

Pioneer's Implementation of Capital Increase through Third Party Allotment—Future Directions of Business Performance, Financials, etc. are Key Points

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on implementation of capital increase through third party allotment by PIONEER CORPORATION (security code: 6773).

- (1) PIONEER CORPORATION (the "Company") today implemented new share issue through third party allotment to Wolfcrest Limited (the "Fund") under Baring Private Equity Asia ("BPEA") for the amount of 77 billion yen. The Fund will purchase the Company's shares from the current shareholders for approximately 25 billion yen, and the Company will become a wholly-owned subsidiary of the Fund on March 31, 2019.
- (2) Implementation of capital increase through third party allotment enabled the Company to secure funds for working capital, repayment of borrowings and outstanding bonds, restructuring charges, and growth investment. After becoming a wholly-owned subsidiary of the Fund, it plans to carry out drastic measures for reconstruction including revisions to the business portfolio, structural reforms, reorganization of the current management structure, etc. JCR considers that contents of the series of those measures to be carried out and directions of business performance and financial structure are key points for future credit assessment for the Company.

Hiroaki Sekiguchi, Hiroshi Kawagoe

<Reference>

Issuer: PIONEER CORPORATION

Long-term Issuer Rating: #BB+/Negative

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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