On the Release of the Pioneer Group CSR Report 2013

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 2013, the fiscal year ended March 31, 2013, as well as some earlier initiatives and more recent activities.

Organizations covered: Pioneer Corporation and the 89 consolidated subsidiaries of the Pioneer Group (as of March 31, 2013)

Month of issue: November 2013

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/ir/index-e.html

• Detailed reports on the Pioneer Group’s environmental initiatives are also presented on its website.

http://pioneer.jp/environment-e/

• Pioneer provides information concerning its technology development and R&D via conference presentations and its website.

http://pioneer.jp/crdl-e/index.html

Reference Guidelines

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

Corporate Names in This Report

• “Pioneer” is the “Company” indicates Pioneer Corporation, and “the Pioneer Group” or “the Group” indicates Pioneer Corporation and its consolidated subsidiaries.

CONTENTS

1 To Our Stakeholders

3 Message from the President

4 New Medium-Term Plan

6 Group Philosophy and Vision

7 Integrity in Business Activities

13 To Win Customers’ Satisfaction and Trust

19 Environmental Activities

21 Eco-Factory

23 Eco-Friendliness in Products

29 To Work Energetically with Mutual Respect for Each Other

31 In Harmony with Society

33 Communication with Society

34 The Pioneer Group’s Globally Expanding Network / Corporate Profile
To Our Stakeholders

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.

Due to recent changes in the business environment, however, Pioneer recorded disappointing results for the year ended March 31, 2013. Our business environment is currently undergoing structural changes, and developments in the car electronics industry in particular are likely to impact our future profitability. Consequently, we carried out a fundamental review of the cost structures in our existing businesses and decided to strengthen our future revenue base by carrying out restructuring. For these reforms, we thoroughly reviewed the cost structure in our car electronics business, along with unprofitable areas in our home electronics business. We will strengthen Pioneer’s revenue base in the medium term by reducing fixed costs. We are putting all our efforts into achieving the goals of our medium-term plan, while implementing restructuring and growth strategies.

Our 2015 Vision, “Spread the smiles. Feel the vibes. Share the passion. Pioneer engages you anytime, anywhere,” serves as a guide to return us to the path of growth. We intend to develop a concrete roadmap for the future in five 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.

Under our current medium-term 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.

We introduced a new system to improve corporate governance last fiscal year. The directors now dedicate themselves to supervisory and decision-making functions from a Group-wide perspective. This enables stronger executive function by the executive officers.

While continuing to provide customer value and products that only Pioneer can make, we are determined to meet the expectations of our diverse stakeholders and the broader society. It is our social responsibility to build a management foundation that is stable over the long term. In order to realize these goals, we intend to steadily overcome each of the challenges that lie ahead, which is the responsibility of the management.

In an even larger sense, we intend to make consistent, ongoing efforts to fulfill our social responsibilities and contribute to society.

I look forward to your continued understanding and support in the months and years to come.

September 2013

Susumu Kotani
President and CEO

New Medium-Term Plan

Implementation of Restructuring

In order to return to a path of growth, the Pioneer Group is promoting restructuring to strengthen its management foundation and improve profitability.

In the car electronics business, Pioneer will improve development and production efficiency with the full-scale introduction of modular design. This will reduce personnel hours in design and production through the combination of platforms and modules. At the same time the Group will reduce costs by realigning and streamlining production sites in Japan and overseas.

Pioneer is implementing a growth strategy at each business to bolster our profitability going forward. In the car electronics business, Pioneer will utilize its strengths to develop both the consumer market and OEM businesses. It will realize latent demand in the principal markets and expand the business by creating new demand and markets. The Group will also strengthen its emerging market strategy. It will utilize business experience and expertise that it has gained so far, and promote the development of products and businesses that match the economic and market environments of each region.

In Home Electronics, Pioneer will leverage its business in globally acclaimed DJ equipment to generate solid growth, and by streamlining the home AV business and optical disc business, it will transform the segment to a profitable structure.

In other business areas, Pioneer will focus on creating synergies with existing businesses, and concentrate on businesses that can make a significant contribution.

In new business areas, Pioneer is focusing its management resources on promising areas, including the OLED lighting business and the medical and health care-related business. The aim is to achieve early profitability.

Growth Strategy to Bolster Profitability

Specifically, Pioneer will continue manufacturing flagship models at facilities in Japan, while shifting production of other products to overseas sites by March 31, 2015.

In the home electronics business, in addition to realigning and establishing the home AV business as a separate entity based on greater streamlining, the Group will also improve the efficiency of the optical disc business. Pioneer will rework its sales structure in developed markets and shift management resources to emerging markets.

Strengthening Strategic Alliances for the Future

As a financial objective, the Pioneer Group will focus on recovery and stabilization of its financial base. The Group will strive to quickly return its equity ratio to the 30% level. By strengthening management of inventories and optimizing inventory levels, a stable cash position will also be achieved.

Strengthening the Financial Base

In order to return to a path of growth, the Pioneer Group is promoting restructuring to strengthen its management foundation and improve profitability.

In the car electronics business, Pioneer will improve development and production efficiency with the full-scale introduction of modular design. This will reduce personnel hours in design and production through the combination of platforms and modules. At the same time the Group will reduce costs by realigning and streamlining production sites in Japan and overseas.

Pioneer is implementing a growth strategy at each business to bolster our profitability going forward. In the car electronics business, Pioneer will utilize its strengths to develop both the consumer market and OEM businesses. It will realize latent demand in the principal markets and expand the business by creating new demand and markets. The Group will also strengthen its emerging market strategy. It will utilize business experience and expertise that it has gained so far, and promote the development of products and businesses that match the economic and market environments of each region.

In Home Electronics, Pioneer will leverage its business in globally acclaimed DJ equipment to generate solid growth, and by streamlining the home AV business and optical disc business, it will transform the segment to a profitable structure.

In other business areas, Pioneer will focus on creating synergies with existing businesses, and concentrate on businesses that can make a significant contribution.

In new business areas, Pioneer is focusing its management resources on promising areas, including the OLED lighting business and the medical and health care-related business. The aim is to achieve early profitability.

Strengthening Strategic Alliances for the Future

As a financial objective, the Pioneer Group will focus on recovery and stabilization of its financial base. The Group will strive to quickly return its equity ratio to the 30% level. By strengthening management of inventories and optimizing inventory levels, a stable cash position will also be achieved.

Strengthening the Financial Base

In order to return to a path of growth, the Pioneer Group is promoting restructuring to strengthen its management foundation and improve profitability.

In the car electronics business, Pioneer will improve development and production efficiency with the full-scale introduction of modular design. This will reduce personnel hours in design and production through the combination of platforms and modules. At the same time the Group will reduce costs by realigning and streamlining production sites in Japan and overseas.

Pioneer is implementing a growth strategy at each business to bolster our profitability going forward. In the car electronics business, Pioneer will utilize its strengths to develop both the consumer market and OEM businesses. It will realize latent demand in the principal markets and expand the business by creating new demand and markets. The Group will also strengthen its emerging market strategy. It will utilize business experience and expertise that it has gained so far, and promote the development of products and businesses that match the economic and market environments of each region.

In Home Electronics, Pioneer will leverage its business in globally acclaimed DJ equipment to generate solid growth, and by streamlining the home AV business and optical disc business, it will transform the segment to a profitable structure.

In other business areas, Pioneer will focus on creating synergies with existing businesses, and concentrate on businesses that can make a significant contribution.

In new business areas, Pioneer is focusing its management resources on promising areas, including the OLED lighting business and the medical and health care-related business. The aim is to achieve early profitability.

Strengthening Strategic Alliances for the Future

As a financial objective, the Pioneer Group will focus on recovery and stabilization of its financial base. The Group will strive to quickly return its equity ratio to the 30% level. By strengthening management of inventories and optimizing inventory levels, a stable cash position will also be achieved.
New Medium-Term Plan

Consolidated Net Sales and Sales by Business Segment (consolidated)

Sales by Business Segment (consolidated)

Car Electronics
Proportion of sales: 69.2%
- Main Products
  - Car Navigation Systems
  - Car Stereos
  - Car AV Systems
  - Car Speakers

Home Electronics
Proportion of sales: 21.2%
- Main Products
  - Audio Systems
  - Audio Components
  - DJ Equipment
  - Equipment for Cable TV Systems
  - Blu-ray Disc Players

Other
Proportion of sales: 9.6%
- Main Products
  - Factory Automation Systems
  - Speaker Units
  - Electronic Devices and Parts
  - Organic Light-Emitting Diode Displays
  - Telephones

Net Sales
Although sales declined for optical disc-related products and consumer market car navigation systems, they rose for OEM car navigation systems and consumer market car audio products. With the additional impact of the yen’s depreciation, net sales rose by 3.5%. Despite the increase in net sales, operating income declined by 52.1%. This was due to higher SG&A expenses and a lower gross profit margin. A net loss of 19.6 billion yen was recorded, reflecting restructing costs (6.2 billion yen) and impairment of investment securities (5 billion yen) recorded as extraordinary losses, as well as a reversal of deferred tax assets.

Despite a decrease in sales mainly in Japan due to sluggish consumer market conditions for car navigation systems, there was an increase in OEM sales for car navigation systems and consumer market sales for car audio products. Sales rose 15.4%.

Operating income fell by 4.9% due to higher selling, general and administrative (SG&A) expenses and a lower gross profit margin.

Although sales increased for DJ equipment, there was a significant decline for optical disc drive products due to the sluggish AV market in Japan. Sales fell by 22.0%.

An operating loss was recorded mainly due to a decrease in sales and an increase in SG&A expenses.

While there was a decrease in royalty revenue from patents and in sales of electronic components and phones, sales increased by 1.9% due to the start of subcontracted electronic manufacturing services in Brazil, and greater sales of factory automation systems.

Despite lower SG&A expenses, the operating loss grew due to a lower gross profit margin.

To Our Stakeholders

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
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.
- 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.
To Continue as a Company Trusted and Supported by Society

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.

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

Pioneer has adopted a corporate auditor system of corporate governance. Under this system, the Company has established the Board of Directors as a decision-making body for matters of the highest importance, such as management policies, and as a supervisory body, the representative directors are responsible for business execution, while the Board of Corporate Auditors is responsible for auditing. Furthermore, executive officers are elected to expedite business execution and clarify the responsibilities for each business.

Several highly independent outside directors, who have no significant transactional relationships with the Pioneer Group, have been elected to strengthen the supervisory function of the Board of Directors as to business execution. In addition, Pioneer has shortened the term of office of directors to one year in order to further clarify their responsibilities and respond promptly to changes in the business environment by increasing opportunities for re-election every year.

Pioneer’s corporate governance is further strengthened by the fact that directors focus on their decision-making and supervisory functions from a Group-wide perspective, while executive officers enhance business execution functions. The Board of Corporate Auditors, half or more of which consists of outside corporate auditors with a high degree of independence, audits the directors’ performance of their duties. In fiscal 2013, the Board of Directors held seven meetings, while the Board of Corporate Auditors held 12 meetings.

Group Executive Committee

The Group Executive Committee, which was created as a process for reinforcing the Board of Directors’ decision-making function, comprises executive officers chosen by the Board of Directors and holds regular meetings once per week in principle. The Group Executive Committee, under the supervision of the Board of Directors, thoroughly discusses issues such as priorities for advancing business activities, investment projects, Group realignment, and Group-wide management strategies, as well as medium- and long-term policies, and approves these issues, or, in cases where the Board of Directors has decision making authority, the Group Executive Committee reports on these issues to the Board of Directors.

In fiscal 2013, the Group Executive Committee held 37 meetings and deliberated approximately 100 issues.

Voluntary Advisory Committees

To enhance management transparency and strengthen corporate governance, Pioneer has voluntarily established a Nominating Committee, a Compensation Committee, and a Special Committee, each chaired by an outside director; as advisory committees to the Board of Directors. The Nominating Committee discusses matters concerning the election and dismissal of directors and executive officers, and the election of corporate auditors. The Compensation Committee discusses issues related to remuneration and other benefits for directors and executive officers. The Special Committee discusses matters that have a significant impact on corporate value, including mergers and acquisitions.

These committees report on the results of their deliberations and recommendations to the Board of Directors, and the Board of Directors gives full consideration to these reports and recommendations in the course of its deliberations.

Foundation of Pioneer’s Decisions and Actions

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 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 Continue as a Company Trusted and Supported by Society

To Conclusion 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

Acting in Accordance with this Code

Business Ethics Hotline

Today, with the evolving attitudes and values of people and the social environment, it is important for companies and their employees to respond to social changes and perform the necessary risk management. Risks today include natural disasters, such as earthquakes and floods, as well as non-compliance with laws and social standards. While there is a range of risks that affect each business area, the Pioneer Group has established a Social Responsibility and Risk Management Department to strengthen initiatives for the minimization of these risks.

**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 their 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 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.

**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 its 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 Audit, 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 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 Pioneer Group is developing business continuity plans to enable the rapid restoration of business systems after a major disaster, based on experiences with the Great East Japan Earthquake in March 2011 and the flooding in Thailand in 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 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 2013.

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.

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.

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 management principles the international consensus in security export control and compliance with every country’s laws concerning the regulation of exports. In addition, Pioneer 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.

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. 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.

Accordingly, the Group has established Basic Rules for Excluding Antisocial Forces and is working to ensure their thorough application.

Protection of Intellectual Property and Copyrights

The Pioneer Group not only maintains and manages intellectual property 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.

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.

1. CSR procurement

Suppliers are provided with the Pioneer CSR Procurement Guidelines, which are grounded in the principles of equity, fairness, environmental conservation and social responsibility. They are asked to work with the Group to raise the level of CSR procurement.

2. Responsible mineral procurement

The Pioneer Group considers responsible mineral procurement to be an important part of its social responsibilities. Therefore, it is working with suppliers to achieve mineral procurement transparency in the supply chain.

3. Excluding antisocial forces

The Pioneer Group requires that its suppliers not associate with, utilize, or provide funds to antisocial forces.

4. BCP promotion in the supply chain

As a manufacturer, the Group has a responsibility to recover quickly in the event of a disaster or unforeseen circumstances to ensure business continuity and continuation of supply. Therefore, it requires each supplier to clarify its supply chain, while establishing and continually improving its business continuity plan (BCP).
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.

Based on its Quality Assurance Philosophy, the Pioneer Group establishes a Pioneer Group Quality Policy for each fiscal year. The policy outlines specific targets for important management items, including product quality, product safety, government regulations, and product environment. Understanding of the policy is promoted among all relevant employees, from production and development to sales and service.

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.

Raising Customer Awareness of Safe Usage

The Pioneer website includes information concerning product safety precautions, with clearly presented visual explanations that allow customers to set up and use Pioneer products safely and correctly.

Major quality assurance management system accreditations held:
- ISO 9001 quality management system
- ISO/TS 16949 quality management system for automotive production and relevant service part organizations

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, along with standardization information 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.
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. Additionally, 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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.

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 2014, the Group is identifying steps for achieving quality targets that have been identified at this stage. Pioneer uses APQP, which is an approach that cuts across various organizations to find and resolve issues quickly.
Customer Satisfaction and Trust

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.

- 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>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>
<tr>
<td>2013</td>
<td>79%</td>
<td>87%</td>
<td>91%</td>
<td>4.3 points</td>
</tr>
</tbody>
</table>

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 2013, 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.

To support its initial launch of hearing aids (controlled medical devices), the Group opened a customer support center specifically for hearing aids in March 2013. Pioneer’s hearing aid has been approved as a Class II-designated controlled medical device under Japan’s Pharmaceutical Affairs Law, and marketing permission has been obtained.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Inquiries on car electronics products</th>
<th>Percentage of satisfied customers</th>
<th>Response rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>296,000</td>
<td>85%</td>
<td>76%</td>
</tr>
<tr>
<td>2012</td>
<td>340,000</td>
<td>87%</td>
<td>72.2%</td>
</tr>
<tr>
<td>2013</td>
<td>345,000</td>
<td>88%</td>
<td>65.3%</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.

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 2013, 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).

- Response to Inquiries and Repair Requests in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Repairs in Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>274,000</td>
</tr>
<tr>
<td>2012</td>
<td>286,000</td>
</tr>
<tr>
<td>2013</td>
<td>233,000</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, 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.
Environmental Activities

Environmental Management Philosophy and Initiatives

Environmental Policies
The Pioneer Group as a whole has established and shares the principles of environmental protection in line with the corporate philosophy of "Move the Heart and Touch the Soul." The specific concepts are indicated in the Environmental Policy and developed into environmental management activities at plants and offices and environmental impacts activities throughout the entire lifecycle of products.

Philosophy 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.

Basic Policies of Environmental Preservation
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 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
As a good corporate citizen, we will dedicate ourselves in realizing a better environment both globally and locally, and contribute to the development of society.

Environmental Activities

Environmental Activities

Environmental Management Activities

Environmental Management Activities

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 in promoting overall activities of Pioneer’s environmental preservation system to cover both facilities and products.

The ISO 14001 environmental management systems at Pioneer Corporation’s four sites (Head Office, Kawagoe, Kawasaki and Corporate Research & Development Laboratories) were implemented in August 2007. 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 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.

Pollution Prevention and Environmental Risk Management
The basic concepts of pollution prevention in the respective offices and plants of the Pioneer Group are positioned within the operation risk management of the Group as a whole. In each section, risk assessment is performed to assess the magnitude of impact and probability of occurrence and activities are performed to reduce the risks according to priority levels. In regard to pollution prevention and maintenance of compliance, effective use is made of the methods of the ISO 14001 Environmental Management System and the initiative policy is shared by the Pioneer Group around the world.

In regard to the management of chemical substances related to production processes, the use of organochlorine solvents and ozone depleting substances in production processes have been totally abolished in linkage with voluntary reduction activities of the industry. Release of substances applicable to voluntary reduction of VOCs* by the electrical and electronic equipment industry is being reduced. The PRTR Law is a scheme for registering and disclosing the release and transfer amounts of designated chemical substances in Japan, and in Pioneer, handling amounts, release amounts, and transfer amounts are ascertained in accordance with a chemical substance list in common in production sites around the world. Release to the environment is also being managed in accordance with regulations and ordinances in Japan and corresponding countries and voluntary regulations of industrial complexes, etc.

* VOC: volatile organic compounds, and includes acryl aldehyde, etc.

Strategic voluntary management standards
In the unlikely event of an accident at a facility resulting in environmental contamination of the surrounding area, it could take a lot of time and money to restore the contaminated environment and could cause serious problems and locate to the neighboring residents and many other concerned people. In order to avoid such risk, Pioneer has established and operates voluntary management standards that are stricter than those mandated by laws. In fiscal year 2013, there were zero violations of laws at our domestic business locations. Moreover, there were no environmental complaints or requests made to these locations.

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.

Environmental Impact

Main Targets and Results in FY2013

<table>
<thead>
<tr>
<th>Category</th>
<th>Issue</th>
<th>Target</th>
<th>Improvement</th>
<th>Results</th>
<th>Self-assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollution Prevention of Global Warming</td>
<td>CO₂ equivalent greenhouse gas emissions: Japan: 10% reduction targets for the FY2009 to FY2013 period from FY1991 (Emissions per unit of actual production)</td>
<td>Achieved 10% reduction</td>
<td>Achieved 50% reduction targets for the FY2009 to FY2013 period</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO₂ equivalent greenhouse gas emissions: Japan &amp; Overseas: 12% reduction from FY2009 to FY2021 (Scope emission)</td>
<td>2% increase not allowed</td>
<td>Exceeding the change of the CO₂ base year of electricity, achieved 19% reduction.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO₂ equivalent greenhouse gas emissions: Japan &amp; Overseas: 10% reduction from FY2009 to FY2021 (Emissions per unit of sales amount)</td>
<td>1% increase not allowed</td>
<td>Exceeding the change of the CO₂ base year of electricity, achieved 19% reduction.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reducing water use for water-related uses materials</td>
<td>Japan &amp; Overseas: 5% reduction from FY2009 to FY2021 based on a per unit of sales amount</td>
<td>Achieved 15% reduction</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conserving resources and recycling</td>
<td>Reducing recycling of resources/materiel materials</td>
<td>Japan &amp; Overseas: 5% reduction from FY2009 to FY2021 (based on a per unit of sales amount)</td>
<td>Achieved 15% reduction</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Eco-Factory

Reduction of Greenhouse Gases

In comparison to the previous fiscal year, the greenhouse gas emissions in the fiscal year ended March 2013 increased by approximately 23% in Japan and by approximately 9% overseas. In Japan, although the energy usage amount did not change much, the greenhouse gas emission per unit of electrical power charged due to the shutdown of nuclear power plants. The change overseas is due to the recovery from the effects of flooding in Thailand last fiscal year.

- **Greenhouse Gas emissions**

The First Commitment Period Targets of the Kyoto Protocol are Attained

Pioneer has set a voluntary CO₂ reduction target of 36% to carry out activities to achieve a reduction by 35% per unit of real output* on the average over the commitment period of the Kyoto Protocol (fiscal year ended March 2009 – fiscal year ended March 2013) on the basis of the fiscal year ended March 1991. Although per unit emission of greenhouse gases increased due to the shutdown of nuclear power plants in the fiscal year ended March 2013, a reduction of 56% was accomplished on the average over the 5-year commitment period with respect to the 36% reduction target.

- **Unit of real output** = CO₂ emission (tonnes CO₂) ÷ real output (million yen) The real output was calculated by dividing the production output of each fiscal year by the domestic corporate goods price index (0.314 for the fiscal year ended March 2013) of the Bank of Japan on the basis of the fiscal year ended March 1991.

Reduction Rate of Emissions per Unit of Real Output (Base year: 1991)

Green Purchasing

The Pioneer Group is proactively engaged in green purchasing. The basic ideas of green purchasing are: “not buying any useless things;” “buying only what is necessary;” and “when buying, buy only environmentally-friendly goods.” The green purchasing factor for the fiscal year ended March 31, 2013 was 98.5% with respect to a target of 95%.

Green purchasing rate

- **Pioneer GomiZero 1st Quarter**

Transition of recycling rate:

A high recycling rate of 100% (actual figure for the fiscal year ended March 31, 2013) is being maintained both in Japan and overseas. Although the recycling rates at our overseas sites were low in comparison to that in Japan, improvements were made through recycling by thorough classification, etc. We shall continue with these efforts.

- **Zero emission of waste (Pioneer’s definition)**

Waste and Recycling

Transition of Generation Amounts of Waste and Valuables

The amount of waste generated in the fiscal year ended March 2013 in Japan was reduced by 10.2% in comparison to the previous fiscal year. A decreasing trend is continuing due to a decrease in production due to changes in corporate structure and due to reduction initiatives. The amount of waste generated at our overseas sites increased by 0.2% over the previous year. This is due to an increase of production amount.

Transition of recycling rate:

A high recycling rate of 99.5% for waste generated at our plants so as to eliminate landfill disposal in Japan. Besides in foreign countries, the recycling rate exceeds 99%.

- **Zero emission of waste (Pioneer’s definition)**

Environmental Excellence (HKAEE) established by the Hong Kong Special Administrative Region. The HKAEE won the Hong Kong Awards for Environment Excellence for the Second Year in a Row as the site of the best activity, Pioneer Microtechnology was awarded the top award for the Site (Office/Plant/Company) categories. Unfortunately, the Environmental Patent Award was not awarded. Employees in remote locations were able to participate in the awards ceremony through the use of a video conferencing system (Cyber Conference System Prime), which contributed to CO₂ reduction by reducing movement of the employees.

Pioneer Environmental Contribution Awards

From the fiscal year ended March 31, 2001, the Pioneer Group has internally been awarding offices, plants, groups, or individuals that have contributed to environmental protection activities with the Pioneer Environmental Contribution Award and has been awarding patents judged to be contributing to environmental protection with the Environmental Patent Award. In the fiscal year ended March 31, 2013, there were 22 applicants from business category for the Pioneer Environmental Contribution Award, and 6 of these were awarded. Among these, the "Activity related to reduction of packing materials for emboss-taped products" was awarded the top award. Also, as the site of the best activity, Pioneer Microtechnology was awarded the top award for the Site (Office/Plant/Company) categories. Unfortunately, the Environmental Patent Award was not awarded. Employees in remote locations were able to participate in the awards ceremony through the use of a video conferencing system (Cyber Conference System Prime), which contributed to CO₂ reduction by reducing movement of the employees.

Won the Hong Kong Awards for Environment Excellence for the Second Year in a Row

As the 2nd year in a row, the marketing company Pioneer (HK) Ltd. (PHK) in Hong Kong received the Certificate ofMerit of the Import and Export Trades category of the 2012 Hong Kong Awards for Environmental Excellence (HKAAEE) established by the Hong Kong Special Administrative Region. The HKAAEE was established by the Environmental Protection Movement Committee of the Hong Kong Special Administrative Region for the purpose of encouraging businesses and organizations that adopt environmental management and environment technologies and awarding is performed every year. The Certificate of Merit that PHK received appraises the environmental management and environmental activities of the enterprise.

Items Targeted for 100% Green Purchasing

<table>
<thead>
<tr>
<th>Items Targeted for 100% Green Purchasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% green purchasing was achieved</td>
</tr>
</tbody>
</table>

Pioneer GomiZero 1st Quarter

Since fiscal 2010, the Pioneer Group has been involved in regional cleanup activities named the “Pioneer GomiZero 1st Quarter” activities. These activities are carried out during the Group’s comprehensive cleanup campaign period of the first quarter (3 months) from April to June, which includes days and months related to environment, such as Earth Day (April 22), Zero Garbage Day (May 30), Environment Month (June), World Environment Day (June 5), etc. In fiscal 2013, which was the third year of activities, the activities were spread from within Japan to the world. A total of 625 persons participated to collect approximately 1.37t of garbage at 14 bases around the world.

Environmental Activities
Pioneer is taking various environment-conscious initiatives aimed at realizing "zero environmental impact." We perform Life Cycle Assessment (LCA) of the entire life cycles of products, from mining of raw materials to production/distribution of products and use/disposal by customers. The environmental impacts of products are specified to provide information to stakeholders and results are analyzed to achieve reduction of environmental impacts. In addition, the product assessment and eco-friendly model evaluation are performed from the design stage to check improvement of environmental performance, such as global warming prevention, energy saving, resource recycling, etc., and to minimize the environmental impacts due to chemical substances contained in our products at the same time. Through our homepage, exhibitions, news releases, etc., we shall inform more people of the fun as well as the safety/security and excellent environmental performance of our products, and listen to opinions for engaging in further reduction of environmental impacts.

Initiatives in Product Development

For all products developed at Pioneer, we engage in activities to reduce environmental impacts throughout the entire lifecycles. In the design stage, all products are subject to product environmental evaluation to check the environmental quality. In the product environmental assessment, compliance to laws and ordinances is checked, and the 3 Points for Eco Products are checked at each stage of the product life cycle. In the product approval stage, the circumstances for attaining environment-friendliness are checked based on Pioneer’s evaluation system for environment-friendly products, and each product is certified at its release as a Super Advanced Eco-Model, an Advanced Eco-Model, or an Eco-Model.

Eco-Friendliness in Products

Environmental Activities

Initiatives in Product Development

For all products developed at Pioneer, we engage in activities to reduce environmental impacts throughout the entire lifecycles. In the design stage, all products are subject to product environmental evaluation to check the environmental quality. In the product environmental assessment, compliance to laws and ordinances is checked, and the 3 Points for Eco Products are checked at each stage of the product life cycle. In the product approval stage, the circumstances for attaining environment-friendliness are checked based on Pioneer’s evaluation system for environment-friendly products, and each product is certified at its release as a Super Advanced Eco-Model, an Advanced Eco-Model, or an Eco-Model.

Eco-Friendliness in Products

Evaluation System for Environment-friendly Products

Flow of Product Assessment from the Lifecycle Viewpoint

- Disposal / recycling
- Parts procurement
- Production
- Transport
- Usage

- Reduction of power consumption
- Reduction of material quantities and number of parts
- Easily degradable properties
- Green procurement
- Reduced weight
- Reduction of air pollution
- Energy saving

Eco-Model
Advanced Eco-Model
Super Advanced Eco-Model

Management of Chemical Substances Contained in Product

- Minimization of environmental impacts
- Promotion of green procurement
- Management of chemical substance information

Super Advanced Eco-Model

An example of a certified Super Advanced Eco-Model based on the Evaluation System for Environment-Friendly Products (see previous page).

Carrozzeria "Car navigation for EV": AVIC-MRZ2007-EV, AVIC-EV205

The AV-integrated memory navigation systems AVIC-MRZ2007-EV and AVIC-EV205 supports eco-friendly driving with comfort, for the high environmental performance EVs (Electric Vehicles) and PHVs (Plug-in Hybrid Vehicles), through the Company’s original environmental technologies in "Power Consumption Estimation," "Route Guidance Algorithm," and together with our "Smart Loop functions." Anxieties over battery depletion are resolved, contributing to the widespread of EVs as well.

Main Environmentally Friendly Factors

- In addition to the number of environmental awards received for "Eco-route Search", vehicles equipped with the technology combining EV characteristics reduces power consumption.
- The unavoidable cruising range estimation with consideration to road conditions is displayed, where the display is possible in 2 modes as fully charged or 50% charged.
- In addition to charging location guidance, type of charging as rapid or ordinary, or information regarding charging location as "occupied" or "vacant" is possible.
- As efficient driving support, functions as "instantaneous power consumption rate" and "average power consumption rate" comparison of the average power consumption amount with the past average, or the "efficiency rating" may be confirmed.
- Functions attributable for EV such as "estimated cruising range display" and "Eco route search" may also be used for PHV.

AV Amplifiers SC-LX85, SC-LX75

The AV amplifiers SC-LX85, SC-LX75 are equipped with the Direct Energy HD amplifier, realizing both high quality sound (high power, and high efficiency) with low power consumption.

Main Environmentally Friendly Factors

- Reduction in Power Consumption
  - In comparison with the conventional analog amplifier (VSA-AX10Ai-N)
    - Rated power consumption as 580 W → 370 W; reduction rate of 36 %
    - In comparison with the conventional digital amplifier (SC-LX8)
    - Power consumption while in actual use as 271 Wh → 204 Wh; reduction rate of 25 %
  - Power consumption while in transportation
  - Through reductions in product weight / package volume, the loading efficiency for transportation was improved.
  - CO2 emissions amount during product transportation was reduced by 37%.
  - (Calculated value based Company standard)

- Equipped with auto power OFF function

- "Estimated Cruising Range Display" image

AV Amplifiers SC-LX85, SC-LX75

- "Estimated Cruising Range Display" image
Eco-Friendliness in Products

Eco-Friendliness in Cars

Pioneer is engaged in creating products that realize “Eco-Friendliness, Economy, and Enjoyment” in the car-driving experience. In car navigation systems, Pioneer’s original Smart Loop function searches for an eco-friendly route that avoids traffic congestion to reduce fuel consumption and shorten the driving time to the destination. With car AV products, we have made each product small in size and lightweight, and reduced power consumption to lessen the load on the car in which the product is installed, contributing to fuel consumption improvement. Products of smaller size and lighter weight also contribute to the reduction of transport fuel for delivery of products to customers. Further, all Carrozzeria products are provided with substantial AV functions thoroughly focused on realizing high quality sound, high quality image, and advanced functions to make driving even more pleasant. “Environment-friendliness, Economy, and Enjoyment” are continually pursued in Carrozzeria.

Furthermore, by fully making good use of Green IT Technology as well, the consolidation of data centers for the management and operation of the car navigation data system was achieved, realizing significant reductions in electrical power consumption. 

- Route for reducing gasoline consumption reduces CO₂ emissions
- Small size, light weight, and power saving contribute to lessen the load on the car and improve fuel consumption
- Power consumption of car navigation data centers reduced to 1/8 through integration.

Eco-Friendliness at Homes

We at Pioneer would like everyone to fully enjoy plenty of movies and music at home. The “Eco-Friendliness at Homes” that Pioneer conceives is not limited to just viewing or listening to a movie or music. We consider the Off state in the short moment after viewing and listening in which one wishes to linger in the feelings of an emotional finale, or a rapturous melody, or in the time to the next viewing/listening while waiting for the switch to be turned On, to be a “precious time for precious eco-friendliness”. Our home-use products are made under the philosophy of constantly being conscious of eco-friendliness, 24 hours a day, 365 days a year. Eco-conscious initiatives are also taken in the long road until delivery to the home of the customer.

Eco-Friendliness in Towns

Pioneer extends its environmental technologies cultivated in eco-friendliness at homes and eco-friendliness in cars to eco-friendliness in towns. Its DJ (Disk Jockey) equipment is provided with the energy-saving auto-standby function that automatically turns off the equipment when not in use. Also, by using Potter Navi, the fun of pottering (wandering around on a bicycle) can easily be added to cycling, and this is helpful for both health and energy saving.

Pioneer also broadens its IT to eco-friendliness in towns. Its teleconferencing system for businesses lessens the use of transportation (business trips), contributing to CO₂ reduction. With Pioneer’s Discussion Table, conferences can be held as if there are materials right in front of the participants without having to prepare materials on paper, thereby contributing to paperless reduction of resource consumption for paper (as paperless).

http://pioneer.jp/environment-e/car/

http://pioneer.jp/environment-e/town/

http://pioneer.jp/environment-e/home/
Eco-Friendliness in Products

Hidden Stories behind Development — Feature Article

In developing products superior in environmental efficiency and environmental functions, accumulated know-how and great internal teamwork united towards the same goal are necessary. This feature article reflects back on the persons who were in charge of development at the time, as the “hidden stories behind development unfolded now.”

Moreover, as a response to requests from our customers, the “live stories by engineers” have been included. In here, a part in relation to the magazine is introduced. By all means, please visit the website for more information.

The Story of Sympathetic Men in the Car Navigation System Development Exclusively for the EV (Electric Vehicle) with the Theme: “Caring for the People!”

- Seeking Out Why People Hesitate to Buy an EV
- Making Full Use of New Developments and Accumulated Technologies
- Boasting a High Level of Perfection — Not Just Eco-Friendly

The EV Navigation System Development Story

The future has already begun.
The story of men who shared a vision to develop the TV navigation system.
[Image: Development and experiences of the developers and engineers who contributed.]


The Story of Tough Men Enduring the Heat and Cold of Repeated Verification Test Runs with the Theme: “Improvements in Fuel Consumption!”

- “Eco-route Search” reduction in fuel consumption appraised to win a double environmental award.
- Fuel Consumption Estimation Technology!
  First appraisal came from an automaker.
- Actual driving distance of 10,000km!
  Verification tested.

The Car Navigation System Development Story

Pioneer car navigation systems powered by accumulated technologies
Development and experiences of the developers and engineers who contributed to the creation.

(http://pioneer.jp/environment-e/report/2013/06/01.html)

Environmental Awards and Appraisals — Pioneer Has Received Numerous Environmental Awards

Environmental awards are awarded by a third-party evaluation/certification system with environmental specialists and experts as judges and are aimed at promoting environmental initiatives and development of environment-friendly products by enterprises, etc.

The original environmental technologies developed at Pioneer have been acknowledged as being of industry-leading environmental performance/environmental functions and have been awarded with numerous environmental awards that are known for strict examinations.

All of us at Pioneer shall continue to strive toward creating excellent environment-friendly products.

Environmental Awards and Appraisals

Kawasaki Environmental Show Window Award (2012)

- Pure Malt speakers series
- Green IT AWARD, Green Purchasing Award (2010)
- Eco-Products Awards (2008)

Green Purchasing Award (2009)
Demand Bus Navi System

- Fuel saving

Plasma TV PDP-435SX
Energy Conservation Grand Prize
Clean Japan Center Chairman’s Award

DVD Mini Rakura DV-UT
Resource Recycling Technology System Awards
Clean Japan Center Encouragement Award

2005
- Power saving

2002
- Energy saving

Recycle

Test course at the JARI Shirosato Test Center, where high-speed driving is possible


The feature article may also be viewed from here.

Environmental Activities


http://pioneer.jp/environment-e/report/2013/06/01.html

Environmental Activities Search


http://pioneer.jp/environment-e/report/2013/06/01.html

Environment Activities

Eco-Products Awards (2008)

CYBER NAVI AVIC-VH9990 series

Resource Recycling Technology System Awards
Clean Japan Center Chairman’s Award

Low CO2 Kawasaki Brand (2012)

AV Amplifier SC-LX85

Energy Conservation Center Chairman’s Award


Pure Malt speakers series

Fuel saving

Green IT AWARD, Green Purchasing Award (2010)

CYBER NAVI AVIC-VH9990 series

Fuel saving

Kawasaki Environmental Show Window Award (2012)

Navi data

Power saving

Recycle

Eco-Products Awards (2008)

CYBER NAVI AVIC-VH9990

Fuel saving

Recycle

Environmental Activities


http://pioneer.jp/environment-e/report/2013/06/01.html

Environmental Activities Search


http://pioneer.jp/environment-e/report/2013/06/01.html

Environment Activities

Eco-Products Awards (2008)

CYBER NAVI AVIC-VH9990 series

Resource Recycling Technology System Awards
Clean Japan Center Chairman’s Award

Low CO2 Kawasaki Brand (2012)

AV Amplifier SC-LX85

Energy Conservation Center Chairman’s Award


Pure Malt speakers series

Fuel saving

Green IT AWARD, Green Purchasing Award (2010)

CYBER NAVI AVIC-VH9990 series

Fuel saving

Kawasaki Environmental Show Window Award (2012)

Navi data

Power saving

Recycle

Eco-Products Awards (2008)

CYBER NAVI AVIC-VH9990

Fuel saving

Recycle

Environmental Activities


http://pioneer.jp/environment-e/report/2013/06/01.html

Environmental Activities Search


http://pioneer.jp/environment-e/report/2013/06/01.html

Environmental Activities

Eco-Products Awards (2008)
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.”

Pioneer places value on:

- Mutual trust
- Efforts towards 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 Pioneer Corporation’s Employee Code of Conduct

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. 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:

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

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.

<table>
<thead>
<tr>
<th>Number of Pioneer Group Employees (including Overseas Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>22,135</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Pioneer’s Female Staff in Management Positions (including Overseas Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2009</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>1,166</td>
</tr>
</tbody>
</table>

Initiatives to Support Work-life Balance

Pioneer is actively promoting initiatives to help employees balance their work and personal lives.

In August 2013, the Company renewed its Next Generation Certification, "Kurumino" mark from Japan’s Ministry of Health, Labour and Welfare. In the current fourth action plan, Pioneer sets two principal themes for further supporting work-life balance: taking a broad approach to fostering a corporate culture of solidarity, and reinforcing support structures that help secure an improved work and family life balance.

<table>
<thead>
<tr>
<th>Number of Employees Who Utilized Work-life Balance Systems (Excluding Loansed Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>63 (1)</td>
</tr>
</tbody>
</table>

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 takes a preventive approach to mental healthcare, holding seminars for employees, distributing promotional materials to raise awareness of the issue, improving its Health Care Section, and building a counseling service system. In addition, the Company has developed a program for helping employees who have experienced mental health issues to return to the workplace. Pioneer is also working to strengthen cooperation among business sites through the activities of the Health and Safety Committee.

<table>
<thead>
<tr>
<th>Number of Pioneer Employees with Disabilities (Number of employees: 1,996)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Physical disabilities</td>
</tr>
<tr>
<td>Mental disabilities</td>
</tr>
</tbody>
</table>

Pioneer Personnel

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.

<table>
<thead>
<tr>
<th>Human Resources Management Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual growth: Individuals and organization grow together</td>
</tr>
<tr>
<td>Each employee should experience personal growth through work and make steady progress</td>
</tr>
<tr>
<td>Each employee should obtain happiness and satisfaction through a sense of job achievement</td>
</tr>
<tr>
<td>Mutual motivation should occur between individual employees and between individuals and their organizations, thereby maintaining relationships of mutual improvement</td>
</tr>
</tbody>
</table>

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 positive workplace. The initial system covered 21 female managers, and it is currently being expanded to include candidates for executive positions as well as new female employees.

<table>
<thead>
<tr>
<th>Three-pronged Women’s Career Development Support Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Promoting mutual understanding among employees by raising awareness of women’s status and job types, as well as gender issues</td>
</tr>
<tr>
<td>- Increased number of women employees and appointments in line with the career development index and management training efforts to reduce the gender ratio and labor turnover</td>
</tr>
</tbody>
</table>

Support programs

- Onboarding management, employee career development, and work and family life balance with assistance from mentors

Human Resources Management Vision

Pioneer’s basic policy is to provide support to prevent mental health problems and intervene 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 Committee. |

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
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 30 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 regular concerts hosted by Pioneer showcase the talents of performers from wide-ranging genres. They include sign-language storytellers and dancers, offering programs that can also be enjoyed visually.

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 by third parties. In fiscal 2012, such concerts and events were held in Awaji Island, Osaka, Sendai, Hiroshima, and Karuizawa, and they were enjoyed by many people.

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, on the 3rd Make a CHANGE Day, the Company received the Make a CHANGE Day Chairman’s Award for its “Listen through the Body” Concerts. Pioneer’s efforts were recognized for their vision and uniqueness.

Pioneer intends to increase opportunities for music to move the hearts of people with and without disabilities through these activities.

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, executed in 2005, with the Saitama Prefectural Forestry Public Corporation. The forest has been designated as the “Pioneer Forest,” and employees and their families volunteer regularly to prune and thin trees. What was originally a dark forest that blocked out sunlight has been cultivated into a bright and leafy one. 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 2013. 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.

Please visit Pioneer’s Corporate Citizenship web page for more information on the Group’s various social action programs.

http://pioneer.jp/citizen-e/
Communication with Society

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.

Customers

Pioneer holds a variety of events and campaigns to provide customers with opportunities to try Pioneer products. At events held throughout the world, the Company demonstrates the merits of its products and helps customers discover new ways of enjoying them.

At the Pioneer Plaza Ginza showroom in Tokyo, various events are held, including product exhibitions, enabling visitors to experience the new Pioneer.

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 1 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.

1. The labor unions are active at Pioneer and nine Group companies. These activities combine to form the Federation of Pioneer Group Workers’ Unions, which is associated with the Japanese Electrical, Electronic & Information Union.

In Harmony with Society

Organizational Overview

The Pioneer Group’s Globally Expanding Network

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.

Japan

- Tokyo
  - Pioneer Corporation
  - Pioneer Electronics Corporation
  - Pioneer Automotive Technologies, Inc.
  - Pioneer International (Vienna) Inc.
- Osaka
  - Pioneer System Technologies Corporation
  - Pioneer Communications Corporation
  - Pioneer Hi-Fi Corporation
  - Pioneer Proavio Corporation
  - Increment P Corporation
- Global Surveyors Corporation

The Americas

- United States
  - Pioneer North America, Inc.
  - Pioneer Electronics (USA) Inc.
  - Pioneer Automotive Technologies, Inc.
  - Pioneer Advanced Solutions, Inc.
- Canada
  - Pioneer Electronics of Canada, Inc.
- Mexico
  - Pioneer Electronics de Mexico S.A. de C.V.
- Panama
  - Pioneer International Latin America S.A.
  - Pioneer de Brasil Ltda.
  - Pioneer Harley de Brasil Ltda.

Europe

- United Kingdom
  - Pioneer Europe NV
- Belgium
  - Pioneer Europe BV
- Italy
  - Pioneer Italia S.p.A.
  - The Netherlands
  - Pioneer Benelux BV
- France
  - Pioneer France SAS
- Germany
  - Pioneer Digital Design Centre Ltd.
  - Pioneer Electronics Deutschland GmbH
- Spain
  - Pioneer Electronics Iberica SA
- Sweden
  - Pioneer Norge AS

Asia and Oceania

- China
  - Pioneer China Holdings Co., Ltd.
  - Pioneer Technology (Dongguan) Co., Ltd.
  - Pioneer Electronics (Shanghai) Co., Ltd.
  - Pioneer Electronics (Shanghai Export Zone) Co., Ltd.
  - Pioneer (HK) Ltd.
  - Pioneer Digital Design And Manufacturing (Hong Kong) Ltd.
- Singapore
  - Pioneer Electronics Asiaoffice Pte. Ltd.
- India
  - Pioneer Electronics Benelux BV
- Malaysia
  - Pioneer Electronics (Malaysia) Sdn. Bhd.
- Thailand
  - Pioneer Electronics (Thailand) Co., Ltd.
  - Pioneer Manufacturing (Thailand) Co., Ltd.
  - Tohoku Pioneer (Thailand) Co., Ltd.
  - TPS Corporation
  - TEC Corporation
  - Tohoku Pioneer (Vietnam) Co., Ltd.

Corporate Profile

<table>
<thead>
<tr>
<th>Company</th>
<th>Headquarters</th>
<th>Founded</th>
<th>Established</th>
<th>Capital</th>
<th>Number of employees</th>
<th>Affiliated companies</th>
</tr>
</thead>
</table>

(As of March 31, 2013)