Pioneer

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News Release

For Immediate Release
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Pioneer Announces Business Results for Fiscal 2012

Pioneer Corporation today announced its consolidated business results for the year ended March 31, 2012.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Year ended March 31		
	2012	2011	Percent change
Net sales	¥436,753	¥457,545	–4.5%
Operating income	12,514	15,817	–20.9
Ordinary income	9,863	12,331	–20.0
Net income	¥ 3,670	¥ 10,350	–64.5%
Net income per share	¥11.43	¥32.24	

Consolidated Business Results

In fiscal 2012, consolidated net sales declined 4.5% year on year, to ¥436,753 million. Despite solid sales of car navigation systems in Japan, a decline in sales of optical disc drive-related products and a decline in sales of car audio products from the impact of the Great East Japan Earthquake and the flooding in Thailand, combined with the Japanese yen's appreciation, resulted in an overall decline.

Operating income declined 20.9% year on year, to ¥12,514 million, from the decline in net sales and a lower gross profit margin mainly because of the Great East Japan Earthquake and the flooding in Thailand, despite a decrease in selling, general and administrative (SG&A) expenses. Net income declined 64.5%, to ¥3,670 million, reflecting the decline in operating income, a ¥3,908 million extraordinary loss associated with the introduction of a defined contribution pension plan, and the absence of the previous fiscal year's gain on the sale of property, plant and equipment from the sale of the Company's former Head Office and other assets.

During fiscal 2012, the average value of the Japanese yen appreciated 8.4% against the U.S. dollar and 3.8% against the euro, compared with the previous fiscal year.

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Car Electronics sales grew 6.6% year on year, to ¥270,785 million, on strength in car navigation systems in Japan, while sales were negatively affected by the Great East Japan Earthquake, the flooding in Thailand, and the Japanese yen's appreciation. The growth in sales of car navigation systems included increases in consumer-market sales from strength in the Japanese market, supported partly by the roll-out of new products, and increases in OEM sales on solid sales to automobile manufacturers and for dealer options in Japan. In car audio products, on the other hand, consumer-market sales rose in Europe but recorded overall decline, mainly from lower sales in North America and in Central and South America, reflecting insufficient product supply from decreased production as a result of the flooding in Thailand, combined with the Japanese yen's appreciation. OEM sales declined as well, in part from a large decline in orders following the Great East Japan Earthquake and the flooding in Thailand. In total, OEM sales accounted for 43% of Car Electronics sales, the same percentage as in the previous fiscal year.

By geographic region, sales in Japan grew 26.7%, to ¥136,438 million, while overseas sales declined 8.2%, to ¥134,347 million.

Operating income in this segment declined 26.7%, to ¥10,292 million, reflecting a lower gross profit margin from the impact of the Great East Japan Earthquake and the flooding in Thailand, combined with an increase in SG&A expenses, despite an increase in gross profit on higher sales.

Home Electronics sales declined 21.9% year on year, to ¥123,057 million. Despite solid sales of AV systems and AV receivers primarily in Europe, a large decline in sales of optical disc drive-related products due to the absence of the special demand associated with the shift to digital terrestrial broadcasting in Japan in July 2011 and a decline in disc drives for PCs led to a large overall decline.

By geographic region, sales in Japan declined 30.2%, to ¥58,142 million, and overseas sales were down 12.7%, to ¥64,915 million.

Operating income in this segment rose 40.0%, to ¥3,560 million, on lower SG&A expenses and an improvement in the gross profit margin, despite the decline in sales.

In the **Others** segment, sales declined 6.4% year on year, to ¥42,911 million, on lower sales of electronic devices and parts, speaker units for cellular phones and organic light-emitting diode displays, despite increased sales of factory automation systems and map software, and an increase in royalty revenue from patents related to optical disc technologies.

By geographic region, sales in Japan declined 5.6%, to ¥27,387 million, and overseas sales were down 7.7%, to ¥15,524 million.

This segment recorded an operating loss of ¥296 million, compared with an operating income of ¥59 million in fiscal 2011, from a lower gross profit margin and the decline in sales, despite lower SG&A expenses.

Note: Operating income (loss) in each business segment represents the operating income (loss) before elimination of intersegment transactions.

Consolidated Financial Position

Total assets as of March 31, 2012 were ¥322,012 million, an increase of ¥12,300 million from March 31, 2011, mainly reflecting increases in trade receivables and inventories, which more than offset decreases in property, plant and equipment and investment securities. Property, plant and equipment decreased ¥5,304 million, to ¥62,100 million, mainly reflecting restrained capital expenditures and sales of idle assets. Investment securities decreased ¥2,515 million, to ¥9,618 million, due to a decline in the market value of equity holdings. On the other hand, trade receivables increased ¥12,026 million, to ¥77,273 million, mainly reflecting a year-on-year increase in fourth-quarter net sales. Inventories grew ¥7,255 million, to ¥66,871 million, reflecting an increase in the production of car electronics products in line with our sales expansion plans.

Total liabilities as of March 31, 2012 were ¥232,975 million, an increase of ¥11,717 million from March 31, 2011. This included a ¥13,268 million increase in trade payables from increased purchasing amounts associated with alternate production, which more than offset a ¥4,977 million decrease in accrued expenses.

Total equity as of March 31, 2012 was ¥89,037 million, marking a ¥583 million increase from March 31, 2011. This was mainly a reflection of the recording of ¥3,670 million in net income, despite a ¥2,270 million decrease in unrealized gains on available-for-sale securities from a decline in the market value of equity holdings, and a ¥1,447 million decrease in foreign currency translation adjustments due to the Japanese yen's appreciation.

Cash Flows

During fiscal 2012, operating activities provided net cash in the amount of ¥18,213 million, which was ¥19,241 million less than in fiscal 2011. This was primarily because of a ¥13,211 million increase in trade receivables in fiscal 2012, compared with a ¥3,219 million decrease in fiscal 2011, combined with a ¥12,027 million decrease in income before income taxes and minority interests, despite of a ¥6,380 million increase in trade payables.

Investing activities used net cash in the amount of ¥21,781 million, compared with ¥3,886 million net cash provided in fiscal 2011. This was mainly because of a ¥15,843 million decrease in proceeds from the sale of noncurrent assets, and the absence of decreases in financial instruments of ¥8,414 million in fiscal 2011.

Financing activities provided net cash in the amount of ¥1,719 million, compared with ¥74,244 million net cash used in fiscal 2011. This was primarily a reflection of the redemption of convertible bonds of ¥60,000 million in fiscal 2011, and a ¥1,442 million increase in the total of short-term borrowings and long-term debt, compared with a ¥15,795 million decrease in fiscal 2011. In addition, the value of foreign currency-denominated cash and cash equivalents increased ¥236 million from the previous fiscal year end.

As a result, cash and cash equivalents as of March 31, 2012 totaled ¥45,953 million, a ¥1,613 million decrease from March 31, 2011.

Business Forecasts for Fiscal 2013

Consolidated business forecasts for fiscal 2013, the year ending March 31, 2013, are as follows:

(In millions of yen)

	First half			Full year		
	Forecasts for fiscal 2013	Results for fiscal 2012	Percent change	Forecasts for fiscal 2013	Results for fiscal 2012	Percent change
Net sales	¥245,500	¥213,729	+14.9%	¥525,000	¥436,753	+20.2%
Operating income	7,500	7,002	+7.1	24,000	12,514	+91.8
Ordinary income	5,500	5,071	+8.5	20,000	9,863	+102.8
Net income	¥ 2,500	¥ 1,505	+66.1%	¥ 10,000	¥ 3,670	+172.5%

For fiscal 2013, Pioneer forecasts growth in sales and profit compared with fiscal 2012, which was affected by the Great East Japan Earthquake and the flooding in Thailand.

Consolidated net sales are forecasted to increase. In Car Electronics, growth is expected both for OEM and consumer-market sales, and in Home Electronics, sales are also expected to increase centering on home AV products and DJ equipment, despite a decline in optical disc drive-related products.

Operating income, ordinary income and net income are also expected to grow, mainly because of an increase in net sales, even though we foresee the impact of the flooding in Thailand to continue to some degree, and expenses to be incurred for our growth strategy.

Pioneer is assuming an average U.S. dollar–yen exchange rate of ¥80 and an average euro–yen exchange rate of ¥105 for the aforementioned consolidated business forecasts for fiscal 2013.

Basic Management Policies and Issues to Be Addressed

Pioneer aims to create new markets and cultures with products and services born from innovative ideas and cutting-edge technologies that embody our 2015 Vision of “Spread the smiles. Feel the vibes. Share the passion. Pioneer engages you anytime, anywhere.” By continuing to realize our Group Philosophy of “Move the Heart and Touch the Soul,” we are aiming for sustainable growth.

With financial turmoil in Europe and an uncertain outlook for exchange rates, Pioneer still faces an unpredictable operating environment in fiscal 2013. We will address disaster risks which became apparent from last year’s damage from the Great East Japan Earthquake and the flooding in Thailand by reviewing and further refining our global production strategy, while at the same time implementing the following measures.

First, we will pursue “solid growth in existing businesses.” In Car Electronics, we will expand the consumer-market business by steadily increasing sales of car audio products overseas, focusing on emerging markets, while also working to globally develop car navigation systems that meet the needs of local markets. As for the OEM business, we will work to strengthen relationships with our major customers and reinforce our dealer option business. In Home Electronics, we will maintain and steadily increase profits in the home AV business by expanding our product lineup with innovative products that create new markets, like the *STEEZ* audio system targeting street dancers, which represents a fusion of AV culture and street dance culture. We will also continue cost reductions, including the utilization of original design manufacturing (ODM). In addition, we will work to expand the DJ equipment business by increasing sales of sound system products for clubs, and aggressively addressing new DJ styles that use PCs.

In terms of "entering emerging markets and expanding businesses," to date our business expansion efforts have targeted Brazil and China, including emphasis on our electronic manufacturing services (EMS) and electronic devices and parts business through a joint venture in Brazil. Moving forward, we are aiming to expand the business by additionally targeting India, Russia, ASEAN, Central and South America, and the Middle East, such as through the establishment of a representative office in Argentina in February 2012 to strengthen our sales structure in Central and South America.

As we "develop new businesses," we will not limit our focus to hardware alone, but instead offer total value solutions with stronger software elements using information and services. Car Electronics has already launched a smartphone-link car navigation business with the *Carrozzeria* smartphone-link *Navi Cradle*, and in July 2012 we plan to introduce a new car navigation product that features an AR HUD (Augmented Reality Head-Up Display) unit. In addition, we are breaking ground in new businesses by entering areas in which Pioneer has not previously been involved, including the bicycle equipment business, with the release in Japan in March 2012 of a cycle pottering navigation system.

Furthermore, we will accelerate our growth strategy by vigorously "promoting strategic alliances," including the expansion of the smartphone-link car navigation business, increasing sales of Home Electronics products in China, and thoroughly reducing costs through further joint development in car navigation systems and joint manufacturing businesses in Brazil.

Although Pioneer was severely affected by the Great East Japan Earthquake and the flooding in Thailand during fiscal 2012, in fiscal 2013 we will embark on a new path of growth by putting our full effort into carrying out the above measures to increase earnings.

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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Attached are consolidated financial statements for the year ended March 31, 2012.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	March 31	
	2011	2012
ASSETS		
Current assets:		
Cash and deposits	¥ 47,566	¥ 45,953
Trade receivables	65,247	77,273
Merchandise and finished goods	27,864	31,616
Work in process	11,522	12,599
Raw materials and supplies	20,230	22,656
Deferred tax assets	5,530	7,874
Other current assets	13,202	16,085
Allowance for doubtful receivables	(1,686)	(1,160)
Total current assets	189,475	212,896
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	68,367	63,851
Accumulated depreciation	(41,512)	(40,494)
Net	26,855	23,357
Machinery, equipment and vehicles	77,131	72,154
Accumulated depreciation	(67,329)	(63,256)
Net	9,802	8,898
Land	22,712	20,462
Construction in progress	688	2,269
Others	79,605	75,673
Accumulated depreciation	(72,258)	(68,559)
Net	7,347	7,114
Total property, plant and equipment	67,404	62,100
Intangible assets:		
Goodwill	690	648
Software	25,628	26,713
Others	1,916	1,494
Total intangible assets	28,234	28,855
Investments and other assets:		
Investment securities	12,133	9,618
Deferred tax assets	6,057	5,902
Others	6,269	2,581
Allowance for doubtful accounts	(41)	(26)
Total investments and other assets	24,418	18,075
Total noncurrent assets	120,056	109,030
Deferred assets:		
Stock issuance cost	181	86
Total deferred assets	181	86
Total assets	¥309,712	¥322,012

(In millions of yen)

	March 31 2011	March 31 2012
LIABILITIES		
Current liabilities:		
Trade payables	¥ 60,008	¥ 73,276
Short-term borrowings	6,951	9,052
Current portion of long-term debt	35,035	70,459
Accrued income taxes	4,080	5,503
Accrued expenses	38,764	33,787
Warranty reserve	2,780	2,561
Other current liabilities	14,675	14,532
Total current liabilities	162,293	209,170
Long-term liabilities:		
Long-term debt	45,846	10,000
Accrued pension and severance costs	8,576	10,771
Other long-term liabilities	4,543	3,034
Total long-term liabilities	58,965	23,805
Total liabilities	221,258	232,975
EQUITY		
Shareholders' equity:		
Common stock	87,257	87,257
Capital surplus	119,487	119,487
Retained earnings	(34,746)	(31,076)
Treasury stock	(11,050)	(11,050)
Total shareholders' equity	160,948	164,618
Accumulated other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	1,206	(1,064)
Deferred loss on derivatives under hedge accounting	(26)	(105)
Foreign currency translation adjustments	(75,693)	(77,140)
Pension adjustments recognized by foreign consolidated subsidiaries	(1,421)	(2,196)
Total accumulated other comprehensive loss	(75,934)	(80,505)
Minority interests	3,440	4,924
Total equity	88,454	89,037
Total liabilities and equity	¥309,712	¥322,012

(2) CONSOLIDATED STATEMENTS OF INCOME

(In millions of yen)

	Year ended March 31 2011	Year ended March 31 2012
Net sales	¥457,545	¥436,753
Cost of sales	356,449	343,244
Gross profit	101,096	93,509
Selling, general and administrative expenses	85,279	80,995
Operating income	15,817	12,514
Non-operating income:		
Interest income	281	220
Dividends income	308	212
Exchange gain	645	1,176
Subsidy income	202	90
Others	507	350
Total non-operating income	1,943	2,048
Non-operating expenses:		
Interest expenses	3,488	2,886
Borrowing cost	208	674
Equity in losses of affiliated companies	97	305
Others	1,636	834
Total non-operating expenses	5,429	4,699
Ordinary income	12,331	9,863
Extraordinary income:		
Gain on sales of property, plant and equipment	8,186	136
Gain on sales of investment securities	644	1
Gain on sale of investments in subsidiaries	–	455
Insurance income	–	10,062
Others	1,796	40
Total extraordinary income	10,626	10,694
Extraordinary loss:		
Loss on sales and disposal of property, plant and equipment	2,833	804
Impairment loss	1,324	510
Loss from disaster	–	9,328
Loss on adjustment for changes of accounting standard for asset retirement obligations	359	–
Loss on transition to defined contribution pension plan	–	3,908
Others	511	104
Total extraordinary loss	5,027	14,654
Income before income taxes and minority interests	17,930	5,903
Income taxes:		
Current	3,524	4,389
Deferred	3,633	(2,740)
Total income taxes	7,157	1,649
Income before minority interests	10,773	4,254
Minority interests	423	584
Net income	¥ 10,350	¥ 3,670

(3) CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions of yen)

	Year ended March 31	
	2011	2012
Income before minority interests	¥ 10,773	¥ 4,254
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities	(3,691)	(2,270)
Deferred loss on derivatives under hedge accounting	(26)	(79)
Foreign currency translation adjustments	(9,380)	(1,290)
Portion of other comprehensive loss of associates	(84)	(51)
Pension adjustments recognized by foreign consolidated subsidiaries	525	(775)
Total other comprehensive loss	(12,656)	(4,465)
Comprehensive loss	¥ (1,883)	¥ (211)
Comprehensive loss attributable to:		
Shareholders of the parent company	¥ (2,145)	¥ (901)
Minority interests	¥ 262	¥ 690

(4) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of yen)

	Year ended March 31	
	2011	2012
SHAREHOLDERS' EQUITY		
Common Stock:		
Balance, beginning of year	¥ 87,257	¥ 87,257
Changes of items in the year:		
Total changes of items in the year	–	–
Balance, end of year	87,257	87,257
Capital Surplus:		
Balance, beginning of year	119,487	119,487
Changes of items in the year:		
Total changes of items in the year	–	–
Balance, end of year	119,487	119,487
Retained Earnings:		
Balance, beginning of year	(45,096)	(34,746)
Changes of items in the year:		
Net income	10,350	3,670
Disposal of treasury stock	(0)	(0)
Total changes of items in the year	10,350	3,670
Balance, end of year	(34,746)	(31,076)
Treasury Stock:		
Balance, beginning of year	(11,049)	(11,050)
Changes of items in the year:		
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Total changes of items in the year	(1)	(0)
Balance, end of year	(11,050)	(11,050)
Total Shareholders' Equity:		
Balance, beginning of year	150,599	160,948
Changes of items in the year:		
Net income	10,350	3,670
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Total changes of items in the year	10,349	3,670
Balance, end of year	¥160,948	¥164,618

(In millions of yen)

	Year ended March 31	
	2011	2012
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized Gain (Loss) on Available-for-sale Securities:		
Balance, beginning of year	¥ 4,897	¥ 1,206
Changes of items in the year:		
Net changes of items other than shareholders' equity	(3,691)	(2,270)
Total changes of items in the year	(3,691)	(2,270)
Balance, end of year	1,206	(1,064)
Deferred Loss on Derivatives Under Hedge Accounting:		
Balance, beginning of year	–	(26)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(26)	(79)
Total changes of items in the year	(26)	(79)
Balance, end of year	(26)	(105)
Foreign Currency Translation Adjustments:		
Balance, beginning of year	(66,390)	(75,693)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(9,303)	(1,447)
Total changes of items in the year	(9,303)	(1,447)
Balance, end of year	(75,693)	(77,140)
Pension Adjustments Recognized by Foreign Consolidated Subsidiaries:		
Balance, beginning of year	(1,946)	(1,421)
Changes of items in the year:		
Net changes of items other than shareholders' equity	525	(775)
Total changes of items in the year	525	(775)
Balance, end of year	(1,421)	(2,196)
Total Accumulated Other Comprehensive Loss:		
Balance, beginning of year	(63,439)	(75,934)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(12,495)	(4,571)
Total changes of items in the year	(12,495)	(4,571)
Balance, end of year	(75,934)	(80,505)
MINORITY INTERESTS		
Balance, beginning of year	3,494	3,440
Changes of items in the year:		
Net changes of items other than shareholders' equity	(54)	1,484
Total changes of items in the year	(54)	1,484
Balance, end of year	¥ 3,440	¥ 4,924

(In millions of yen)

	Year ended March 31	
	2011	2012
TOTAL EQUITY		
Balance, beginning of year	¥ 90,654	¥ 88,454
Changes of items in the year:		
Net income	10,350	3,670
Purchase of treasury stock	(1)	(0)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(12,549)	(3,087)
Total changes of items in the year	(2,200)	583
Balance, end of year	¥ 88,454	¥ 89,037

(5) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Year ended March 31	
	2011	2012
Cash flows from operating activities:		
Income before income taxes and minority interests	¥ 17,930	¥ 5,903
Depreciation and amortization	29,842	24,568
Impairment loss	1,324	510
Increase in accrued pension and severance costs	139	1,100
Interest and dividends income	(589)	(432)
Interest expenses	3,488	2,886
Insurance income	–	(10,062)
Loss (gain) on sales and disposal of noncurrent assets	(5,353)	668
Loss (gain) on sales and disposal of investment securities	(522)	13
Decrease (increase) in trade receivables	3,219	(13,211)
Increase in inventories	(7,648)	(7,991)
Increase in trade payables	5,969	12,349
Decrease in accrued expenses	(217)	(4,707)
Other, net	(1,648)	4,556
Subtotal	45,934	16,150
Interest and dividends income received	558	432
Interest expenses paid	(3,496)	(2,869)
Proceeds from insurance income	–	8,565
Income taxes paid	(5,542)	(4,065)
Net cash provided by operating activities	37,454	18,213
Cash flows from investing activities:		
Decrease in time deposits	6,103	–
Purchase of noncurrent assets	(22,148)	(24,769)
Proceeds from sales of noncurrent assets	18,337	2,494
Proceeds from sales of investment securities	2,311	12
Other, net	(717)	482
Net cash provided by (used in) investing activities	3,886	(21,781)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(7,246)	1,864
Proceeds from long-term debt	–	35,328
Repayment of long-term debt	(8,549)	(35,750)
Redemption of bonds	(60,000)	–
Proceeds from sale and lease-back transactions	2,018	458
Other, net	(467)	(181)
Net cash provided by (used in) financing activities	(74,244)	1,719
Foreign currency translation adjustments on cash and cash equivalents	(3,672)	236
Net decrease in cash and cash equivalents	(36,576)	(1,613)
Cash and cash equivalents, beginning of year	84,142	47,566
Cash and cash equivalents, end of year	¥ 47,566	¥ 45,953

(6) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Year ended March 31				
	2011		2012		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥107,712	23.5%	¥136,438	31.2%	+26.7%
Overseas	146,417	32.0	134,347	30.8	–8.2
Total	254,129	55.5	270,785	62.0	+6.6
Home Electronics:					
Japan	83,249	18.2	58,142	13.3	–30.2
Overseas	74,316	16.2	64,915	14.9	–12.7
Total	157,565	34.4	123,057	28.2	–21.9
Others:					
Japan	29,023	6.4	27,387	6.3	–5.6
Overseas	16,828	3.7	15,524	3.5	–7.7
Total	45,851	10.1	42,911	9.8	–6.4
Consolidated:					
Japan	219,984	48.1	221,967	50.8	+0.9
Overseas	237,561	51.9	214,786	49.2	–9.6
Total	¥457,545	100.0%	¥436,753	100.0%	–4.5%

<Segment Information>

1. Overview of Segments

The segments of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

The Company has its business divisions identified by products and services. Each business division plans its comprehensive domestic and overseas strategy for its products and services, and operates its business activities.

Therefore, the Company consists of its business divisions, identified by products and services, that are three segments of “Car Electronics,” “Home Electronics” and “Others.”

Principal products and services included in each segment are as follows;

Car Electronics:
car navigation systems, car stereos, car AV systems and car speakers

Home Electronics:
audio systems, audio components, DJ equipment, equipment for cable-TV systems, Blu-ray Disc players, Blu-ray Disc drives, DVD players, DVD drives and AV accessories

Others:
factory automation systems, speaker units, electronic devices and parts, organic light-emitting diode displays, telephones, business-use AV systems, map software and licensing of patents related to laser optical disc technologies

2. Sales, Income (Loss), Assets and Other Items

(In millions of yen)

Year ended March 31, 2011	Segment: Car Electronics	Segment: Home Electronics	Segment: Others	Segment: Total	Reconciliations *1	Consolidated *2
Sales:						
Sales to external customers	¥254,129	¥157,565	¥45,851	¥457,545	–	¥457,545
Intersegment sales	1,123	428	7,583	9,134	¥ (9,134)	–
Total sales	255,252	157,993	53,434	466,679	(9,134)	457,545
Segment income	14,044	2,542	59	16,645	(828)	15,817
Segment assets	81,735	24,455	23,027	129,217	180,495	309,712
Other items:						
Depreciation	18,845	4,989	3,285	27,119	2,723	29,842
Amortization of goodwill	–	–	–	–	77	77
Increase in property, plant and equipment and intangible assets	¥ 14,062	¥ 3,854	¥ 1,999	¥ 19,915	¥ 720	¥ 20,635

Notes:

1. (1) Reconciliations of ¥(828) million recorded for segment income include elimination of intersegment transactions of ¥496 million and corporate expenses of ¥(1,324) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
   (2) Reconciliations recorded for segment assets of ¥180,495 million are corporate assets which are not allocated to any segment.
   (3) Reconciliations recorded for increase in property, plant and equipment and intangible assets of ¥720 million are capital investments principally for R&D.
2. Adjustments are made to reconcile segment income to operating income presented in the accompanying consolidated statements of income.

(In millions of yen)

Year ended March 31, 2012	Segment: Car Electronics	Segment: Home Electronics	Segment: Others	Segment: Total	Reconciliations *1	Consolidated *2
Sales:						
Sales to external customers	¥270,785	¥123,057	¥42,911	¥436,753	–	¥436,753
Intersegment sales	810	275	7,770	8,855	¥ (8,855)	–
Total sales	271,595	123,332	50,681	445,608	(8,855)	436,753
Segment income (loss)	10,292	3,560	(296)	13,556	(1,042)	12,514
Segment assets	90,822	21,855	20,347	133,024	188,988	322,012
Other items:						
Depreciation	16,405	3,442	2,645	22,492	2,076	24,568
Amortization of goodwill	–	–	–	–	42	42
Increase in property, plant and equipment and intangible assets	¥ 20,324	¥ 3,246	¥ 2,638	¥ 26,208	¥ 767	¥ 26,975

Notes:

1. (1) Reconciliations of ¥(1,042) million recorded for segment income (loss) include elimination of intersegment transactions of ¥131 million and corporate expenses of ¥(1,173) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
   (2) Reconciliations recorded for segment assets of ¥188,988 million are corporate assets which are not allocated to any segment.
   (3) Reconciliations recorded for increase in property, plant and equipment and intangible assets of ¥767 million are capital investments principally for software.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of income.