

News Release

***For Immediate Release
September 19, 2017***

Pioneer Announces Business and Capital Alliance with HERE Technologies and Issuance of New Shares Through Third-Party Allotment

To date, Pioneer Corporation (“Pioneer”) has agreed with HERE International B.V. (“HERE Technologies”) to enter into and develop a strategic partnership to enable industry-leading global mapping solutions and next generation location-based services for the automotive and other industries, and has continued discussion with HERE Technologies on specific measures of such alliance thereafter. On June 26, 2017, Increment P Corporation (“IPC”; head office: Bunkyo-ku, Tokyo; President and CEO: Takumi Jinguji), which is a wholly-owned subsidiary of Pioneer and operates map business, and HERE Technologies signed definitive agreements with the aim of enabling global mapping solutions for the autonomous driving era. Further to these agreements, Pioneer and HERE Technologies today agreed that they also plan to develop a map-based accident prediction platform and an ADAS solution for the global telematics insurance market, which aims enhancing driver safety. To this end, Pioneer announced today that Pioneer resolved, at a meeting of its board of directors held today, to issue new shares through a third-party allotment to HERE Global B.V. (the “Allottee” or “HERE Global”), all of whose shares are indirectly held by HERE Technologies (the “Third-Party Allotment”), and to acquire a part of shares of HERE Technologies, as follows:

I. Business and Capital Alliance

1. Purpose of and Reason for the Business and Capital Alliance

With respect to the business environment surrounding Pioneer, the automotive industry is expected to continue growing, as car sales are increasing on a global scale, mainly in emerging markets. In developed markets, initiatives in anticipation of the coming autonomous driving society, such as creating more advanced and sophisticated cars, are being accelerated. In response to the diverse needs of customers and great changes towards the autonomous driving society, Pioneer is pursuing its growth strategies tailored to the business characteristics of each of our business pillars of the customer market, OEM, and map and autonomous driving, targeting to become a leading company in “Comprehensive Infotainment” that creates comfort, excitement, reliability and safety in vehicles.

Among these, in the map and autonomous driving field business, Pioneer proceeds with production of HD (high definition) mapping data in Japan and aims to expand the map business in the ASEAN region. Furthermore, for realization of autonomous driving, Pioneer will strive to become an “essential company” toward the realization of autonomous driving by developing three dimensional driving space sensors named “3D-LiDAR” and a “data ecosystem” with map data for autonomous driving.

HERE Technologies, the primary business of which is to provide the digital maps and

the platform thereof including the development of HD maps, provides location-based services in real time for a variety of connected devices on a global scale. HERE Technologies was originally a global map supplier, but, after being acquired by a consortium of three automakers in Germany (i.e., AUDI Aktiengesellschaft (“AUDI AG”), Bayerische Motoren Werke Aktiengesellschaft (“BMW AG”), and Daimler AG) in 2015, it became an IT company providing open location platforms regarding location information enabling distribution of various types of data, as well as maps. Subsequently, Intel Holdings B.V., all of whose shares are indirectly held by Intel Corporation in the United States, was added as a shareholder, and, going forward, SIWAY COÖPERATIEF U.A., sponsored by three companies (i.e., NavInfo Co., Ltd. and Tencent Holdings Limited in China, and GIC Private Limited, a government-sponsored investment firm in Singapore), is scheduled to be added as a shareholder, subject to required permissions to be obtained. Thus, HERE Technologies continues to grow for providing global map solutions while pursuing globalization of its shareholder profile. Pioneer believes that the alliance with HERE Technologies, having the aforementioned features, will generate three main synergies: (i) complementary relationship of suppliers of map infrastructures, with each being a distributor (mutual supply and distribution of digital maps traditionally provided and HD maps, and efficiency of maintenance and operation of maps, quality improvement and enhancement of capability to provide proposals), (ii) relationship of contributor and platformer collecting data through 3D-LiDAR and hardware products (meaning a complementary relationship between a party obtaining the data and a party analyzing the data, and targeting for utilization of HERE’s cloud, utilization of data collected by Pioneer and maintenance of data by utilizing 3D-LiDAR), and (iii) relationships as customers utilizing platforms (meaning a complementary relationship between a party utilizing the data and a party providing the data, and targeting for mutual enhancement of products and systems by developing mechanism for map updates, and sales increase and improvement of customer satisfaction thereby).

Hence, since September 2015, Pioneer and HERE Technologies have been discussing the utilization of their respective technologies which can contribute to the development of autonomous driving. On May 11, 2016, both companies agreed to develop a proof-of-concept to demonstrate the utilization of Pioneer’s 3D-LiDAR sensor in the development of a “data ecosystem” enabling efficient updates and maintenance of map data for autonomous driving. Following this agreement, on February 8, 2017, Pioneer and HERE Technologies entered into a strategic partnership to enable industry-leading global mapping solutions and next generation location-based services for the automotive and other industries. In addition, on June 26, 2017, IPC and HERE Technologies signed definitive agreements with the aim of enabling global mapping solutions for the autonomous driving era. Further to these agreements, Pioneer and HERE Technologies today agreed that they also plan to proceed with the development of a map-based accident prediction platform and an ADAS solution for the global telematics insurance market, with the aim of enhancing driver safety. As a result, Pioneer and HERE Technologies have reached an agreement on the specific details of such collaboration, as described in 2. below.

As specific details of the collaboration have been agreed on this occasion, Pioneer has determined to implement capital alliance, in addition to business alliance, based on its decision that it is important to build a solid future relationship with HERE Technologies through mutual capital contribution with the purpose of further strengthening collaboration with HERE Technologies and effectivity of business alliance. Pioneer will implement the Third-Party Allotment to HERE Global in accordance with the Share Purchase Agreement entered into with HERE Global (the “Share Purchase Agreement”). In parallel, Pioneer will, for total subscription amount equivalent to the aggregate amount to be paid in through the Third-Party Allotment, acquire a part of shares of HERE Technologies (the “HERE Shares”) from There Holding B.V., an investment holding company jointly owned by AUDI AG, BMW AG and Daimler AG, resulting in a less than 1% ownership stake in HERE Technologies as of today, pursuant to the Stock Purchase Agreement entered into with There Holding B.V. (the “HERE Stock Purchase Agreement”). For an outline of relations among the Third-Party Allotment, the Share Purchase Agreement and the HERE Stock Purchase Agreement, please refer to the “Transaction Structure Chart” as attached hereto.

2. Details of Business Alliance

(1) Global SD (standard definition) map offering

HERE Technologies and IPC are collaborating on the global supply of SD map data. The companies are able to utilize and resell each other’s SD map data in current and future products and services. Customers can benefit from the product consistency and quality control that comes from both companies being able to provide global solutions to their customers. HERE Technologies and IPC expect to start seeing the benefits of this collaboration as early as this year.

(2) Global HD map offering to support vehicles across all levels of automation

HERE Technologies and IPC are developing a proof-of-concept for HD mapping, which will be a vital technology in ensuring autonomous vehicles can transport passengers safely, efficiently and comfortably. The goal of this initiative is to enable the two companies to offer global and consistent HD mapping data to companies building autonomous vehicles. Both companies intend to collaborate with Dynamic Map Platform Co., Ltd. which will provide the foundation layer of the HD map in Japan. IPC is already an investor, while HERE Technologies is currently in discussions regarding collaboration as a non-investing alliance partner.

(3) Development of a map-based accident prediction platform and an ADAS solution for global telematics insurance market

Pioneer and HERE Technologies are collaborating to develop an ADAS solution that utilizes both companies’ technologies. The aim is to harness map and location-based technologies to provide better predictions of driving risks based on contextual information, such as vehicle speed, traffic, weather and disaster information. The initial target segment for this joint effort will be the insurance industry.

In addition, both companies are continuously discussing other business alliances. They include “cooperation exploring the application of Pioneer’s 3D-LiDAR sensor technology in the development of a “data ecosystem” for autonomous driving”, “use of data from connected Pioneer aftermarket devices to fuel new location service of HERE Technologies for the automotive and other industries” and “evaluation of potential mapping cooperation for certain geographies where both HERE Technologies and IPC offer maps.”

3. Details of Capital Alliance

- (1) Acquisition price of the shares of the counterparty to be newly acquired Pioneer will, for total subscription amount equivalent to the aggregate amount to be paid in through the Third-Party Allotment, acquire the HERE Shares from There Holding B.V. pursuant to the HERE Stock Purchase Agreement. Pioneer considers that the acquisition price of the HERE Shares is reasonable based on its review of the financial information and business plan of HERE Technologies and in consideration of the information regarding HERE Technologies that Pioneer has come to know through the business alliance.
- (2) Number of shares to be newly acquired by the counterparty and the percentage against the number of issued shares
The total number of shares to be allotted to the Allottee, all of whose shares are indirectly held by HERE Technologies, through the Third-Party Allotment is 11,117,500 shares (number of voting rights: 111,175), and the ratio to the total number of issued shares of Pioneer as of March 31, 2017 (372,223,436 shares (total number of voting rights as of March 31, 2017: 3,670,422)) is 2.98% (ratio in voting rights: 3.02%). For the details of the Third-Party Allotment, please refer to “II. Issuance of New Shares Through Third-Party Allotment” below.

4. Outline of Business Alliance Partner

(i) Trade name	HERE International B.V. (HERE Technologies)	
(ii) Location	Kennedyplein 222, 5611 ZT Eindhoven, The Netherlands	
(iii) Title and name of representative	Chief Executive Officer	Edzard Overbeek
(iv) Principal businesses	Location services and other businesses	
(v) Stated capital	6,000,000 euros	
(vi) Date of incorporation	July 29, 2015	
(vii) Major shareholders and their shareholding ratio	There Holding B.V.	85.0%
	Intel Holdings B.V.	15.0%

(viii) Relationship between Pioneer and the business alliance partner	Capital relationship	Pioneer and HERE Technologies have no capital relationship. In addition, no related parties or affiliates of Pioneer and those of HERE Technologies have any capital relationship. Pioneer has executed the HERE Stock Purchase Agreement, as of September 19, 2017, with There Holding B.V. under which Pioneer will acquire, for total subscription amount equivalent to the aggregate amount to be paid in through the Third-Party Allotment, the HERE Shares from There Holding B.V.
	Personnel relationship	Pioneer and HERE Technologies have no personnel relationship. In addition, no related parties or affiliates of Pioneer and those of HERE Technologies have any personnel relationship.
	Business relationship	Pioneer and certain wholly-owned subsidiaries of HERE Technologies have transaction relationships including the license of HERE map data and the integration of HERE location platform services with the navigation systems and other products of Pioneer.
	Related party or not	HERE Technologies does not belong to Pioneer's related parties. In addition, no related parties or affiliates of HERE Technologies belong to any related parties of Pioneer.

- Notes: 1. Stated capital above is as of September 13, 2017. The major shareholders and their shareholding ratio are based on the register of shareholders as of May 31, 2017.
2. As HERE Technologies is not a publicly traded company and does not consent to disclose its financial information, such information is omitted.

5. Schedule

- (1) Date of the resolution of the board of directors:

Tuesday, September 19, 2017

- (2) Execution date of the Share Purchase Agreement and the HERE Stock Purchase Agreement:

Tuesday, September 19, 2017

- (3) Payment/closing date of the Third-Party Allotment and acquisition of the HERE Shares:

Thursday, October 5, 2017

6. Future Prospects

Pioneer considers that the effects of the Third-Party Allotment and business and capital alliance on the business forecasts of Pioneer for the fiscal year ending March 31, 2018 is expected to be immaterial, although they are expected to (i) promote the expansion of map and autonomous driving field business, which is one of the main parts of Pioneer's growth strategy, (ii) contribute to the improvement of its mid- to long-term profitability and the enforcement of competitiveness of Pioneer, and (iii) also contribute to the improvement of its mid-to long-term corporate value and the benefits of shareholders of Pioneer.

II. Issuance of New Shares Through Third-Party Allotment

1. Outline of Offering

(1) Issue date	Thursday, October 5, 2017
(2) Number of shares to be newly issued	11,117,500 shares of common stock
(3) Amount to be paid in	17,343,300 euros (2,257,403,928 yen)
(4) Amount of funds to be raised	2,174,543,928 yen (estimated net proceeds)
(5) Method of offering or allotment (Allottee)	Third-party allotment (HERE Global B.V.)
(6) Other	Each of the items above is subject to (i) the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan and (ii) satisfaction of the conditions precedent set forth in the Share Purchase Agreement executed between Pioneer and HERE Global, the Allottee, as of September 19, 2017.

Note: The amounts in yen, which are shown in respect of the amount to be paid in and the amount of funds to be raised, each indicate the amount which is converted at the foreign exchange rate of 1 euro = 130.16 yen (simple average price of the telegraphic transfer middle rate, which is the intermediate price between the telegraphic transfer selling exchange rates vis-à-vis customers and the telegraphic transfer buying exchange rates vis-à-vis customer of The Bank of Tokyo-Mitsubishi UFJ, Ltd., as of each business day during the one-month period from August 16, 2017 to September 15, 2017).

- ### 2. Purpose of and Reason for the Issuance of New Shares Through Third-Party Allotment
- As described in "I. Business and Capital Alliance - 1. Purpose of and Reason for the Business and Capital Alliance" above, the Third-Party Allotment is implemented along with the business alliance with HERE Technologies and Pioneer believes that the Third-Party Allotment will contribute to enhance the corporate value of Pioneer by further enhancing the alliance with respect to global mapping solutions and next generation location-based services for the automotive and other industries between Pioneer and HERE Technologies.

3. Amount, Use and Intended Timing of Expenditure of Funds to Be Raised

(1) Amount of funds to be raised

- | | |
|-------------------------------------|-----------------------------------------|
| (i) Aggregate amount to be paid in: | 17,343,300 euros
(2,257,403,928 yen) |
| (ii) Estimated issuance expenses: | 82,860,000 yen |

- Notes: 1. The breakdown of the estimated issuance expenses is commercial registration costs, attorneys' and financial advisers' fees, listing fees and other expenses.
2. The amount in yen, which is shown in parentheses in respect of the aggregate amount to be paid in, indicates the amount which is converted at the foreign exchange rate of 1 euro = 130.16 yen (simple average price of the telegraphic transfer middle rate, which is the intermediate price between the telegraphic transfer selling exchange rates vis-à-vis customers and the telegraphic transfer buying exchange rates vis-à-vis customer of The Bank of Tokyo-Mitsubishi UFJ, Ltd., as of each business day during the one-month period from August 16, 2017 to September 15, 2017).

(2) Use and intended timing of expenditure of funds to be raised

Pioneer has executed the HERE Stock Purchase Agreement, as of September 19, 2017, with There Holding B.V., the controlling shareholder of HERE Technologies, under which Pioneer will acquire, for total subscription amount equivalent to the aggregate amount to be paid in through the Third-Party Allotment, acquire the HERE Shares from There Holding B.V. As described in "I. Business and Capital Alliance - 1. Purpose of and Reason for the Business and Capital Alliance" above, Pioneer determined that, in order to further strengthen its collaboration with HERE Technologies and the effectiveness of its business alliance and improve the corporate value of Pioneer, it is important to build a solid future relationship with HERE Technologies by implementing the capital alliance in a way that Pioneer and HERE Technologies mutually hold shares through the Third-Party Allotment and Pioneer's acquisition of the HERE Shares under the HERE Stock Purchase Agreement to be closed on the same day. Therefore, Pioneer will use 17,343,300 euros (2,257,403,928 yen), the aggregate amount to be paid-in through the Third-Party Allotment, for the funds for the acquisition of the HERE Shares pursuant to the HERE Stock Purchase Agreement. The intended timing of the payment is October 5, 2017.

Pioneer will pay the estimated issuance expenses for the Third-Party Allotment with the Pioneer's own funds.

4. Rationale for the Use of Funds

Pioneer believes that the allocation of the entire amount of the funds to the acquisition of the HERE Shares under the HERE Stock Purchase Agreement will further strengthen the collaboration with HERE Technologies and effectiveness of the business alliance, and promote the enhancement of the corporate value of Pioneer, and is therefore a reasonable use of funds.

Pioneer considers that the acquisition price of the HERE Shares is reasonable based on its review of the financial information and business plan of HERE Technologies and in consideration of the information regarding HERE Technologies that Pioneer has come to know through the business alliance.

5. Rationale for Conditions of Issuance

(1) Basis of calculation of the amount to be paid in and details thereof

The amount to be paid in was determined to be 1.56 euro (as calculated to three decimal places and rounded to the nearest two decimal places), which is the amount obtained by converting 202.70 yen (the “One-Month Average”), the simple average of the closing prices for the regular trading of shares of common stock of Pioneer on the Tokyo Stock Exchange as of each business day during the one-month period ended September 15, 2017 (i.e., from August 16, 2017 to September 15, 2017), which is the business day immediately preceding the date of the resolution of the board of directors with respect to the Third-Party Allotment (the “Immediately Preceding Business Day”), at the foreign exchange rate of 1 euro = 130.16 yen (simple average price of the telegraphic transfer middle rate, which is the intermediate price between the telegraphic transfer selling exchange rates vis-à-vis customers and the telegraphic transfer buying exchange rates vis-à-vis customer of The Bank of Tokyo-Mitsubishi UFJ, Ltd., as of each business day during the same one-month period as applied to the calculation of the said average closing price).

The reason the One-Month Average is adopted as the calculation method for the amount to be paid in with respect to the Third-Party Allotment is as follows: Taking into consideration that the market price of shares of Pioneer has significantly decreased due to the record of net loss attributable to owners of Pioneer Corporation in the business results for the first quarter announced on August 7, 2017 and the downward revision of the business forecasts for this fiscal year announced on that day, and thereafter, a tendency toward increase could be seen in late August 2017, therefore, it has moved during the recent short-term period, using the average share price, which is an equalized figure, instead of using the share price on the Immediately Preceding Business Day and by which specific factors such as the effects by a short-term change in the stock prices can be eliminated, is considered to be highly objective and reasonable as a basis for calculation. The reason the simple average of the closing prices during the three-month period until the Immediately Preceding Business Day (i.e., from June 16, 2017 to September 15, 2017), which is 209.66 yen (the “Three-Month Average”), is not adopted is that, after the middle of June 2017, although short-term increase can be seen, such period includes the period prior to the reflection of the influence of the downward revision of the business forecasts announced on August 7, 2017 and other factors. The reason the simple average of the closing prices during the six-month period until the Immediately Preceding Business Day (i.e., from March 16, 2017 to September 15, 2017) which is 209.11 yen (the “Six-Month Average”), is not adopted includes that it is not considered reasonable to use such amount because it includes the period prior to the reflection of the downward revision of the business forecasts for the previous fiscal year announced on April 27, 2017, the business forecasts for the current fiscal year announced on May 12, 2017 and the downward revision of the business forecasts announced on August 7, 2017 and other factors.

The One-Month Average (202.70 yen), respectively represents a 1.12% discount against the closing price on the Immediately Preceding Business Day (205 yen); a 3.32% discount against the Three-Month Average (209.66 yen); and a 3.07% discount against the Six-Month Average (209.11 yen). This calculation of the amount to be paid in is in compliance with the “Guidance Concerning Handling of Capital Increase, Etc. Through a Third-Party Allotment” established by the Japan Securities Dealers Association.

Pioneer considers that such amount to be paid in is reasonable and does not fall within a specially favorable price under the Companies Act of Japan and all three (3) Audit & Supervisory Board Members (of which two (2) members are Outside Audit & Supervisory Board Members) attending the meeting of the board of directors with respect to the Third-Party Allotment represented their opinion that the relevant amount to be paid in is determined in compliance with the aforementioned guidance and does not fall within the specially favorable price.

(2) Rationale for the judgment that the number of shares to be issued and the level of dilution of shares are reasonable

The total number of shares to be allotted to HERE Technologies through the Third-Party Allotment is 11,117,500 shares (number of voting rights: 111,175), and the ratio to the total number of issued shares of Pioneer as of March 31, 2017 (372,223,436 shares (total number of voting rights as of March 31, 2017: 3,670,422)) is 2.98% (ratio in voting rights: 3.02%).

Pioneer considers that the size of this issuance of new shares is necessary in order to further bolster alliances with HERE Technologies. In addition, as described in “I. Business and Capital Alliance - 1. Purpose of and Reason for the Business and Capital Alliance” above, Pioneer believes that the business and capital alliance with HERE Technologies will (i) promote the expansion of map and autonomous driving field business, which is one of the main parts of Pioneer’s growth strategy, (ii) contribute to the improvement of its mid- to long-term profitability and the enforcement of competitiveness of Pioneer, and (iii) also contribute to the improvement of its mid- to long-term corporate value and the benefits of shareholders of Pioneer.

6. Reason for Selecting the Allottee, Etc.

(1) Outline of the allottee

(i) Trade name	HERE Global B.V.
(ii) Location	Kennedyplein 222, 5611 ZT Eindhoven, The Netherlands
(iii) Title and name of representative	Chief Executive Officer Edzard Overbeek
(iv) Principal businesses	Location services and other businesses
(v) Stated capital	13,912,727 euros
(vi) Date of incorporation	March 28, 1991

(vii)	Total number of issued shares	13,912,727 shares	
(viii)	Fiscal year end	December 31	
(ix)	Number of employees	Approximately 8,700 (consolidated)	
(x)	Major business partners	General customers, vendors, etc.	
(xi)	Major transaction banks	N/A	
(xii)	Major shareholders and their shareholding ratio	NAVTEQ International B.V.	96.92%
		HERE Holdings B.V.	3.08%
		Capital relationship	Pioneer and the Allottee have no capital relationship. Pioneer has executed the HERE Stock Purchase Agreement, as of September 19, 2017, with There Holding B.V., the controlling shareholder of HERE International B.V., which indirectly holds all of the Allottee's shares, under which Pioneer will acquire, for total subscription amount equivalent to the aggregate amount to be paid in through the Third-Party Allotment, the HERE Shares from There Holding B.V.
(xiii)	Relationship between Pioneer and the Allottee	Personnel relationship	Pioneer and the Allottee have no personnel relationship. In addition, no related parties or affiliates of Pioneer and those of the Allottee have any personnel relationship.
		Business relationship	Pioneer and certain wholly-owned subsidiaries of HERE International B.V., which indirectly holds all of the Allottee's shares, have transaction relationships including the license of HERE map data and the integration of HERE location platform services with the navigation systems and other products of Pioneer.
		Related party or not	The Allottee does not belong to Pioneer's related parties. In addition, no related parties or affiliates of the Allottee belong to any related parties of Pioneer.

- Notes: 1. Stated capital and total number of issued shares above are as of September 13, 2017. The number of employees above is as of August 25, 2017.
2. As HERE International B.V. is not a publicly traded company and does not consent to disclose its financial information, such information is omitted.
3. With respect to whether or not the Allottee or its directors or major shareholders are a member of antisocial forces and whether or not the Allottee has some relationship with antisocial forces, Pioneer considers, based on a research report received from a third party research institution, as well as a written response received from There Holding B.V. with respect thereto, that the Allottee or its directors or major shareholders are not a member of antisocial forces and have no relationship with any antisocial forces, and Pioneer has submitted the certificate of confirmation to that effect to Tokyo Stock Exchange, Inc.

(2) Reason for selecting the allottee

For the reason for selecting the Allottee, please refer to “2. Purpose of and Reason for the Issuance of New Shares Through Third-Party Allotment” above.

(3) Policy of the allottee on holding shares

Pioneer and HERE Technologies have agreed to implement capital alliance, together with business alliance, in order to solidify such business alliance, and Pioneer and the Allottee have agreed that, during the period ending on December 4, 2020, the Allottee may not transfer any of the shares of common stock of Pioneer to be allotted through the Third-Party Allotment to any third party without the prior written consent of Pioneer; provided that, however, such restrictions will not apply for transfers to group companies of the Allottee.

In addition, Pioneer will obtain a written confirmation from the Allottee which states that, if all or a part of the shares of common stock of Pioneer acquired by the Allottee through the Third-Party Allotment are transferred by the Allottee within two years from the payment date, (i) the Allottee will immediately report to Pioneer, in writing, the name of the transferee, the number of shares transferred and other related matters, (ii) Pioneer will report such transfer to Tokyo Stock Exchange, Inc., and (iii) the Allottee consent to the substance of such report being made available for public inspection.

(4) Details of the confirmation of the payment capacity of the allottee required for the payment of the Third-Party Allotment

Pioneer has confirmed the details of the latest financial statements of the Allottee for the first half of its fiscal year ending December 31, 2017. Taking into account that, according to such financial statements, the Allottee has cash and cash equivalents which exceeds the aggregate amount to be paid in, as of June 30, 2017, Pioneer considers that the Allottee has the funding capacity necessary for the payment of the Third-Party Allotment.

7. Major Shareholders and Their Shareholding Ratio of Pioneer

Before the Third-Party Allotment (as of March 31, 2017)		After the Third-Party Allotment	
Mitsubishi Electric Corporation	7.49%	Mitsubishi Electric Corporation	7.27%
NTT DOCOMO, INC.	6.92%	NTT DOCOMO, INC.	6.72%
The Master Trust Bank of Japan, Ltd. (Trust Account)	5.33%	The Master Trust Bank of Japan, Ltd. (Trust Account)	5.17%
Japan Trustee Services Bank, Ltd. (Trust Account)	4.04%	Japan Trustee Services Bank, Ltd. (Trust Account)	3.92%
BNP Paribas Securities Services Luxembourg/JASDEC/Henderson HHF SICAV	2.88%	HERE Global B.V.	2.90%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.34%	BNP Paribas Securities Services Luxembourg/JASDEC/Henderson HHF SICAV	2.80%
State Street Bank and Trust Company	2.21%	Japan Trustee Services Bank, Ltd. (Trust Account 9)	2.27%
State Street Bank and Trust Company 505103	1.76%	State Street Bank and Trust Company	2.14%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.74%	State Street Bank and Trust Company 505103	1.71%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.48%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.69%

- Notes: 1. The table above is based on the register of shareholders as of March 31, 2017. In addition, Pioneer held 5,030,886 shares of treasury stock (1.35% of its total issued shares) as of March 31, 2017.
2. The shareholding ratios of the major shareholders after the Third-Party Allotment have been calculated by the total number of issued shares (383,340,936 shares) after the Third-Party Allotment, which is obtained by adding the number of shares to be newly issued through the Third-Party Allotment (11,117,500 shares) to the total number of issued shares (372,223,436 shares) as of March 31, 2017.
3. The number of shares owned by The Master Trust Bank of Japan, Ltd. (Trust Account) and Japan Trustee Services Bank, Ltd. (Trust Account) includes the shares on the trust business as follows:
- | | |
|------------------------------------------------------|------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 16,438 thousand shares |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 13,471 thousand shares |
4. All of the numbers of shares owned by Japan Trustee Services Bank, Ltd. (Trust Account 9) and Japan Trustee Services Bank, Ltd. (Trust Account 5) are the shares on the trust business.

8. Future Prospects

For the future prospects, please refer to “I. Business and Capital Alliance - 6. Future Prospects” above.

9. Business Results for and Equity Finance Executed in the Last Three Years

(1) Consolidated business results for the last three years

	Year ended/As of March 31		
	2015	2016	2017
Net sales (million yen)	501,676	449,630	386,682
Operating income (million yen)	7,778	7,304	4,167
Ordinary income (loss) (million yen)	(2,915)	7,250	2,966
Net income (loss) attributable to owners of Pioneer Corporation (million yen)	14,632	731	(5,054)
Net income (loss) per share (yen)	39.85	1.99	(13.76)
Dividend per share (yen)	0	0	0
Total equity per share (yen)	277.05	233.32	224.72

(2) Current number of issued shares and dilutive shares (as of March 31, 2017)

	Number of shares	Ratio to total number of issued shares
Number of issued shares	372,223,436	100%
Number of dilutive shares at the current conversion price (exercise price)	32,894,736	8.84%
Number of dilutive shares at the minimum current conversion price (exercise price)	—	—
Number of dilutive shares at the maximum current conversion price (exercise price)	—	—

(3) Recent stock prices

(i) Stock prices for the last three years

	Year ended March 31		
	2015	2016	2017
Opening	222	220	303
High	352	392	338
Low	201	203	162
Closing	219	298	221

(In yen)

(ii) Stock prices for the last six months

(In yen)

	2017 March	April	May	June	July	August
Opening	228	222	202	200	226	219
High	252	223	215	227	227	219
Low	221	193	195	198	208	198
Closing	221	201	199	225	218	205

(iii) Stock price on the business day immediately preceding the date of the resolution authorizing the issuance

(In yen)

	September 15, 2017
Opening	203
High	205
Low	203
Closing	205

(4) Equity finance in the last three years

- Issuance of 120% Soft Call Option attached First Series Unsecured Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (with inter-bond *pari passu* clause only applicable among zero coupon convertible bonds) of Pioneer Corporation through the third-party allotment

Issue date	December 18, 2015
Funds raised	15,059 million yen (estimated net proceeds)
Conversion price	456 yen per share
Number of issued shares at the time of offering	372,223,436 shares
Party allotted	Deutsche Securities Inc.
Dilutive shares due to the relevant offering	32,894,736 shares
Current conversion status	Number of converted shares: 0 shares (Balance 15,053 million yen as of June 30, 2017)
Initial use of fund at the time of issuance	(i) Investment to development of software and capital expenditures related to additional large orders in the OEM business (12,000 million yen) (ii) Repayment of short-term borrowings (3,059 million yen)
Scheduled period of expenditure at the time of issuance	(i) From December 2015 to December 2017 (ii) From December 2015 to December 2016
Current allocation status	Allocation has been completed in accordance with the initial purpose of use of the funds.

10. Terms and Conditions of Issuance

- (1) Class and number of shares to be issued:

11,117,500 shares of common stock

- (2) Amount to be paid in:

1.56 euros (203 yen)

- (3) Aggregate amount to be paid in:

17,343,300 euros (2,257,403,928 yen)

Note: The amounts in yen which are shown in parentheses in (2) and (3) above are obtained by conversion at the foreign exchange rate of 1 euro = 130.16 yen (simple average price of the telegraphic transfer middle rate, which is the intermediate price between the telegraphic transfer selling exchange rates vis-à-vis customers and the telegraphic transfer buying exchange rates vis-à-vis customer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of each business day during the one-month period from August 16, 2017 to September 15, 2017).

- (4) Amount of stated capital and capital reserve to be increased:

The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated pursuant to Article 14, Paragraph 1 of the Rules of Corporate Accounting of Japan, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of capital reserve to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the said maximum amount of stated capital increase.

- (5) Method of offering or allotment:

Third-party allotment

- (6) Issue date:

Thursday, October 5, 2017

- (7) Allottee and number of shares to be allotted:

HERE Global B.V.; 11,117,500 shares of common stock

- (8) Payment shall be made on conditions that the securities registration statement filed under the Financial Instruments and Exchange Act of Japan comes into effect and that the conditions precedent set forth in the Share Purchase Agreement executed between Pioneer and HERE Global, the Allottee, as of September 19, 2017, are satisfied.

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For further information, please contact:

Harumitsu Saito

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Pioneer Corporation, Tokyo

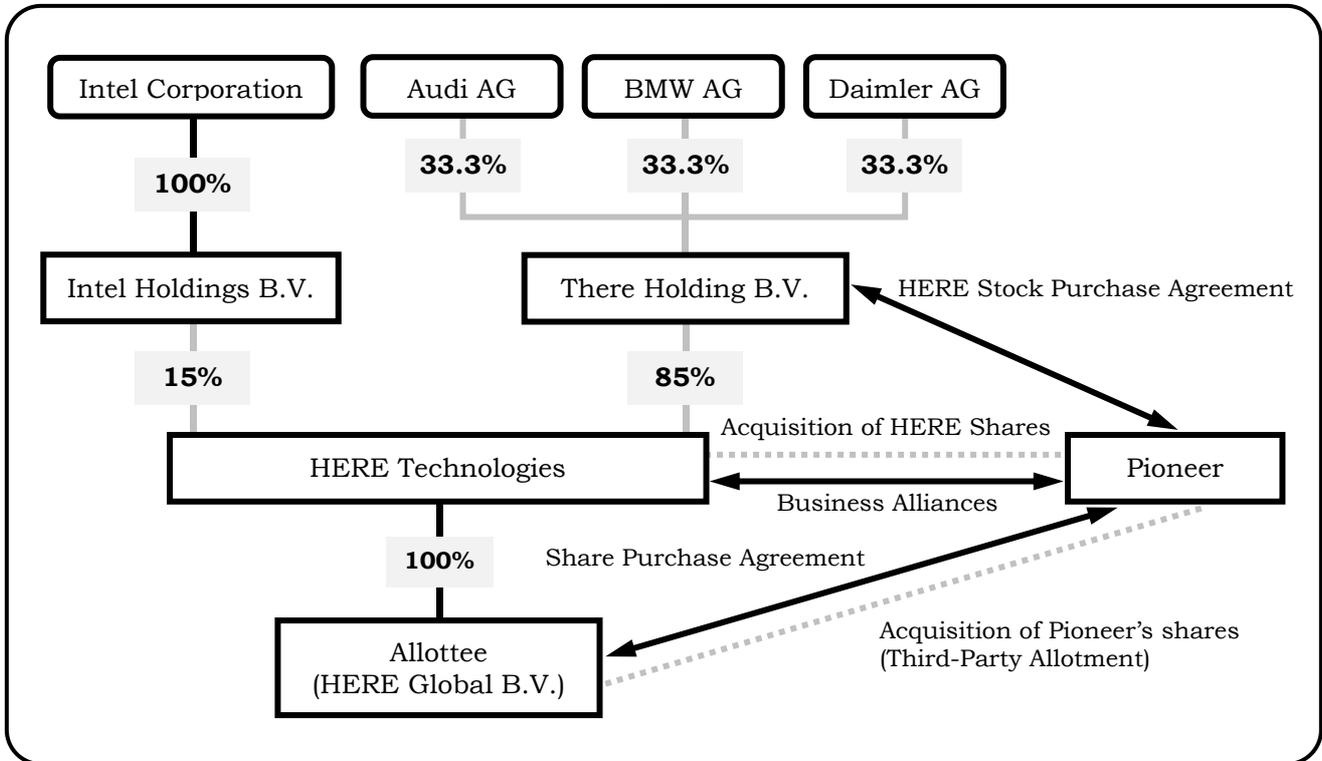
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Attachment

<Transaction Structure Chart>



Note: The ratio (%) in the chart above represents the contribution ratio as of today.