



To whom it may concern

September 19, 2017

<b>Company</b>	<b>Pioneer Corporation</b>
<b>Representative</b>	<b>Susumu Kotani President and CEO</b>
<b>Securities Code</b>	<b>6773</b>
<b>Company</b>	<b>HERE Technologies (HERE International B.V.)</b>
<b>Representative</b>	<b>Edzard Overbeek CEO</b>

**Notification Regarding Business and Capital Alliance Between  
Pioneer Corporation and HERE Technologies**

Tokyo, Japan - Pioneer Corporation (hereinafter referred to as “Pioneer”) and HERE Technologies (hereinafter also referred to as “HERE”) announce, as described in detail below, that they have entered into a business and capital alliance agreement on September 19, 2017.

**1. Purpose of Business and Capital Alliance**

Since September 2015, Pioneer and HERE have been discussing the utilization of their respective technologies which can contribute to the development of autonomous driving. On May 11, 2016, both companies agreed to develop a proof-of-concept to demonstrate the utilization of Pioneer’s 3D-LiDAR sensor in the development of a data ecosystem enabling efficient updates and maintenance of map data for autonomous driving. Following this, on February 8, 2017, Pioneer and HERE entered into a strategic partnership to enable industry-leading global mapping solutions and next generation location-based services for the automotive and other industries.

On June 26, 2017, Pioneer and HERE announced that Pioneer’s mapping subsidiary Increment P Corporation (hereinafter referred to as “IPC”) and HERE have signed definitive agreements with the aim of enabling global mapping solutions for the autonomous driving era.

Further to this announcement, Pioneer and HERE today announced that they also plan to develop a map-based accident prediction platform and an ADAS solution for the global telematics insurance market, with the aim of enhancing driver safety.

Pioneer and HERE have agreed to complement the business alliance with a capital alliance. This capital alliance will underpin the strategic collaboration between Pioneer and HERE, bringing them closer together.

## **2. Content of Business and Capital Alliance**

### *2.1 Global SD (standard definition) map offering*

HERE and IPC are collaborating on the global supply of SD map data. The companies are able to utilize and resell each other's SD map data in current and future products and services. Customers can benefit from the product consistency and quality control that comes from both companies being able to provide global solutions to their customers. HERE and IPC expect to start seeing the benefits of this collaboration as early as this year.

### *2.2 Global HD (high definition) map offering to support vehicles across all levels of automation*

HERE and IPC are developing a proof-of-concept for HD mapping, which will be a vital technology in ensuring autonomous vehicles can transport passengers safely, efficiently and comfortably. The goal of this initiative is to enable the two companies to offer global and consistent HD mapping data to companies building autonomous vehicles. Both companies intend to collaborate with Dynamic Map Platform Co., Ltd. which will provide the foundation layer of the HD map in Japan. IPC is already an investor, while HERE is currently in discussions regarding collaboration as a non-investing alliance partner.

### *2.3 Development of a map-based accident prediction platform and an ADAS solution for global telematics insurance market*

Pioneer and HERE are collaborating to develop an ADAS solution that utilizes both companies' technologies. The aim is to harness map and location-based technologies to provide better predictions of driving risks based on contextual information, such as vehicle speed, traffic, weather and disaster information. The initial target segment for this joint effort will be the insurance industry.

In addition, both companies are continuously discussing other business alliances. They include "cooperation exploring the application of Pioneer's 3D-LiDAR sensor technology in the development of a data ecosystem for autonomous driving," "use of data from connected Pioneer aftermarket devices to fuel new location service of HERE for the automotive and other industries" and "evaluation of potential mapping cooperation for certain geographies where both HERE and IPC offer maps."

#### **2.4 Capital Alliance**

Today, Pioneer and HERE have also agreed to solidify the business relationships through a mutual capital investment. HERE will acquire 11,117,500 newly issued, common stock shares of Pioneer, which equates to approximately 3 % of the new total shares outstanding, for a subscription price of 17,343,300 Euros. In parallel, Pioneer will, for the same total subscription price, acquire shares of HERE from There Holding B.V., an investment holding company jointly owned by AUDI AG, BMW Group and Daimler AG, resulting in a less than 1% ownership stake in HERE. The transactions are expected to close on October 5, 2017.

#### **3. Schedule**

September 19, 2017 Resolution of the Pioneer's Board of Directors Meeting

September 19, 2017 Execution of the Business and Capital Alliance Agreement

#### **4. Predicted Effect on Business Forecast**

The effect of the business and capital alliance on the business forecast for Pioneer for the fiscal year ending March 31, 2018 is expected to be immaterial, although it is expected to benefit Pioneer in the mid- to long-term.