

(Summarized Translation)

**Convocation Notice
of the 69th Ordinary General Meeting of Shareholders**

to be held on June 25, 2015

Pioneer

PIONEER CORPORATION

JAPAN

(Stock code: 6773, ISIN: JP3780200006)

Note: This is a summarized translation of the original convocation notice written in the Japanese language.

June 3, 2015

Convocation Notice of the 69th Ordinary General Meeting of Shareholders

To our shareholders:

Notice is hereby given that the 69th Ordinary General Meeting of Shareholders of the Company will be held as described hereunder and your attendance is cordially requested.

You are entitled to vote in writing if you are unable to attend the meeting in person. In this regard, we cordially request that you study the following documents, and indicate your approval or disapproval of the proposal on the voting directive form, and return it to us no later than 5:00 pm, June 24, 2015, Japan time.

If you attend the meeting in person, please submit the voting directive form at the reception desk of the meeting.

Very truly yours,

Susumu Kotani
President and CEO
Pioneer Corporation
1-1, Shin-ogura, Saiwai-ku, Kawasaki-shi,
Kanagawa, Japan

Description

1. Date and time: 10:00 a.m. on Thursday, June 25, 2015, Japan time
2. Place: MEGURO GAJOEN, Banquet Hall
8-1, Shimomeguro 1-chome, Meguro-ku, Tokyo, Japan
3. Objectives of the meeting:

Matters to be reported on:

Reports on the Business Report, Non-consolidated and Consolidated Financial Statements for the 69th Accounting Period (from April 1, 2014 to March 31, 2015), and Reports on Results of the Audit of the Accounting Auditor and the Board of Corporate Auditors on Consolidated Financial Statements

Matters to be acted on:

Agenda Item No. 1. Partial Amendment to the Articles of Incorporation

Agenda Item No. 2. Election of Eight (8) Individuals as Directors

Agenda Item No. 3. Election of Two (2) Individuals as Corporate Auditors

Agenda Item No. 4. Election of Two (2) Individuals as Substitute Auditors in Case of Vacancy

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ATTACHED DOCUMENTS

BUSINESS REPORT

(from April 1, 2014 to March 31, 2015)

1. MATTERS WITH RESPECT TO THE STATUS OF THE COMPANY

(1) Principal Substance of Business

The Company engages primarily in the businesses of manufacture and sales of car electronics and home electronics products, and all businesses incidental and related to those businesses.

The following table sets forth the principal products of the Company and the ratio of each segment sales to consolidated net sales:

Segment	Principal Products and Services in Each Segment	Ratio of Segment Sales to Consolidated Net Sales	
		68th Accounting Period	69th Accounting Period
Car Electronics	Car navigation systems, car stereos, car AV systems, and car speakers	69.9%	70.9%
Home Electronics	Audio systems, audio components, DJ equipment, equipment for cable-TV systems, Blu-ray Disc players, Blu-ray Disc drives, DVD players, DVD drives, AV accessories, and telephones	22.4%	20.9%
Others	Factory automation systems, speaker units, electronics devices and parts, organic light-emitting diode (OLED) displays, electronic manufacturing services, and map software	7.7%	8.2%

- Notes: 1. From the 69th accounting period, telephones were reclassified from the Others segment to the Home Electronics segment. Consequently, figures for the previous accounting period were also reclassified in accordance with the presentation used in the 69th accounting period.
2. On March 2, 2015, the home AV, telephone, headphone-related, and DJ equipment businesses of the Group were transferred. In accordance with these transfers, the business segments have changed to “Car Electronics” and “Others” effective April 1, 2015.

(2) Result of Business Operations and Issues to Be Addressed

(a) Result of Business Operations

Consolidated Net Sales by Segment

(In millions of yen)

Business Segment	68th Accounting Period	69th Accounting Period	% to Previous Period
Japan	151,248	131,347	86.8%
Overseas	196,827	224,244	113.9
Car Electronics	348,075	355,591	102.2
Japan	36,088	37,139	102.9
Overseas	75,631	67,558	89.3
Home Electronics	111,719	104,697	93.7
Japan	22,668	24,594	108.5
Overseas	15,589	16,794	107.7
Others	38,257	41,388	108.2
Japan	210,004	193,080	91.9
Overseas	288,047	308,596	107.1
Total sales	498,051	501,676	100.7%

In the 69th accounting period, the year ended March 31, 2015, consolidated net sales were roughly flat with the previous accounting period, at ¥501,676 million. Sales of Home Electronics declined, but this was offset by increased sales of Car Electronics, reflecting the Japanese yen's depreciation.

Operating income declined 30.4% year on year, to ¥7,778 million, on a deterioration in the cost of sales ratio and an increase in selling, general and administrative (SG&A) expenses, both mainly resulting from the negative effect of foreign exchange rate movements. Net income rose to ¥14,632 million, from ¥531 million in the previous accounting period. This reflected a ¥52,873 million extraordinary income mainly from the transfers of business, which more than offset a ¥24,728 million extraordinary loss mainly from restructuring.

During the 69th accounting period, the average value of the Japanese yen declined 8.8% against the U.S. dollar, to ¥109.93=1 U.S. dollar, and 3.2% against the euro, to ¥138.77=1 euro, compared with the previous accounting period.

The results for the period under review by each business segment are given below:

Car Electronics sales grew 2.2% year on year, to ¥355,591 million, reflecting the effect of Japanese yen's depreciation. Sales of car navigation systems declined. Consumer-market sales of car navigation systems rose in overseas markets including North America, Europe and China, but Japan saw a decline as a result of a shift to lower-priced models and a drop-off in consumption in the wake of accelerated demand ahead of the consumption tax increase in April 2014, which resulted in an overall decline. OEM sales declined in Japan, but grew mainly in China and North America, led to an overall increase. Sales of car audio products increased. Consumer-market sales were flat year on year, with a decline in Europe and Japan, despite growth mainly in Central and South America and North America. OEM sales rose, with increases in North America, Southeast Asia, and Europe more than offsetting a decrease in China. OEM sales accounted for 57% of total Car Electronics sales, compared with 54% in the previous accounting period.

The segment's operating income declined 11.6%, to ¥10,995 million from an increase in SG&A expenses and a deterioration in the cost of sales ratio, mainly affected by foreign exchange rate movements, and despite increased sales.

Home Electronics sales declined 6.3% year on year, to ¥104,697 million, reflecting lower sales of home AV products and the transfers of the home AV and DJ equipment businesses.

The segment's operating loss was ¥2,297 million, compared with an operating loss of ¥24 million in the previous accounting period, due to the deterioration in the cost of sales ratio, lower sales, and despite reductions in SG&A expenses.

In the Others segment, sales rose 8.2% year on year, to ¥41,388 million, mainly from increased sales of factory automation systems.

The segment's operating loss was ¥107 million, compared with an operating loss of ¥773 million in the previous accounting period, mainly from increased sales and SG&A expense reductions.

Note: Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.

Although Pioneer posted net income for the period under review as explained above, we have decided to continue non-payment of year-end dividend for the 69th accounting period, in consideration of its financial condition and other factors. We deeply apologize to our shareholders for this decision.

(b) Issues to Be Addressed

In terms of Pioneer's operating environment, continued growth is forecast for the automotive industry going forward, led by emerging markets, while developed markets are seeing the increased use of information technology in automobiles, especially with regard to automated driving and safety and reliability functions. Furthermore, it is increasing the ratio of new cars sold with pre-installed car electronics products. Pioneer is facing major changes in its growth pattern going forward.

We view these changes as an ideal opportunity to position ourselves for future success. We will concentrate our management resources in Car Electronics and implement a new growth strategy, with the aim of being a leading "comprehensive infotainment company" that creates comfort, excitement, safety, and reliability inside vehicles.

Toward this goal, we realigned our business portfolio. The transfers of the home AV and DJ equipment businesses to outside partners and organizational streamlining were completed in March 2015, and from April we have been operating under a new function-based organizational structure with Car Electronics as the main business. Going forward, we will build on our efforts to date to reduce costs through the realignment of production sites and the use of standardized and common product architectures. In addition, we will strengthen our management base by integrating car AV and car navigation system models to raise development efficiency and reduce development costs.

As well, we will accelerate our efforts to strengthen the information service business and develop highly precise map data and danger prediction technologies with a view to automated driving, that realize in-vehicle safety and reliability by connecting cars with networks. At the same time, in the OEM business, we will strengthen our ability to provide solutions and reinforce mainly the key modules that comprise the area around the driver's seat, make a full-scale entry into the car speaker business, thereby expanding our business with existing customers and acquire new customers to increase sales and strengthen our ability to generate earnings.

We will tackle the challenges in emerging markets, where large growth is expected, by expanding our businesses for compact cars. We are also developing new businesses for the future, focusing on OLED lighting and the medical and health care-related businesses, and leveraging our alliances with strategic partners as an efficient way to cultivate these businesses.

Through these initiatives, we will make every effort in the year ending March 31, 2016 to strengthen our management base to achieve sustainable growth.

(3) Environmental Preservation Activities

With regards to environmental preservation activities we view “Preventing Global Warming,” “Conservation of Resources and Recycling,” and “Management of Chemical Substances” as important issues. In addition to reducing environmental impact throughout the entire product life cycle, from planning and design to disposal and recycling, we promote the development of products that customers will choose for their superior environmental features.

Pioneer’s “OLE-B01” OLED lighting for makeup application for exclusive use by Shiseido Co., Ltd. has a slim design with special features, including lower energy consumption and CO₂ emissions, containing no mercury, emitting no ultraviolet rays, comfortable to the eyes because of flat-surface emission, and lower radiant heat. In recognition of these environmental features, the “OLE-B01” OLED lighting has received two awards of being chosen the Semi Grand Prix of the Green Innovation Category at CEATEC JAPAN 2014, and certified as a “Low CO₂ Kawasaki Brand ’14” certified by Kawasaki City, Kanagawa Prefecture in Japan.

(4) Capital Expenditures

(In millions of yen)

Business Segment	Amount	% to Previous Period
Car Electronics	27,220	163.5%
Home Electronics	2,526	97.4
Others	2,181	98.7
Corporate	659	96.8
Total	32,586	147.2%

Note: Above figures represent the increases of property, plant and equipment and intangible assets recorded in the consolidated balance sheet.

The principal of the above capital expenditures was invested in software to be installed in products, molds for production and production facilities.

(5) Financing

None

(6) Status of Transfer of Business, Absorption-type Company Split, or Incorporation-type Company Split

On March 2, 2015, Pioneer DJ Corporation and its sales subsidiaries succeeded the business relating to development, manufacture and sales of DJ equipment (hereinafter the “DJ equipment business”) of Pioneer by way of an absorption-type company split, and the DJ equipment business of the Pioneer Group other than Pioneer by way of a business transfer, and on the same day, all shares of Pioneer DJ Corporation was transferred to PDJ Holdings Corporation, an affiliate of Kohlberg Kravis Roberts & Co. L.P. On the same date, Pioneer subscribed shares equivalent to 14.95% of the voting rights of PDJ Holdings Corporation.

On February 28, 2015, Pioneer Home Electronics Corporation (currently Onkyo & Pioneer Corporation), a wholly-owned subsidiary of Pioneer, succeeded the headphone-related business of Pioneer by way of an absorption-type company split, and on March 2, 2015 Pioneer transferred all shares of Pioneer Home Electronics Corporation to Onkyo Corporation. Also, on March 2, 2015, Pioneer transferred Pioneer Group’s home AV business, telephone business and headphone-related business operated by some of its overseas subsidiaries to the Onkyo Corporation Group. On the same date, Pioneer subscribed shares equivalent to 14.95% of the voting rights of Onkyo Corporation.

(7) Summary of Business Operations (on consolidated basis)

(In millions of yen except per share information)

	Year Ended March 31			2015
	2012	2013	2014	
	66th Accounting Period	67th Accounting Period	68th Accounting Period	69th Accounting Period
Net sales	436,753	451,841	498,051	501,676
Operating income	12,514	5,997	11,169	7,778
Ordinary income (loss)	9,863	812	5,111	(2,915)
Net income (loss)	3,670	(19,552)	531	14,632
Net income (loss) per share	11.43	(60.90)	1.49	39.85
Total assets	322,012	311,325	327,913	328,277
Total equity	89,037	81,576	77,816	107,066
Total equity per share	261.98	237.97	197.33	277.05

Note: In the 69th accounting period, the Company recorded a large increase in net income compared with the previous accounting period. This was mainly the result of an extraordinary income mainly due to the transfer of the DJ equipment business.

(8) Present State of the Company's Group

(a) Status of the Company's Major Subsidiaries

Name	Location	Capital	*	Principal Business
Tohoku Pioneer Corporation	Yamagata, Japan	10,800 million yen	100.0%	Manufacture of car electronics products, etc.
Pioneer North America, Inc.	U.S.A.	124,807 thousand U.S. dollars	100.0%	Coordination of the activities of the Company's subsidiaries in North America and Central and South America
Pioneer Europe NV	Belgium	108,192 thousand euro	100.0% (30.5%)	Coordination of the activities of the Company's subsidiaries in Europe, and distribution of the Company's products
Pioneer Electronics Asiacentre Pte. Ltd.	Singapore	28,055 thousand U.S. dollars	100.0%	Coordination of the activities of the Company's subsidiaries in Southeast Asia, South Asia and Oceania, and manufacture and distribution of the Company's products
Pioneer China Holding Co., Ltd.	China	644,362 thousand yuan	100.0%	Coordination of the activities of the Company's subsidiaries in China, and distribution of the Company's products

Notes: 1. All capital amounts less than one unit are disregarded.

2. * indicates percentage of the Company's contribution, directly or indirectly, to the subsidiaries.
The figures in parentheses indicate the indirect portion of such contribution.

(b) New Development in the Company's Group

None

(9) Principal Offices and Plants (as of March 31, 2015)

(a) Pioneer Corporation (Parent Company)

Head Office (Kanagawa, Japan)
Kawagoe Plant (Saitama, Japan)

(b) Principal Sales and Manufacturing Subsidiaries

Sales Subsidiaries

Pioneer Sales & Marketing Corporation (Kanagawa, Japan)
Pioneer Electronics (USA) Inc. (U.S.A.)
Pioneer Europe NV (Belgium)
Pioneer RUS Limited Liability Company (Russia)
Pioneer China Holding Co., Ltd. (China)
Pioneer International Latin America, S.A. (Panama)

Manufacturing Subsidiaries

Tohoku Pioneer Corporation (Yamagata, Japan)
Pioneer Digital Design and Manufacturing Corporation (Kanagawa, Japan)
Pioneer Manufacturing (Thailand) Co., Ltd. (Thailand)
Pioneer Technology (Shanghai) Co., Ltd. (China)
Pioneer Technology (Dongguan) Co., Ltd. (China)
Pioneer Technology (Malaysia) Sdn. Bhd. (Malaysia)
Pioneer do Brasil Ltda. (Brazil)

(10) Employees (as of March 31, 2015)

Business Segment	Number of Employees	Change from the End of the Previous Period
Car Electronics	12,838	Decrease of 686
Home Electronics	3,090	Decrease of 1,496
Others	2,658	Decrease of 453
Corporate	818	Decrease of 154
Total	19,404	Decrease of 2,789

Note: The number of employees excludes contract employees with a contract period of less than one year and temporary/other contract employees in the table above.

(11) Major Lenders (as of March 31, 2015)

(In millions of yen)

Name	Amount
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,343
Sumitomo Mitsui Banking Corporation	2,756

2. MATTERS WITH RESPECT TO SHARES (as of March 31, 2015)

(1) Number of Shares the Company May Issue

800,000,000 shares

(2) Number of Shares of Common Stock Issued

372,223,436 shares

Note: 5,208,727 shares of treasury stock held by the Company are included.

(3) Number of Shareholders

50,214 shareholders (a decrease of 679 from the end of the previous period)

(4) Composition of Shareholders

	Number of Shareholders	Number of Shares Held	Percentage of Shareholdings to Total Issued Shares
Japanese financial institutions	39	88,487 thousand	23.77%
Japanese securities companies	77	22,097	5.94
Other Japanese business corporations	298	61,328	16.48
Foreign corporations and individuals	298	87,747	23.57
Japanese individuals and others	49,502	112,561	30.24
Total	50,214	372,223 thousand	100.00%

Notes: 1. All numbers of shares less than one thousand are disregarded.

2. All percentage figures are calculated based on the total number of shares issued.

3. "Japanese individuals and others" include 5,028 thousand shares (1.35%) as treasury stock held by the Company.

(5) Principal Shareholders (Ten Largest Shareholders)

Name of Shareholders	Number of Shares Held	Percentage of Shareholdings to Total Issued Shares
Mitsubishi Electric Corporation	27,886 thousand	7.59%
NTT DOCOMO, INC.	25,773	7.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,448	6.38
Japan Trustee Services Bank, Ltd. (Trust Account)	21,317	5.80
Chase Manhattan Bank GTS Clients Account Escrow	11,354	3.09
JPMCB NA ITS London Clients AC Morgan Stanley And Co International Limited	7,301	1.98
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,490	1.76
Juniper	5,038	1.37
Pioneer Employee Share Ownership Plan	4,345	1.18
Japan Securities Finance Co., Ltd.	3,610	0.98

Notes: 1. All numbers of shares less than one thousand are disregarded.

2. All percentage figures are calculated based on the total number of shares issued and outstanding after deduction of treasury stock, and such figures less than the second decimal place are disregarded.

3. The Company holds 5,028 thousand shares as treasury stock, which is not included in the above table.

3. MATTERS WITH RESPECT TO SHARE ACQUISITION RIGHTS

None

4. MATTERS WITH RESPECT TO DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(1) Directors, Corporate Auditors and Executive Officers

(a) Directors and Corporate Auditors

Title	Name	Occupation in the Company <Important Occupation in Other Business Entities>
Representative Director	Susumu Kotani	
Representative Director	Hideki Okayasu	
Representative Director	Mikio Ono	
Director	Kunio Kawashiri	
Director	Masahiro Tanizeki	
Director	Shunichi Sato	<Other Important Occupation> Outside Corporate Auditor of Nakano Corporation
Full Time Corporate Auditor	Mikio Shimoda	
Corporate Auditor	Keiichi Nishikido	Attorney-at-law <Other Important Occupation> Partner of Kohwa Sohgo Law Offices Outside Corporate Auditor of Saibo Co., Ltd.
Corporate Auditor	Toraki Inoue	Certified Public Accountant <Other Important Occupation> Toraki Inoue Certified Public Accountant Office President and Representative Director of Accounting Advisory Co., Ltd. Supervisory Director of GLP J-REIT

- Notes: 1. Messrs. Masahiro Tanizeki and Shunichi Sato are Outside Directors pursuant to the Companies Act of Japan, and are Independent Directors satisfying the requirements of the Tokyo Stock Exchange.
2. Messrs. Keiichi Nishikido and Toraki Inoue are Outside Corporate Auditors pursuant to the Companies Act of Japan, and are Independent Corporate Auditors satisfying the requirements of the Tokyo Stock Exchange.
3. Mr. Toraki Inoue is a Certified Public Accountant and has considerable experience and knowledge as a financial expert.
4. On March 1, 2015, Mr. Satoshi Matsumoto retired from the office of Director.

(b) Executive Officers

Title	Name	Occupation in the Company
* President and CEO	Susumu Kotani	
* Senior Managing Executive Officer	Hideki Okayasu	In charge of Human Resources & General Administration Division, Investor Relations Division, Legal & Intellectual Property Division, Audit Division, and export management in general
* Senior Managing Executive Officer	Mikio Ono	In charge of corporate reformation, business competitiveness strategy and Home Electronics Business in general
Managing Executive Officer	Masanori Koshoubu	General Manager of Research & Development Division and in charge of OLED Lighting Business Division, New Business Development Division and Medical & Health Business Development Division
Senior Executive Officer	Haruyuki Inohana	General Manager of Production & Procurement Management Division, and in charge of ecology and Quality Assurance Division
* Senior Executive Officer	Kunio Kawashiri	General Manager of Finance and Accounting Division and General Manager of Operation Department of Finance and Accounting Division
Senior Executive Officer	Yasuhiko Danjo	General Manager of Human Resources & General Administration Division, and in charge of IT Division
Senior Executive Officer	Masahiro Kawamura	General Manager of Corporate Planning Division
Senior Executive Officer	Takashige Nakano	General Manager of Car Electronics Business Management Group and General Manager of Car Electronics Strategic Business Planning Division of Car Electronics Business Management Group, and in charge of Pioneer Sales & Marketing Corporation
Executive Officer	Harumitsu Saito	General Manager of Business Administration Division of Corporate Planning Division
Executive Officer	Ikuo Tsuritani	Deputy General Manager of Car Electronics Business Management Group in charge of development, production and quality
Executive Officer	Masao Kase	President of Pioneer do Brasil Ltda.
Executive Officer	Toshihiko Kurihara	General Manager of Industrial Solutions Division
Executive Officer	Koichi Moriya	Chairman and Managing Director of Pioneer China Holding Co., Ltd.
Executive Officer	Satoshi Ohdate	General Manager of International Business Management Division

- Notes: 1. * indicates an Executive Officer who is also a Director.
2. On September 15, 2014, Mr. Kurosaki Masanori retired from the office of Executive Officer.
3. On March 1, 2015, Messrs. Satoshi Matsumoto and Yoshiaki Ide retired from the offices of Executive Officers.
4. On April 1, 2015, occupation in the Company of certain Executive Officers were changed as follows:

Title	Name	Occupation in the Company
*Senior Managing Executive Officer	Hideki Okayasu	General Manager of Related Business Division, and in charge of Legal & Risk Management Division, Audit Division, and export management in general
*Senior Managing Executive Officer	Mikio Ono	General Manager of New Business Division, and in charge of corporate reformation, business competitiveness strategy
Managing Executive Officer	Masanori Koshoubu	
Senior Executive Officer	Haruyuki Inohana	In charge of ecology and Quality Assurance Division
*Senior Executive Officer	Kunio Kawashiri	In charge of Accounting Division and Finance Division
Senior Executive Officer	Yasuhiko Danjo	
Senior Executive Officer	Masahiro Kawamura	General Manager of Corporate Management Division, and in charge of Intellectual Property Division
Senior Executive Officer	Takashige Nakano	In charge of Car Electronics Business
Executive Officer	Harumitsu Saito	General Manager of Business Administration Division
Executive Officer	Ikuo Tsuritani	General Manager of Product Management Division
Executive Officer	Masao Kase	In charge of Procurement Division
Executive Officer	Toshihiko Kurihara	
Executive Officer	Koichi Moriya	In charge of Human Resources Division, General Administration Division, and IT Division
Executive Officer	Satoshi Ohdate	General Manager of Sales Management Division, and in charge of Pioneer Sales & Marketing Corporation

(2) Remuneration of Directors and Corporate Auditors

(a) Remuneration of Directors and Corporate Auditors with Respect to the Period Under Review

298 million yen for eight Directors

39 million yen for four Corporate Auditors

- Notes: 1. The above amounts include remuneration of one Director and one Corporate Auditor who retired at the conclusion of the Ordinary General Meeting of Shareholders held on June 26, 2014, and of one Director who retired on March 1, 2014. The above amounts also include retirement allowance paid during the period under review, pursuant to the resolution at the Ordinary General Meeting of Shareholders held on June 28, 2007, to one Director who retired on March 1, 2015.

2. Out of the above amounts, remuneration of Outside Directors and Outside Corporate Auditors is 32 million yen for five persons.

(b) Policies of Determining the Remuneration of Directors and Corporate Auditors

Pioneer has established Compensation Committee as an advisory organ to the Board of Directors, which discusses issues such as policies and systems for remuneration and other benefits for Directors and Executive Officers as well as individual evaluations and compensation levels.

Remuneration of Directors is properly determined pursuant to “Policies with Respect to the Remuneration of Directors and Executive Officers” which were verified by the Compensation Committee, as described below.

- Benefits for Directors and Executive Officers (such as compensation and bonus, etc.) are not in contradiction to the benefit of shareholders.
- Levels of compensation are not in contradiction to the consolidated business performance (both results and forecasts).
- Compensation of individuals relates to each role and responsibility, and properly reflects the degree of achievement, performance and contribution of each occupation with its executive responsibility.

Amounts of compensation for Directors and Corporate Auditors are determined within the range approved at the 52nd Ordinary General Meeting of Shareholders held on June 26, 1998 (maximum amount payable to Directors of ¥900 million, per annum, and maximum amount payable to Corporate Auditors of ¥100 million, per annum), and such amounts with respect to Directors are determined by the Representative Director, President and CEO of Pioneer based on the results of discussion at the Compensation Committee, and with respect to Corporate Auditors properly determined by the discussion of Corporate Auditors.

(3) Matters with Respect to Outside Directors and Outside Corporate Auditors

(a) Outside Director: Masahiro Tanizeki

- (i) Relation Between the Company and Other Business Entities at Which the Outside Director Has Important Occupation

None

- (ii) Relation with Business Entities Which Have Special Relation with the Company (Subsidiaries, Affiliates and Major Business Partners)

None

- (iii) Principal Activities During the Period Under Review

Attended 11 out of the 12 meetings of the Board of Directors held during the period under review, and gave opinions as necessary, based on the insight and abundant experience as a management member of business enterprises.

(b) Outside Director: Shunichi Sato

- (i) Relation Between the Company and Other Business Entities at Which the Outside Director Has Important Occupation

There is no special relation between the Company and Nakano Corporation.

- (ii) Relation with Business Entities Which Have Special Relation with the Company (Subsidiaries, Affiliates and Major Business Partners)

None

- (iii) Principal Activities During the Period Under Review

Attended eight out of the nine meetings of the Board of Directors held during the period under review after he was newly elected at the Ordinary General Meeting of Shareholders held on June 26, 2014, and gave opinions as necessary, based on the insight and abundant experience as a diplomat.

- (c) Outside Corporate Auditor: Keiichi Nishikido

- (i) Relation Between the Company and Other Business Entities at Which the Outside Corporate Auditor Has Important Occupation

There is no special relation between the Company and Kohwa Sohgo Law Offices or Saibo Co., Ltd.

- (ii) Relation with Business Entities Which Have Special Relation with the Company (Subsidiaries, Affiliates and Major Business Partners)

None

- (iii) Principal Activities During the Period Under Review

Attended all of the 12 meetings of the Board of Directors and all of the 16 meetings of the Board of Corporate Auditors, both held during the period under review, and gave opinions as necessary, based on the insight and abundant experience as a legal expert.

- (d) Outside Corporate Auditor: Toraki Inoue

- (i) Relation Between the Company and Other Business Entities at Which the Outside Corporate Auditor Has Important Occupation

There is no special relation between the Company and Toraki Inoue Certified Public Accountant Office, Accounting Advisory Co., Ltd. or GLP J-REIT.

- (ii) Relation with Business Entities Which Have Special Relation with the Company (Subsidiaries, Affiliates and Major Business Partners)

None

- (iii) Principal Activities During the Period Under Review

Attended 11 out of the 12 meetings of the Board of Directors and 15 out of the 16 meetings of the Board of Corporate Auditors, both held during the period under review, and gave opinions as necessary, based on the insight and abundant experience as a financial expert.

Notes: The Company has not entered into any contracts with Outside Directors or Outside Corporate Auditors on limitation of their responsibility.

5. MATTERS WITH RESPECT TO ACCOUNTING AUDITOR

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Remuneration of Accounting Auditor for the Period Under Review

- (a) Remuneration as Accounting Auditor of Pioneer Corporation with Respect to the Period Under Review

119 million yen

Note: The amounts being derived from the audit under the Companies Act of Japan, the audit under the Financial Instruments and Exchange Act of Japan and the audit concerning the consolidated financial statements in English are not clearly distinguished and those amounts cannot be practicably distinguished. The above amount indicates the total of these amounts.

- (b) Total Amount of Money and Other Property Benefits Payable by Pioneer Corporation and Its Subsidiaries

165 million yen

Note: The Company's overseas subsidiaries entrust audit services on the financial statements to accounting firms other than the above Accounting Auditor.

(3) Non-Audit Services Entrusted to the Accounting Auditor

The Company has entrusted to the Accounting Auditor financial consulting services relating to the business restructuring implemented during the period under review.

(4) Policy on Decisions Concerning Dismissal or Non-Reappointment of the Accounting Auditor

The Company has a policy to consider whether dismissal or non-reappointment of the Accounting Auditor is reasonable, in case it judges there is any violation or infringement of the Accounting Auditor of the Companies Act, the Certified Public Accountant Law or other laws and regulations of Japan, or any unjust act in contravention of public order and morality thereby, based on such facts, in addition to the Company's own reason.

(5) Agreements on Limitation of Responsibility

The Company has not entered into any agreements with the Accounting Auditor on limitation of its responsibility.

6. SYSTEMS FOR ENSURING APPROPRIATE EXECUTION OF BUSINESS

Pioneer Corporation has established systems for ensuring that directors perform their duties in conformity with laws and regulations and its Articles of Incorporation, as well as ensuring the appropriate execution of business of Pioneer and its subsidiaries (together, the “Pioneer Group” or the “Group”), pursuant to Article 362, Paragraph 4, Item 6 of the Companies Act of Japan and Article 100 of the Ordinance for Enforcement of the Companies Act. Details are as follows.

<Basic Policy>

The Pioneer Group has formulated the “Pioneer Group Vision Structure” to share its Group philosophy, “Move the Heart and Touch the Soul,” among all people of the Pioneer Group, and established the “Pioneer Group Charter for Corporate Operations” (the “Charter”) as the fundamental guidelines for realizing the objects of the “Pioneer Group Vision.”

In accordance with the Charter, the Pioneer Group has established the “Pioneer Group Code of Conduct” (the “Code”), as the standards that should be observed by all people working in the Pioneer Group. Based on the Code, directors, executive officers, corporate auditors and employees of the Pioneer Group are expected to act sincerely in the course of performing their duties with strong awareness of corporate social responsibilities.

The Pioneer Group has also formulated a set of common, basic rules called the “Rules of the Pioneer Group” for the entire Group, of which the Charter is foremost in importance. Based on these rules, Pioneer works to implement appropriate management systems on a Group-wide basis.

(1) Systems That Ensure Directors and Employees Perform Their Duties in Conformity with Laws and Regulations and the Articles of Incorporation

Pioneer has a management system which consists of the Board of Directors as a decision-making and supervisory body on fundamental corporate issues; the Representative Directors who are responsible for business operations; and the Board of Corporate Auditors as an auditing body of directors’ performance. Through this management system, Pioneer ensures that directors perform their duties in conformity with laws and regulations and the Articles of Incorporation. Several outside directors with a high degree of independence are appointed to reinforce the supervisory function of the Board of Directors.

To achieve compliance with laws and regulations, Pioneer has adopted the Charter and the Code as decision-making and behavioral standards for directors, executive officers, corporate auditors and employees at all companies of the Pioneer Group. Also, Pursuant to “Basic Rules for Business Ethics” Pioneer has established a “Business Ethics Committee” chaired by an outside director to ensure legal compliance by those in the Pioneer Group, as well as thorough observance of the Code. To implement the Pioneer Group’s whistle-blowing policy, in addition to the regular reporting system, the Pioneer Group has the “Business Ethics Hotline” for reporting any act, behavior, etc., contrary to or otherwise against the Code. All reports received by the “Business Ethics Hotline” are simultaneously forwarded to both the administrative office of the “Business Ethics Committee” and the Board of Corporate Auditors. All reports received by the Hotline are dealt with appropriately and in good faith to protect the persons making reports from unfair treatments because of their reports.

As to internal audit, the Audit Division performs audits of business operations in accordance with the “Basic Rules for Consolidated Internal Audit,” and verifies the status of compliance with laws and internal regulations.

With regard to Pioneer’s efforts to exclude anti-social elements which threaten civil order and the safety of citizens, the Code contains a fundamental principle that supports Group-wide activities to combat such elements, in accordance with the spirit of “operating our corporate activities fairly, ” as stipulated in the Charter. Pioneer is also enhancing its compliance functions, by defining the “Basic Rules for Action Against Anti-social Elements,” and by establishing departments that are responsible for taking action against such elements, through collaboration with relevant outside organizations and sharing information and offering instruction regarding such action across the entire Group.

(2) Systems to Keep, Administer and Manage Information Concerning the Performance of Directors' Duties

Information concerning the performance of directors' duties is kept, administrated and managed properly in accordance with such internal rules as the "Basic Rules for Information Security Management." The Audit Division regularly verifies the status of keeping, administrating and managing such information.

The minutes of the meetings of the Board of Directors are prepared and kept at the Head Office for 10 years in accordance with the Companies Act. Pioneer has established a "Group Executive Committee," as described in Item 4 below, to reinforce the decision-making function of the Board of Directors. As with the minutes of the meetings of the Board of Directors, the minutes of the meetings of the "Group Executive Committee" are kept for 10 years.

As to proper disclosure of corporate information and financial reporting, the Company defines "Basic Rules on Disclosure" and "Basic Rules for Consolidation Accounting," thereby seeks to enhance management structure of corporate information.

(3) Systems to Manage the Risk of Potential Losses

Pioneer has established an "Internal Control Committee" pursuant to "Basic Rules for Internal Control System," chaired by a Representative Director, to reinforce and strengthen the management system of possible risks out of or in relation to the Pioneer Group's business activities, and is implementing measures for identifying and preventing such possible risks. In particular, to cope with possible material risks systematically, Pioneer has set the policies and procedures in the "Rules of the Pioneer Group."

In addition, Pioneer has instituted the "Basic Rules for Crisis Controls" to cope appropriately with crises if and when they actually occur. Based on these rules, Pioneer has established an "Emergency Management Committee (EM Committee)" as a permanent organization to administer the Pioneer Group's crisis control system, including employee education and training. The "EM Committee" is chaired by a Representative Director of Pioneer, and EM Managers have been appointed at each principal organization throughout the Pioneer Group. Thus, the Pioneer Group shall cope with and solve the problems if a crisis actually happens. Pioneer has clearly defined the roles of each Group organization in coping with crises, including crisis response procedures, etc., in the "Crisis Control Manual."

Pioneer's "Basic Rules for Authority of Group Companies" clarify authority, responsibility, and approval procedures with respect to decision making on important matters for each Group Company, as a part of efforts to prevent potential losses.

Based on the "Basic Rules for Consolidated Internal Audit," the Audit Division monitors all the processes of each Group Company taken to identify possible risks, as well as measures to prevent these risks and/or respond to crises.

(4) Systems to Ensure Directors to Efficiently Perform Their Duties

Through its executive officer system and by delegating authority to each executive officer, Pioneer works to expedite the execution of business operations and clearly definite the areas of responsibility thereof.

The "Group Executive Committee," which was formed to reinforce decision making, comprises executive officers appointed by the Board of Directors. The "Group Executive Committee," under the supervision of the Board of Directors, thoroughly discusses key management issues at its regular meetings once per week, in principle, and either approves these issues or in cases where the Board of Directors are stipulated to have decision-making authority reports on these issues to the Board of Directors.

The “Basic Rules for Authority of Group Companies” clarify authority, responsibility, and approval procedures with respect to decision making on important matters for each Group Company. This aims to ensure rapid decision making by Pioneer’s Board of Directors and the efficient performance of its duties.

The term of office for directors is shortened from statutory two years to one year, which increases the chances for shareholders to elect directors, and helps those directors focus on their responsibilities and respond promptly to changing business environments. In addition, Pioneer has introduced a system to annually evaluate the performance of each operating division using such parameters as the degree of accomplishment of numerical targets and plans of each division, in order to encourage executive officers to efficiently perform their duties.

(5) Systems to Ensure Proper Execution of Group-wide Business Operations

The Company has established the “Rules of the Pioneer Group” that should be observed by the entire Pioneer Group to ensure the proper execution of business operations.

Based on the “Basic Rules for Authority of Group Companies,” the Group Executive Committee discusses and determines important matters facing each Group Company in accordance with the pre-determined clarifications of authority and responsibility. This system ensures that the entire Pioneer Group performs quick decision making and proper execution and efficient management of business operations.

Directors or Executive Officers have been elected as directors of principal Group companies to strengthen their supervision on the operations of such companies, thus reinforce management system of the entire Pioneer Group.

The Company has in place a system to enable the exchange of information between corporate auditors of companies of the Pioneer Group. This system ensures on a Group-wide basis the proper execution of business operations and the effectiveness of audits.

The Audit Division coordinates and supervises the entire program of internal audits of each company of the Pioneer Group, in accordance with the provisions of the “Basic Rules for Consolidated Internal Audit.”

(6) Matters Relating to Employee Assistants to Corporate Auditors and Their Independence

The Board of Corporate Auditors has its dedicated office to support the performance of its duties. The staffs of this dedicated office are appointed from among Pioneer employees, and whose appointments, transfers, etc., are determined by prior consultation with the Board of Corporate Auditors.

(7) Systems Relating to Submission of Information to Corporate Auditors by Directors and Employees

The Company has in place a system where all of the Pioneer Group’s directors, executive officers and employees report to corporate auditors. Pioneer also has in place a system for corporate auditors to attend such important meetings as stipulated in the “Committee Rules.”

Additionally, pursuant to the “Audit Standards for Corporate Auditors,” Pioneer has in place a system to report to the Board of Corporate Auditors important matters that could affect business operations or operating results. Financial information is reviewed by the Board of Corporate Auditors prior to disclosure.

As for the reporting to corporate auditors, the Company has in place a system to protect the persons who made such reports from receiving unfair treatments because of their reporting.

(8) Other Systems for Ensuring the Effectiveness of Audits by the Corporate Auditors

Pursuant to the “Rules of the Board of Corporate Auditors” and “Audit Standards of Corporate Auditors,” the Company ensures regular meetings with the representative directors and opportunities to regularly obtain explanations and reports from the Audit Division and the independent Accounting Auditor. Also, corporate auditors shall request advice from outside experts as necessary. Expenses necessary for the execution of duties of corporate auditors may be reimbursed based on the audit plan budget.

Note: The “Rules of the Pioneer Group” encompass all the rules and regulations on basic matters relating to the management of the Pioneer Group, and include the “Pioneer Group Charter for Corporate Operations,” “Pioneer Group Code of Conduct,” “Basic Rules for Business Ethics,” “Basic Rules for Consolidated Internal Audit,” “Basic Rules for Information Security Management,” “Basic Rules on Disclosure,” “Basic Rules for Consolidation Accounting,” “Basic Rules for Internal Control System,” “Basic Rules for Crisis Controls” and “Basic Rules for Authority of Group Companies.”

7. OTHER IMPORTANT MATTERS CONCERNING BUSINESS CONDITIONS OF THE COMPANY

There is nothing particular to report hereunder.

CONSOLIDATED BALANCE SHEET

(In millions of yen)

March 31, 2015

ASSETS	
Current assets:	
Cash and deposits	¥ 52,160
Trade receivables	79,158
Finished products	29,039
Work in process	11,065
Raw materials and supplies	23,191
Deferred tax assets	4,563
Other current assets	20,666
Allowance for doubtful receivables	(2,195)
Total current assets	217,647
Noncurrent assets:	
Property, plant and equipment:	
Buildings and structures	64,524
Accumulated depreciation	(41,942)
Net	22,582
Machinery and vehicles, tools, furniture and fixtures	60,067
Accumulated depreciation	(50,856)
Net	9,211
Land	16,053
Leased assets	15,040
Accumulated depreciation	(10,281)
Net	4,759
Construction in progress	484
Others	79,657
Accumulated depreciation	(75,117)
Net	4,540
Net property, plant and equipment	57,629
Intangible assets:	
Goodwill	522
Software	25,600
Software in progress	14,376
Others	1,040
Total intangible assets	41,538
Investments and other assets:	
Investment securities	6,349
Deferred tax assets	2,049
Others	3,026
Allowance for doubtful accounts	(80)
Total investments and other assets	11,344
Total noncurrent assets	110,511
Deferred assets:	
Stock issuance cost	119
Total deferred assets	119
Total assets	¥328,277

(In millions of yen)

March 31, 2015

LIABILITIES	
Current liabilities:	
Trade payables	¥ 76,359
Short-term borrowings	17,871
Current portion of long-term debt	6,367
Income taxes payable	2,266
Accrued expenses	44,834
Warranty reserve	2,531
Other current liabilities	23,803
Total current liabilities	174,031
Long-term liabilities:	
Long-term debt	10,000
Liabilities related to retirement benefits	32,202
Other long-term liabilities	4,978
Total long-term liabilities	47,180
Total liabilities	221,211
EQUITY	
Shareholders' equity:	
Common stock	91,732
Capital surplus	56,016
Retained earnings	33,277
Treasury stock	(11,051)
Total shareholders' equity	169,974
Accumulated other comprehensive loss:	
Unrealized loss on available-for-sale securities	(105)
Foreign currency translation adjustments	(47,369)
Defined retirement benefit plans	(20,767)
Total accumulated other comprehensive loss	(68,241)
Minority interests	5,333
Total equity	107,066
Total liabilities and equity	¥328,277

CONSOLIDATED STATEMENT OF INCOME

(In millions of yen)

	Year ended March 31, 2015
Net sales	¥501,676
Cost of sales	403,072
Gross profit	98,604
Selling, general and administrative expenses	90,826
Operating income	7,778
Non-operating income:	
Interest and dividend income	322
Others	209
Total non-operating income	531
Non-operating expenses:	
Interest expense	2,431
Exchange loss	6,450
Borrowing cost	531
Equity in losses of affiliated companies	350
Others	1,462
Total non-operating expenses	11,224
Ordinary loss	2,915
Extraordinary income:	
Gain on sale of noncurrent assets	2,535
Gain on sale of investment securities	1,596
Gain on transfer of business	48,415
Others	327
Total extraordinary income	52,873
Extraordinary loss:	
Loss on sale and disposal of noncurrent assets	2,208
Impairment loss	1,331
Restructuring costs	13,250
Loss on transfer of business	3,526
Others	4,413
Total extraordinary loss	24,728
Income before income taxes and minority interests	25,230
Income taxes:	
Current	6,532
Deferred	4,610
Total income taxes	11,142
Income before minority interests	14,088
Minority interests	(544)
Net income	¥ 14,632

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(In millions of yen)

	Shareholders' Equity				
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Share- holders' Equity
Balance, beginning of year	¥91,732	¥56,016	¥17,849	¥(11,051)	¥154,546
Cumulative effects of changes in accounting policies			796		796
Restated balance	91,732	56,016	18,645	(11,051)	155,342
Changes:					
Net income			14,632		14,632
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		0	0
Net change in items other than share- holders' equity					
Net changes	-	(0)	14,632	(0)	14,632
Balance, end of year	¥91,732	¥56,016	¥33,277	¥(11,051)	¥169,974

(In millions of yen)

	Accumulated Other Comprehensive Loss					
	Un-realized Gain (Loss) on Available- for-sale Securities	Foreign Currency Translation Adjust- ments	Adjust-ment to Retire- ment Benefits	Total Accumu- lated Other Compre- hensive Loss	Minority Interests	Total Equity
Balance, beginning of year	¥ 1,168	¥(59,688)	¥(23,567)	¥(82,087)	¥5,357	¥ 77,816
Changes:						
Cumulative effects of changes in accounting policies						796
Restated balance	¥ 1,168	¥(59,688)	¥(23,567)	¥(82,087)	¥5,357	¥ 78,612
Changes:						
Net income						14,632
Purchase of treasury stock						(0)
Disposal of treasury stock						0
Net change in items other than share- holders' equity	(1,273)	12,319	2,800	13,846	(24)	13,822
Net changes	(1,273)	12,319	2,800	13,846	(24)	28,454
Balance, end of year	¥ (105)	¥(47,369)	¥(20,767)	¥(68,241)	¥5,333	¥107,066

CONDENSED BALANCE SHEET (non-consolidated)

(In millions of yen)

March 31, 2015

ASSETS	
Current assets:	
Cash and deposits	¥ 20,479
Trade receivables	32,448
Inventories	15,419
Other current assets	80,766
Total current assets	149,112
Noncurrent assets:	
Net property, plant and equipment	20,486
Intangible assets	36,527
Investments and other assets	116,198
Total noncurrent assets	173,212
Deferred assets:	
Stock issuance cost	118
Total deferred assets	118
Total assets	¥322,443
LIABILITIES	
Current liabilities:	
Trade payables	¥ 41,684
Short-term borrowings	5,282
Short-term borrowings from subsidiaries	29,243
Current portion of long-term debt	6,366
Accrued expenses	27,538
Other current liabilities	14,238
Total current liabilities	124,351
Long-term liabilities:	
Long-term debt	10,000
Provision for loss on business of subsidiaries and associates	56,630
Other long-term liabilities	7,672
Total long-term liabilities	74,302
Total liabilities	198,653
EQUITY	
Shareholders' equity:	
Common stock	91,731
Capital surplus	56,015
Retained earnings	(12,785)
Treasury stock	(11,050)
Total shareholders' equity	123,911
Valuation and translation adjustments	(121)
Total equity	123,789
Total liabilities and equity	¥322,443

CONDENSED STATEMENT OF OPERATIONS (non-consolidated)

(In millions of yen)

Year ended
March 31, 2015

Net sales	¥285,835
Cost of sales	252,657
Selling, general and administrative expenses	39,520
Operating loss	(6,341)
Non-operating loss—net	(2,425)
Ordinary loss	(8,766)
Extraordinary income—net	2,374
Loss before income taxes	(6,392)
Income taxes	(626)
Net loss	¥ (5,765)

CONDENSED STATEMENT OF CHANGES IN EQUITY (non-consolidated)

(In millions of yen)

	Shareholders' Equity	Valuation and Translation Adjustments	Total Equity
Balance, beginning of year	¥129,556	¥1,162	¥130,719
Cumulative effects of changes in accounting policies	120		120
Restated balance	¥129,667	¥1,162	¥130,839
Changes:			
Net loss	(5,765)		(5,765)
Purchase of treasury stock	(0)		(0)
Disposal of treasury stock	0		0
Net change in items other than shareholders' equity		(1,284)	(1,284)
Net changes	(5,765)	(1,284)	(7,050)
Balance, end of year	¥123,911	¥ (121)	¥123,789

**AUDIT REPORT BY ACCOUNTING AUDITOR
ON CONSOLIDATED FINANCIAL STATEMENTS**
(copy)

INDEPENDENT ACCOUNTANTS' REPORT

May 7, 2015

To the Board of Directors of Pioneer Corporation

Deloitte Touche Tohmatsu LLC

Koichi Kuse, C.P.A. (seal)
Designated Partner and Engagement Partner

Takeshi Ando, C.P.A. (seal)
Designated Partner and Engagement Partner

Kazuki Iwashita, C.P.A. (seal)
Designated Partner and Engagement Partner

Pursuant to the provisions of Article 444, Paragraph 4 of the Companies Act of Japan, we have audited the consolidated financial statements, namely, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes thereto of Pioneer Corporation for the period from April 1, 2014 to March 31, 2015.

Management's responsibility for the consolidated financial statements:

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pioneer Corporation and its subsidiaries as of March 31, 2015, and the consolidated results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis:

As discussed in the notes regarding business divestitures, on March 2, 2015, Pioneer Corporation transferred DJ equipment business of the Group to PDJ Holdings Corporation by way of a company split, a business transfer, and a share transfer. On March 2, 2015, Pioneer Corporation also transferred its Group's home AV business, telephone business and headphone-related business to Onkyo Corporation by way of a company split, a share transfer, and a business transfer.

These matters do not have any influence on our opinion.

Interests:

Our firm or the engagement partners do not have any interests in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law of Japan.

- END -

Note: Consolidated financial statements audited by the Accounting Auditor are their original Japanese version, while those contained in this Convocation Notice are their summarized translation.

**AUDIT REPORT BY ACCOUNTING AUDITOR
ON NON-CONSOLIDATED FINANCIAL STATEMENTS**
(copy)

INDEPENDENT ACCOUNTANTS' REPORT

May 7, 2015

To the Board of Directors of Pioneer Corporation

Deloitte Touche Tohmatsu LLC

Koichi Kuse, C.P.A. (seal)
Designated Partner and Engagement Partner

Takeshi Ando, C.P.A. (seal)
Designated Partner and Engagement Partner

Kazuki Iwashita, C.P.A. (seal)
Designated Partner and Engagement Partner

Pursuant to the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act of Japan, we have audited the financial statements (on non-consolidated basis), namely, the balance sheet, the statement of operations, the statement of changes in equity and the notes thereto, as well as the supplementary schedules annexed to the financial statements of Pioneer Corporation for the 69th accounting period from April 1, 2014 to March 31, 2015.

Management responsibility for the financial statements:

Management is responsible for the preparation and fair presentation of these financial statements and their supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements and their supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and their supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements and their supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements and their supplementary schedules referred to above present fairly, in all material respects, the financial position of Pioneer Corporation as of March 31, 2015, and the results of operations and their supplementary schedules for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis:

As discussed in the notes regarding business divestitures, on March 2, 2015, Pioneer Corporation transferred DJ equipment business of the Group to PDJ Holdings Corporation by way of a company split, a business transfer, and a share transfer. On March 2, 2015, Pioneer Corporation also transferred its Group's home AV business, telephone business and headphone-related business to Onkyo Corporation by way of a company split, a share transfer, and a business transfer.

These matters do not have any influence on our opinion.

Interests:

Our firm or the engagement partners do not have any interests in the Company for which disclosure is required under the provisions of the Certified Public Accountants Law of Japan.

- END -

Note: Non-consolidated financial statements audited by the Accounting Auditor are their original Japanese version, while those contained in this Convocation Notice are their summarized translation.

AUDIT REPORT BY THE BOARD OF CORPORATE AUDITORS
(copy)

AUDIT REPORT

The Board of Corporate Auditors of Pioneer Corporation has prepared this audit report with respect to the performance of duties by directors during the 69th accounting period from April 1, 2014 to March 31, 2015 as follows, upon deliberation based on respective audit reports prepared by each Corporate Auditor.

1. Auditing methods employed by the Corporate Auditors and the Board of Corporate Auditors and details thereof

The Board of Corporate Auditors determined the policy of auditing and the assignment of auditing work, received reports from each Corporate Auditor on the methods and results of audit, and reports from directors and the accounting auditor with respect to the status of performance of their duties and requested explanation thereof as considered necessary.

Pursuant to the standards of auditing of Corporate Auditors and in accordance with the policy of auditing and the assignment of auditing work, etc. determined by the Board of Corporate Auditors, each of the Corporate Auditors communicated with directors and personnel at internal audit divisions and others, made efforts in gathering information and organizing auditing environments, attended meetings of the Board of Directors and other important meetings, received reports from directors and other personnel with respect to the status of performance of their duties, requested explanation thereof as considered necessary, inspected important documents, and investigated the condition of operations and property at the head office and the principal places of business. With respect to the contents of the resolution of Board of Directors concerning the arrangements of the internal control systems, namely, systems pursuant to Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan for ensuring that directors perform their duties in conformity with laws and regulations and the Articles of Incorporation, and for ensuring appropriate operations of the Company, as well as the status of such internal control systems, which is described in the business report, Corporate Auditors also regularly received reports from directors and other personnel on the formation and status thereof, requested explanation thereof as considered necessary and gave opinion thereon. Regarding subsidiaries, Corporate Auditors communicated with their directors and corporate auditors and exchanged information, and received reports therefrom on subsidiaries' business as considered necessary. Based on the above methods, Corporate Auditors examined the business report for the period under review and its supplementary schedules annexed thereto.

In addition, Corporate Auditors monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, and received reports from the Accounting Auditor with respect to the performance of its duties and requested explanation thereof as considered necessary. Furthermore, Corporate Auditors received notice from the Accounting Auditor that "systems to ensure proper performance of duties of the accounting auditor" (matters set forth in each item of Article 131 of the Company Accounting Ordinance of Japan) are organized in accordance with certain appropriate standards, and requested explanation thereof as considered necessary. Based on the above methods, Corporate Auditors examined the non-consolidated financial statements (the balance sheet, the statement of operations, the statement of changes in shareholders' equity and the notes thereto) and their supplementary schedules annexed thereto, and the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity and the notes thereto), all for the period under review.

2. Results of audit

- (1) Results of audit of business report, etc.
 - (i) The business report and its supplementary schedules present fairly, in conformity with the applicable laws and regulations and the Company's Articles of Incorporation, the status of the Company.
 - (ii) With respect to the performance of duties by directors, there exist no unjust acts or serious violation of laws and regulations or the Company's Articles of Incorporation therein.
 - (iii) Content of the resolution by the Board of Directors with respect to the internal control systems as described in the business report is appropriate. Also, there is nothing to remark with respect to the performance of duties by directors regarding such internal control systems.
- (2) Results of audit of the financial statements (on non-consolidated basis) and their supplementary schedules

The methods and the results of audit by Deloitte Touche Tohmatsu, the independent accountants and the Company's Accounting Auditor, are appropriate.

- (3) Results of audit of the consolidated financial statements

The methods and the results of audit by Deloitte Touche Tohmatsu, the independent accountants and the Company's Accounting Auditor, are appropriate.

May 11, 2015

The Board of Corporate Auditors of Pioneer Corporation

Mikio Shimoda (seal)
Full Time Corporate Auditor

Keiichi Nishikido (seal)
Corporate Auditor (Outside Corporate Auditor)

Toraki Inoue (seal)
Corporate Auditor (Outside Corporate Auditor)

- END -

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

AGENDA ITEMS AND REFERENCE MATERIALS THEREOF:

Agenda Item No. 1. Partial Amendment to the Articles of Incorporation

(1) Reasons for amendments:

A proposal is hereby made to add new provisions relating to the agreement with Outside Directors and Outside Corporate Auditors to limit their liabilities pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act of Japan, in order to facilitate appointing appropriate persons as Outside Directors and Outside Corporate Auditors and enable them to sufficiently fulfill the roles expected of them.

In line with this amendment, downward revisions will be made to the article numbers of the Articles of Incorporation.

It has obtained the consent of each Corporate Auditor to add the new provision relating to the agreement with Outside Directors.

(2) Substance of amendments:

(Change is indicated by underline.)	
Present Articles	Proposed Amendments
[Addition]	<u>Article 31. (Agreement on Limitation of Liabilities of Outside Directors)</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with the outside directors which limits their liabilities specified in Article 423, Paragraph 1 of the Companies Act, if they are in good faith and without gross negligence, provided, however, that the limitation of liabilities under the agreement shall be the amount provided by laws and ordinances.</u>
[Addition]	<u>Article 42. (Agreement on Limitation of Liabilities of Outside Corporate Auditors)</u> <u>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with the outside corporate auditors which limits their liabilities specified in Article 423, Paragraph 1 of the Companies Act, if they are in good faith and without gross negligence; provided, however, that the limitation of liabilities under the agreement shall be the amount provided by laws and ordinances.</u>

Agenda Item No. 2. Election of Eight (8) Individuals as Directors

As the terms of offices of all of six (6) Directors currently in office will expire at the conclusion of this Ordinary General Meeting of Shareholders, a proposal is hereby made to increase the number of Directors by two (2) and elect eight (8) Directors to reinforce management structure.

The candidates for Directors are as follows:

Candidates for Directors

No. 1 Susumu Kotani

Date of Birth: April 12, 1950

Number of Pioneer Shares Held: 28,200

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1975:

Joined Pioneer

June 2003:

Executive Officer;

Chairman and Managing Director of Pioneer Europe NV

June 2006:

Executive Officer;

General Manager of International Business Group

June 2007:

Senior Executive Officer;

In charge of sales and marketing of Home Entertainment Business Group and

General Manager of International Business Group

June 2008:

Managing Director;

General Manager of Home Entertainment Business Group

November 2008:

President and Representative Director

June 2012

Representative Director, President and CEO;

In charge of Medical & Health Business Development Division and Cable & Network Systems Business Division

June 2014 to present:

Representative Director, President and CEO

No. 2 Hideki Okayasu

Date of Birth: May 12, 1950

Number of Pioneer Shares Held: 5,000

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1973:

Joined Pioneer

June 2001:

Executive Officer;

General Manager of Accounting Division

June 2004:

Senior Executive Officer;

General Manager of Finance and Accounting Division

June 2007:
 Managing Director;
 Chief Financial Officer, and General Manager of Finance and Accounting Division

June 2009:
 Senior Managing Director and Representative Director;
 Chief Financial Officer, General Manager of Finance and Accounting Division, and
 General Manager of Corporate Communications Division

June 2012:
 Representative Director, Senior Managing Executive Officer;
 In charge of Finance and Accounting Division, Human Resources & General
 Administration Division, Investor Relations Division, Legal & Intellectual Property
 Division, Audit Division, and export management in general

April 2015 to present:
 Representative Director, Senior Managing Executive Officer;
 General Manager of Related Business Division, and in charge of Legal & Risk
 Management Division, Audit Division, and export management in general

No. 3 Mikio Ono

Date of Birth: July 26, 1953

Number of Pioneer Shares Held: 15,200

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1977:
 Joined Pioneer

December 2008:
 Senior Executive Officer;
 General Manager of Corporate Planning Division, and in charge of Strategic IT
 Division and Speaker Business

June 2009:
 Managing Director;
 General Manager of Corporate Planning Division and in charge of export
 management in general and in charge of Strategic IT Division

June 2010:
 Managing Director and Representative Director;
 General Manager of Corporate Planning Division and in charge of Home AV
 Business, Pro. Sound & Visual Business and IT Division

June 2012:
 Representative Director, Senior Managing Executive Officer;
 General Manager of Corporate Planning Division, and in charge of Production &
 Procurement Management Division, Design Division, New Business Development
 Division and Home Electronics Business Management Group

April 2015 to present:
 Representative Director, Senior Managing Executive Officer;
 General Manager of New Business Division, and in charge of corporate reformation,
 business competitiveness strategy

No. 4 Kunio Kawashiri

Date of Birth: December 26, 1957

Number of Pioneer Shares Held: 34,000

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1980:

Joined The Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

July 2009:

Joined Pioneer

Executive Officer;

Assistant to General Manager of Corporate Planning Division

June 2010:

Director;

General Manager of Business Administration Division of Corporate Planning Division, and in charge of finance

June 2012:

Director, Senior Executive Officer;

General Manager of Business Administration Division of Corporate Planning Division, and in charge of ecology, finance, Quality Assurance Division, IT Division, Industrial Solutions Division and Pioneer Digital Design and Manufacturing Corporation

April 2015 to present:

Director, Senior Executive Officer;

In charge of Accounting Division and Finance Division

No. 5 Masahiro Kawamura (To be newly elected)

Date of Birth: April 8, 1954

Number of Pioneer Shares Held: 2,700

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1981:

Joined Pioneer

April 2002

General Manager of General Area Marketing Department of International Division

July 2004:

Director of Pioneer Europe NV

May 2010:

Chairman and Managing Director of Pioneer Europe NV

June 2010:

Executive Officer;

Chairman and Managing Director of Pioneer Europe NV

June 2013:

Senior Executive Officer;

General Manager of International Business Management Division

April 2015 to present:

Senior Executive Officer;

General Manager of Corporate Management Division, and in charge of Intellectual Property Division

No. 6 Takashige Nakano (To be newly elected)

Date of Birth: April 25, 1954

Number of Pioneer Shares Held: 7,100

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1977:

Joined Pioneer

June 2002:

General Manager of Domestic Sales Division of Mobile Entertainment Company

June 2007:

Executive Officer;

General Manager of Domestic Sales Division of Mobile Entertainment Business Group

October 2009:

Executive Officer;

President and Representative Director of Pioneer Sales & Marketing Corporation

April 2013:

Executive Officer;

Deputy General Manager of Car Electronics Business Management Group in charge of sales and planning

June 2014:

Senior Executive Officer;

General Manager of Car Electronics Business Management Group and General Manager of Car Electronics Strategic Business Planning Division of Car Electronics Business Management Group, and in charge of Pioneer Sales & Marketing Corporation

April 2015 to present:

Senior Executive Officer;

In charge of Car Electronics Business

No. 7 Masahiro Tanizeki

Date of Birth: January 7, 1946

Number of Pioneer Shares Held: None

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1968:

Joined Toyota Tsusho Corporation

August 1987:

General Manager of London Office, Toyota Tsusho Corporation

April 1992:

Managing Director of Toyota Tsusho U.K. Ltd.

June 1997:

Director and General Manager of Vehicle Division I of Toyota Tsusho Corporation

June 1999:

Director of Toyota Tsusho Corporation;

Managing Director of Toyota Tsusho Europe S.A.

June 2002:

Managing Director of Toyota Tsusho Corporation;

In charge of Vehicles Division

June 2005:

Senior Managing Director of Toyota Tsusho Corporation;

Chief Division Officer of Energy & Chemicals Division

June 2007:
 Retired from Senior Managing Director of Toyota Tsusho Corporation
 President and Representative Director of Toyotsu Syscom Corporation
 June 2010:
 Retired from President and Representative Director of Toyotsu Syscom Corporation
 June 2010 to present:
 Director of Pioneer

No. 8 Shunichi Sato

Date of Birth: February 10, 1941

Number of Pioneer Shares Held: 1,000

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1964:
 Entered the Ministry of Foreign Affairs of Japan
 April 1987:
 Minister of Embassy of Japan in France
 February 1991:
 Consul General of Consulate General of Japan at Montreal
 July 1995:
 Director General of Latin American and Caribbean Affairs Bureau of the Ministry of Foreign Affairs of Japan
 August 1997:
 Japanese Ambassador Extraordinary and Plenipotentiary to Poland
 April 2000:
 Japanese Ambassador Extraordinary and Plenipotentiary to Belgium
 December 2003:
 Retired from office of the Ministry of Foreign Affairs of Japan
 June 2004:
 Director of Pioneer
 June 2010:
 Retired from office of Director of Pioneer
 June 2014 to present:
 Director of Pioneer

<Other Important Occupation>
 Outside Corporate Auditor of Nakano Corporation

- Notes: 1. Each candidate has no particular interest in Pioneer.
2. Messrs. Masahiro Tanizeki and Shunichi Sato are candidates for Outside Director pursuant to the Companies Act of Japan, and satisfy the requirements of Independent Director of the Tokyo Stock Exchange. The following are items required to be noted about candidates for Outside Directors.
- (1) Reasons for recommendation
- (i) Mr. Masahiro Tanizeki is nominated because he is highly expected to fully perform the Outside Director's role with his insight and abundant experience as a management member of business enterprises, and his independence from management's execution of business activities. His term of office as Outside Director of Pioneer will be five years at the conclusion of this Ordinary General Meeting of Shareholders.

- (ii) Mr. Shunichi Sato is nominated because he is highly expected to fully perform the Outside Director's role with his insight and abundant experience as a diplomat, and his independence from management's execution of business activities, although he has not been involved in company management in terms of business execution. His term of office as Outside Director of Pioneer will be one year at the conclusion of this Ordinary General Meeting of Shareholders.
- (2) Independence
 - (i) None of the candidates for Outside Director have been in the past five years executing members of Pioneer or of any business entities that have special relations with the Company (subsidiaries, affiliates and major business partners).
 - (ii) None of the candidates for Outside Director have relatives in the third degree or closer that are executing members of Pioneer or business entities that have special relations with the Company.
 - (iii) None of the candidates for Outside Director have received in the past two years or plan to receive a large amount of money or any other property from Pioneer or business entities that have special relations with the Company, other than remuneration for their role as director, corporate auditor or executive officer.
- 3. If Messrs. Masahiro Tanizeki and Shunichi Sato are elected as Outside Directors, subject to the approval of Agenda Item No. 1 "Partial Amendment to the Articles of Incorporation," the Company will enter into an agreement with each of them to limit their liabilities as specified in Article 423, Paragraph 1 of the Companies Act of Japan, pursuant to the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liabilities set forth by the agreement shall be the amount stipulated by laws and regulations.

Agenda Item No. 3. Election of Two (2) Individuals as Corporate Auditors

As the terms of offices of two (2) Corporate Auditors out of a total of three (3) Corporate Auditors currently in office, namely, Messrs. Keiichi Nishikido and Toraki Inoue will expire at the conclusion of this Ordinary General Meeting of Shareholders, a proposal is hereby made to elect two (2) corporate auditors at the meeting.

This proposal has obtained the consent of the Board of Corporate Auditors.

The candidates for Corporate Auditors are as follows:

Candidates for Corporate Auditors

No. 1 Keiichi Nishikido

Date of Birth: May 2, 1953

Number of Pioneer Shares Held: 7,000

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1985:

Admitted to The First Tokyo Bar Association
Joined Nagashima & Ohno Law Offices, Japan

August 1989:

Joined Glass, McCullough, Sherrill & Harrold Law Offices, U.S.A.

February 1991:

Joined Nagashima & Ohno Law Offices

January 1994 to present:

Managing partner of Kohwa Sohgo Law Offices, Japan

June 2003 to present:

Corporate Auditor of Pioneer

<Other Important Occupation>

Partner of Kohwa Sohgo Law Offices
Outside Corporate Auditor of Saibo Co., Ltd.

No. 2 Hiroyuki Wakamatsu (To be newly elected)

Date of Birth: September 20, 1971

Number of Pioneer Shares Held: None

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1995:

Joined Tohmatsu & Co., Japan (currently Deloitte Touche Tohmatsu LLC)

April 1998:

Certified Public Accountant

October 2008 to present:

Representative of Wakamatsu CPA Office

August 2010 to present:

Certified Public Tax Accountant

<Other Important Occupation>

Representative of Wakamatsu CPA Office
Outside Corporate Auditor of Withus Corporation
Outside Corporate Auditor of Mixi, Inc.

- Notes: 1. Each candidate has no particular interest in Pioneer.
2. Messrs. Keiichi Nishikido and Wakamatsu Hiroyuki are candidates for Outside Corporate Auditor pursuant to the Company Law of Japan, and satisfy the requirements of Corporate Auditor of the Tokyo Stock Exchange. The following are items required to be noted about candidates for Outside Corporate Auditors.
- (1) Reasons for recommendation
- (i) Mr. Keiichi Nishikido is nominated because he is highly expected to fully perform the Outside Corporate Auditor's role with his insight and abundant experience as a legal expert, and his independence from management's execution of business activities, although he has not been involved in company management in terms of business execution. His term of office as Outside Corporate Auditor of Pioneer will be 12 years at the conclusion of this Ordinary General Meeting of Shareholders.
 - (ii) Mr. Wakamatsu Hiroyuki is nominated because he is highly expected to fully perform the Outside Corporate Auditor's role with his insight and abundant experience as a financial and accounting expert, and his independence from management's execution of business activities.
- (2) Independence
- (i) None of the candidates for Outside Corporate Auditor have been in the past five years executing members of Pioneer of any business entities that have special relations with the Company (subsidiaries, affiliates and major business partners).
 - (ii) None of the candidates for Outside Corporate Auditor have relatives in the third degree or closer that are executing members of Pioneer or business entities that have special relations with the Company.
 - (iii) None of the candidates for Outside Corporate Auditor have received in the past two years or plan to receive a large amount of money or any other property from Pioneer or business entities that have special relations with the Company.
3. If Messrs. Keiichi Nishikido and Wakamatsu Hiroyuki are elected as Outside Corporate Auditors, subject to the approval of Agenda Item No. 1 "Partial Amendment to the Articles of Incorporation," the Company will enter into an agreement with each of them to limit their liabilities as specified in Article 423, Paragraph 1 of the Companies Act of Japan, pursuant to the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liabilities set forth by the agreement shall be the amount stipulated by laws and regulations.

Agenda Item No. 4. Election of Two (2) Individuals as Substitute Auditors in Case of Vacancy

As the effectiveness of the election of Mr. Shinichi Tsuji and Ms. Nobuko Hanano as Substitute Auditors resolved at the previous ordinary general meeting of shareholders is until the beginning of this Ordinary General Meeting of Shareholders, a proposal is hereby made to elect two (2) Substitute Auditors in case of vacancy that may be caused by Corporate Auditors' retirement before the expiration of the term of office.

We hereby request the election of Mr. Shinichi Tsuji as substitute for Mr. Mikio Shimoda, and Ms. Nobuko Hanano as substitute for Corporate Auditors other than Mr. Mikio Shimoda.

The effectiveness of the election of substitute auditors is until the beginning of the next ordinary general meeting of shareholders, pursuant to the pertinent laws of Japan. However, the Board of Directors may, with the consent of the Board of Corporate Auditors, terminate the effectiveness of this election, but only prior to the assumption of office of a Corporate Auditor by the Substitute Auditor.

This proposal has obtained the consent of the Board of Corporate Auditors.

The candidates for Substitute Auditors are as follows:

Candidates for Substitute Auditors

No. 1 Shinichi Tsuji

Date of Birth: August 25, 1961

Number of Pioneer Shares Held: None

Brief Personal Profile and Important Occupation in Other Business Entities:

April 1984:

Joined Pioneer

October 2009:

General Manager of Legal Affairs Division of Human Resources & General Administration Division

April 2015 to present:

General Manager of Legal & Risk Management Division

No. 2 Nobuko Hanano

Date of Birth: October 6, 1968

Number of Pioneer Shares Held: None

Brief Personal Profile and Important Occupation in Other Business Entities:

October 2000:

Attorney-at-law

October 2004 to present:

Partner of Kohwa Sohgo Law Offices

<Other Important Occupation>

Partner of Kohwa Sohgo Law Offices

- Notes: 1. Each candidate has no particular interest in Pioneer.
2. Ms. Nobuko Hanano satisfies the requirements of Outside Corporate Auditor pursuant to the Companies Act of Japan, and the requirements of Independent Corporate Auditor of the Tokyo Stock Exchange. The following are items required to be noted about candidate for Outside Corporate Auditor.
- (1) Reasons for recommendation
- Ms. Hanano is nominated because she is highly expected to fully perform the Outside Corporate Auditor's role to oversee management of Pioneer with her insight and abundant experience as a legal expert, and her independence from management's execution of business activities, although she has not been involved in company management in terms of business execution.
- (2) Independence
- (i) Ms. Hanano has not been in the past five years an executing member of Pioneer or business entities that have special relations with the Company (subsidiaries, affiliates and major business partners).
- (ii) Ms. Hanano has no relatives in the third degree or closer that are executing members of Pioneer or business entities that have special relations with the Company.
- (iii) Ms. Hanano has not received in the past two years or plans to receive a large amount of money or any other property from Pioneer or business entities that have special relations with the Company.
3. If Ms. Hanano is elected as Substitute Auditors and she assumes office of Outside Auditor, subject to the approval of Agenda Item No. 1 "Partial Amendment to the Articles of Incorporation," the Company will enter into an agreement with her to limit her liabilities as specified in Article 423, Paragraph 1 of the Companies Act of Japan, pursuant to the provisions of Article 427, Paragraph 1 of the Act. The maximum amount of liabilities set forth by the agreement shall be the amount stipulated by laws and regulations.

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