

News Release

March 10, 2021

Pioneer Corporation
Increment P Corporation

Transfer of Pioneer Consolidated Subsidiary's Map Business— Pioneer Drives Transformation Through a New Growth Strategy

Pioneer Corporation (Bunkyo-ku, Tokyo; Shiro Yahara, Representative Director, President and CEO; “**Pioneer**”) executed with PIP Holdings Inc., a special purpose company owned by Polaris Private Equity Fund V, L.P., which is operated by Polaris Capital Group Co., Ltd. (Chiyoda-ku, Tokyo; Yuji Kimura, Founder, President & CEO; “**Polaris**”; that special purpose company, the “**Purchaser**”) etc., a definitive agreement regarding all businesses (including intellectual property rights held by Pioneer in connection with those businesses) of Increment P Corporation (Bunkyo-ku, Tokyo; Takahito Aiki, Representative Director, President and CEO; “**Increment P**”), which is a wholly owned subsidiary of Pioneer and operates a map business, being transferred to the Purchaser (the “**Transaction**”). In addition, the Purchaser will change its trade name to Increment P Corporation on the closing date.

The Transaction will be executed as one element in measures seeking to generate further growth for Pioneer, taking Pioneer one step closer to transforming into a solution service company. Pioneer and New Increment P will continue to collaborate on the development and provision of map data as each other's most important partner and, in doing so, make further contributions toward societal change and advancements in information technology, as well as solving problems faced by consumers and creating a prosperous society

The closing date of the Transaction is scheduled to be June 1, 2021, and after the Transaction is executed, Increment P's businesses will be continued as before by the Purchaser.

1. Purpose

Since Increment P's foundation in 1994 for the purpose of developing map data for Pioneer's car navigation systems, Increment P has provided a broad range of customers with map and location data services for purposes that include even those other than car navigation.

In 2020, Pioneer newly embarked on a policy of improving corporate value by integrating hardware in the mobility domain with its solution services, and it expanded investment and recalibrated its business domains in order to create solutions that resolve problems faced in society. Upon executing the Transaction, Pioneer will partner with Polaris, which possesses a wealth of experience in IT and software services and boasts a robust network within this industry, and seek to achieve further growth in the map business through development of map data and the related services enabling application of Increment P in a broader range of uses, as well as to take Pioneer one step closer to transforming into a solution service company based on Pioneer's new growth strategy.

Even after the Transaction is executed, Pioneer and New Increment P will continue to collaborate on the development and provision of map data as each other's most important partner.

2. Summary of Parties (as of March 31, 2020)

(1) Name	Pioneer Corporation
(2) Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo
(3) Name and title of representative	Shiro Yahara, Representative Director, President and CEO
(4) Business details	Manufacture and distribution of mainly car electronic products, and development and provision of mobility services
(5) Stated capital	131,381,480,000 yen
(6) Date of foundation	January 1, 1938

(1) Name	Increment P Corporation
(2) Location	28-8, Honkomagome 2-chome, Bunkyo-ku, Tokyo
(3) Name and title of representative	Takahito Aiki, Representative Director, President and CEO
(4) Business details	Planning, manufacture, development and distribution of digital-map-based contents and software
(5) Stated capital	434,500,000 yen
(6) Date of foundation	May 1, 1994

(1) Name	Polaris Capital Group Co., Ltd.
(2) Location	38th Floor, GranTokyo North Tower, 9-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo
(3) Name and title of representative	Yuji Kimura, Founder, President & CEO
(4) Business details	<p>Polaris Private Equity Fund I, L.P. (established 29,600,000,000 yen)</p> <p>Polaris Private Equity Fund II, L.P. (established 31,900,000,000 yen)</p> <p>Polaris Private Equity Fund III, L.P., (established 52,000,000,000 yen)</p> <p>Polaris Private Equity Fund IV, L.P., etc. (established 75,000,000,000 yen)</p> <p>Polaris Private Equity Fund V, L.P., (established</p>

	150,000,000,000 yen)
(5) Stated capital	100,000,000 yen
(6) Date of foundation	September 13, 2004

3. Summary of Businesses Subject to Transfer

All of Increment P's businesses and all rights and obligations related to those businesses (including intellectual property rights held by Pioneer in connection with those businesses)

4. Status After the Transaction

Even after the Transaction, the collaborative relationship between Pioneer and Increment P will be maintained between Pioneer and the Purchaser, and Pioneer and the Purchaser will aim to improve the corporate value of both companies through mutual cooperation. All of Increment P's businesses will be transferred to the Purchaser and will continue to exist, and there will be no change in the business details.

End

<Appendix>

Pioneer's New Growth Strategy

Pioneer utilizes innovative and unique ideas and cutting-edge technologies to provide in-vehicle equipment for commercial and automobile manufacturers, with car electronics as its core business. It also offers advanced driving support systems for the automobile insurance industry that leverage cloud computing, AI and extensive data collected over many years, together with services that enable advanced operation management and support for business vehicles.

Pioneer developed its new corporate vision aiming for 2025 called “Creating the Future of Mobility Experiences” and is now transforming into a solutions services company which solves a variety of challenges in the mobility domain by providing products and services. The challenges of “Ensuring Safety and Security” in constrained mobility environments are complex and diverse. In order to meet these challenges, Pioneer is determined to help realize more affluent society by making future travel safer, smarter, and more comfortable with optimal solution services.

Transforming Pioneer into a Solution Service Company:

In recent years, the remarkable evolution of automobiles has generated innovation in diverse areas like environmental protection and autonomous driving. As a result, the driver's environment has become more complex due to the large screen touch panel display and increasing number of operational switches. The amount of information inside the car has increased dramatically; and processing large amounts of information and performing complex operations while at the same time maintaining safety puts tremendous stress on drivers. In order to solve these issues, we will strengthen the development and provision of optimal solution services for the insurance, fleet and logistics industries by utilizing the vast amount of mobility data accumulated in the cloud since 2006. And by the end of the year we aim to build a new service platform that makes the most of our strength in sound technology to provide safe and comfortable cabin space to drivers around the world.

