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Issued in November 2014
On the Release of the Pioneer Group CSR Report 2014

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 2014, the fiscal year ended March 31, 2014, as well as some earlier initiatives and more recent activities.

Organizations covered: Pioneer Corporation and the 81 consolidated subsidiaries of the Pioneer Group (as of March 31, 2014)

Month of issue: November 2014

Related Reports and Information

- 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.

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

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

Reference Guidelines

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

Corporate Names in This Report

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

To Our Stakeholders

When our founder, Nozomu Matsumoto, first heard the sound of dynamic speakers, he was so deeply moved that he made up his mind that someday he would make something just as amazing. That’s where everything started for Pioneer.

This founding spirit is now expressed in our Group Philosophy, “Move the Heart and Touch the Soul.” It has been handed down as an unshakeable commitment that endures no matter how times may change. Since the beginning in 1938, Pioneer has moved the world with a vast number of innovative electronic products.

Our philosophy also conveys our aspiration to deliver untold wonders through communication that encompasses sight, sound, and information and transcends all national and ethnic barriers.

Our Group Vision, “Spread the smiles. Feel the vibes. Share the passion. Pioneer engages you anytime, anywhere,” is serving as our guide as we strive to begin growing again. We have 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 Medium-Term Plan created in May 2013, we are advancing into emerging markets, expanding our business, and developing new business areas in order to achieve the Group Vision. At the same time, we are determined to keep protecting the global environment while contributing to sustainable social and economic development.

When we say “spread the smiles, feel the vibes, and share the passion,” we are also talking about using our capacity to understand people’s feelings and help them connect with each other to ensure that the excitement that is Pioneer reaches more people than ever before.

Looking back on fiscal 2014, we made the company profitable again by increasing sales and working hard at Group-wide restructuring. Looking to fiscal 2015, we aim to grow sales and profits, especially in car electronics. We will continue implementing our diverse strategies to reinforce the management foundation and improve profitability.

While continuing to provide customer value and products that only Pioneer can make, we are determined to meet the expectations of our many different 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—this is the responsibility of management.

In an even larger sense, we will 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.

August 2014

Susumu Kotani
President and CEO

Toward Future Growth

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 curtail personnel hours in design and production through the combination of standardized and commoditized modules. At the same time, the Group will reduce costs by realigning and streamlining production sites in Japan and overseas. Specifically, Pioneer will focus on the production of flagship models in Japan and shift its production center for other products outside of Japan by the end of March 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.

Growth Strategy to Bolster Profitability

Pioneer is implementing a growth strategy at each business to bolster its 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

In order to strengthen Pioneer’s core business, car electronics, and its strategic alliances, the Group will form capital and business alliances with both Mitsubishi Electric Corporation and NTT DOCOMO, INC. Anticipating the future of driving, this move will combine the Group’s strengths in vehicle network technology, as well as proprietary map data and driving information, with the strengths of the two alliance partners, especially vehicle and cloud-based information. New value will be generated by creating business models with stronger and more advanced hardware, software, and information services.

Strengthening the Financial Base

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.
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 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 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.

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

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.

Corporate Governance Structure (As of June 26, 2014)

General Meeting of Shareholders
- Elect or dismiss

Board of Corporate Auditors
- Independent Auditor
- Audit Division
- Corporate
- Decision making / supervision
- Business execution
- Advisory Committee
- Nominating Committee
- Compensation Committee
- Special Committee
- Corporate Officers

Board of Directors
- Executive Officers
- Business Divisions and Group Companies
- Corporate Governance
- To Continue as a Company Trusted and Supported by Society

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
- Capital Market’s Trust
- Customer Satisfaction: Our Top Priority
- Environmental Conservation
- Contributing to Society
- Public Disclosure
- Prohibition of Insider Trading
- Inappropriate Bestowing of Benefits to Shareholders or Investors

To Win Our Customers’ Satisfaction and Trust
- Safe and High-Quality Products and Services
- Proper Accounting Treatment
- Customer Claims and Requests
- Protection of Customers’ Personal Information

To Establish Fair and Free Business Relations
- Management of Information from Third Parties
- Business Conduct with Suppliers and Service Providers
- Business Conduct with Dealers and Distributors
- Relationship with Governmental Agencies and Industry Groups
- Gifts and Entertainment

To Conclude Our Business Activities Properly and Effectively
- Risk Management
- Company Information
- Intellectual Property
- Proper Management and Use of Company Assets
- Proper Accounting Treatment
- To Work Energetically with Mutual Respect
- For Each Other
- Respect for Human Rights
- Workplace Diversity
- Freedom from Harassment
- Respect for Privacy
- Healthy and Safe Working Environment
- Workplace Information Sharing
- Abolition of Forced Gift-Giving
- Political and Religious Activities

Acting in Accordance with this Code
- Business Ethics Hotline

The Pioneer Group Charter for Corporate Operations and the Pioneer Group Code of Conduct can be found on the website at right:

http://pioneer.jp/corp/code/charter-e.html
To Continue as a Company Trusted and Supported by Society

Today, with the evolving attitudes and values of society, 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 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 their acceptance and understanding by the Group as a whole.

The Audit Division, under the direct control of the president, takes overall charge of implementing internal auditing throughout the Group as a whole, based on the Basic Rules for Consolidated Internal 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 each audit, the division endeavors to enhance the efficacy of such critical activities as quality control and environmental protection.

Crisis Control Measures

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

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

The Pioneer Group is developing business continuity plans (BCP) 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, and it is carrying out training in order to increase their effectiveness.

Outline of Whistleblowing and Inquiry Information Flow

- Full Compliace and the Internal Whistleblowing System
- Internal Control System and Risk Management
- Crisis Control Measures
To Continue as a Company Trusted and Supported by Society

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

Furthermore, taking into consideration certain mandatory provisions introduced from 2009 under the Financial Instruments and Exchange Act, which aim to ensure the adequacy of financial reporting, the Company obtained confirmation from its independent auditor that its internal control system was again adequate and effective. Details of audit results were submitted together with Pioneer’s securities report in June 2014. Under the Rules of the Pioneer Group, the Company has formulated Basic Rules for Prevention of Insider Trading. 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.

The Pioneer Group has implemented a variety of measures 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, and compliance with every country’s laws concerning the regulation of exports. In addition, Pioneer has formulated its Basic Rules on Security Export Controls under the Rules of the Pioneer Group and appointed one of its representative directors to oversee the appropriate management of export control.

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.

Ensuring Fair Trade

The Pioneer Group has a responsibility to recover and continually improving its business continuity plan (BCP). 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).

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.

We are also strengthening systems by establishing the Basic Rules for Excluding Antisocial Forces, establishing a department in charge of addressing them, and carrying out partnerships with external specialized agencies, information sharing, guidance on handling the rules, and thoroughgoing communications within the Pioneer Group.

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.

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.

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

The Pioneer Group has 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.

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To Win Customers’ Satisfaction and Trust

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.

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 when they occur.

In this context of product safety, information is actively collected from customers, dealers and distributors, and is 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.

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.

Main Public Regulations Concerning Products

- Regulations concerning product approval include safety regulations, electromagnetic compliance (EMC) and electromagnetic interference (EMI) regulations, and communications standards
- Labeling regulations for consumer protection and product certification cover labeling on products, operating manuals, packaging, and other matters
- Environmental regulations
**Customer Satisfaction and Trust**

**To Win Customers’ Satisfaction and Trust**

**Upstream Initiatives for Quality Assurance**

**Rapid Acquisition of Market Quality Information and Enhanced Responses to Issues**

In the Pioneer Group, information from customers is accurately communicated to relevant divisions for use in sales support and quality improvement activities. For example, at the Customer Support Center in Japan, inquiries and complaints are compiled into a monthly report entitled “The Voice of the Customer,” which is distributed to directors, department heads of related divisions, and all relevant staff. In addition, the center provides information that can be used for product planning in periodic meetings with business divisions. Similar activities are undertaken at the Group’s overseas subsidiaries.

In addition to consolidating this sort of regular monthly information exchange, the Group will reinforce its response to issues arising in the marketplace. Information about these issues is conveyed via inquiries to the consultation service, along with repair and service information, analysis of returned products, feedback from Internet surveys, and so on. The Group will promptly feed this information back to its planning and design departments.

**APQP Activities at Pioneer**

The product development process consists of a complex interaction of various other processes. The initial (upstream) stage of product development starts with planning conception, which has a significant impact on product quality. The steps required for achieving quality targets are identified at this stage. Pioneer uses Advanced Product Quality Planning (APQP), an approach that cuts across product development, to meet customer expectations and improve the brand image, service information (repairs), and feedback from the Internet.

The Pioneer Group will continue to identify best practices in various organizations to find and resolve issues quickly.

**Approach to Quality Assurance Activities**

- Increase the soundness of internal processes
- Human-centered design
  - Must customer expectations improve the brand image
  - Environmentally friendly products
  - Eco products
- Technological innovation

**Establishment of a Process Framework Required for High-quality Product Development**

- Human-centered design:
  - Establishment of concepts
  - Training
    - Product environment, public regulations, product safety, and analysis technology
  - Product planning, design, production, sales, and service

**The Four Key Points of APQP**

1. Predict and prevent problems rather than responding to a fact
2. Team activities
3. Information on current circumstances is constantly shared
4. Effective communication

**Promoting Human-Centered Design**

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

**Preventive Measures Using Analysis and Evaluation**

Utilizing sophisticated analysis evaluation technologies, the Analysis and Evaluation Center pinpoints the underlying issues and problems that cause defective products by examining market, domestic, and overseas Group company, affiliated company, and material supplier manufacturing processes. Through an analysis and evaluation of non-defective articles, the center obtains know-how that can be reflected in preventive measures in the development and production processes to improve the long-term reliability of Pioneer products.

**Quality Maintenance**

- Critical II incidents: Fire and serious traffic accidents due to product failures
- Systemic defects: Market defects of products that occur frequently due to specific factors
- Critical II problems: Fracture of component parts
- Fractography
- Foreign matter analysis
- Increasingly sophisticated products
- More enjoyable and comfortable operation

**For more diverse customers**

**Enrich ease of use**

**Higher perceived quality improvement**

**Universal Design Improvement**

**Usability Improvement**

- More enjoyable and comfortable operation
- Increasingly sophisticated products
- More enjoyable and comfortable operation

**Defect analysis**

- Investigation of the cause of defects in electrical and electronic parts using structural analysis

**Physical analysis**

- Comparison and adequacy investigation of raw materials using component analysis

**Non-defective article analysis**

- Investigation of the cause of fractures in component parts through detailed observation of the fracture cross section

**Fractography**

- Specification of unknown substances and investigation of their source using component analysis

**Foreign Matter analysis**
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 channelled 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>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>78%</td>
<td>93%</td>
<td>94%</td>
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</tr>
<tr>
<td>2013</td>
<td>79%</td>
<td>87%</td>
<td>91%</td>
<td>4.3 points</td>
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<tr>
<td>2014</td>
<td>79%</td>
<td>88%</td>
<td>93%</td>
<td>4.2 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 2014, 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.

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

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 2014, the Pioneer Group took steps to strengthen and expand its automotive OEM product service network and

Worldwide Service System

Global Service Support Functions

Service Support Functions in Each Area

Service Support Functions in Each Country

Number of Repairs in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>253,000</td>
<td>233,000</td>
<td>206,000</td>
<td></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.

http://pioneer.jp/support/index-e.html
The Pioneer Group aims to uphold and share its philosophy: “Move the Heart and Touch the Soul” through its business activities.

We consider one of the major factors in achieving this goal is the preservation of the global environment, with our “Philosophy of Environmental Protection” established in 1992.

In recent years, an increase in the world's population and expansion in economic activities have accelerated, and environmental problems such as global warming, pollution, and loss of resources and biodiversity which previously had been advocated have become apparent. The range of social responsibility in continuing business exceeds our fields, where we are expected to achieve activities related to environmental preservation through entire lifecycles, contributing to the environment through our products and services. In order to achieve a sustainable society with stakeholders, the Pioneer Group promotes cross-cutting strategies for environmental protection in view of laws and regulations, and social contributions in response to each issue, initiating our activities via environmental education, and proactively disclosing information of the results.

Environmental Activities of Pioneer

Basic Concept of Environmental Activities

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
Key environmental issues
1. Prevention of Global Warming
2. Conservation of Resources, and Recycling
3. Management of Chemical Substances
4. Preservation of Biodiversity

Basic actions
5. Compliance to Laws and Regulations
6. Disclosure of Information, and Communication
7. Environmental Education
8. Social Contribution

Environmental Vision 2020
To create an eco-friendly and enriched life, and contribute to society with high-quality “technology” and “activities” for the realization of a sustainable society.

Initiatives for the Future
As corporate citizens, our mission is not only to accelerate proactive environmental preservation and fulfillment of our responsibility “with mitigation measures”, but also to propose eco-friendly measures, enrich life, and deliver sensations. As a company which has offered the world’s first products to customers, we established “Environmental Vision 2020” based on our consideration toward environmental contributions.

Products with outstanding environmental performance
<Products with superior environmental performance>
Products with environmental performance of a certain level, such as products surpassing the environmental performance of competitor products.

<Products with superior environmental performance>
Products with environmental performance of a certain level, such as products exceeding in environmental performance over previous products, or products surpassing the environmental performance of competitor products.

<Products with outstanding environmental performance>
Products with industry-leading environmental performance or products incorporating Pioneer’s original environmental technologies.

<Products with outstanding environmental performance>
Products with industry-leading environmental performance or products incorporating Pioneer’s original environmental technologies.

<Products with superior environmental performance>
Products with environmental performance of a certain level, such as products exceeding in environmental performance over previous products, or products surpassing the environmental performance of competitor products.

<Products that exhibit basic environmental performance>
Products with environmental performance of a certain level, such as products surpassing the environmental performance of competitor products.

Environmental Activities

Initiatives in Business Activities
A consistent concept of developing environmentally-friendly products in energy-saving offices and manufacturing products in eco-factories is shared not only in Japan, but also globally. We also promote improvement activities utilizing the ISO14001 Environmental Management System. In addition, the Environmental Management Systems in each plant and office and domestic group companies are integrated, and activities of the entire organization are developed toward more ambitious targets.

Data of 20 companies in Japan and 20 companies overseas is collected and feedback is reflected in the activities in the following year. The "Environmental Activities Report" summarizing the results is proactively disclosed on the website.

Environmental Impact Assessment
Pioneer conducts global environmental impact assessments to determine environmental management items for offices and plants. In our business structure, the impact on global warming through use of energy (greenhouse gas emissions) is large, which occupies 75% of the total. Secondly, impact from wastes generated through development and production activities at business sites is 13%. In order to reliably achieve targets for these two upper level items, target results to target values in each office and plant are collected and assessed on a quarterly basis. Other items extracted in the Environmental Impact Assessment are managed annually as monitoring items.

Environmental Impact Assessment Method
Environmental aspects are obtained by multiplying coefficient calculated by Environmental Impact Assessment Method (for example, annual electric usage) and LIME (Lifecycle Impact Assessment Method based on Endpoint Modeling, developed).

Main Target and Results in FY2014

<table>
<thead>
<tr>
<th>Category</th>
<th>Issue</th>
<th>FY2014</th>
<th>Targets in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prevention of Global Warming</td>
<td>CO2 equivalent greenhouse gas emissions Japan: 12% reduction from FY2010 to FY2021 (Gross emission)</td>
<td>Achieved 6% reduction</td>
<td>Targets in FY 2015 and FY2017 are same as those in the FY2014</td>
</tr>
<tr>
<td>Conservation of Resources and Recycling</td>
<td>Reducing valuable resource/keeps material Japan and Overseas: 3% reduction from FY2011 level on a per unit of sales amount</td>
<td>Achieved 28% reduction</td>
<td></td>
</tr>
</tbody>
</table>

Note: Self-evaluation standards (Goal estimate)
- Significantly exceeds the target: 110% or more
- Achieved the target: 100% or less
- Fall slightly short of the target: 90% or less
- Failed to meet the target: less than 90%

Pioneer’s Environmental Impact

Main Result of FY2014
- Total energy: 7,358 terajoules
  - Manufacturing: 4,155 terajoules
  - Customer: 1,300 terajoules
  - Home Appliance: 1,903 terajoules
  - Transportation: 750 terajoules
  - Marketing: 150 terajoules

Environmental Activities
We have prepared a law and ordinance monitoring system globally to enable appropriate treatment in accordance with recycling laws at the respective points of consumption. We promote recycling-awareness designs to contribute to effective utilization of resources, prevention of environmental pollution, etc.

Minimizing Environmental Impacts
We have prepared a law and ordinance monitoring system globally to enable appropriate treatment in accordance with recycling laws at the respective points of consumption. We promote recycling-awareness designs to contribute to effective utilization of resources, prevention of environmental pollution, etc.

Search for Routes Enabling Good Fuel Consumption with Car Navigation Products
Our original Smart Loop search route of lowest gasoline consumption and eco-driving is realized.

Management of Chemical Substances Contained in Products
We have prepared a law and ordinance monitoring system globally to enable appropriate treatment in accordance with recycling laws at the respective points of consumption. We promote recycling-awareness designs to contribute to effective utilization of resources, prevention of environmental pollution, etc.

Environmental Activities of Pioneer

Category | FY2014 | Targets in the future |
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</tbody>
</table>

Health and Safety Initiatives

Reduction of Power Consumption by Digital Technology
With amplifiers, which are the core components of audio systems, we realized a halving of power consumption by our original digital technology. This digital amplifier technology is incorporated into high-end products to mainstream products for household use as well as in audio products for automobiles.

Select Easily Recyclable Materials
At the parts purchasing stage, we select materials that enable reducing the number of types of plastic materials used, not adhering to different types of plastic materials, not attaching resin film to packaging boxes, and promoting use of recycled materials.

Response to Recycling Scheme at Consumption Point
We have prepared a law and ordinance monitoring system globally to enable appropriate treatment in accordance with recycling laws at the respective points of consumption. We promote recycling-awareness designs to contribute to effective utilization of resources, prevention of environmental pollution, etc.

Management Chemical Substance Information
To understand operation-related to chemical substances contained in products, Pioneer is engaged in improving the efficiency of information collection throughout its supply chain. The collected chemical substance information is managed in an environment database and an information transmission system is constructed to enable efficient reception and delivery of information from suppliers to customers.
Environmental Activities

Eco-Friendliness in Products

Super Advanced Eco-Model

Evaluation system for environment-friendly products

*12 pages

Pioneer has developed a car navigation system for EVs in order to support an expanding EV society.

AVIC-MRZ007-EV

Car navigation system dedicated to Electric Vehicles (EVs) which do not use fossil fuels or emit exhaust gas. Equipped with an "Estimated Cruising Range Display" function that eliminates worries about battery depletion.

Long-selling products playing mellow and rich sound "Pure Mall Speaker" series

We used casks used in the aging of whisky from our accumulated acoustic and woodwork techniques. We recycled casks for cabinets.

Eco-Friendliness in Cars—The Excellent Eco-Friendly Features of carrozzeria

Pioneer creates products that realize "Eco-friendliness, Economy, and Enjoyment" and enhance your car-driving experience. In car navigation systems, carrozzeria’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 your destination. With car AV products, we have downsized each product and reduced power consumption to reduce the load on a car in which the product is installed and contribute to fuel consumption improvements. Products of smaller size and lighter weight also contribute to a reduction in transportation fuel for delivery of products to customers.

The drive that is ecological with the Smart Loop

A variety of Smart Loop compatible products Smart Loop is used in CYBER NAVI, RAKU NAVI, in APPLI UNIT, and NAVY CRadle.

Small size, light weight, and power saving contribute to lessen the load on the car and improve fuel consumption

Eco-Friendliness in Towns—Excellent eco-friendliness of Leisure Products and Business-Oriented Products

Pioneer is developing excellent environment-friendly products based on a theme of "Eco-friendly, enjoyable, comfortable towns." DJ equipment plays active role at clubs, events and band performances makes dances and music more enjoyable. DJ equipment also useful for health and energy savings. In addition, the audio “STEEZ” makes dancing more fantastic. Furthermore, the video teleconferencing system and discussion table fully adopting the IT technology of Pioneer make business more efficient and communi-

Eco-Friendliness of Home-use Products—Excellent Eco-Friendliness of Home-use Products

Pioneer provides products which allow you to spend your daily life in a bright, enjoyable and eco-friendly atmosphere. Our home-use products are made based on the philosophy of constant awareness of eco-friendliness, 24 hours a day, 365 days a year. Environmental load by audio and visual products is minimal, however, “eco-consciousness” is considered to be a mission of Pioneer, and all employees are engaged in this mission.

Enjoy movies and music eco-friendly

Small high performance class D amplifiers achieved the highest level in this class with low power consumption of 14W. Furthermore, equipment is the intelligent “ECO MODE” to suppress power consumption without losing realistic sensation and content image.

Making use of the energy-saving technology that cleared stringent overseas standards

Cleared stricter requirements for amplifier efficiency, standby power-consumption. Acquired the Energy Star Certification Audio/Video Ver. 3.0.

Smoothly, beautifully and eco-friendly


Eco-Friendliness in In Towns—Excellent eco-friendliness of Leisure Products and Business-Oriented Products

Pioneer has also made its environment-friendly design philosophy permeate into full-scale, professional DJ (disk jockey) equipment, used in clubs as well as DJ (disk jockey) equipment best suited for home use, and engaged in reducing power and resource consumption. "Even high performance products for stating a dancing scene" are eco-friendly – that is the concept of Pioneer.

Ride with navigation units for bicycles

Driving is enjoyable, but riding a bicycle eco-friendly without using fuel is also fun. As the power supply, the Potter-Navi main unit uses a lithium ion battery that can be charged and used repeatedly at a maximum of 10 hours. The usage time can be extended by turning on the "energy-saving mode." DJ Equipment are also Eco-Friendly

Enjoy dancing eco-friendly

Battery depletion and power consumption can be reduced with power save setting. Recycled pulp is employed for packaging material. Eco-friendliness in Business Situations

Use of fuel, electric power and paper resources with travel such as business trips is reduced to decrease CO2 emissions.
Pioneer Products receive Wins a Large Number of Environmental Award

Challange for awards
Pioneer participates in many authoritative environmental award competitions so that third parties can evaluate our environment-friendly products and activities in our offices and plants. The purpose is to listen to comments and opinions of knowledgeable persons who specialize in the environment such as government and academia, not only to apply to competitions and receive awards. Some comments and advices are strict, however, we fully use them to improve our daily environmental activities. Furthermore, participation in environmental award competitions increases environmental awareness and vitality to take on new challenges, not only in each individual's related department which submitted an application but also in the entire company, which invigorates the Pioneer spirit.

■ Low CO2 Kawasaki Brand (2013)
Kawasaki Environmental Show Window Award (2012)
■ Eco-Products Awards (2008)
■ Energy Conservation Grand Prize 2005
■ Resource Recycling Technology
System Awards 2002
■ DVD Player DVD MINI RAKU (RAKURA) DVD-U7
■ Pure Malt speakers series
■ AV-Receivers SC-LX85
■ AVIC-MRZ007-EV
■ Pure Malt speakers series
■ AVIC-VH9990 Series

Employees speak with enthusiasm
Pioneer conducts environmental activities together with all company members for development of products and operation of offices and plants. For excellent activities, there are particular projects that persons in charge of activities conduct for study and review. The special content details from "what they really felt" and "story of hard times" which they candidly discuss, and "untold stories" which could not be disclosed as well as time, and further "enthusiasm" which they can talk about now.

Only a part is introduced due to the limited space. Please see “Environmental Activity Special Contents” on the official Pioneer website.

See the Web for details!

http://pioneer.jp/en/environment/product/superadvanced/#EnvironmentalPrize

Unknown Development Stories—Special Topics

Challange to reduce electric power necessary for management of enormous data. Story of sweat and tears of behind-the-scenes individuals who overcame unexpected situations and setbacks with Pioneer spirit!

Employees speak with enthusiasm
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See the Web for details!

http://pioneer.jp/en/environment/product/superadvanced/#EnvironmentalPrize
In comparison to the previous FY, the greenhouse gas emissions in the FY ending March 2014 decreased by approximately 10% in pioneer groups. The amount of greenhouse gases in both domestic and overseas, there is the impact of the emission factor of electricity.

Pioneer set a target to reduce greenhouse gas emitted from offices and plants by 10% by 2020 in GHG per sales amount as of FY ending March 2010 as the basis year. We analyze the results to utilize further activities.

Example of Activity for Global Warming Prevention
PSG (production corporation in China)* replaced lighting to LED lamps. Since China has a high ratio of coal thermal power generation, reduction of greenhouse gases by energy savings brings about a significant effect. Electricity savings of 98,000Wh annually were realized by changing lighting during the production process from conventional fluorescent lamps to LEDs.

Example of Activity for Effective Use of Resources
We eliminated circuit board (marginal material) which are necessary only at the time of production and are disposed of in process by fabricating parts for circuit board and layout patterns.

Reduction of Waste and Valuables
In order to decrease generation of waste and valuables, Pioneer continuously input useless materials into the production process including recyclable valuables. Moreover, Pioneer implements activities to recycle waste from offices and plants to reduce landfill disposal close to zero, and keeps a high recycling level ratio of 99.5%.

We eliminated circuit board (marginal material) which are necessary only at the time of production and are disposed of in process by fabricating parts for circuit board and layout patterns.

Example of Activity for Effective Use of Resources
We eliminated circuit board (marginal material) which are necessary only at the time of production and are disposed of in process by fabricating parts for circuit board and layout patterns.

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, buying only environmentally-friendly goods."

Since last year, we have continued the high green purchasing rate at 99.6% with respect to a target of 95%.

Topics
Pioneer GomiZero 1st Quarter 2013
The Pioneer Group implemented a "Pioneer GomiZero 1st Quarter 2013."

Although for the purposes of environmental conservation of local regions and raising of environmental awareness of employees, the Pioneer Group has been engaged previously in cleanup activities in the surroundings of offices and plants, the activity periods were unified in 2010 and have been conducted as a "whole-group event" since then. The cleanup campaign period of the first quarter of our financial year is from April to June.

A total of 427 persons of 13 bases in Japan and overseas participated in the activities last year.

Pioneer Environmental Contribution Award
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 contributions to environmental protection with the Environmental Patent Award. The Pioneer Environmental Contribution Award as of the FY ending March 2014 was given to four cases of "Saving electrical power for enormous navigation data in the data center," etc., as an excellence award. Towada Pioneer was commended as a plant and office which conducted the most excellent activities.

For the Environmental Patent Award, an inventor of the "A method of blank layout for shield case" was commended.

Received Thailand Prime Minister Industrial Award
The PTM (production corporation in Thailand)* won the Prime Minister Industrial Award (Energy management sector) in 2013, and received an award certificate and trophy at a celebration held in the ceremony hall in the Office of the Prime Minister on November 14, 2013. When the award was given, the MOI (Ministry of Industry in Thailand) performed an audit, and as a result, energy saving activities by all employees led by the energy management committee received a high evaluation. The Prime Minister Industrial Award was established by the Thai government in 1993 for the purpose of promotion of domestic industries.

*Pioneer Manufacturing (Thailand) Co., Ltd.
Respect for Employees

To Work Energetically with Mutual Respect for Each Other

Realizing the Group Vision

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

Respect for Human Rights

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

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

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.

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 health, aiming to build a corporate culture that serves as a standard for hiring and managing employees and executives, and positive growth. The initial system covered 21 female management positions in Japan’s Ministry of Health, Labour and Welfare. In the current era, the Company has introduced a mentor system from September 2007 in an effort to promote employee career planning and positive growth. The initial system covered 21 female management positions.

Personnel Development

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

Human Resources Management Policy

**Human Resources Management Philosophy** (Important Concepts)

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
In Harmony with Society
Social Contribution Activities

Audio and Visual: “Listen through the Body” Concerts

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

With around 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.

Among these performances are regularly scheduled concerts sponsored by Pioneer. Performers from a variety of genres are invited each time to provide dance, big band jazz and other performances that can also be enjoyed visually. A record number of people attended the regular concert held in February 2014. The venue was enveloped in excitement, as audience members also joined in sign-language dancing and hula dancing.

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.

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.”

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

Environmental Conservation: Pioneer Forest

As a company that manufactures speakers made with wooden materials, Pioneer undertakes activities to protect forests.

The Company has taken over regular management of 2.4 hectares of cypress forest near Kamakita Lake in Saitama Prefecture through an agreement, 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 2014. 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/]
Toward Communication with Society

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 unions1 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.

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.

In Harmony with Society

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.

Organizational Overview

Japan

Taihaku Pioneer Corporation
Taihaku Pioneer EG Corporation
Mogeti Denki Corporation
Pan Tec, Inc.
TPS Corporation
Toyoada Pioneer Corporation

The Americas

United States
Pioneer North America, Inc.
Pioneer Electronics (USA) Inc.
Pioneer Automotive Technologies, Inc.
Discussions Associates
Pioneer Advanced Solutions, Inc.
Pioneer International (MHiits) Inc.

Europe

Belgium
Pioneer Europe NV

United Kingdom
Pioneer GB Ltd.
Pioneer Digital Design Centre Ltd.

Asia and Oceania

China
Pioneer (China) Holding Co., Ltd.
Pioneer Technology (Dongguan) Co., Ltd.
Pioneer Technology (Shanghai) Co., Ltd.
Pioneer Electronics (Shanghai Export Zone) Co., Ltd.
Pioneer (HK) Ltd.
Pioneer Digital Design and Manufacturing (Hong Kong) Ltd.

The Americas

Canada
Pioneer Electronics of Canada, Ltd.

The Americas

Mexico
Pioneer Electronics de Mexico S.A. de C.V.

Europe

Denmark
Pioneer Scandinavia A/S

Europe

Norway
Pioneer Norge A/S

Asia and Oceania

Singapore
Pioneer Electronics Asiacentre Pte. Ltd.

Asia and Oceania

Taiwan
Pioneer High Fidelity Taiwan Co., Ltd.

Asia and Oceania

Malaysia
Pioneer Technology (Malaysia) Sdn. Bhd.

Thailand

Pioneer Electronics (Thailand) Co., Ltd.
Pioneer Manufacturing (Thailand) Co., Ltd.

Vietnam

Pioneer (Vietnam) Co., Ltd.

South Korea
Pioneer Korea Corporation

Australia

Pioneer Electronics Australia Pty. Ltd.

Canada

Pioneer Electronics (Canada) Inc.

The Americas

Mexico
Pioneer Electronics de Mexico S.A. de C.V.

Latin America

Pioneer Automotive Technologies, Inc.

Canada

Pioneer Canada Ltd.

Canada

Pioneer Electronic Canada Ltd.

Canada

Pioneer Electronics de Mexico S.A. de C.V.

Asia and Oceania

Singapore
Pioneer Electronics Asiacentre Pte. Ltd.

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Pioneer High Fidelity Taiwan Co., Ltd.

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Canada

Pioneer Electronic Canada Ltd.

Canada

Pioneer Electronics de Mexico S.A. de C.V.

Asia and Oceania

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Pioneer Electronics Asiacentre Pte. Ltd.

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Pioneer Canada Ltd.

Canada

Pioneer Electronic Canada Ltd.

Canada

Pioneer Electronics de Mexico S.A. de C.V.

Asia and Oceania

Singapore
Pioneer Electronics Asiacentre Pte. Ltd.

Asia and Oceania

Taiwan
Pioneer High Fidelity Taiwan Co., Ltd.

Asia and Oceania

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Pioneer Technology (Malaysia) Sdn. Bhd.

Thailand

Pioneer Electronics (Thailand) Co., Ltd.
Pioneer Manufacturing (Thailand) Co., Ltd.

Vietnam

Pioneer (Vietnam) Co., Ltd.

South Korea
Pioneer Korea Corporation

Australia

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Canada

Pioneer Electronics (Canada) Inc.

The Americas

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Pioneer Electronics de Mexico S.A. de C.V.

Latin America

Pioneer Automotive Technologies, Inc.

Canada

Pioneer Canada Ltd.

Canada

Pioneer Electronic Canada Ltd.

Canada

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