

News Release

***For Immediate Release
January 31, 2017***

Pioneer Announces Transfer of CATV-Related Equipment Business and Company Split for the Transfer

Pioneer Corporation (hereinafter “Pioneer”) announced today that it resolved, at the meeting of the Board of Directors held on January 31, 2017, to enter into a share purchase agreement with Technicolor Delivery Technologies S.A.S. (hereinafter “Technicolor”), a subsidiary of Technicolor S.A., with respect to the transfer of Pioneer’s business relating to the development, manufacture and sale/marketing of cable TV system-related equipment (hereinafter the “CATV-Related Equipment Business”) to Technicolor (hereinafter the “Business Transfer”), by way of a company split, as described below. It is planned that Pioneer will cause Pioneer Cable Network Corporation, a wholly-owned subsidiary of Pioneer (hereinafter the “PCN”), to succeed to the CATV-Related Equipment Business of Pioneer by way of an absorption-type company split (hereinafter the “Company Split”) as the effective date of March 31, 2017 (scheduled), and transfer 51% of PCN’s outstanding shares to Technicolor on the same date (scheduled). After the Business Transfer, PCN will become an associated company of Pioneer accounted for under the equity method.

1. Purpose of the Business Transfer and the Company Split

Pioneer pursues the selection and concentration of its businesses other than its Car Electronics business by comprehensively examining various factors, including Pioneer’s strength, synergies to the Car Electronics business, profitability and market growth, in order to accelerate the concentration of its management resources on its Car Electronics business and to implement its growth strategies quickly and steadily, for the realization of a leading company in “Comprehensive Infotainment” that creates comfort, excitement, reliability and safety in vehicles. As part of those efforts, with respect to the CATV-Related Equipment Business, Pioneer decided to seek the expansion of its business and brand with the most suitable outside partner.

Since Pioneer’s CATV-Related Equipment Business was established in 1973, it has developed its business over more than 40 years, mainly in Japan. Based on its proprietary technology, it has introduced market-first products such as interactive cable TV systems and digital cable TV systems, and has always been leading the market. Now, it is conducting its business with major cable operators in Japan. While Pioneer has continued until now to develop the CATV-Related Equipment Business together with its core Car Electronics business, it concluded that it was most suitable to take on a partner that has the financial resources and know-how and will be able to share the

same business vision as Pioneer in order to achieve its further growth.

Therefore, Pioneer resolved to cause PCN to succeed to the CATV-Related Equipment Business and to transfer 51% of PCN's issued and outstanding shares to Technicolor through the Company Split and the Business Transfer. In addition, it is planned that Pioneer will continue to give the right to use the trademarks and the trade name of *Pioneer* to PCN, and Pioneer believes that it will be possible to build a win-win cooperative structure between Pioneer and Technicolor for the growth of the CATV-Related Equipment Business and the enhancement of the value of the *Pioneer* brand in the future.

Technicolor S.A., the parent company of Technicolor, which is the transferee under the Business Transfer, is a worldwide technology leader in the Media & Entertainment industry listed in France. Technicolor S.A. conducts business centered on Connected Home and Entertainment Services, and manages as well an extensive intellectual property portfolio and a licensing business. Technicolor S.A.'s Connected Home business that comprises its cable TV system-related equipment business, is ranking number two worldwide. Its Connected Home business generated 2.6 billion euros of revenues in 2016.

2. Summary of the Company Split

(1) Schedule of the Company Split

Board of Directors' Approval of the Absorption-Type Company Split Agreement (Pioneer)	January 31, 2017
Execution of the Absorption-Type Company Split Agreement	January 31, 2017
Scheduled Date of the Absorption-Type Company Split (effective date)	March 31, 2017 (scheduled)

Note: A general meeting of the shareholders of Pioneer will not be convened with respect to the approval of the absorption-type company split, since the contemplated Company Split falls under a simplified absorption-type company split under Paragraph 2 of Article 784 of the Companies Act of Japan.

(2) Method of the Company Split

The contemplated Company Split will be carried out as an absorption-type company split (a simplified absorption-type company split) between Pioneer (acting as the splitting company) and PCN (acting as the successor company).

(3) Details of shares to be allotted upon the Company Split

PCN will issue common shares upon the Company Split and will allocate all of such shares to Pioneer. Also, on the same date as the effective date of the Company Split, Pioneer will transfer to Technicolor 51% of all shares of PCN, including shares that may be allocated to Pioneer by PCN pursuant to the

Company Split.

- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights following the Company Split

Pioneer has issued bonds with stock acquisition rights but there is no plan to cause PCN to succeed to the obligations under the said bonds with stock acquisition rights. Pioneer has not issued any stock acquisition rights.

- (5) Increase or decrease of stated capital upon the Company Split

There will be no increase or decrease of the stated capital of Pioneer as a result of the Company Split.

- (6) Rights and obligations to be succeeded to by the successor company

PCN will succeed to Pioneer's assets, obligations, employment agreements and rights and obligations relating to the CATV-Related Equipment Business.

- (7) Expectation regarding the successor company's performance of its obligations

Pioneer does not expect any problem with respect to PCN's performance of its obligations on and after the effective date of the Company Split.

3. Summary of parties to the Company Split

	Splitting Company (Pioneer)	Successor Company
(1) Trade name	Pioneer Corporation	Pioneer Cable Network Corporation
(2) Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo, Japan	6-1, Omori-Honcho 1-chome, Ota-ku, Tokyo, Japan
(3) Representative	Susumu Kotani, Representative Director, President and CEO	Mitsuru Nishitsuka, Representative Director and President
(4) Principal businesses	Development, manufacture and sale/marketing of car electronics products	Development, manufacture and sale/marketing of cable TV system-related equipment
(5) Stated capital	91,732 million yen	10,000 yen
(6) Date of incorporation	May 8, 1947	January 25, 2017
(7) Number of shares issued	372,223,436 common shares	9,999 common shares
(8) Fiscal year-end	March 31	December 31

(9) Major shareholders and shareholding ratios (for Splitting Company, as of September 30, 2016)	Mitsubishi Electric Corporation	7.49%	Pioneer Corporation	100%
	NTT DOCOMO, INC.	6.92%		
	The Master Trust Bank of Japan, Ltd. (Trust Account)	6.11%		
	Japan Trustee Services Bank, Ltd. (Trust Account)	3.93%		
	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.72%		
(10) Relationship between the concerned parties	Capital relationship	Pioneer holds all of the issued shares of PCN.		
	Personnel relationship	Currently, three employees of Pioneer serve as directors of PCN and one employee of Pioneer serves as a corporate auditor of PCN.		
	Business relationship	To be determined		
	Related party relationship	PCN is a consolidated subsidiary of Pioneer and therefore falls under the definition of a related party.		
(11) Financial conditions and operating results for the latest fiscal year (consolidated)				
Fiscal year	Fiscal year ended March 31, 2016			
Net assets	90,486 million yen			-
Total assets	298,012 million yen			-
Net assets per share	233.32 yen			-
Net sales	449,630 million yen			-
Operating income	7,304 million yen			-
Ordinary income	7,250 million yen			-
Net income*	731 million yen			-
Net income* per share	1.99 yen			-
Dividend per share	-			-

* Net income attributable to owners of Pioneer Corporation

Note: There are no determined financial conditions or operating results of the successor company since the successor company is a new company established on January 25, 2017.

4. Summary of the business department that is subject to the Company Split

(1) Business of the department subject to the Company Split

Development, manufacture and sale/marketing of cable TV system-related equipment

(2) Performance of the department that is subject to the Company Split

	Department results for the fiscal year ended March 31, 2016
Net Sales	4,221 million yen

(3) Assets and liabilities to be succeeded to upon the Company Split (as of December 31, 2016)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	170 million yen	Current liabilities	- million yen
Noncurrent assets	1,871 million yen	Long-term liabilities	9 million yen
Total	2,041 million yen	Total	9 million yen

5. Status after the Company Split

There will be no change on the name, location, representative, principal businesses, stated capital or fiscal year-end of Pioneer and PCN upon the completion of the contemplated Company Split.

6. Outlook

Pioneer expects to record an extraordinary loss of approximately 1.0 billion yen due to the Business Transfer. Pioneer is currently reviewing its consolidated business forecasts for the fiscal year ending March 31, 2017, which includes a review of factors other than the Business Transfer, and Pioneer will disclose the said forecasts promptly after they have been finalized.

<For reference>

Consolidated business forecasts for the current fiscal year (announced on August 5, 2016) and consolidated business results for the previous fiscal year

	Consolidated business forecasts for fiscal year ending March 31, 2017	Consolidated business results for fiscal year ended March 31, 2016
Net sales	400,000 million yen	449,630 million yen
Operating income	8,000 million yen	7,304 million yen
Ordinary income	7,000 million yen	7,250 million yen
Net income*	1,000 million yen	731 million yen

* Net income attributable to owners of Pioneer Corporation

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