

# News Release

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***For Immediate Release  
February 12, 2013***

## **Pioneer Announces Restructuring Measures**

Pioneer Corporation has announced that at a meeting of its Board of Directors held today, the Company approved restructuring measures and began discussions with labor unions thereon. Details are as follows.

### **I. Background and Outline**

Operating environment surrounding Pioneer is drastically changing, and especially structural changes in car electronics industry may adversely affect our future profitability. Looking ahead, the Company decided to implement restructuring measures with an aim to strengthen its profit base through thorough review of cost structure of existing businesses.

In this restructuring, from mid-term perspectives we will thoroughly review cost structure of Car Electronics business, and take necessary actions toward unprofitable businesses in Home Electronics. We will also reduce fixed costs through readjustment of employment, etc., thereby strengthening our profit base. Further, as a short-term measure reduction of compensation of directors/officers and salary and bonus of employees will be implemented.

### **II. Respective Measures**

#### **1. Car Electronics**

In Car Electronics, our core business, demands for cars have been changing as seen in shift to compact cars in Japan and expansion of affordably-priced cars in emerging markets, and expansion of Japanese dealer-option markets is affecting our consumer-market business. As effects of our current cost reduction efforts are limited for the issue of “improvement of profitability,” we will thoroughly review every process at business, from development, production to sales and marketing.

Our plans include, in the product development process, further review of development method and optimization, for example, promotion of modular designing which utilizes integration of standardized key parts. Shift in development personnel from hardware to software will be also undertaken. As to production, for leaner structure we will realign production sites in Japan and overseas. In sales and marketing process, with a view to optimize efficiency we will streamline its structure and shift resources from developed countries to emerging markets where expected to grow.

#### **2. Home Electronics**

Issue to address at Home Electronics is “establishment of stable profitable structure” at our unprofitable Home AV and optical disc businesses. We will conduct fundamental review of structure of these businesses, aiming to become profitable in the current market size.

Home AV business will be realigned with its related businesses and spun off into a new company, for leaner organization and dissolution of repetitive functions. At optical disc business, in addition to structural review carried out in the second half of fiscal 2013, further downsizing will be undertaken. These measures will help enable stable profitability.

### **3. Reduction of Fixed Costs**

As a measure for curtailment of fixed costs, after we deliberated proper staffing level of the entire Pioneer Group through the review of cost structure and optimization at each division, we will reduce approximately 800 employees at Pioneer Corporation and its group companies in Japan, including temporary employees. As well, reduction of compensation of directors/officers and of salary and bonus of employees will be implemented.

Effect of these measures is estimated approximately 10 billion yen in fiscal 2014.

### **III. Others**

Impact of expenses related to above restructuring measures on the Company's consolidated results for fiscal 2013 is currently under examination.

The Company today announced its consolidated third-quarter and nine-month business results for the periods ended December 31, 2012.

### **Cautionary Statement with Respect to Forward-Looking Statements**

Statements made in this release with respect to our current plans, estimates, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about our future performance. These statements are based on management's assumptions and beliefs in light of the information currently available to it. We caution that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. It is not our obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We disclaim any such obligation. Risks and uncertainties that might affect us include, but are not limited to: (i) general economic conditions in our markets, particularly levels of consumer spending, and levels of demand in the major industrial sectors which we serve; (ii) exchange rates, particularly between the Japanese yen and the euro, the U.S. dollar, and other currencies in which we make significant sales or in which our assets and liabilities are denominated; (iii) our ability to continuously design and develop and win acceptance for our products in extremely competitive markets; (iv) our ability to successfully implement our business strategies; (v) the success of our joint ventures, alliances and other business relationships with third parties; (vi) our ability to access funding; (vii) our continued ability to devote sufficient resources to research and development, and capital expenditure; (viii) our ability to ensure the quality of our products; (ix) conditions in which we are able to continuously procure key parts essential to our manufacturing operations; and (x) the outcome of contingencies.

Pioneer Corporation is a leading global manufacturer of consumer- and business-use electronics products such as car electronics, audio and video products. Its shares are traded on the Tokyo Stock Exchange.

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For further information, please contact:

Hideki Okayasu

Representative Director and Senior Managing Executive Officer

Pioneer Corporation, Japan

Phone: +81-44-580-3211 / Fax: +81-44-580-4064

E-mail: [pioneer\\_shr@post.pioneer.co.jp](mailto:pioneer_shr@post.pioneer.co.jp)

IR Website: <http://pioneer.jp/ir-e/>