subscription Date: Friday, March 19, 2010
- (7) Payment Date: Tuesday, March 23, 2010
- (8) Party to Which Shares Will Be Allotted and Number of Shares to Be Allotted:
Honda Motor Co., Ltd.;
14,700,000 shares of common stock
- (9) Each of the items above shall be subject to the completion of the procedures required under the Financial Instruments and Exchange Act of Japan.

Note: Items “(6) Subscription Date” and “(7) Payment Date” were resolved at the meeting of Pioneer’s board of directors held today, and the other items were resolved at the meeting of Pioneer’s board of directors held on April 28, 2009.

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