



## **Pioneer & BPEA Agree Pioneer Revitalization Plan Valued at 102 Billion Yen**

### ***Plan Comprises 77 Billion Yen Investment in Pioneer and 25 Billion Yen Cash Offer to Pioneer Shareholders***

**Tokyo – December 7, 2018** – Pioneer Corporation, (President and CEO: Koichi Moriya, TSE: 6773) (“Pioneer” or “the Company”), the global car electronics company, and Baring Private Equity Asia, (CEO and Founding Partner: Jean Eric Salata) (“BPEA”), a global private equity firm that is one of the largest alternative investors in Asia, today announced the Pioneer Revitalization Plan (“the Plan”). The Plan comprises a 77 billion yen investment from BPEA in Pioneer and a cash offer from BPEA to existing Pioneer shareholders of approximately 25 billion yen.

The Pioneer Revitalization Plan aims to bring stability to the business by securing vital working capital and management support from BPEA, and removing uncertainty about the Company’s ability to continue sustainable operations.

To address the urgent need to bring Pioneer back to a sound financial position, given its deteriorating cash flow, BPEA plans to invest 77 billion yen (52 billion yen in cash as a capital injection together with a 25 billion yen debt-for-equity swap) immediately following shareholder approval at an extraordinary shareholders’ meeting and the completion of the required filings. These steps will secure working capital vital for Pioneer’s business operations. BPEA will then make a cash offer of about 25 billion yen to purchase all outstanding shares from the existing Pioneer shareholders and take the Company private.

Once privatized, a range of significant changes will be made to revitalize Pioneer, including reviews of the Company’s business lines as well as structural reforms and an overhaul of the management team.

BPEA and Pioneer are confident that the Pioneer Revitalization Plan offers the best option to take the Company back to a sound operational footing and return to a growth path.

“I believe BPEA shares our vision for a return to growth, making it the best partner to implement the Pioneer Revitalization Plan. Mindful of my responsibilities as Pioneer’s leader, it was only after very careful consideration that I concluded that an alliance with BPEA is imperative to the success of the Pioneer Revitalization Plan. My mission is to help revitalize Pioneer as quickly as possible and return the Company to a position where it can deliver products and services that delight all of our customers,” said Koichi Moriya, President and CEO of Pioneer.

“BPEA has spent a lot of time building ties with Pioneer and developing this plan, so we are delighted to be able to partner with Pioneer at a pivotal time in its history. We are a

long-term investor, averaging five or more years, and have successfully partnered with a number of Japanese companies, since opening our Tokyo office in 2006. We are confident that the combination of our investment and management support offered under the Pioneer Revitalization Plan will enable Pioneer to fully realize the potential of its innovative technology, well-established brands and employees. Our goal is to ensure that Pioneer continues to offer products that embody the Pioneer brand and are loved by so many people around the world,” added Jean Eric Salata, Baring Private Equity Asia CEO and Founding Partner.

In reaching this decision, Pioneer has considered multiple alternative options and concluded that BPEA’s proposal offers the best option for Pioneer shareholders as well as other key stakeholders. Moreover, Pioneer commissioned Akasaka International Accounting, a third-party appraiser, to provide a valuation report for the share price and fairness opinion on the transaction.

This transaction is subject to shareholder approval at an extraordinary meeting of Pioneer shareholders scheduled for January 25, 2019, and gaining regulatory approvals including international and domestic anti-trust clearances.

The third-party share allotment is expected to complete on March 1, 2019, at the earliest, with BPEA set to take full ownership of Pioneer in March 2019.

Nomura Securities Co., Ltd. is acting as financial advisor to Pioneer and Nagashima Ohno & Tsunematsu is acting as its legal counsel. Merrill Lynch Japan Securities Co. Ltd. is acting as financial advisor to BPEA and Mori Hamada & Matsumoto is acting as its legal counsel.

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## **NOTES TO EDITORS**

### **About Pioneer Corporation**

Pioneer Corporation is a leading global manufacturer based on its core Car Electronics business. To embody our philosophy, “Move the Heart and Touch the Soul”, Pioneer consistently brings the world’s first products and services. In addition to development of advanced technologies as 3D-LiDAR sensors and a HD map for autonomous driving, Pioneer is working to create safe, reliable, comfortable and fun in-car environments for the autonomous driving society of the near-future, by providing new in-car entertainment services. For more information please visit: <https://global.pioneer/en/>

### **About Baring Private Equity Asia (BPEA)**

Baring Private Equity Asia (BPEA) has a 21year corporate history making it one of the most established private alternative investment firms globally. The firm was founded in 1997 and has over 160 employees located across 10 offices around the globe, with total committed capital of over USD16 billion. BPEA focuses on buyouts of global companies where Asia represents a meaningful driver of future returns, or companies which are headquartered in Asia. In addition to private equity, the firm also has funds dedicated to real estate private equity and private credit. BPEA currently has over 30 portfolio companies with a total of 158,000 employees and sales of approximately USD31 billion. In Japan, the Firm has made seven private equity investments with a total enterprise value of 275 billion yen (USD 2.5 billion). BPEA’s investments in Japan span multiple sectors including industrial goods, consumer goods, healthcare and business services. For more information, please visit: [www.bpeasia.com](http://www.bpeasia.com)

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