

Pioneer and KKR agree to Pioneer DJ share purchase

- Companies to form partnership to accelerate global growth -

Tokyo and Kawasaki, Japan -- September 16, 2014—Pioneer Corporation (“Pioneer”) and KKR today announced the signing of a share purchase agreement under which Pioneer’s business division that engages in the development, manufacturing and sale of DJ equipment will be spun off into a new company, Pioneer DJ*, which will be jointly owned by Pioneer and KKR.
(*provisional name)

Based on this agreement, KKR will acquire all of the outstanding shares of Pioneer DJ via holding company PDJ Holdings Co., Ltd. (“PDJHD”) for approximately JPY59 billion (approximately US\$551 million at the exchange rate of US\$1=JPY107). Pioneer will then acquire newly issued shares in PDJHD with the result that PDJHD will be owned 85.05% by KKR and 14.95% by Pioneer.

Pioneer’s DJ equipment business develops, manufactures and sells equipment for DJs, including DJ players, mixers, controllers, headphones and speakers. It is a leader in the DJ equipment market with strong brand image, reputation for technological differentiation, and high profitability.

Pioneer and KKR will jointly leverage their respective business resources, brand power and technological capability, as well as global-technology and media-industry investment experience, and networks for the further growth of Pioneer DJ.

Susumu Kotani, Representative Director, President and CEO of Pioneer said, “As we accelerate our efforts to concentrate management resources on our car electronics business, Pioneer has been seeking the optimal partner to further the globalization of our DJ equipment business and expand the brand. We are pleased to have reached an agreement with KKR on the purchase of Pioneer DJ. KKR has a wealth of experience in the technology and media industry globally, and we are confident it has the expertise to drive Pioneer DJ forward. Pioneer will retain 14.95% of the voting rights in Pioneer DJ and we will maintain a framework for cooperation to ensure the future growth of the company.”

Hirofumi Hirano, Member of KKR and CEO of KKR Japan, said, “Pioneer has built a leading global DJ equipment business based on its powerful brands and excellence in matching product development to market requirements. KKR will work together with Pioneer DJ’s innovative management team and employees, and our investment partner Pioneer, to support further long-term growth of the business.”

Yoshiaki Ide, Executive Officer and Division Chief Officer of Pioneer’s Pro. Sound & Visual Business Division, said, “KKR’s global investment activities support the growth of businesses in a range of industries, including those in the technology and media sectors. As such, we believe this partnership will enable the further expansion of our own business. With KKR’s support, Pioneer DJ aims to add further customer value and exceed expectations with accelerated product development and enhanced service. In addition, Pioneer, as an important shareholder, will provide ongoing support.”

Subject to approval by the relevant authorities and other customary closing conditions, the above agreements are expected to be completed by March 2015.

Forward-Looking Statements

This release contains certain forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Such statements are subject to the risk that the terms of such transaction may be modified, the transaction may not be completed at all or the benefits and synergies from such transactions are not realized. The forward-looking statements are based on the beliefs, assumptions and expectations of the parties referenced herein, taking into account all information currently available to them. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to these parties or are within their control. None of the parties undertakes any obligation to update any

forward-looking statements to reflect circumstances or events that occur after the date on which such statements were made except as required by law.

About Pioneer Corporation

Pioneer Corporation is a leading global manufacturer of electronic products for the consumer and professional markets. To embody our philosophy, “Move the heart and Touch the Soul”, Pioneer brings the world ever-new products and services in the areas of Car Electronics, Home Electronics and other related devices and solutions. It also develops organic EL lighting, medical and healthcare equipment-related products. Its shares are traded on the Tokyo Stock Exchange. For more information on Pioneer, visit the company's website at <http://pioneer.jp/index-e.php>.

About KKR

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at www.kkr.com.

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