

News Release

**For Immediate Release
May 31, 2010**

Pioneer Announces Medium-term Plan and New Corporate Vision

Pioneer Corporation announced today its medium-term plan for the three years through fiscal 2013, ending March 31, 2013, and “2015 Vision,” its new corporate vision for fiscal 2015, as follows:

1. Medium-term Plan

(1) Consolidated Business Plans

Consolidated business plans through fiscal 2013 are as follows:

	(In millions of yen)		
	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net sales	¥480,000	¥570,000	¥630,000
Operating income	¥ 17,000	¥ 27,000	¥ 30,000
Net income	¥ 11,000	¥ 18,000	¥ 21,000

Net sales are expected to increase in each business category. In Car Electronics business, the net sales forecasts mainly reflect higher sales in the emerging markets and expansion of new business domains. In Home Electronics business, the net sales will mainly reflect increased sales from an optical disc business, and from introductions of new concept audio products. Pioneer plans a steady increase in operating income each fiscal year, reflecting the benefits of restructuring, an improvement in gross profit due to increased sales, and the implementation of cost-cutting initiatives and other measures.

We are assuming an average U.S. dollar-yen exchange rate of ¥90 and a euro-yen exchange rate of ¥120 for these plans.

(2) Car Electronics Business

	(In millions of yen)		
	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net sales	¥277,000	¥330,000	¥354,000
Operating income	¥ 14,000	¥ 18,500	¥ 20,000

In the consumer-market business, Pioneer first plans to expand sales by launching competitive products in the largest volume-zone in the market, in addition to the value-added market zone. As to car navigation systems, Pioneer also plans increases in sales.

For further information, please contact:

Investor Relations Department, Corporate Communications Division
Pioneer Corporation, Japan
Phone: +81-44-580-1004 / Fax: +81-44-580-4064
E-mail: pioneer_ir@post.pioneer.co.jp
IR Website: <http://pioneer.jp/ir-e/>

This reflects our development of car navigation systems in Japan for the replacement demand that will be generated by the termination of analog broadcasting in 2011, and our strengthening of the product lineup both in Japan and overseas, including PNDs (portable navigation devices).

Secondly, Pioneer plans to expand sales in emerging markets where significant growth is seen, by launching products that match the characteristics of each region. We will consider the use OEM to offer products in each market at adequate prices. We will build optimal sales frameworks in each region to expand our Car Electronics business in emerging markets.

Thirdly, we plan to establish new business models for the car navigation market by making full use of our strengths in map data, and the interfaces between vehicles and probe (vehicle driving) information.

In the field of OEM, we plan to steadily expand business by further strengthening relationships with business partners, and by driving business expansion in growth markets, including through a joint venture with Shanghai Automotive Industry Corporation (Group), a major Chinese automaker. By further reducing costs, we also plan to expand business domains in the OEM field and improve profitability.

(3) Home Electronics Business

	(In millions of yen)		
	Fiscal 2011	Fiscal 2012	Fiscal 2013
Net sales	¥154,000	¥185,000	¥212,000
Operating income	¥ 0	¥ 4,000	¥ 5,500

In Home Electronics business, after withdrawal from the display business in the previous fiscal year in line with the restructuring, Pioneer plans expanded sales and improved profitability by implementing various measures centered on home AV business, DJ equipment business and optical disc business.

In home AV business, we plan to expand sales as we aim to capture the top market share of AV receivers primarily in Europe and North America. Specifically, we will differentiate products by incorporating new functions, increase the number of models through the use of OEM, and strengthen the business by rebuilding our marketing and sales frameworks. Also, we will develop new markets in the audio field by expanding iPod-ready products, and by launching and expanding the built-in home audio systems and multi AV systems. Moreover, we will expand business in emerging markets, for example, in China, through strategic alliance with Suning Appliance Co., Ltd., a major Chinese home electronics mass retailer.

With the DJ equipment business, we will increase sales by strengthening our response to the change of DJ styles using file music and PCs, by continuously launching top-position products on the market, and by increasing our market share in the BRICs and other emerging markets. Other initiatives to increase sales and profits include launching sound system products that leverage our strong position in the club market, and providing visual systems for clubs utilizing business-use visual transmission equipment.

In the optical disc business, we are forecasting significant growth for Blu-ray Disc

markets for both home and PC use. We plan to expand sales of Blue-ray Disc-related products, especially by the early commercialization of products incorporating new standards and new technologies.

(4) Growth Strategy

Pioneer has formulated the following five initiatives to achieve its overall strategy for growth:

1. Pursue every opportunity to significantly reduce costs
2. Reinforce strategic alliances
3. Expand businesses in emerging markets
4. Establish new business models in car electronics:
providing new value based on “hardware/software + information services”
5. Develop new businesses

The fifth initiative above includes OLED (organic light emitting diode) lighting, one of our new businesses. In 2012, European countries will cease manufacturing incandescent light bulbs, which have low energy efficiency, and markets are giving attention to OLED lighting, which illuminates in an energy-saving and efficient manner without using mercury, in its capacity as environmentally-conscious next-generation lighting, together with LEDs. OLED lighting devices are thin and surface-emitting, and Pioneer believes that these characteristics will help OLED develop into a next-generation lighting technology that coexists with LED lighting. In February 2010, Pioneer formed a business alliance with Mitsubishi Chemical Corporation, and conducted production and supply of vapor deposition type OLED panel prototype which can be manufactured using currently available facilities, and jointly displayed at a trade fair held in Frankfurt in April. We plan to develop these devices for mass production during next year. With the aim of lowering manufacturing costs, we are considering the commercialization of coated type of OLED lighting devices through this joint development.

Pioneer is also developing a new business of the world's first speaker to employ HVT (Horizontal-Vertical Transforming) technology. This new technology converts the horizontal movement of the voice coil into vertical movement, thereby achieving a speaker that is both slimmer and lighter, with improved audio fidelity in the lower frequency range. The technology has already been put on the market in January this year as a Pioneer car speaker model. Going forward, we plan to use the speaker in built-in home audio systems and home theater systems.

Through these measures, our growth strategy firstly includes a target of ¥100,000 million for fiscal 2015, ending March 31, 2015, for sales of all businesses in the Chinese market (¥42,400 million for fiscal 2010). Secondly, our growth strategy includes a target of ¥100,000 million for fiscal 2015 for sales of our new businesses such as new business models in the Car Electronics business and of OLED lighting business.

II. Corporate Vision for FY 2015 (2015 Vision)

Pioneer has formulated “2015 Vision”, its new corporate vision for fiscal 2015 as follows:

*Spread the smiles.
Feel the vibes.
Share the passion.
Pioneer engages you anytime, anywhere.*

The significance of our new corporate vision, 2015 Vision, is that it will guide the entire group to work together to transform Pioneer into the company we want it to be in fiscal 2015.

- When we provide products and services, we will be sharing this value with our customers.
- When we spread the smiles and share the passion, we will encourage our customers to feel the same way.
- We at Pioneer will cooperate with each other to spread the smiles and share the passion.
- Pioneer will achieve growth in tandem with the growth of our customers and of our employees.

Pioneer is committed to ensure that every employee works together to make Pioneer into the type of company desired by our customers, business partners and society at large.

Pioneer aspires to become a company that will “Spread the smiles, feel the vibes and share the passion” together with our customers. The entire Pioneer Group will steadily implement the Medium-term Plan to achieve 2015 Vision, which embodies our aspirations for Pioneer in fiscal 2015.

Cautionary Statement with Respect to Forward-Looking Statements

Statements made in this release 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, and levels of demand in the major industrial sectors which we serve; (ii) exchange rates, particularly between the Japanese yen and the euro, the U.S. dollar, 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 and win acceptance for our products in extremely competitive markets; (iv) our ability to successfully implement our business strategies; (v) the success of our joint ventures, alliances and other business relationships with third parties; (vi) our ability to access funding; (vii) our continued ability to devote sufficient resources to research and development, and capital expenditure; (viii) our ability to ensure the quality of our products; and (ix) the outcome of contingencies.

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.

#