On the Release of the Pioneer Group

CSR Report 2012

This report strives to present the philosophy and activities of Pioneer Corporation and the entire Pioneer Group in a straightforward and accessible format.

Pioneer’s aim is to share its passion for sound, vision, and information by bringing the world a steady stream of innovative products and services. The Pioneer philosophy, “Move the Heart and Touch the Soul,” expresses this aspiration.

This report has been carefully designed to give readers a clear overall picture of the business activities of the Pioneer Group and to serve as a platform for further dialogue with stakeholders.

Scope of the Report

- **Period covered:** This report covers fiscal 2012, the fiscal year ended March 31, 2012, as well as some earlier initiatives and more recent activities.
- **Organizations covered:** Pioneer Corporation and the 93 consolidated subsidiaries of the Pioneer Group (as of March 31, 2012)
- **Month of issue:** November 2012

Related Reports

- Pioneer discloses financial information in a variety of regularly published financial reports, including the Annual Report, and in the “Investor Relations” section of its website. [http://pioneer.jp/corp/irindex-e.html](http://pioneer.jp/corp/irindex-e.html)
- Detailed reports on the Pioneer Group’s environmental initiatives are also presented on its website. [http://pioneer.jp/environment-e/](http://pioneer.jp/environment-e/)

Reference Guidelines

- Sustainability Reporting Guidelines (G3) published by the Global Reporting Initiative (GRI)

Corporate Names in This Report

- “Pioneer” or “the Company” indicates Pioneer Corporation, and “the Pioneer Group” or “the Group” indicates Pioneer Corporation and its consolidated subsidiaries.
Message from the President

First of all, I would like to express my heartfelt sympathy to all who suffered from the Great East Japan Earthquake, including those still living as evacuees due to the Fukushima nuclear power plant disaster. I sincerely hope for the safety of everyone involved, and for a speedy recovery.

In 2011, the Pioneer Group was affected by two major natural disasters—the Great East Japan Earthquake and the flooding in Thailand. These disasters have left major impacts in various ways, affecting the families of employees, regional economies and communities, and the operations of business partners.

When trials such as these arise, and people work towards recovery, we are reminded of the connections people share, and the desire to take care of others. When we see people carry on with courage and hope, we redouble our resolve to provide support.

Endeavoring to realize the Pioneer Group Philosophy, “Move the Heart and Touch the Soul,” Pioneer has brought to market a steady stream of revolutionary electronic products since its founding in 1938. This philosophy articulates our aspiration to share the richness of human experience with as many people as possible, and it guides our dreams and our daily work at the Pioneer Group. Transcending national and ethnic boundaries, we hope to deliver untold wonders through communication that encompasses sight, sound, and information.

Another statement of our resolve is the Pioneer 2015 Vision: “Spread the smiles. Feel the vibes. Share the passion.” This vision presents a clear, specific image of how the Pioneer Group seeks to evolve by the year 2015 in various areas: relationships with customers, company, employees, and corporate culture; product and value propositions; relationships with society and business partners; and presence on the street, in the car, and at home. The 2015 Vision provides Pioneer with the strategies to continue its journey along a path of renewed growth.

Under our current midterm business plan, we are working to align and advance our business with the 2015 Vision, by entering emerging markets, pursuing business expansion, and developing new businesses. As we do so, we are determined to continue protecting the global environment and contributing to the sustainable development of society and the economy. Moreover, by supporting connections between people and the desire to care for others, we aim to “Move the Heart and Touch the Soul” of even more people with smiles and passion.

At the Pioneer Group, we recognize that, in fulfilling our corporate social responsibilities, we must continue to deliver products and services which are true to our philosophy and vision, while we conduct business activities in a sound manner that meets social expectations. In this context, we will continue to build a management foundation characterized by long-term stability, and find solutions, one by one, for the many ongoing challenges and hurdles that we face. Committed to this effort, we will address the various social issues raised by the Group’s wide-ranging and diverse stakeholders.

In an even larger sense, we intend to make steady ongoing efforts to fulfill our social responsibilities and contribute to society. I look forward to your continued understanding and support in the future.

September 2012

Susumu Kotani
President and CEO

Group Philosophy and Vision

Pioneer’s mission and raison d’être within society is expressed in its Group Philosophy: Move the Heart and Touch the Soul. With a view to realizing this philosophy, Pioneer established the 2015 Vision in April 2010 after taking business conditions into consideration. This vision provides an image of the type of corporate group that Pioneer seeks to evolve into and shines a light toward achieving the ultimate goal espoused in the Group Philosophy.

Group Philosophy

“Move the Heart and Touch the Soul”

A New Pioneer Begins with You

2015 Vision

Spread the smiles.
Feel the vibes.
Share the passion.

Pioneer engages you anytime, anywhere.

This new corporate vision embodies Pioneer’s renewed commitment to “being one with its customers,” “smiles and passion” and “growth.” Specifically, Pioneer strives to become:

- A company that takes a position to be one with its customers and keeps them in the loop in creating new products and values.
- A company whose employees pride themselves on helping customers keep going with smiles and passion with their own.
- A company whose employees cooperate with each other with smiles and passion.
- And a company whose growth derives from its customers’ personal growth along with its employees’ personal and professional growth.

The word “engage” used in the vision statement represents a sense of involvement and a sense of purpose that are shared and externalized through dialogues between customers and employees, among employees, and between employees and the Company.

We would like to spread and share these wishes among ourselves thoroughly, and actualize our 2015 Vision. In addition, we would also like to be a helpful partner for customers, business partners and our society to spread smiles, feel the vibes and share the passion.
Corporate Governance

Under the Companies Act of Japan, Pioneer has elected to structure its corporate governance system with a Board of Corporate Auditors. The Board of Directors decides on fundamental issues such as management policies and supervises the execution of business activities, while the Board of Corporate Auditors audits the directors’ performance of their duties. Based on this institutional structure, Pioneer has adopted an executive officer system to expedite the execution of business activities.

Aimed at improving corporate governance, a new structure was established in June 2012 to enable the directors, with their number reduced from 10 to seven, to specialize in decision-making and supervisory functions from a Group-wide perspective and the executive officers to enhance their executing functions.

Meanwhile, aiming to enhance the transparency of decision-making, Pioneer has established a Group Executive Committee and voluntary advisory committees to the Board of Directors.

Integrity in Business Activities

The Pioneer Group will consistently take note of changes in society as it continues to provide products and services. To fulfill its social responsibilities, the Group intends to gain an understanding of society’s expectations through dialog with various stakeholders including shareholders, consumers and customers, local communities, business partners and employees.

Of foremost importance is the Pioneer Group Charter for Corporate Operations, which aims to ensure that the Pioneer Group will remain trusted and respected by society as a good corporate citizen. In addition, the Pioneer Group Code of Conduct has been established to outline basic decision-making and behavioral standards for Group directors, officers, and employees.

Each Group company ensures that every officer and employee follows this code while observing the laws and social conventions of their respective countries and regions.

Pioneer Group’s Charter for Corporate Operations

- We will provide products and services that are useful, reliable, and safe.
- We will operate our corporate activities fairly.
- We will continue efforts to conserve materials and energy, and reduce impact on the Earth’s environment.
- We will strive for fair disclosure of information about our corporate activities.
- We will undertake effective risk management to deal with unforeseen incidents as quickly and sincerely as possible.
- We will properly manage and protect our assets and rights.
- We will endeavor to contribute to society from a global perspective.
- We will aim to pursue our corporate activities, always with respect for humanity.

Pioneer Group’s Code of Conduct (Section Titles)

- To Conclude Our Business Activities Properly and Effectively
  - Risk Management
  - Company Information
  - Intellectual Property
  - Proper Management and Use of Company Assets
  - Proper Accounting Treatment
- To Work Energetically with Mutual Respect for Each Other
  - Respect for Human Rights
  - Workplace Diversity
  - Freedom from Harassment
  - Respect for Privacy
  - Healthy and Safe Working Environment
  - Workplace Information Sharing
  - Abolition of Formal Gift-Giving
  - Political and Religious Activities
- To Win Our Customers’ Satisfaction and Trust
  - Safe and High-Quality Products and Services
  - Fair and Appropriate Information
  - Customer Claims and Requests
  - Protection of Customers’ Personal Information
- To Establish Fair and Free Business Relations
  - Fair Business Conduct
  - Management of Information from Third Parties
  - Business Conduct with Suppliers and Service Providers
  - Business Conduct with Dealers and Distributors
  - Relationship with Governmental Agencies and Industry Groups
  - Gifts and Entertainment

The Pioneer Group Charter for Corporate Operations and the Pioneer Group Code of Conduct can be found at the following Web page:

http://pioneer.jp/corp/charter/index-e.html
# Internal Control System and Risk Management

The Pioneer Group continues to upgrade, expand, and bolster its internal control system in an effort to prevent risk and address crisis situations. In this manner, the Group is endeavoring to enhance the integrity of its management.

In addition, the Group has put in place and is augmenting its Rules of the Pioneer Group. By further ensuring that all members of the Group are fully informed of these Rules, the Pioneer Group is taking steps to secure the adequacy and optimal efficiency of business activity execution.

With the Pioneer Group Charter for Corporate Operations positioned as its foremost component, the Rules of the Pioneer Group also consist of the Pioneer Group Code of Conduct as well as specific rules outlining the scope of responsibility and authority for each Group company and guidelines relating to compliance.

Chaired by a representative director, Pioneer’s Internal Control Committee was established in accordance with the Basic Rules for Internal Control System. In addition to consolidating and reinforcing those management systems aimed at addressing risks inherent in the Group’s business activities, this Committee is working to gain a better understanding of the nature and scope of business risks and to formulate effective crisis management countermeasures.

The Company manages important risks in a systematic manner in line with policies identified in the Rules of the Pioneer Group. As the organization that oversees these rules, a designated department located within the Company’s headquarters is responsible for enhancing their acceptance and understanding by the Group as a whole.

The Audit Division, under the direct control of the president, takes overall charge of implementing internal auditing throughout the Group as a whole, based on the Basic Rules for Consolidated Internal Control, which are part of the Rules of the Pioneer Group. Collaborating closely with the internal audit managers from each Group company, the Board of Corporate Auditors, the independent auditor and related parties, the division engages in wide-ranging audit activities encompassing internal control systems and risk management. Through each audit, the division endeavors to enhance the efficacy of such critical activities as quality control and environmental protection.

# Crisis Control Measures

Forming a part of the Rules of the Pioneer Group, the Basic Rules for Crisis Controls have been formulated to optimize the Group’s response in the event of a crisis that has the potential to seriously impact its business and operations. Chaired by a representative director, the Emergency Management Committee has been established as a permanent organization pursuant to these basic rules. In addition to overseeing the education, training and notification processes as they relate to crisis management, the Committee assigns officers, who are responsible for addressing and resolving crisis events and issues, to each division of Pioneer and each Group company.

The Crisis Control Manual outlines the roles and responsibilities of each crisis management organization as well as crisis management response procedures and protocol.

In the face of such disasters as a highly virulent influenza epidemic or an earthquake of major proportions, the Pioneer Group places the utmost emphasis on the sanctity of life. In this regard, and in order to ensure a swift resumption of business activities, the Pioneer Group has put in place a disaster manual that outlines those measures and actions to be adopted in the event of a disaster or crisis. Moreover, the Group has taken steps to secure adequate reserves of emergency food, medical and other supplies while maintaining appropriate modes of communication. These initiatives are supported by continuous emergency drills and training.

The actions of each business site in the immediate aftermath of the Great East Japan Earthquake that struck the nation in March 2011, together with the aforementioned reserves of emergency food, medical and other supplies and the Group’s communication network, all played an important role in grasping the status of damage.

# Full Compliance and the Internal Whistleblowing System

The Pioneer Group adheres to all relevant laws and regulations and regards compliance as the foundation for fulfilling its corporate social responsibilities and the basis for creating a workplace environment in which employees can carry out their duties with security and complete peace of mind.

The Business Ethics Committee, chaired by an outside director, was established in accordance with the Basic Rules for Business Ethics, which forms a part of the Rules of the Pioneer Group. This Committee aims to ensure strict adherence to all relevant laws and regulations as well as the Pioneer Group Code of Conduct by all members of Group management and employees.

Behavior that departs from accepted standards can upset the harmony of the workplace. In order to eliminate any wrongdoing, internal auditing has been consolidated across the Group. In addition, the Business Ethics Hotline has been established as an internal whistleblowing system for the entire Group to quickly detect and appropriately address behavior that is in violation of the Pioneer Group Code of Conduct.

The Hotline, operated by an external agency, offers a mechanism that can check the details of informants while maintaining the anonymity. The information is also sent simultaneously to the Business Ethics Committee and the Board of Corporate Auditors, enabling them to ensure a response in good faith.

The Committee Administrative Office promotes the Business Ethics Hotline with posts on the intranet bulletin board and by distributing cards that employees are encouraged to carry at all times. This creates an environment that allows employees to report on any wrongdoing they may encounter.

## Policy Regarding Material Suppliers

The Pioneer Group Code of Conduct requires the Group to deal fairly with suppliers on an equal footing, in accordance with relevant laws and agreements. In addition, it requires suppliers to act with awareness of their social responsibility, observing the laws of the countries and regions where they do business, and respecting international agreements of the United Nations, the International Labour Organization, the Organisation for Economic Cooperation and Development, and so on.

The Pioneer Group is striving to ensure socially responsible procurement throughout its supply chain, from parts and products, as a responsible member of society. As part of these efforts, the Group provides its suppliers with the Pioneer CSR Procurement Guidelines, which are grounded in the principles of equity, fairness, environmental conservation and social responsibility. The Group has also executed memoranda concerning CSR procurement with a large number of suppliers and is engaged in cooperative initiatives with them.

In recent years, it has become increasingly important to promote CSR activities throughout the supply chain, including initiatives to ensure business continuity after a disaster and efforts relating to the protection of human rights. Therefore, the Pioneer Group plans to strengthen its activities while obtaining the understanding and cooperation of suppliers.

---

### Outline of Whistleblowing and Inquiry Information Flow

- **Whistleblowing**
- **Contact / Feedback**
- **Reporting**

#### The Business Ethics Committee
- **Chair:** Outside Director
- **Members:** Business Ethics Officer; OIA of General Admin., Legal Human Resource & General Admin.; and the Audit division; Full-time Corporate Auditor

#### The Committee Administrative Office

#### The Board of Corporate Auditors

#### Business Ethics Hotline

- **(Whistleblowing system operated on both a Group-wide and regional basis)**

#### Business Ethics Helpdesk by world region

#### Questions

- **Consultations**

#### Response

- **Detailed confirmation; communication**

All individuals working for the Pioneer Group

---

Pioneer plant in Thailand with the ground floor flooded (October 2011)
**Appropriate Disclosure of Management Information**

Guided by its Basic Rules on Disclosure, which form a part of the Rules of the Pioneer Group, the Group as a whole maintains the basic policy of disclosing accurate management information to all stakeholders including shareholders, investors, customers, suppliers, the mass media and local communities in a timely and appropriate manner. As a matter of course, the Group discloses information required by laws and public regulations. Pioneer also seeks to actively disclose information that may be considered useful for shareholders to make investment decisions and to gain a better understanding of the Group. In addition to this rigorous and fair disclosure of appropriate information, Pioneer engages in highly transparent corporate activities with the aim of deepening the understanding and trust of shareholders, investors and society at large.

Furthermore, taking into consideration certain mandatory provisions introduced from 2009 under the Financial Instruments and Exchange Act, which aim to ensure the adequacy of financial reporting, the Company obtained confirmation from its independent auditor that its internal control system was again adequate and effective. Details of audit results were submitted together with Pioneer’s securities report in June 2012.

Under the Rules of the Pioneer Group, the Company has formulated Basic Rules for Prevention of Insider Trading. While Pioneer has endeavored to stringently manage information and to implement a management structure and system aimed at preventing insider trading, improper conduct in April 2007 by a former corporate auditor while in active duty was subsequently uncovered in March 2009. Pioneer is successively implementing various initiatives including the tightening of information management as well as regulations relating to the trade of the Company’s shares applicable to directors and employees, while re-emphasizing relevant staff education and training.

**Security Export Control**

As a global company that undertakes its operations within many communities around the world, the Pioneer Group hopes for the maintenance and expansion of international peace and security. Therefore, the Group regards as fundamental principles the international consensus in security export control and compliance with every country’s laws concerning the regulation of exports. In addition, Pioneer has formulated its Basic Rules on Security Export Controls under the Rules of the Pioneer Group and appointed one of its representative directors to oversee the appropriate management of export control.

**Ensuring Fair Trade**

The Pioneer Group has implemented a variety of measures to ensure strict adherence to anti-monopoly laws and regulations. In addition to establishing the Basic Rules on Fair Trade as a part of the Rules of the Pioneer Group, the Company has issued its Monopoly Prohibition Compliance Manual. Along with ensuring thorough awareness of the manual Group-wide, the Company continues to augment its fair trade compliance counseling and reporting structure and systems, led by its Legal Division.

In addition, Pioneer is strengthening its initiatives to ensure fair trade through training relating to the Japanese subcontract law for employees in departments that purchase goods and services. Other initiatives include the establishment of guidelines to prevent monopolistic behavior, unfair trading methods, and unfair restraint of trade, and making them well known throughout the Group.

**Exclusion of Antisocial Forces**

In the spirit of undertaking fair corporate activities with respect for social norms as specified in the Pioneer Group Charter for Corporate Operations, the Pioneer Group applies firm, systematic measures as required by the Pioneer Group Code of Conduct to exclude antisocial forces, particularly in the form of organized crime, that threaten the safety and orderliness of civil society. To achieve this, the Group has designated a department to take overall charge of responding to antisocial forces. The internal framework encompasses liaison with specialist external agencies, sharing information within the Pioneer Group, providing guidance in responding to issues, ensuring communication and other measures.

**Protection of Intellectual Property and Copyrights**

The Pioneer Group not only maintains and manages intellectual property acquired through technology development and other means, but it also undertakes day-to-day measures to respect the intellectual assets of third parties as a matter of principle. Pioneer and its Group companies have established a copyright liaison meeting for their respective administrators of relevant departments to ensure Group-wide compliance of copyright protection technology in all Pioneer products. Furthermore, to avoid betraying the trust that customers have in the Pioneer brand, the Company’s business divisions and Legal & Intellectual Property Division work together with related departments at Group companies to eliminate counterfeit goods from the marketplace, since they threaten to damage Pioneer’s brand value and social status.

For the benefit of the Group’s employees in Japan, the Company posted a Q&A page on its intranet bulletin board concerning the protection of copyright in operational activities. At the same time, Pioneer has set up an inquiry desk to answer employees’ questions.

**Information Security and Protection of Personal Information**

Within the Rules of the Pioneer Group, the Company has formulated the Basic Rules for Information Security Management. These Rules form the basis of the Group’s information security framework and outline the policies and measures to be implemented to ensure the optimal protection, utilization and management of information assets.

Pioneer has also established the Rules for Protection of Personal Information as part of the Rules of the Pioneer Group, in addition to its publicly available Privacy Policy. Group companies handle all personal information in accordance with these rules and stringently safeguard customers’ interests and rights. Pioneer has never experienced a case of a deliberate leak of personal information, such as external infringements or unauthorized removal of data from the business sites of Group companies.
To Win Customers’ Satisfaction and Trust

Quality Assurance Philosophy

The Pioneer Group regards ensuring quality as the most fundamental issue in its pursuit of customer satisfaction. Therefore, the Group has formulated its Quality Assurance Philosophy. With the aim of realizing this philosophy, the Group has clarified its quality assurance responsibilities and authority and is working to improve overall quality. Specifically, the Quality Assurance Council has been established, as well as three committees: the Product Safety Committee, the Public Regulations Committee, and the Eco Products Committee. These committees operate across organizations within the Pioneer Group as a whole.

The Pioneer Group is further developing its advanced quality programs implemented across the organization based on the quality policy and is working to ensure that this framework becomes firmly established. Within this framework, Pioneer has identified product safety, public regulations, and product environments as key concepts and intends for all staff involved in operating processes, from development and production through to sales, marketing and service, to become familiar with them.

Moreover, the Pioneer Group believes that efforts to further boost the promotion of human centered design, which customers expect from the Group’s products, is an essential factor in providing products that fully satisfy customers. In this regard, every effort will be made to reflect this recognition in the Group’s product evaluation.

Initiatives to Ensure Product Safety

The Pioneer Group has identified basic issues for ensuring the safety of its products, promotional materials, installation work and repairs, and it strives to prevent injury to people and damage to property. To achieve this, a framework centered on the Product Safety Committee has been established, and based on the Action Guide of Product Safety, the Group works on a routine basis to prevent incidents and to respond promptly should they occur.

In this context of product safety, information is actively collected from customers, dealers and distributors and collated by the Company’s Quality Assurance Division. Reports are then promptly submitted to upper management, and relevant information is fed back to customers, dealers and distributors.

Ensuring Product Safety

The Pioneer Group maintains a structure and system for ensuring product safety during the early stages of new product development. Taking into consideration a broad spectrum of factors, including the needs of users as well as the wide-ranging environments in which products will be used, the Group undertakes risk assessment relating to product safety. In implementing measures aimed at addressing individual risks, the Group is working diligently to prevent the chance of an incident occurring from product shipment through to final disposal.

Product Safety Standards and the Product Safety Manual

As a part of the overall product development process, the Pioneer Group has formulated a set of proprietary product safety standards that encompasses not only statutory information but also past experience. In adhering strictly to these standards, the Group is endeavoring to deliver enhanced product safety.

In addition, the Group has published the Product Safety Manual for product designers and engineers, explaining various vital aspects of product safety as well as other basic concepts. Drawing from resources both within and outside the Group, the manual includes a number of product safety examples. Written in a clearly presented manner, it is used internally as a product safety education and training tool.

Response to Public Regulations Concerning Products

The Pioneer Group collects regulatory information from the countries, regions and industries within which it conducts business, as well as from international organizations. This information is disseminated by the Public Regulations Committee, which is organized on a Group-wide basis, and is incorporated in the development and manufacture of products. The Group also ensures through its sales divisions that products comply with national and regional regulations before release. Through these means, the Pioneer Group strives to ensure compliance with public requirements for products and promotional materials.

Main Public Regulations Concerning Products

- Regulations concerning product approval include safety regulations, electromagnetic compliance (EMC) and electromagnetic interference (EMI) regulations, and communications standards.
- Labeling regulations for consumer protection and product certification for hanging or suspended products.
- Environmental regulations.

Please visit the following website to view Pioneer’s important notice concerning product safety (Japanese only):
http://pioneer.jp/oshirase/safe/

Please visit the following website to view Pioneer’s Action Guide of Product Safety: http://pioneer.jp/corp/csr-e/customer/customer_pu.html

A highly secure configuration to be incorporated for suspended or hanging products

Example: A ceiling mount speaker fitted with an additional safety wire as a precaution against a fall

Excerpt from the Product Safety Manual
Upstream Initiatives for Quality Assurance

Rapid Acquisition of Market Quality Information and Enhanced Responses to Issues

In the Pioneer Group, information from customers is accurately communicated to relevant divisions for use in sales support and quality improvement activities. For example, at the Customer Support Center in Japan, inquiries and complaints are compiled into a monthly report entitled “The Voice of the Customer,” which is distributed to directors, department heads of related divisions and all relevant staff. In addition, the center provides information that can be used for product planning in periodic meetings with business divisions. Similar activities are undertaken at the Group’s overseas subsidiaries. In addition to consolidating this sort of regular monthly information exchange, the Group will reinforce its response to issues arising in the marketplace. Information about these issues is conveyed via inquiries to the consultation service, along with repair and service information, analysis of returned products, feedback from Internet surveys, and so on. The Group will promptly feed this information back to its planning and design departments.

APQP Activities at Pioneer

The product development process consists of a complex interaction of various other processes. The initial (upstream) stage of product development starts with planning conception, which has a significant impact on product quality. The steps required for achieving quality targets are identified at this stage. Pioneer uses Advanced Product Quality Planning (APQP), an approach that cuts across various organizations to find and resolve issues quickly. The Pioneer Group will continue to identify best practices in order to maintain and improve total quality across the Group. In fiscal 2013, the Group is identifying steps for achieving the quality targets from the initial stage of product development, and it continues to implement activities that enable issues to be found and resolved quickly through team activities in all divisions, including the sales and services divisions.

Promoting Human Centered Design

The Pioneer Group promotes Human Centered Design, which is supported by Perceived Quality, Universal Design, and Ease of Use. The Group is constantly striving to offer a User Experience for customers to enjoy and be pleased to use our products with excitement.

Note: Typically human centered design is a process concept for product development based on the user’s perspective, and it conforms to the international standard ISO 13407 for human centered design processes for interactive systems. ISO 13407 defines the concept, for which there are specific standards concerning usability, Internet accessibility and so on. For example, utilizing sophisticated analysis evaluation technologies, the Analysis and Evaluation Center pinpoints the underlying issues and problems that cause defective products by examining market, domestic and overseas Group company, affiliated company and material supplier manufacturing processes. Through an analysis and evaluation of non-defective articles, the center obtains know-how that can be reflected in preventive measures in the development and production processes to increase the long-term reliability of Pioneer products.

Preventive Measures Using Analysis and Evaluation

The Pioneer Group seeks to resolve quality problems in a timely manner, undertaking preventive measures and prompt and appropriate action against the recurrence of problems. This is important for providing customers with products and services that win their confidence and satisfaction. Therefore, the Group aims to improve its analysis and evaluation technologies for quality problems caused by materials and components, or issues arising from work practices and the working environment at the site of the development and production processes.

Note: Typically human centered design is a process concept for product development based on the user’s perspective, and it conforms to the international standard ISO 13407 for human centered design processes for interactive systems. ISO 13407 defines the concept, for which there are specific standards concerning usability, Internet accessibility and so on.
Customer Support and Service

The Pioneer Group is working to build a framework of the highest quality support and services throughout the world. Each year, the Group conducts a customer satisfaction survey concerning its support and services. The results of each survey are channeled directly toward further improvements in customer satisfaction. In this manner, the Group is endeavoring to expand the circle of Pioneer enthusiasts. The Group consistently makes decisions from the customer’s viewpoint, building relationships of trust by providing service that appeals to customers and meeting their expectations around the world.

Maintaining and expanding the Pioneer enthusiasts

Raising the quality of products

Strengthening product lineups

Responding to Customer Inquiries

The Customer Support Center in Japan integrates all the support operations for Pioneer products in the country with the aim of providing clear and effective service from the customer’s viewpoint. Every year, the center responds to approximately 430,000 before- and after-purchase inquiries by telephone and e-mail. The center does not simply respond to inquiries—it also provides product information from the customer’s standpoint and offers value-added proposals in order to provide a higher level of customer satisfaction. In addition, information from customers, including the inquiries and complaints received by customer support departments in Japan and overseas, is accurately communicated to relevant divisions for use in sales support and quality improvements.

In fiscal 2012, the Customer Support Center again drew on an evaluation by an external agency to improve the quality of the responses of personnel, including their overall manner, first impressions and friendliness.

A support desk for Smartphone Link Navigation Cradle was established in April 2011 to coincide with Pioneer’s entry into the “smart cradle” market for smartphone-based car navigation systems. This was followed by a Cycle Navi support desk for Pioneer’s released bicycle navigation system. Both support desks are located in the Customer Support Center.

Results of the Independent Customer Satisfaction Survey for Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall satisfaction following repairs as reported by the survey</th>
<th>Satisfaction with the Repair Desk</th>
<th>Customer satisfaction with the Customer Support Center</th>
<th>Customer satisfaction with the Parts Ordering Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>80%</td>
<td>86%</td>
<td>92%</td>
<td>4.4 points</td>
</tr>
<tr>
<td>2011</td>
<td>78%</td>
<td>91%</td>
<td>93%</td>
<td>4.4 points</td>
</tr>
<tr>
<td>2012</td>
<td>78%</td>
<td>93%</td>
<td>94%</td>
<td>4.1 points</td>
</tr>
</tbody>
</table>

Number of Repairs in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>302,000</td>
<td>274,000</td>
<td>253,000</td>
</tr>
</tbody>
</table>

Delivering Peace of Mind and Satisfaction

Beginning with its range of CRT-based televisions released in 1983, Pioneer had continued to sell a wide range of display products including projection and plasma TVs. Although the Company withdrew from the display business in fiscal 2010, Pioneer maintains supplies of components and repair parts for a period of eight years commencing from the date of final production of each model in order to ensure the peace of mind and satisfaction of customers using Pioneer’s display products. Moreover, at the end of this eight-year period,

Product Repair Service

Customers in Japan have praised Pioneer’s efforts to respond to their expectations and requirements for improved speed of repairs, as well as for clear explanations from the Repair Desk, the courtesy of responses, and the adequacy of repairs and explanations.

In fiscal 2012, the Pioneer Group took steps to strengthen and expand its automotive OEM product service network and systems worldwide. Carrying on from the previous year, every effort was made to bolster and augment the service network and systems that target such newly emerging growth markets as the BRIC nations (Brazil, Russia, India and China).

Worldwide Service System

Pioneer will continue to undertake display product maintenance and repairs until all supplies of component and repair parts are exhausted. (Replacement parts may, however, be used for requirements other than performance components.) While the Pioneer Group terminated production of laser disc players from April 2009, it is continuing to provide the same maintenance and repair services as those proposed for display products.

Customer Support Center

Voice of the Customer

To improve products

To the product planning and development departments

To Pioneer direct反省executives and Group companies

To design, quality and manual departments

Number of Inquiries and Response Rate for the Customer Support Center in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inquiries on car electronics products</td>
<td>260,000</td>
<td>296,000</td>
<td>340,000</td>
</tr>
<tr>
<td>Inquiries on home electronics products</td>
<td>127,000</td>
<td>104,000</td>
<td>94,000</td>
</tr>
<tr>
<td>Response rate</td>
<td>80.0%</td>
<td>76.4%</td>
<td>72.2%</td>
</tr>
</tbody>
</table>

Monitoring System to Enable Employees to Listen to Customers Directly

Pioneer offers its employees training opportunities to experience operations at the Customer Support Center. Listening to customers directly at the center enables employees to develop their own insight and more effectively act based on the customer’s point of view.

http://pioneer.jp/support/index-e.html
Environmental Preservation

Environmental Management Philosophy and Initiatives

Basic Policies of Environmental Preservation

- The Pioneer Group will make efforts to always contribute to maintaining and realizing the rich and safe global environment through our corporate activities, based on the general understanding that it is one of our corporate missions to maintain, improve, and hand over the global environment to the next generation.

Based on the Philosophy of Environmental Protection and environmental impact by our business activities from a global perspective and not limited to a regional scale, 4 focal points below are recognized for continual improvements.

1. Prevention of Global Warming
   Efforts shall be implemented to reduce energy use and greenhouse gas emissions attributable from our business activities and the product’s life cycle.

2. Conservation of Resources, and Recycling
   Strive to reduce use of materials and water resources in the business process, and to promote recycling of resources as much as possible.

3. Management of Chemical Substances
   Manage a secure control for the use of chemical substances, and to continuously reduce or strive for alternatives regarding potentially hazardous chemicals that may be harmful. Moreover, in using chemical substances, efforts shall be made to prevent pollution.

4. Preservation of Biodiversity
   To preserve the wildlife ecosystem on earth, forests, oceans, and in sustaining biodiversity as important issues to consider, constructive action in protecting the natural environment shall be implemented.

   The following 4 basic approaches are taken in promoting the environmental protection activities:

5. Compliance to Laws and Regulations
   While complying with applicable environmental laws and regulations, establish voluntary management standards necessary to perform the business activities.

6. Disclosure of Information, and Communication
   Provide environment related information to the stakeholders, and respect the opinions widely from both inside and outside the company advantageously for environmental activities.

7. Environmental Education
   While having awareness for environmental preservation, promote environmental education and training with the aim of developing human resources to enable taking action to environmental activities.

8. Social Contribution
   In recognizing the importance of the global environment and local environment, each and everyone will work actively for its preservation and improvement by starting with the social environment nearest you.

Organization of Pioneer Environmental Preservation Activities

In 1991, Pioneer launched the Pioneer Environmental Conservation Committee to serve as a Group-wide organization to discuss and take action on environmental issues related to business activities at Pioneer facilities. In 2006, the Company inaugurated the Pioneer Eco-Products Committee, which cross-divisionally controls those environmental preservation activities related to products. This current two-committee structure serves as horizontal and vertical axes in promoting the overall activities of Pioneer’s environmental preservation system to cover both facilities and products.

Structure of Environmental Preservation Activities

Integrated Environmental Management System

With the growing importance of environmental preservation activities, particularly measures to combat global warming, it is essential to promote strong, efficient environmental management in order to achieve good results. At such a time, enhancement of the environmental governance of the Pioneer Group is a major issue. In August 2007, Pioneer integrated the ISO 14001 environmental management systems at four sites (Head Office, Kawagoe Plant, Kawasaki Plant, and then-Corporate Research & Development Laboratories). Integration enables the business sites to rigorously carry out Plan, Do, Check and Act (PDCA) activities, and ensures that all these sites work together toward more ambitious targets.

In addition, integration has been extended to Group companies in Japan in fiscal 2009. This is an opportunity to unify the Pioneer Group’s environmental policy for an integrated environmental management system. Looking forward, integration will be extended to Group companies worldwide, thereby further enhancing the results of the entire Group’s environmental conservation activities.

Environmental Risk Management

At every business site of the Pioneer Group, facilities and processes that have the potential to impact local communities are assessed for environmental risks. As a part of these assessments, the sites take steps to scrutinize measures aimed at preventing environmental contamination and conduct periodic emergency drills and equipment tests. Furthermore, the Group maintains a reporting structure linked directly to local government authorities.

There was no instance of any legal violation by the Group’s business sites in fiscal 2012. During this same period, there were no complaints/requests submitted to a Pioneer business site. With respect to the handling of polychlorobiphenyl (PCB), the Pioneer Group had disposed of 26 units with 11 units in storage as of March 31, 2012.

Environmental Vision: “True Integration of Corporate Activities and Environmental Preservation Activities”

The Pioneer Group has adopted environmental preservation activities as a corporate mission and an important business challenge. The Group makes every effort to reduce the environmental impact in every process of the product lifecycle, from research and development to planning, design, manufacturing, sales, servicing and disposal.

Reducing environmental impact, i.e. improving environmental quality, is just as important as product quality; such as QCD measures implemented in manufacturing. Pioneer has established the concept of environmental quality in its business processes as a contribution to the creation of a sustainable society and actively promotes the true integration of corporate activities and environmental preservation activities.

Pioneer Environmental Mark

The Pioneer Environmental Mark, a motif of the Earth and two leaves, represents the Earth, the environment and living in harmony. Displayed in Pioneer catalogs, environmental education posters and related materials, the Company’s environmental symbol is used throughout the world as both an education tool to raise environmental awareness within the Group and a promotion tool to advance Pioneer’s green credentials externally.

Restoring precious and irreplaceable Earth will move the hearts of many people.
Environmental Preservation

Environmental Management Philosophy and Initiatives

Pioneer’s Environmental Impact

Pioneer products go through various planning, design and manufacturing processes before they are delivered to the customer, used and then disposed of or recycled at the end of their useful life. Various impacts on the environment are unavoidably generated in each process. Pioneer continues to devote every effort to reducing such environmental impacts.

Main Targets and Results in Fiscal 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>Objective</th>
<th>Target</th>
<th>Results</th>
<th>Self-assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global warming prevention</td>
<td>CO2 equivalent greenhouse gas</td>
<td>Japan: 36% reduction from FY1991 to 2011</td>
<td>Achieved 69% reduction, on track to achieve reduction targets for 2012</td>
<td>○</td>
</tr>
<tr>
<td>Resource recycling</td>
<td>Reducing recyclable resources</td>
<td>Japan/Overseas: 1% reduction from FY2011 to 2012</td>
<td>Achieved 16% reduction</td>
<td>○</td>
</tr>
<tr>
<td>Resource recycling</td>
<td>Recyclable rate for recyclable resources</td>
<td>Japan/Overseas: 2011 to 2012</td>
<td>Achieved 100% at all operating bases</td>
<td>○</td>
</tr>
<tr>
<td>Green purchasing</td>
<td>Green purchasing promotion</td>
<td>Maintain guidelines (95%)</td>
<td>Slightly underachieved 93% reduction</td>
<td>○</td>
</tr>
</tbody>
</table>

Eco-Products 2011 (Environmental Exhibition)

Pioneer participated in Eco-Products 2011 under the theme of “Pioneering ECO STYLE.” The Company exhibited products not yet launched, including the “Potter navi” bicycle navigation system which enhances the fun of bicycles as a form of energy-saving transportation. Pioneer also exhibited an augmented reality (AR) head-up display (HAL), a next-generation car navigation technology which reduces fuel consumption by reducing unnecessary driving while providing even more accurate directions by projecting the route information on the front windshield.

Visitors were able to experience Pioneer technology that will soon become fun eco-products that are extremely easy to use. This includes a car navigation system for electric vehicles (EV) with EV route-search function for finding easy routes that use minimal electricity.

Pioneer has been praised for its initiatives such as metal recovery through recycling, and regular evaluation of its environmental impact using life cycle assessment (LCA), which is part of the Company’s environmentally friendly product development process. The LCA initiative in particular has drawn attention from many university research circles.

Pioneer GomiZero 1st Quarter Activities

The Pioneer Group launched in fiscal 2011 a local cleanup effort at its business sites across Japan. Referring to it as Pioneer GomiZero 1st Quarter, this three-month endeavor ran from April to June as part of the Group’s comprehensive cleanup campaign. Initiated to coincide with Earth Day (April 22), Zero Garbage Day (May 30), Environment Month (June) and World Environment Day (June 5), this endeavor will be held annually to help urban and rural areas and to raise the awareness of employees toward environmental issues.

The second annual cleanup was held in fiscal 2012. Due to the Great East Japan Earthquake, the cleanup period was extended by one month, covering four months from April to July. Although some sites missed their planned cleanup due to issues such as rain, a total of 285 people collected approximately 440 kg of garbage.

Pioneer Environmental Contribution Award

Since fiscal 2001, the Pioneer Group presents the Pioneer Environmental Contribution Award to the Group’s plants, teams and individuals that have contributed to environmental conservation activities. Patents judged to have made a particular contribution to environmental conservation are recognized by being presented with the Environmental Patent Award.

In fiscal 2012, the 13th year of the awards, there were 27 candidates. Awards were presented to eight groups and individuals, with the top award being given for electrical circuit design that does not produce waste. In addition, in order to respond to simmering power shortages in Japan, a special Home Electricity Saving Contest was included, which attracted 28 entries. Awards were given for the best activities in this category. For the Environmental Patent Award, one patent registered under the Accelerated Examination and Accelerated Appeal Examination System of the Japan Patent Office was selected for an excellence award. Rights holders were permitted to participate in the awards ceremony through the use of the CCS-Prime cyber conference system.
Reducing CO2 Emissions
The Pioneer Group is an active participant in the Nippon Keidanren (Japan Business Federation) Voluntary Action Plan on the Environment. As such, the Group engages in activities aimed at achieving the voluntary target for the electrical and electronic equipment industry of reducing CO2 emissions (per unit of actual production) by 35% averaged over the commitment period of the Kyoto Protocol (fiscal 2008-2012), compared with the base year of fiscal 1991. In this context, the Group has identified a target of 36% as its own voluntary standard, while at the same time focusing significant efforts on achieving an overall reduction in emissions.

Due largely to successful energy conservation efforts as well as reduced production since fiscal 2008, CO2 emissions have continued to decrease compared with the base year of fiscal 1991.

Emissions per Unit of Actual Production

Scope 1: CO2 emissions calculated using the conversion coefficient from the Act on the Rational Use of Energy, based on the amount of fuel purchased for stationary internal combustion equipment including diesel generators, gas turbine generators, and boilers.

Scope 2: Japanese CO2 emissions calculated using the adjusted emission factors from each power company, based on the amount of electricity purchased from power companies.

Scope 3: CO2 emissions resulting from gasoline and diesel purchased for Company vehicles were calculated. PFC, HFC, etc. Production processes emissions of greenhouse gases other than CO2 (e.g., CFCs, PFCs, HFCs, N2O, and SF6) were calculated by converting them to a CO2 basis. These emissions were mainly from semiconductor production processes.

In fiscal 2012, Pioneer maintained a recycling rate in excess of 99% in Japan. The Company also maintained the high recycling rate of 99.5% over the same period at its overseas production bases. (Recycling rates are calculated based on the methods of waste management stipulated under the laws and regulations of each country.)

1. Pioneer defines the zero emission of waste as follows: In Japan, recycling more than 99.5% of the waste generated at business sites so that landfill disposal is reduced to virtually zero; and overseas, recycling more than 90% of the waste-generated at plants.

Recycling Rates

Amount of Waste and Valuable Resources Generated

In order to reduce the impact on the environment from environmentally hazardous substances used in production processes, the Pioneer Group has set internal targets and is making efforts to reduce emissions. In line with the industry’s voluntary action plan, the Group targeted a 30% reduction of volatile organic compounds (VOCs) by fiscal 2011 compared with emission levels in fiscal 2001. In fiscal 2011, the Group achieved a total reduction of 87%, and continued substance management. In addition, the Pioneer Group fully phased out ozone-depleting specified CFCs in 1992 and eliminated the use of hydrochlorofluorocarbons (HFCs) in 1996, well in advance of the total ban from 2020 as stipulated in international regulations.

Green Purchasing in Japan
The basic concept underlying green purchasing involves avoiding the purchase of unnecessary items, buying only required items; and ensuring that all items bought are environmentally friendly. The Pioneer Group promotes green purchasing based on a list of items with a 100% green-purchasing compliance rating. In fiscal 2012, the Group achieved its 100% green-purchasing target for 11 out of 13 items. Green purchasing was not achieved for the other two items, as there were not green-compliant products available in terms of functionality and performance.

Initiatives to reduce office paper usage compared to the previous fiscal year were promoted, resulting in an approximate 13% reduction in fiscal 2012. Approximately 80% of the Company’s car fleet has been replaced with Low-Emission Vehicles,1 with Ultra Low-Emission Vehicles comprising 74% of them.

Green Purchasing

1. Low-Emission Vehicle (Japan): Low-pollutant cars / emission levels in Japan do not exceed 115 g/km, 1.5 g/km, or 0.15 g/km for CO2, NOx, and PM, respectively. Low-Emission Vehicle (Overseas): Low-pollutant cars / emission levels in Japan do not exceed 115 g/km, 15 g/km, or 0.15 g/km for CO2, NOx, and PM, respectively.
Environmental Preservation

Eco-Products

Initiatives to Protect the Environment

In order to develop products with superior environmental performance that are preferred by customers, Pioneer is investigating environmental impact reduction based on the following three points concerning all product lifecycle stages. The Company also evaluates the environmental performance of all its products based on product assessments and internal standards.

Three Points Addressing Environmental Concerns

Energy Saving
- Reducing electric power consumption
- Reducing fuel consumption
- Reducing weight and size
- Promoting energy efficiency during product transportation

Recycling of Resources (3Rs)
- Reducing the amount of raw materials and the number of component items used
- Promoting easier disassembly structure
- Promoting longer life

Reducing Environmentally Hazardous Substances
- Promoting green environment
- Abolishing the use of specified hazardous chemical substances
- Distributing information on chemical substances

Evaluation System for Environment-friendly Products

Pioneer has introduced its own system for evaluating environmental performance and continues to revitalize efforts aimed at developing environment-friendly products. The Pioneer website provides information on products certified as Advanced Eco-Models and Super Advanced Eco-Models.

Eco-route Search Function

CYBER NAVI installs Eco-route Search function, which estimates fuel consumption for all possible routes in advance, based on Smart Loop Congestion Information and Pioneer’s proprietary fuel estimation technology. It then proposes the route with the lowest fuel consumption.

Features to Support Eco-friendly Driving

The Eco-status feature employs Pioneer’s proprietary fuel estimation technology, so drivers can improve driving techniques for saving fuel consumption via user-friendly graphic displays and voice messages.

Smaller and Lighter Car Amplifier

With the PRA-700, Pioneer has realized a car amplifier that is substantially more compact and lightweight through measures such as a new circuit design based on high density mounting and optimal heat-dispersion design by incorporating a heat sink into the unit body. In addition to conserving resources, the new model helps reduce environmental impact during product shipment and usage by reducing vehicle fuel consumption and CO2 emissions.

Enjoying the Pleasures of Movies and Music in an Eco-friendly Manner

The VSX-S500 is an audiovisual (AV) amplifier that places the utmost emphasis on energy efficiency and conservation. By pressing the designated remote control ECO button, power consumption is reduced up to a maximum of 35% compared to normal operation. With these and other features, the VSX-S500 offers the pleasure of movies and music while addressing environmental concerns in an easy and comfortable manner.

Recycling of Resources (3Rs)

Pioneer’s Pure Malt speakers are encased in cabinets made from recycled casks used to age whisky over a period of 50 years. In addition to protecting forests and scarce woodlands, the recycling of used whisky casks helps produce a warm, rich sound that cannot be created using freshly logged timber materials.

A portion of the revenue from sales of Pure Malt speakers is donated to the Green Fund of the National Land Afforestation Promotion Organization. In this manner, the Company is contributing to the government-led promotion of afforestation and related initiatives.

Managing Chemical Substance Information to Comply with REACH Regulation

Pioneer is bolstering its chemical substance information control and management systems in order to address the requirements outlined under such existing rules and regulations as the RoHS Directive as well as new chemical regulations stipulated under the REACH regulation. In conformity to the REACH regulation, there is an undeniable need to put in place a framework that is capable of smoothly disclosing and conveying information regarding chemical substances across the supply chain. Pioneer is accordingly taking the initiative to build a consolidated environmental database as well as a system to facilitate the flow and efficient exchange of information regarding chemical substances from suppliers through to the Company’s customers.
To Work Energetically with Mutual Respect for Each Other

Realizing the Group Vision

Pioneer Group employees endeavor to infuse their work with passion and enthusiasm. Their personal and professional growth is an essential contribution to the growth of the Group. Employees make difficult decisions with conviction and professionalism, and they welcome challenges to achieve higher goals. Pioneer encourages its diverse employees around the globe to foster creativity and communicate openly. Through these means, the Group is striving to realize its overarching vision: “Spread the smiles. Feel the vibes. Share the passion. Pioneer engages you anytime, anywhere.”

Respect for Human Rights

“We aim to pursue corporate activities with the utmost respect for humanity” is a key commitment espoused under the Pioneer Group Charter for Corporate Operations. In an effort to ensure a safe and comfortable working environment that allows every employee to go about his or her duties with energy and vitality, the Group also places considerable emphasis on fair treatment with regard to both recruitment procedures and actual working conditions. Based on a sense of mutual trust and respect, the Pioneer Group is endeavoring to build and develop a highly transparent organizational framework, based on the following principles:

- Prevention of discrimination
- Prohibition of harassment
- Protection of industrial or other accidents
- Prohibition of child labor and forced labor
- Respect for privacy
- Strict adherence to all laws and regulations

Pioneer places value on:
- Moral fiber
- Efforts toward innovation
- Horizontal communication that extends across organizations and segments
- People who think, learn, and grow continuously on their own initiative
- The determination to accomplish tasks

from the Basic Rules for the Management of Personnel of the Rules of the Pioneer Group

Workplace Diversity

In an effort to realize its Group Vision, Pioneer seeks to create a corporate culture in which diverse personnel can exercise their capabilities, irrespective of gender and other differences, and work enthusiastically and energetically to fulfill the mission of their respective workplaces. To this end, career development for women has been positioned as a key management strategy and issue in Japan.

Initiatives to Support Work-life Balance

Pioneer has continued to implement initiatives aimed at promoting a balance between employees’ work and family life. In July 2011, the Company acquired the Next Generation Certificate “Kurumin” mark from Japan’s Ministry of Health, Labour and Welfare for its achievements under the second action plan. In the current third action plan, Pioneer has set three principal themes for further supporting work-life balance: enhancing awareness of the various systems and next-generation development support activities, continuing to promote increased consciousness and to build a positive work environment, and reinforcing support structures that help secure improved work and family life balance.

Mental Health Care

Health management of employees is more than just a matter of health and safety, and Pioneer regards the development of both the Company and its people as an important management issue. Therefore, Pioneer has been making efforts toward mental health care, holding seminars for employees, distributing promotional materials to raise awareness of the issue, improving its Health Care Promotion Network, and setting up a counseling service system.

Personnel Development

Pioneer has established a Human Resources Management Policy that serves as a standard for hiring and managing employees and gives guidance on planning and operating its personnel systems and measures.

Mentor System

Pioneer continues to actively promote meaningful and worthwhile relationships within its organizational structure. As a part of these endeavors, the Company introduced a mentor system from September 2007 in an effort to promote employee career planning and personal growth. The initial system covered 21 female managers and is currently being expanded to include candidates for executive positions as well as new female employees.

- Three-pronged Women’s Career Development Support Plan
- Health care
- Work-life balance
- Human resources development, including education and training

Pioneer’s basic policy is to support prevent mental health problems and interventions at an early stage

Safety Committee develops and implements accident prevention and safety improvement measures that are relevant to each workplace. Pioneer is also working to strengthen cooperation among business sites through the activities of the Health and Safety Committees.

Human Resources Management Vision

The Human Resources Management Vision outlines Pioneer’s goals for its human resources management activities. It is intended to serve as a guide for the development and utilization of human resources by maximizing the performance of individual employees into corporate growth.

1. Positive Challenge
   Encouraging employees to take on the challenge of fulfilling their own ambitions

2. Productive Chemistry
   Providing opportunities for employees to display their creativity and innovation, while fostering personal chemistry between individuals and between individuals and organizations

3. Open Door Communication
   Encouraging communication as the key to human resource management

Promoting Employment of People with Disabilities

In order to fulfill its corporate social responsibility and to employ a diverse workforce, Pioneer has consistently undertaken initiatives to employ people with disabilities. Pioneer will continue to take active steps in this direction, expanding the range of occupations available to people with disabilities throughout the Group as a whole.

- Number of Pioneer Employees with Disabilities
- Employment ratio: 1.8%

Human Resources Management Policy

Pioneer’s basic policy is to support prevent mental health problems and interventions at an early stage

Achievements under the Second Action Plan (April 2007–March 2010)

1. Expanded the registration period for employees in employment systems; revised age restrictions; expanded eligibility for application
2. Extended the applicable period of shortened working hours for male employees to include employees in the first three fiscal years of employment
3. Added new categories and revised the work schedule for employees on leave
4. Expanded the scope of mental health care, including expanded eligibility for care
5. Recommended the provision of mental health care for female employees
6. Expanded the availability of support for employees with disabilities

Support programs

- Prevention of industrial or other accidents
- Prevention of sexual harassment
- Prevention of bullying
- Prevention of discrimination
- Promotion of understanding in the workplace and increasing the awareness of employees
- Improving the number of women employees and their education and training
- Enabling employees to plan and operate their careers
- Ensuring a better work environment and workplace culture
- Ensuring the passion. Pioneer engages you anytime, anywhere.”

Human Resources Management Philosophy (Important Concepts)

- Each employee should experience personal growth through work and make steady progress
- Each employee should obtain happiness and satisfaction through a sense of job achievement
- Mutual motivation should occur between individual employees and between individuals and their organizations, thereby maintaining relationships of mutual improvement

Achievements under the Second Action Plan (April 2007–March 2010)

1. Extended the registration period for employees in employment systems; revised age restrictions; expanded eligibility for application
2. Extended the applicable period of shortened working hours for male employees to include employees in the first three fiscal years of employment
3. Added new categories and revised the work schedule for employees on leave
4. Expanded the scope of mental health care, including expanded eligibility for care
5. Recommended the provision of mental health care for female employees
6. Expanded the availability of support for employees with disabilities

Support programs

- Prevention of industrial or other accidents
- Prevention of sexual harassment
- Prevention of bullying
- Prevention of discrimination
- Promotion of understanding in the workplace and increasing the awareness of employees
- Improving the number of women employees and their education and training
- Enabling employees to plan and operate their careers
- Ensuring a better work environment and workplace culture
- Ensuring the passion. Pioneer engages you anytime, anywhere.”

Human Resources Management Vision

The Human Resources Management Vision outlines Pioneer’s goals for its human resources management activities. It is intended to serve as a guide for the development and utilization of human resources by maximizing the performance of individual employees into corporate growth.

1. Positive Challenge
   Encouraging employees to take on the challenge of fulfilling their own ambitions

2. Productive Chemistry
   Providing opportunities for employees to display their creativity and innovation, while fostering personal chemistry between individuals and between individuals and organizations

3. Open Door Communication
   Encouraging communication as the key to human resource management

Promoting Employment of People with Disabilities

In order to fulfill its corporate social responsibility and to employ a diverse workforce, Pioneer has consistently undertaken initiatives to employ people with disabilities. Pioneer will continue to take active steps in this direction, expanding the range of occupations available to people with disabilities throughout the Group as a whole.

- Number of Pioneer Employees with Disabilities
- Employment ratio: 1.8%
In Harmony with Society

Social Contribution Activities

Audio and Visual: “Listen through the Body” Concerts

Pioneer has designed a system for changing sound into vibrations that can be felt by the body, enabling people with hearing difficulties to enjoy the pleasures of music. Invented by the Company’s founder, Nozomu Matsumoto, the system is one example of Pioneer’s social contribution and volunteer activities.

With around 10 concerts held each year, this initiative has remained a constant component of the Group’s social contribution activities since 1992. In addition to the dedicated secretariat, employees and their families help out as volunteers in running each concert.

These concerts offer rich and diverse entertainment showcasing the talents of performers from wide-ranging genres. In the summer of 2012, Pioneer held a 20th Anniversary Concert that featured big band and flamenco entertainers and was enjoyed by many people.

The Company also offers opportunities for people with hearing difficulties to enjoy music by providing its body sensory system equipment at orchestral concerts and other events held in Japan and overseas.

Such activities receive favorable feedback from grateful attendees, who express their joy in such utterances as, “I’m glad to be able to enjoy music once again,” and “I look forward to these concerts every month as they leave me feeling invigorated.”

In 2011, the Company received the Make a CHANGE Day chairman’s award for such activities on the 3rd Make a CHANGE Day. This event is held once a year as a day for promoting volunteer and community activities across Japan. Pioneer’s efforts were recognized for their vision and uniqueness from a total of 1,596.

Pioneer intends to increase opportunities for music to move the hearts of people with and without disabilities by further raising awareness of these activities and expanding them.

Environmental Conservation: Pioneer Forest

As a company that manufactures speakers made with wooden materials, Pioneer undertakes activities to protect forests. The Company has taken over regular management of 2.4 hectares of cypress forest near Kamakita Lake in Saitama Prefecture through an agreement with the Saitama Prefectural Forestry Public Corporation, executed in 2005.

The forest has been designated as the “Pioneer Forest,” and management work is carried out twice per year in spring and fall, when employees and their families volunteer to prune and thin trees. What was originally a dark forest that blocked out sunlight has been cultivated into a bright and leafy forest.

Pioneer will continue with these management activities and develop further activities using its forest for nature exploration classes for children, among other initiatives.

Supporting Education: Hands-on Craft Workshops

Pioneer actively undertakes educational activities to show the next generation the technologies of manufacturing and introduce them to the pleasure of making things. As a part of this effort, the Company held a hands-on craft workshop for elementary school children at its headquarters in August 2012.

After learning about the principles of sound and the workings of speakers, children themselves made speakers out of paper, experiencing the pleasure of creating through the joy of hearing sounds from the first speakers they themselves have made. Pioneer also dispatches lecturers and holds seminars covering a host of topics that address the needs of government agencies and schools.

Social Action Programs of the Pioneer Group

Both in and outside of Japan, the Pioneer Group is committed to efforts that contribute to society. Taking into consideration the needs of local communities and society as a whole, the Group is active in a wide range of fields, implementing programs across a number of areas, with a particular focus on audio and visual, environmental conservation, and education support activities. In addition, the Pioneer Group carries out activities and donation programs in such areas as sports, entertainment, social welfare, and disaster relief.

Furthermore, the Group harnesses its business-related know-how and technological capabilities to promote activities with a strong emphasis on employee-led participation. Its goal is to encourage every employee to contribute to society in an enthusiastic and positive manner.

Please visit Pioneer’s Corporate Citizenship web page for more information on the Group’s various social action programs: http://pioneer.jp/citizen-e/
In Harmony with Society
Organizational Overview
The Pioneer Group’s Globally Expanding Network

Shareholders, Investors and Society

Pioneer regularly conducts briefings on its financial results for the benefit of investors and the mass media. Moreover, every effort is made to disclose accurate information in a timely and appropriate manner on the Company’s website. With the goal of improving its overall corporate conduct, each Pioneer division addresses the wide range of inquiries it receives from customers and external parties by e-mail. The Company’s website features a page for these users to submit their enquiries, opinions, and comments on an anonymous basis.

Material Suppliers

Pioneer’s materials procurement division regularly holds business policy meetings for the benefit of suppliers. In addition to explaining the Company’s business plans and fostering deeper understanding, the Company works diligently to gain the cooperation of suppliers in fulfilling a broad spectrum of corporate social responsibilities across the entire supply chain.

Dealers

Through the Group sales companies, Pioneer holds management policy briefings and new product presentations for its dealers across Japan to strengthen partnerships with them by explaining the Company’s management policies, market trends, product strategies, and marketing plans.

Local Communities

The Pioneer Group seeks to engage with local communities as a responsible corporate citizen. Group companies and business sites invite local students and residents to attend environmental presentations and actively participate in local community events.

Labor Unions

Pioneer works to maintain good relationships with Pioneer Group labor unions representing Pioneer employees with an emphasis on conducting dialog in good faith. The Company takes part in a central labor-management conference with the Pioneer Workers Union every six months and as required, as well as in meetings on personnel issues. In addition, Pioneer works with the unions to boost employee morale and promote social programs.

Corporative Overview

With operations worldwide, Pioneer is working to strengthen cooperation across the globe and strives to provide products and services that meet the unique needs of each region. By displaying the full potential of the Pioneer Group, the Company aims to spread the smiles and share the passion, anytime, anywhere.

The Americas

United States
Pioneer North America, Inc.
Pioneer Electronics USA, Inc.
Pioneer Automotive Technologies, Inc.
Discourse Associates
Pioneer Advanced Solutions, Inc.
Pioneer International (Macao) Ltd.

Europe
Belgium
Pioneer Europe NV
United Kingdom
Pioneer SA Ltd
Pioneer Digital Design Centre Ltd
Germany
Pioneer Electronics Deutschland GmbH
France
Pioneer France SAS

Asia and Oceania
China
Pioneer China-Holding Co., Ltd
Pioneer Technology (Dongguan) Co., Ltd
Pioneer Technology (Hangzhou) Co., Ltd
Pioneer Electronics (Shanghai) Operation Co., Ltd
Pioneer (HK) Ltd
Pioneer Digital Design And Manufacturing (Hong Kong) Ltd
Dongguan Monetech Electronic Co., Ltd
Dongguan Monetech Technology Co., Ltd
Shanghai Pioneer Speakers Co., Ltd
Mogami Technology Co., Ltd
Mogami Dongguan Electronics Co., Ltd
Pioneer Services (Shanghai) Electronic Technology Co., Ltd
INCREMENT P Shanghai Co., Ltd
Pioneer Trading (Shanghai) Co., Ltd

Corporate Profile

Company
Pioneer Corporation

Headquarters
1-1 Shin-Ogura, Saiwai-ku, Kawasaki-shi,
Kanagawa 212-0031, Japan

Founded
January 1, 1938

Established
May 8, 1947

Capital
¥87,257 million

Number of employees
4,105 (non-consolidated)
24,765 (consolidated)

Affiliated companies
Consolidated subsidiaries: 93
Japan: 29
Overseas: 64
(As of March 31, 2012)