

Integrity

Transparency
Business Ethics

PIONEER GROUP Code of Conduct

Business Ethics

Consistency

Business Ethics Sustainability

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Sustainability

Integrity Fairness

Consistency

Transparency Integrity

Business Ethics

On the Occasion of Revising the Code of Conduct

To sustain company growth and to gain the confidence from the various stakeholders who maintain an interest in the Pioneer Group, I firmly believe that we must perform our business on the basis of a prudent and accurate understanding of the evolving requirements and expectations from our society. Accordingly, all of us are continually encouraged to improve the quality of our business operations group-wide. Activities under this heading include the adoption of the Code of Conduct for Business Practices in October 2001 in addition to the Pioneer Group Charter for Corporate Operations. We have asked all individuals working at the Pioneer Group, including our officers and employees, to abide by the Code, which serves as the ethical standards on the basis of which we undertake our business activities.

Some three years have passed since the first adoption of the Code of Conduct, a period marked by significant changes in our society. Now, following a series of corporate scandals and misconduct, international society demands honest, fair, and transparent conduct even more severely both in securities markets and toward consumers. The scope of corporate social responsibilities has been broadened to include respect for fundamental human rights measures, such as no use of child labor or forced labor, as well as reduction of hazardous substances contained in materials and components which impose a burden on the global environment.

These revisions in the Code of Conduct place importance on further clarification of issues that must be considered when the Pioneer Group, as a global company, undertakes development, production, or sales activities throughout the world. Moreover, we have clearly indicated that we must ensure integrity, fairness, and transparency not only within the Group but also within our entire supply chain.

Our Code of Conduct enjoins all of us, including officers, to adhere to its provisions. However, for certain responsibilities, such as reducing environmentally hazardous substances, we cannot fulfill our obligations under the Code of Conduct in good conscience within the Pioneer Group alone. We must collaborate with our business partners to ensure that they, too, understand our Code of Conduct. To promote these efforts, we plan to translate the Code of Conduct into appropriate local languages. To demonstrate the consistency of Pioneer's actions and words, we also plan to publicize the Pioneer Group Code of Conduct.

Each management member including myself is being requested to take the initiative in making judgements and acting in accordance with the Code of Conduct. I ask that all of those at Pioneer, including officers and managers, fully understand the Pioneer Group Code of Conduct and comply with its provisions as the new standards for our business practices.

June 29, 2004



Kaneo Ito

President and Representative Director

Introduction

We are working hard to achieve the Pioneer group's philosophy of “Move the Heart and Touch the Soul” based on our founder Nozomu Matsumoto's vision of "better sound for more people." The Pioneer Group Code of Conduct sets forth our commitment to ethical business practices in accordance with Pioneer's Corporate Creed, the Group Charter for Corporate Operations, and the Group Management Stance that places customer satisfaction and social responsibility as top priorities.

Based on this Code of Conduct, we remain at all times deeply aware of our social responsibilities and of our obligation to act in good faith in performing our duties. Furthermore, we wish for the business conduct of the Pioneer Group to further society's trust in Pioneer, as we work to maintain and improve our contributions.

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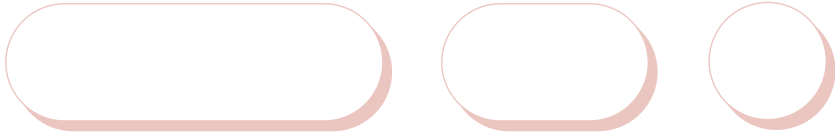
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Applicability

The Pioneer Group Code of Conduct (below “this Code”) applies to all individuals working at the Pioneer group of companies (below “the Pioneer Group”), including all executives and officers. And this Code is periodically reviewed, and the approval of the Board of Directors of Pioneer Corporation is sought to make revisions when deemed necessary.

Each company in the Pioneer Group (below the company) shall translate this Code into the language appropriate for, and consistent with, the legal systems and social practices for the region and country in which it operates. This Code is to be distributed among and understood by all applicable individuals throughout the company. As part of the process of translation, explanations or provisions may be added with regard to the contents of this Code; provided, however, that such provisions do not conflict with or undermine the substance of this Code or other provisions of this Code. The Pioneer headquarters of each world region shall lead these efforts, based on the approval of the Board of Directors of Pioneer Corporation.

The Business Ethics Committee has been established at the Pioneer Corporation to implement this Code throughout the Pioneer Group. The administrative office of the Committee has also been established at the Pioneer Corporation to respond to the Business Ethics Hotline and to promote Business Ethics.

Violations of this Code

Those individuals violating this Code are subject to penalties according to applicable laws and regulations. A violation of this Code may also have a negative impact on personnel evaluations and benefits (including discipline and termination), depending upon the nature of the violation.

Basic Policy

1. We will understand and faithfully observe the provisions of this Code.
2. We will respect individuals based on recognition of the fundamental human rights of all people as set forth in the United Nations' "Universal Declaration of Human Rights."¹
3. We will not engage in any actions that are likely to dilute, defame, disparage, or otherwise harm the reputation of the Pioneer Group, or that may conflict with the legitimate interests of the Pioneer Group.
4. We will at all times obey the laws and regulations for each region and country while engaging in our business activities as well as the company rules and policies, and also we will accord appropriate respect for the social and moral practices for the region and country in question.
5. We will maintain fair, proper, and transparent relationships with our various stakeholders both inside and outside the Pioneer Group, and we undertake tasks in a good faith and timely manner at all times.
6. We will make business judgments based on the following guidelines:
 - (1) to behave honestly and ethically in a manner consistent with applicable laws and regulations as well as the company rules and policies
 - (2) to ensure the absence of any personal interests or relationship that would conflict with the interests of the company or pose the risk of conflicting with such interests
 - (3) to act within the scope of authority granted by the company
 - (4) to gather as much relevant information as possible to serve as the basis for our business judgments
 - (5) to undertake good-faith investigations to formulate optimal business choices
 - (6) to exercise reasonable discretion and impartial judgment
7. We will remain aware of the laws and the company policies applicable to our work, and participate in available training to deepen our knowledge.
8. Should we engage in acts that are not in accordance with this Code, we shall promptly correct our actions. Moreover, if we learn of another employee who has engaged in acts that breach the provisions of this Code, we will advise such individual to take corrective action, or report such behavior to the Business Ethics Hotline. And if a reporting system is legislated in any region/country to report such acts, we will follow it.
9. Each of our officers and managers shall provide opportunities for all individuals of the company under his/her supervision to receive training with regard to applicable laws and regulations as well as the company rules and policies, and have them to implement actual practice of this Code. In addition, all officers and managers shall agree to obey this Code as an example to others.

^{*1} The United Nations' "Universal Declaration of Human Rights

In 1948, the United Nations adopted the Universal Declaration of Human Rights. The Declaration states that "every individual and organ of society" has the responsibility to strive to "promote respect for these rights and freedoms" and "by progressive measures, national and international, to secure their universal and effective recognition and observance."

To Continue as a Company Trusted and Supported by Society

Capital Market's Trust

By engaging in sound and transparent corporate management, we seek to maintain our course, as a company trusted by our shareholders and by investors.

Customer Satisfaction: Our Top Priority

The Management Stance of the Pioneer Group places the highest priority on customer satisfaction, a goal towards which we constantly strive. We seek to increase the value of our brand name as one held in confidence by our customers by exerting our best efforts to build the organization and to train our personnel to achieve this goal.

Compliance as a Multi-National Company

We respect international principles concerning corporate behavior for multinational companies such as the ILO Tripartite Declaration*2, the OECD Guidelines*3, and the UN Global Compact*4, and we comply with relevant international agreements for maintaining world peace and security.

- (1) We do not use child labor or forced labor in line with international declarations and principles regarding human rights.
- (2) We seek to fulfill all proper obligations with respect to laws and regulations as well as the company rules and policies based on international control regimes when we export our products and components and transfer technologies overseas.
- (3) We will not become involved in any business activities related to the development and/or manufacturing of weapons.

Environmental Conservation

We seek to maintain and improve our rich and safe natural environment by establishing environmental management systems and programs to reduce environmental burdens.

- (1) We will observe all applicable laws and regulations involving environmental protection and the company rules and policies established as our own additional standards where appropriate. We continually seek to reduce the burden on the global environment through the methods by which we undertake our business activities.
- (2) To promote a sustainable society, we, as a good corporate citizen, will take active part in activities reducing waste and making proper use of resources to conserve local environments.

*2 The ILO Tripartite Declaration

Adopted in 1977, the ILO Tripartite Declaration concerning Multinational Enterprises and social policy represented the first comprehensive and universally applicable international instrument explicitly dedicated to the social responsibilities of business. In 2000, the ILO published a revision of its Tripartite Declaration of Principles concerning multinational enterprises and social policy.

Contributing to Society

We engage in a sustained dialogue with local communities in regions where the Pioneer Group operates, and we seek to make contribution, among other ways, through our business activities and our use of human and material resources. Moreover, we seek to contribute to society through our daily activities.

Strict Measures Against Individuals Endangering Civil Society

We have created processes within the company for responding in an organized and resolute manner to encounters with individuals or groups that disturb the order and threaten the safety of society.

Public Disclosure

In addition to corporate data on business results and activities, we strive to disclose information on efforts involving environmental protection and social responsibilities. We obey all applicable laws and regulations as well as the company rules and policies governing stock trading in countries in which the company shares are listed on an exchange. And based on applicable disclosure standards, we seek to disclose information in a full, fair, accurate, timely, and comprehensible manner. Moreover, we make an active effort to engage in public relations activities to assist investors.

Prohibition of Insider Trading

We prohibit the trading of the company shares in violation of laws and regulations or the company rules and policies based on insider information that could potentially affect the company share prices. We also prohibit passing of such insider information to acquaintances or family members.

Inappropriate Bestowing of Benefits to Shareholders or Investors

We grant no special benefits or favors to isolated shareholders or investors.

*3 The OECD Guidelines

The OECD Guidelines reflect the consensus by all of the OECD member governments as to what constitutes responsible business behavior. Its adoption was fully supported by representative employers and workers organizations having consultative status with the OECD. In the revision of the OECD Guidelines that took place in 2000 it was explicitly indicated that enterprises should apply the Guidelines wherever they do business.

*4 The Global Compact

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.

To Win Our Customers' Satisfaction and Trust



Safe and High-Quality Products and Services

We continually strive to act in accordance with the wishes and expectations of our customers, providing products and services to satisfy our customers.

- (1) We engage in technology development to improve the safety, quality, and usefulness of our products and services. In addition, to provide safe, high-quality products and services, we continually adopt and review procedures to evaluate our products and services and our quality policies.
- (2) We develop products and promotional materials while fully considering issues such as resource conservation, energy conservation, recycling, reducing use of materials that impose environmental burdens, and conversion to alternative materials or processes to avoid negative impact on the global environment, in the course of their use and after their disposal. Moreover, in our product development, we respect the intellectual property rights of other parties, including content copyrights.
- (3) We maintain transparent, fair, and proper relationships with our customers and we conduct business in accordance with applicable consumer laws.

Fair and Appropriate Information

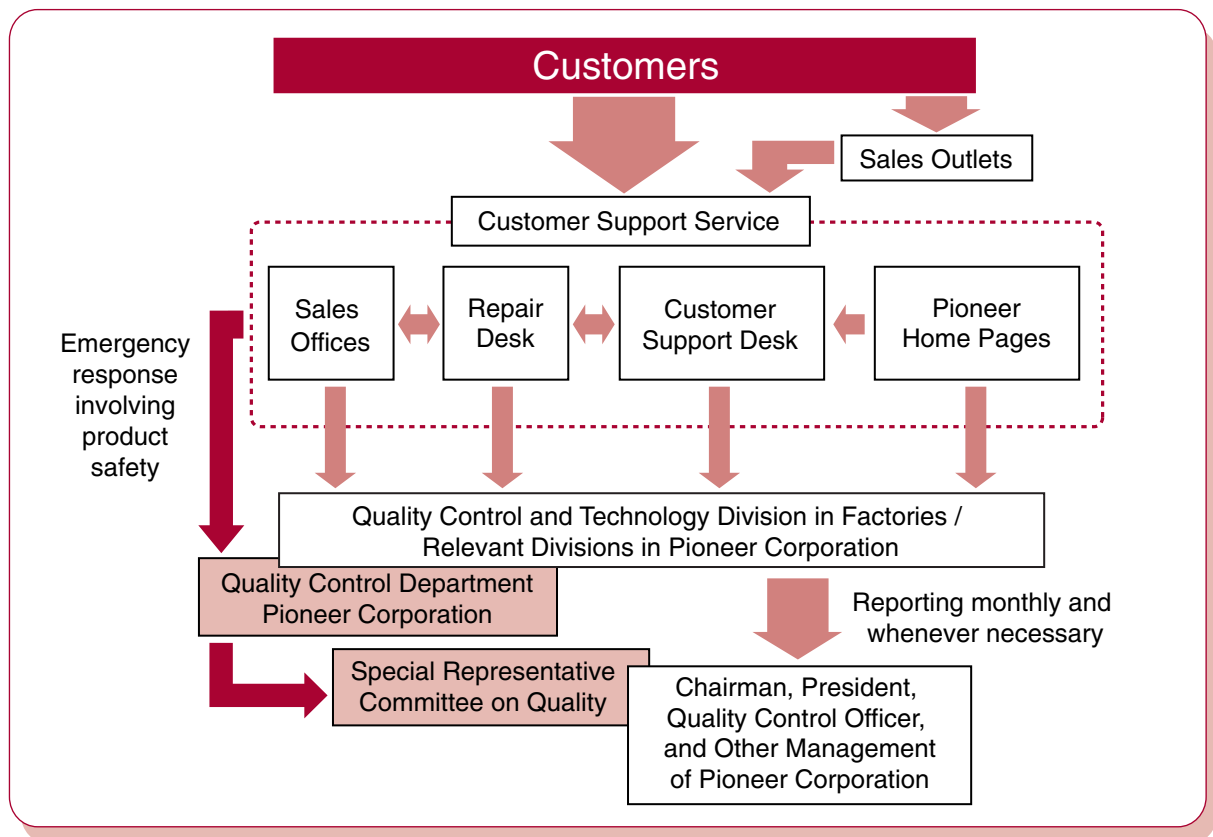
We observe all applicable laws and regulations regarding the handling of inquiries and repairs of our products and services, as well as the conduct of sales activities (such as advertising, public relations, and sales campaigns). Furthermore, we make no statements or representations contrary to fact concerning the quality, performance, or specifications of our products or services, or that may cause misunderstanding among our customers.

Customer Claims and Requests

We respond to claims from customers in a fair, good faith manner. We share input from customers within the Pioneer Group, whether submitted in the form of claims or requests or otherwise, making use of this information to develop and improve our products and services.

- (1) On obtaining information concerning the safety of products or services, we promptly report such information to the Quality Control Division of Pioneer Corporation. When deemed appropriate, we promptly examine the causes and implement appropriate responses under the direction of the Director of Pioneer Corporation in charge of quality control.
- (2) If we believe potential risk exists with respect to the safety of our products or services, we disclose all relevant information to our customers without delay in an easy-to-understand manner. We also disclose this information to relevant entities in accordance with applicable laws and /or decisions of the Special Committee for Quality Assurance in Pioneer Corporation.

Information Flow from Customers (outline)



Protection of Customer's Personal Information

We observe all applicable laws and regulations involving the collection, control, and use of the personal information of our customers in the course of our business activities. Furthermore, we handle such personal information in accordance with the privacy policy made public by the company, as well as rules specified by the Pioneer Group and the company, to strictly protect the rights and interests of our customers at all times.

To Establish Fair and Free Business Relations

Fair Business Conducts

We maintain fair and transparent relationships with our business partners, engaging in fair transaction practices in accordance with applicable laws and regulations, such as an antitrust law. We do not take part in collusion, cartels, or similar activities with other companies within our industry that would unlawfully impede free competition, or any other activities that may give rise to such concerns.

Management of Information from Third Parties

We do not use information obtained from other companies or any third party in the course of business for any purpose other than as specified and agreed. We handle such information with the same degree of care applicable to our own confidential information, maintaining strict control thereof. Furthermore, we do not seek to obtain or access confidential information from other companies or any third party by improper means or methods.

Business Conducts with Suppliers and Service Providers

We seek to maintain fairness at all times in our purchasing activities, seeking to earn a higher level of trust from our suppliers and service providers while maximizing the interests of the Pioneer Group. We conduct transactions in good faith in accordance with all applicable laws and agreements, based on the principle of fair play.

(1) We make selections on the basis of reasonable judgment, not personal interest.

(2) We will not receive personal benefits or favors in connection with our work duties.

In addition, we demand that our suppliers and service providers act in an ethical and socially responsible manner by observing all applicable laws and regulations in the regions and countries in which they operate, and by demanding compliance with international accords and written agreements.

Business Conducts with Dealers and Distributors

At all times, we engage in sales activities in an equitable manner, striving to earn a higher level of trust from our business-to-business purchasers while advancing the interests of the Pioneer Group. We conduct transactions in good faith and in accordance with applicable laws and agreements, based on the principle of fair play. We do not unfairly discriminate among purchasers or engage in other improper practices such as exclusionary practices or unfair trade restraints.

Relationship with Governmental Agencies and Industry Groups

We strive to act responsibly and in good faith and to communicate in a smooth and appropriate manner with governmental agencies and industry groups, especially the content business industry, based on our Group Vision as an “Entertainment-creating Company” which promotes the advancement of society as a whole.

Gifts and Entertainment

- (1) To maintain sound relationships with our business partners, including suppliers and service providers, we do not accept gifts or entertainment from our partners (or their representatives) that violate the company policy, and we strive to make this policy known to them. In cases in which it is not possible to refuse such gifts or entertainment, we receive prior consent from our superior officers, or report regarding such receipt to our superior thereafter. (The company policy does not prohibit meals for business meetings or ceremonial occasions within the scope of normal social practice.)
- (2) We do not seek to bribe or otherwise curry favor with officials at government and municipal offices, or public corporations, nor do we offer gifts or entertainment that may lead to the appearance of seeking special benefits or favors from such officials.
- (3) When engaging in international transactions, we do not perform improper acts such as the granting of benefits or favors to obtain inappropriate preferential treatment from foreign officials (including central and local governments, public institutions or corporations, or public international organizations).



To Conclude Our Business Activities Properly and Effectively • •

Risk Management

We seek to understand the various risks confronting the Pioneer Group and to take appropriate preventive measures. In the event of an emergency, we will respond quickly and in accordance with established procedures.

Company Information

We manage confidential company information related to technology development, product development, and the business of the Pioneer Group in an appropriate manner and in accordance with the company rules and policies. While employed at the company and after retirement, we will not divulge such information to third parties or use such information for unauthorized purposes. Moreover, we will not discuss confidential matters or display confidential documentation in locations where unintended disclosure could result, such as when traveling by public transportation or dining in public.

Intellectual Property

We maintain and manage the company's intellectual property including know-how obtained from technology developments by appropriate methods. We seek to protect such assets to avoid improper infringement thereof by third parties. Similarly, we respect the intellectual property rights of third parties and do not intentionally infringe upon such rights or contribute to or condone such acts of infringement.

Proper Management and Use of Company Assets

We maximize the value of tangible assets and intangible assets such as trademarks and intellectual property to increase the performance and contribute to the interests of the company. We seek to preserve and manage the assets of the company (including tangible and intangible assets, personal computers, and networks) in accordance with company policies and will use such assets for business purposes and in a socially responsible manner. We will not divert such assets for personal use or for purposes other than the originally intended business purpose.

Proper Accounting Treatments

We undertake all accounting activities properly and in good faith and in accordance with applicable laws and regulations, including the maintenance of account ledgers and financial records. And not only officers and employees in charge of accounting and finance but also all individuals working at Pioneer Group observe applicable laws and regulations as well as company rules and policies at all times with regard to their work in order to avoid recording errors or confusions.

To Work Energetically with Mutual Respect for Each Other

Respect for Human Rights

We will not discriminate in hiring or employment on the basis of race, ethnicity, nationality, religion, creed, sex, gender, sexual orientation, social status, disability, age, or the like.

Workplace Diversity

We discourage any actions based on fixed idea of roles in workplace and seek to achieve mutual understanding so that each individual may fully exercise his or her abilities. We respect a diversity of skills and traits. To promote the continuous growth of the Pioneer Group and of individual abilities, we engage in mutual cooperation and seek to realize diverse and dynamic workplace environment that fosters the autonomy and independence of individuals.

Freedom from Harassment

We respect the traits of others, avoiding actions that unlawfully harass others or violate moral standards based on sex, gender or job duties. At all times, we act with an awareness of how our language or attitudes may be perceived by others. We stand resolutely opposed to acts constituting illegal or immoral harassment that would be disruptive to the workplace.

Respect for Privacy

We do not disclose inside or outside the company any personal information about officers or other individuals employed at the company that was learned at the workplace or in the course of work, without the explicit permission of such individual.

Healthy and Safe Working Environment

We observe applicable laws and regulations concerning industrial safety and health as well as company rules and policies concerning personnel and employment. We strive to improve the workplace environment and work conditions with careful consideration for the safety and both mental and physical health of our employees.

Workplace Information Sharing

We engage in timely reporting, communications and consultation without lapses to ensure smooth communications and proper decision-making in the workplace.

Abolition of Formal Gift-giving

We do not exchange gifts for reasons of courtesy within the company; provided, however, that this does not apply to ceremonial occasions within the scope of social norms.

Political and Religious Activities

We do not engage in political activities, activities related to systems of belief, religious evangelism, or solicitations for personal or group benefit within the company without company permission. We will not use the name of the company or our company title when engaging in such actions outside the company.



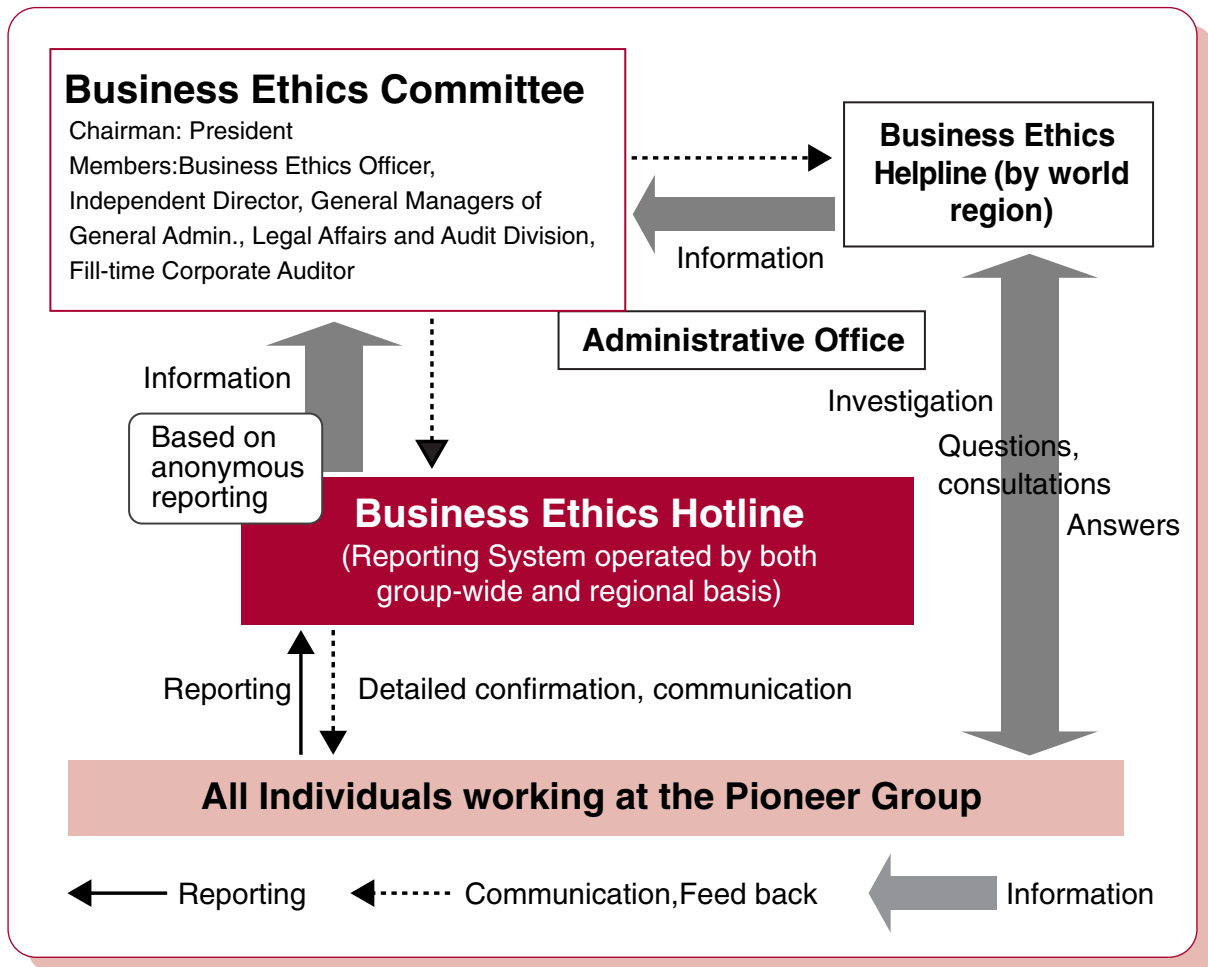
Acting in Accordance with the Code



Business Ethics Hotline

To accept the direct reports from all individuals in case of his or her difficulty to discuss the issues with one's superior or the issues can not be resolved through such discussion, the Pioneer Group has the internal reporting system: Business Ethics Hotline. The company protects the anonymity of individuals reporting issues and ensures that such informants are not subject to harassment or retaliation. Individuals engaging in harassment or retribution against informants are dealt with severely and subject to punitive measures, including dismissal.

Reporting Flow of Business Ethics Hotline (outline)



Vision of the Pioneer Group



Pioneer Group Charter for Corporate Operations

- We provide safe and useful products and services to society.
- We promote fair corporate behavior that respects social justice.
- We continually strive to preserve and improve the global environment.
- We strive to disclose information in the appropriate manner.
- We respond quickly and in good faith based on a detailed crisis management system.
- We rigorously manage and protect rights and assets.
- We strive to contribute to society from a global perspective.
- We seek to achieve a level of corporate action based on respect for people.

Consistency Sustainability Fairness

Business Ethics

Fairness

Transparency Sustainability Consistency

● When in doubt...(self-check)

1. Upset our customers?
2. Bring adverse or negative publicity if made public?
3. Violate your conscience or violate social norms?
4. Violate laws or company policies?

Consistency

Sustainability Transparency

Business Ethics Fairness Consistency Sustainability