

# News Release

*For Immediate Release*  
*August 4, 2011*

## Pioneer Strengthens Strategic Business Alliance with Suning

—Advancing into China's Digital Camera Market—

In November 2009, Pioneer Corporation concluded a strategic alliance agreement with the major Chinese appliance retailer Suning Appliance Co., Ltd. (hereinafter "Suning") to expand its home electronics business in China's rapidly growing economy. Pioneer Corporation now announces a further agreement with Suning as outlined below that will strengthen this strategic business alliance in China.

1. Considering the favorable retail market conditions, measures will be accelerated to further expand sales of home electronics products to meet market demands.
  - The number of models in the AV product lineup as well as the number of stores displaying these products will be expanded.
    - The number of models will be more than double the current number, and the number of stores displaying models will be more than 1,000 in 2014.
  - The period of the strategic alliance as well as the flat-screen TV brand alliance will be extended by five to ten years.
  - In regards to flat-screen TVs, distribution channels will be altered this fiscal year, placing sales under the Pioneer Group.
    - Flat-screen TV sales goal for 2015 is 1 million units.
  
2. Retail sales of Pioneer Brand digital cameras in China will commence through Suning's sales channels.
  - Demand for digital cameras has undergone a boom, so these will be added to the very popular lineup of Pioneer Brand products, thus leading to an expansion of the business in China.
    - Digital camera sales goal for 2015 is 500,000 units
  - An ODM will be used to manufacture the digital cameras. Making use of the partnership with Asia Optical Group (hereinafter "Asia Optical"), which has the technological strength and manufacturing expertise, products that are highly competitive in both quality and price will be produced.

Through this strengthening of the business alliance, in three years Pioneer aims to achieve annual sales by its home electronics business in China of 40 billion yen. Through the establishment of a Brand Management Division and Quality Control Division at Pioneer's local subsidiary in China, integrated brand management and system of support provided to Suning and the ODM companies will be strengthened. These steps will increase the level of value that the Pioneer Brand maintains in China.

■ Overview of Suning

Headquarters : Nanjing, Jiangsu, China  
Chairman : Zhang Jindong  
Established : June, 2001

■ Overview of Asia Optical

Headquarters : Taichung, Taiwan R.O.C.  
Chairman : Robert Lai  
Established : October, 1981