

News Release

**For Immediate Release
November 29, 2011**

Pioneer Announces New Medium-term Plan

Pioneer Corporation today announced its new medium-term plan for the three years through fiscal 2014, ending March 31, 2014, as follows:

I. Key Themes of New Medium-term Plan

Pioneer formulated the following four key themes for its new medium-term plan. The Company is deploying the four themes as cornerstones for this plan, which retains management's goal of driving the growth strategy forward.

1. Grow existing businesses
2. Enter emerging markets and expand business
3. Develop new businesses
4. Promote strategic alliances

1. Grow existing businesses

(1) Car Electronics Business

Pioneer aims to sustainably increase profits in the core Car Electronics business by continuing to expand in the consumer-market business while balancing sales growth and profitability in the original equipment manufacturer (OEM) business. The Company seeks to lift its operating income margin from 5.5% in fiscal 2011 to 6.6% in fiscal 2014.

In the consumer-market business, Pioneer will endeavor to expand by pursuing solid growth overseas in car CD players while promoting a global strategy in car navigation systems that fit specific market needs.

Pioneer will expand the OEM business by strengthening relationships with major customers and by generating new opportunities through broadening its car dealer channel focusing on emerging markets.

Efforts to reduce overall car electronics costs will encompass standardizing and commonality to reduce man-hours and enhance efficiency in hardware and software development. At the same time, the Company will broaden collaboration with strategic partners to curtail development costs.

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/>

(2) Home Electronics Business

Here, Pioneer aims to expand earnings in all areas after becoming profitable in home AV products, a key challenge in the current fiscal year. The Company seeks to increase its operating income margin from 1.6% in fiscal 2011 to 4.8% in fiscal 2014.

Pioneer plans to boost sales and profits in the Home Electronics business, primarily through gains in home AV products, DJ equipment, and optical discs.

Goals in home AV products are to maintain and enhance profitability. To this end, Pioneer will strive to expand its product lineup with market-creating products like the *STEEZ* audio system targeting street dancers. It will also harness original design manufacturer (ODM) arrangements to keep driving cost reductions.

In the optical disc business, Pioneer looks to continue expanding sales by capitalizing on developments presenting business opportunities. For example, the Company seeks to take advantage of technological innovations in Blu-ray Disc drives, notably thinner profiles and multi-layering. It will accommodate greater archiving demand and increasing demand for external disc drives owing to the rising popularity of tablet PCs and other devices.

2. Enter emerging markets and expand business

Pioneer plans to expand business in emerging markets, where economic growth continues, through leveraging its strengths and implementing strategies that meet regional market needs.

The Company pursued business expansion targeting China in fiscal 2011 and Brazil in fiscal 2012. From fiscal 2013, Pioneer looks to grow in such markets as India, Russia, ASEAN countries, Central and South America, and the Middle East. The Company will prepare to cultivate the African market, which should offer considerable potential in the years ahead.

3. Develop new businesses

It is an urgent priority to drive further growth by launching third and fourth businesses to follow Car Electronics and Home Electronics. The Company will deploy two policies. The first will be to create and expand new businesses that generate new demand. The second will be to enter and nurture new business areas.

Pioneer will engage on two fronts to create and expand new businesses beyond the current business lines. The first will be to provide new user value by combining hardware and software with information services. The Company will create value not just through its hardware but also by providing total value that includes such intangible elements as software, information and services. In the Car Electronics business the Company has already started smartphone-link car navigation business, while in the future it will make propositions in the Home Electronics business with original ideas. The second will be to create a new music culture by fusing AV culture and different cultural sectors. A good example of that approach is *STEEZ*, launched in October 2011 to propose a new lifestyle, which uniquely brings together AV and street dance cultures so people can dance with their friends whenever and wherever they want.

In terms of the second policy, of entering and nurturing new business areas, Pioneer will create several new business lines. Key areas of focus will include bicycle

equipment employing car navigation technology, and electronic manufacturing services (EMS) and parts/devices businesses in Brazil. Pioneer will draw on its technologies to enter new fields and nurture new businesses. Its efforts over the medium term will encompass such areas as organic light-emitting diode (OLED) lighting, electric vehicles (EV) for the upcoming EV era, and, medical and healthcare-related devices, which should become massive markets in the years ahead.

4. Promote strategic alliances

Allying with strategic partners will play a pivotal role in materializing Pioneer's new medium-term plan, and the Company will step up efforts to drive further growth. Pioneer will therefore reinforce collaboration while exploring other potential alliances.

II. Business Targets

Consolidated business targets through fiscal 2014 are as follows:

(In millions of yen)

	Year ended (ending) March 31			
	2011 (Results)	2012	2013	2014
Consolidated:				
Net sales	¥457,500	¥440,000	¥530,000	¥570,000
Operating income	15,800	11,000	27,000	31,100
Operating income margin	3.5%	2.5%	5.1%	5.4%
Ordinary income	12,300	7,500	23,000	28,000
Net income	10,400	1,000	15,000	21,000
Car electronics:				
Net sales	254,100	267,000	325,000	335,000
Operating income	14,000	7,000	20,000	22,000
Home electronics:				
Net sales	157,600	128,000	151,000	167,000
Operating income	¥ 2,500	¥ 3,500	¥ 5,500	¥ 8,000
Currency rate (yen):				
1 U.S. dollars	¥ 85.72	¥ 77.41	¥ 75	¥ 75
1 euro	¥113.12	¥109.40	¥105	¥105

Note: Operating income for each business segment is the operating income before elimination of intersegment transactions.

Notwithstanding the impacts of significant disasters such as the Great East Japan Earthquake and the flooding in Thailand on performance in the current fiscal year, Pioneer will accelerate its path to growth from fiscal 2013 in keeping with its new medium-term plan.

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; (ix) conditions in which we are able to continuously procure key parts essential to our manufacturing operations; and (x) 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.

#