

News Release

**For Immediate Release
May 12, 2017**

Pioneer Announces Business Results for Fiscal 2017

Pioneer Corporation today announced its consolidated business results for fiscal 2017, the year ended March 31, 2017.

Consolidated Financial Highlights

(In millions of yen except per share information)
Year ended March 31

	2017	2016	Percent change
Net sales	¥386,682	¥449,630	-14.0%
Operating income	4,167	7,304	-42.9
Ordinary income	2,966	7,250	-59.1
Net income (loss) *	¥ (5,054)	¥ 731	-%
Net income (loss) per share *	¥(13.76)	¥1.99	

* Net income (loss) attributable to owners of Pioneer Corporation

Consolidated Business Results

In fiscal 2017, consolidated net sales declined 14.0% year on year, to ¥386,682 million, mainly from a decrease in sales of Car Electronics, particularly in OEM business, and the negative effects of the Japanese yen's appreciation.

Operating income was ¥4,167 million, a 42.9% decrease year on year, reflecting a decrease in net sales, despite a decrease in selling, general and administrative (SG&A) expenses mainly due to foreign exchange rate movements, and an improvement in the cost of sales ratio. Net loss attributable to owners of Pioneer was ¥5,054 million, compared with a net income of ¥731 million for fiscal 2016. This was mainly due to a decrease in operating income, and a recording of ¥3,014 million extraordinary loss of restructuring costs overseas.

During fiscal 2017, the average value of the Japanese yen rose 10.9% against the U.S. dollar year on year, to ¥108.38=1 U.S. dollar, and increased 11.6% against the euro, to ¥118.79=1 euro.

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Car Electronics sales declined 12.7% year on year, to ¥312,489 million, mainly due to a decrease in sales of OEM business and the negative effects of the Japanese yen's appreciation.

Sales of consumer market business declined. Sales of car audio products fell because of a decrease overseas, primarily in North America. Car navigation system sales declined, because of a decrease in Japan and North America, despite an increase in China.

Sales of OEM business declined. Sales of car audio products fell because of a decrease overseas, primarily in North America, despite higher sales in Japan. Car navigation system sales decreased, due to lower sales in Japan and emerging markets, despite increased sales in North America.

OEM business sales accounted for 58% of total Car Electronics sales, compared with 60% in the previous fiscal year.

By geographic region, sales in Japan decreased 7.8%, to ¥123,631 million, and overseas sales decreased 15.6%, to ¥188,858 million.

Operating income declined 29.5% year on year, to ¥6,051 million, due to the decline in sales, despite lower SG&A expenses and an improved cost of sales ratio, both mainly as a result of foreign exchange rate movements.

In the **Others** segment, sales declined 19.2% year on year, to ¥74,193 million. Sales increased in factory automation systems, but decreases in sales of home AV products and optical disc drive-related products, and the negative effects of the Japanese yen's appreciation, led to an overall decline.

By geographic region, sales in Japan decreased 18.2%, to ¥39,083 million, and overseas sales decreased 20.2%, to ¥35,110 million.

The segment's operating loss was ¥780 million, compared with a loss of ¥144 million for fiscal 2016, due to the decrease in sales, despite an improvement in the cost of sales ratio.

Notes: 1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.

2. From fiscal 2017, map software, previously classified in "Others," is reclassified in "Car Electronics." Figures for fiscal 2016 have been reclassified accordingly.

Consolidated Financial Position

Total assets as of March 31, 2017 were ¥281,786 million, a decrease of ¥16,226 million from March 31, 2016, mainly due to decreases in cash and deposits, trade receivables, and inventories, despite an increase in intangible assets. Intangible assets increased ¥9,833 million, to ¥56,793 million, mainly reflecting an increase in software in progress. Meanwhile, cash and deposits decreased ¥13,588 million, to ¥38,405 million. Trade receivables decreased ¥8,540 million, to ¥66,056 million. Inventories decreased ¥3,016 million, to ¥49,821 million.

Total liabilities were ¥194,997 million, a ¥12,529 million decrease from March 31, 2016. This was primarily due to a decrease in trade payables of ¥7,459 million, mainly owing to a decline in purchases, and a decrease of ¥4,002 million in accrued pension and severance costs, despite an increase of ¥1,964 million in borrowings.

Total equity was ¥86,789 million, a ¥3,697 million decline from March 31, 2016. This mainly reflected a recording of ¥5,054 million in net loss attributable to owners of Pioneer for fiscal 2017 and a ¥2,820 million decrease in foreign currency translation adjustments, despite a ¥4,532 million increase in defined retirement benefit plans.

Cash Flows

During fiscal 2017, operating activities provided net cash in the amount of ¥19,614 million, on par with the previous fiscal year. This was mainly due to a ¥9,458 million decline in the amount of a decrease in accrued expenses, primarily due to the payment of special retirement benefits in fiscal 2016, despite a ¥6,125 million increase in the amount of decrease in trade payables.

Investing activities used net cash in the amount of ¥34,009 million, a ¥13,926 million increase year on year. This was mainly due to a ¥10,100 million decrease in proceeds from the sale of noncurrent assets and a ¥4,767 million increase in the purchase of noncurrent assets.

Financing activities provided net cash in the amount of ¥1,446 million, a decrease of ¥1,962 million compared with the previous fiscal year. This was mainly due to a ¥15,060 million inflow from the issuance of convertible bonds in the previous fiscal year, although net proceeds of borrowings were recorded, compared with net repayments in the previous fiscal year.

Foreign currency translation adjustments on cash and cash equivalents were a negative ¥639 million, compared with a negative ¥2,300 million in the previous fiscal year.

As a result, cash and cash equivalents as of March 31, 2017, totaled ¥38,405 million, a ¥13,588 million decrease from March 31, 2016.

Business Forecasts for Fiscal 2018

Consolidated business forecasts for fiscal 2018, ending March 31, 2018, are as follows:

(In millions of yen)

	First half			Full year		
	Forecasts for fiscal 2018	Results for fiscal 2017	Percent change	Forecasts for fiscal 2018	Results for fiscal 2017	Percent change
Net sales	¥182,000	¥190,397	-4.4%	¥390,000	¥386,682	+0.9%
Operating income	2,000	1,516	-31.9	10,000	4,167	+140.0
Net income (loss) *	¥ (1,000)	¥ 966	-%	¥ 3,500	¥ (5,054)	-%

* Net income (loss) attributable to owners of Pioneer Corporation

For fiscal 2018, Pioneer is projecting almost the same level of net sales as fiscal 2017, reflecting an increase in sales of Car Electronics for consumer markets owing to the positive effect of the introduction of new products, despite a decrease in sales owing mainly to the transfer of the cable TV system-related equipment business.

Operating income is projected to increase to ¥10.0 billion, because of an improvement in the cost of sales ratio mainly due to a decrease in depreciation and amortization, and net income attributable to owners of Pioneer is projected to be ¥3.5 billion.

The yen-U.S. dollar exchange rate assumption for fiscal 2017 is ¥110, and the yen-euro exchange rate assumption is ¥118.

Issues to Be Addressed

The automotive industry is expected to continue growing, as car sales are increasing on a global scale, mainly in emerging markets. In developed markets, initiatives in anticipation of the coming autonomous driving society, such as creating more advanced and sophisticated cars, are being accelerated.

In response to the diverse needs of customers and great changes towards the autonomous driving society, Pioneer is pursuing its growth strategies tailored to the business characteristics of each of our business pillars of consumer market, OEM, and map and autonomous driving, becoming a leading company in “Comprehensive Infotainment” that creates comfort, excitement, reliability and safety in vehicles.

In the consumer market business, we will maintain stable profitability, and increase sales to promote Pioneer’s proprietary “connected car life” by strengthening our smartphone-linked product lineup, proposing new value in the business areas of reliability and safety, and pursuing audio entertainment. We will also strengthen our new commercial-use businesses that utilize cloud, including services for automobile insurance and for fleet vehicles, with our alliances. Furthermore, in emerging markets, we will offer our affordably-priced product line suited for individual regions.

In the OEM business, we aim to improve profitability by efficiently meeting the diverse needs of automakers, and by increasing productivity with improved efficiency of management resources and reviews of our business processes. We also aim to win new orders from automakers by proactively making proposals of our advanced technologies.

In the map business and autonomous driving field, we are making preparations to roll out samples of the 3D-LiDAR sensor, which is essential for autonomous driving. Furthermore, we aim to create a “data ecosystem” for advanced maps, in which maps for autonomous driving can be efficiently created and updated, mainly through our alliance with HERE Technologies, the Netherlands-based global provider of mapping and location services, and our participation in Japanese governmental projects.

In other businesses, we will work toward growth in our automotive-related businesses, mainly by expanding the factory automation systems business and accelerating the start-up of the organic light-emitting diode business through the establishment of a joint venture with Konica Minolta, Inc. We will also cultivate the medical and health care-related business.

In fiscal 2018, we will make every effort toward future growth as well as improved profitability.

Basic Rationale for Selection of Accounting Standards

To facilitate comparisons of its consolidated financial statements across time periods and with other companies, the Pioneer Group has prepared its consolidated financial statements based on Japanese generally accepted accounting principles (JGAAP).

With regard to the adoption of international financial reporting standards (IFRS), Pioneer intends to monitor developments in Japan and overseas, and to respond appropriately to those developments.

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 U.S. dollar, the euro, 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 car electronics 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, 2017.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	March 31	
	2016	2017
ASSETS		
Current assets:		
Cash and deposits	51,993	38,405
Trade receivables	74,596	66,056
Finished products	21,882	21,245
Work in process	12,306	11,795
Raw materials and supplies	18,649	16,781
Deferred tax assets	4,027	3,696
Other current assets	17,555	16,798
Allowance for doubtful receivables	(3,308)	(2,896)
Total current assets	197,700	171,880
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	52,138	47,779
Accumulated depreciation	(36,679)	(33,010)
Net	15,459	14,769
Machinery and vehicles	66,185	63,501
Accumulated depreciation	(55,884)	(55,052)
Net	10,301	8,449
Land	11,103	11,121
Lease assets	6,975	3,574
Accumulated depreciation	(5,407)	(2,851)
Net	1,568	723
Construction in progress	343	899
Others	64,478	62,552
Accumulated depreciation	(60,558)	(57,678)
Net	3,920	4,874
Net property, plant and equipment	42,694	40,835
Intangible assets:		
Goodwill	480	438
Software	23,134	16,187
Software in progress	22,489	39,544
Others	857	624
Total intangible assets	46,960	56,793
Investments and other assets:		
Investment securities	6,081	6,920
Deferred tax assets	1,159	1,142
Net defined benefit asset	915	838
Others	2,486	3,428
Allowance for doubtful accounts	(0)	(50)
Total investments and other assets	10,641	12,278
Total noncurrent assets	100,295	109,906
Deferred assets:		
Stock issuance cost	17	-
Total deferred assets	17	-
Total assets	298,012	281,786

(In millions of yen)

March 31

	2016	2017
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	69,821	62,362
Short-term borrowings	12,257	10,703
Current portion of long-term debt	–	11,033
Income taxes payable	2,031	1,305
Accrued expenses	30,907	30,987
Warranty reserve	2,112	1,967
Other current liabilities	22,015	20,529
Total current liabilities	139,143	138,886
Long-term liabilities:		
Convertible bonds	15,071	15,056
Long-term debt	10,000	2,500
Accrued pension and severance costs	39,108	35,106
Other long-term liabilities	4,204	3,449
Total long-term liabilities	68,383	56,111
Total liabilities	207,526	194,997
<u>EQUITY</u>		
Shareholders' equity:		
Common stock	91,732	91,732
Capital surplus	56,016	56,016
Retained earnings	34,038	28,984
Treasury stock	(11,051)	(11,051)
Total shareholders' equity	170,735	165,681
Accumulated other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(286)	(191)
Deferred gain (loss) on derivatives under hedge accounting	(88)	–
Foreign currency translation adjustments	(56,329)	(59,149)
Defined retirement benefit plans	(28,357)	(23,825)
Total accumulated other comprehensive income (loss)	(85,060)	(83,165)
Non-controlling interests	4,811	4,273
Total equity	90,486	86,789
Total liabilities and equity	298,012	281,786

(2) CONSOLIDATED STATEMENTS OF OPERATIONS

	(In millions of yen)	
	Year ended March 31	
	2016	2017
Net sales	449,630	386,682
Cost of sales	372,715	317,497
Gross profit	76,915	69,185
Selling, general and administrative expenses	69,611	65,018
Operating income	7,304	4,167
Non-operating income:		
Interest income	245	309
Dividend income	95	96
Exchange gain	1,560	605
Others	389	328
Total non-operating income	2,289	1,338
Non-operating expenses:		
Interest expenses	1,161	671
Equity in losses of affiliated companies	107	110
Others	1,075	1,758
Total non-operating expenses	2,343	2,539
Ordinary income	7,250	2,966
Extraordinary income:		
Gain on sale of noncurrent assets	1,422	831
Gain on sale of investment securities	702	-
Gain on transfer of business	351	-
Others	46	-
Total extraordinary income	2,521	831
Extraordinary loss:		
Loss on sale and disposal of noncurrent assets	2,029	576
Restructuring costs	1,936	3,014
Loss on transfer of business	-	1,191
Litigation loss	-	1,180
Impairment loss	131	138
Others	775	11
Total extraordinary loss	4,871	6,110
Income (loss) before income taxes	4,900	(2,313)
Income taxes:		
Current	3,642	2,798
Deferred	519	151
Total income taxes	4,161	2,949
Net income (loss)	739	(5,262)
Net income (loss) attributable to non-controlling interests	8	(208)
Net income (loss) attributable to owners of Pioneer Corporation	731	(5,054)

(3) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	(In millions of yen)	
	Year ended March 31	
	2016	2017
Net income (loss)	739	(5,262)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(181)	95
Deferred gain (loss) on derivatives under hedge accounting	(88)	88
Foreign currency translation adjustments	(9,454)	(2,940)
Defined retirement benefit plans	(7,590)	4,532
Share of other comprehensive income (loss) in associates	(35)	(66)
Total other comprehensive income (loss)	(17,348)	1,709
Comprehensive income (loss)	(16,609)	(3,553)
Comprehensive income (loss) attributable to:		
Owners of Pioneer Corporation	(16,088)	(3,159)
Non-controlling interests	(521)	(394)

(4) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	(In millions of yen)	
	Year ended March 31	
	2016	2017
SHAREHOLDERS' EQUITY		
Common stock:		
Balance, beginning of year	91,732	91,732
Changes of items in the year:		
Total changes of items in the year	-	-
Balance, end of year	91,732	91,732
Capital surplus:		
Balance, beginning of year	56,016	56,016
Changes of items in the year:		
Disposal of treasury stock	(0)	-
Total changes of items in the year	(0)	-
Balance, end of year	56,016	56,016
Retained earnings:		
Balance, beginning of year	33,277	34,038
Changes of items in the year:		
Net income (loss) attributable to owners of Pioneer Corporation	731	(5,054)
Change of scope of equity method	30	-
Total changes of items in the year	761	(5,054)
Balance, end of year	34,038	28,984
Treasury stock:		
Balance, beginning of year	(11,051)	(11,051)
Changes of items in the year:		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Total changes of items in the year	(0)	(0)
Balance, end of year	(11,051)	(11,051)
Total shareholders' equity:		
Balance, beginning of year	169,974	170,735
Changes of items in the year:		
Net income (loss) attributable to owners of Pioneer Corporation	731	(5,054)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Change of scope of equity method	30	-
Total changes of items in the year	761	(5,054)
Balance, end of year	170,735	165,681

(In millions of yen)

	Year ended March 31	
	2016	2017
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on available-for-sale securities:		
Balance, beginning of year	(105)	(286)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(181)	95
Total changes of items in the year	(181)	95
Balance, end of year	(286)	(191)
Deferred loss on derivatives under hedge accounting:		
Balance, beginning of year	–	(88)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(88)	88
Total changes of items in the year	(88)	88
Balance, end of year	(88)	–
Foreign currency translation adjustments:		
Balance, beginning of year	(47,369)	(56,329)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(8,960)	(2,820)
Total changes of items in the year	(8,960)	(2,820)
Balance, end of year	(56,329)	(59,149)
Defined retirement benefit plans		
Balance, beginning of year	(20,767)	(28,357)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(7,590)	4,532
Total changes of items in the year	(7,590)	4,532
Balance, end of year	(28,357)	(23,825)
Total accumulated other comprehensive income (loss):		
Balance, beginning of year	(68,241)	(85,060)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(16,819)	1,895
Total changes of items in the year	(16,819)	1,895
Balance, end of year	(85,060)	(83,165)

	(In millions of yen)	
	Year ended March 31	
	2016	2017
<u>NON-CONTROLLING INTERESTS</u>		
Balance, beginning of year	5,333	4,811
Changes of items in the year:		
Net changes of items other than shareholders' equity	(522)	(538)
Total changes of items in the year	(522)	(538)
Balance, end of year	4,811	4,273
<u>TOTAL EQUITY</u>		
Balance, beginning of year	107,066	90,486
Changes of items in the year:		
Net income (loss) attributable to owners of Pioneer Corporation	731	(5,054)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	-
Change of scope of equity method	30	-
Net changes of items other than shareholders' equity	(17,341)	1,357
Total changes of items in the year	(16,580)	(3,697)
Balance, end of year	90,486	86,789

(5) CONSOLIDATED STATEMENTS OF CASH FLOWS

	(In millions of yen)	
	Year ended March 31	
	2016	2017
Cash flows from operating activities:		
Income (loss) before income taxes	4,900	(2,313)
Depreciation and amortization	27,122	24,938
Loss (gain) on transfer of business—net	(130)	1,191
Impairment loss	131	138
Increase (decrease) in accrued pension and severance costs	7,644	(3,798)
Interest and dividends income	(340)	(405)
Interest expenses	1,161	671
Loss (gain) on sale and disposal of noncurrent assets—net	607	(255)
Loss (gain) on sale of investment securities—net	(702)	-
Decrease (increase) in trade receivables	912	7,270
Decrease (increase) in inventories	6,011	2,915
Increase (decrease) in trade payables	(533)	(6,658)
Increase (decrease) in accrued expenses	(9,602)	(144)
Increase (decrease) in defined retirement benefit plans	(7,449)	4,221
Other—net	(5,060)	(4,435)
Subtotal	24,672	23,336
Interest and dividends income received	340	405
Interest expenses paid	(1,172)	(696)
Income taxes paid	(4,548)	(3,431)
Net cash provided by (used in) operating activities	19,292	19,614
Cash flows from investing activities:		
Decrease (increase) in time deposits	489	-
Purchase of noncurrent assets	(30,442)	(35,209)
Proceeds from sale of noncurrent assets	11,379	1,279
Proceeds from sale of investment securities	845	-
Payment for business transfer	(2,074)	-
Proceeds from business transfer	-	111
Other—net	(280)	(190)
Net cash provided by (used in) investing activities	(20,083)	(34,009)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings—net	(4,524)	(812)
Proceeds from long-term debt	-	3,333
Repayment of long term debt	(6,367)	-
Proceeds from issuance of convertible bonds	15,060	-
Proceeds from sale and lease back transactions	1,023	-
Repayment of lease obligations	(1,784)	(931)
Cash dividends paid to non-controlling shareholders	-	(144)
Net cash provided by (used in) financing activities	3,408	1,446
Foreign currency translation adjustments on cash and cash equivalents	(2,300)	(639)
Net increase (decrease) in cash and cash equivalents	317	(13,588)
Cash and cash equivalents, beginning of period	51,676	51,993
Cash and cash equivalents, end of period	51,993	38,405

(6) CHANGE IN ACCOUNTING POLICY

Effective from fiscal 2017, the year ended March 31, 2017, the Company adopted the “Practical Solution on a Change in Depreciation Methods Due to TAX Reform 2016” (Accounting Standard Board of Japan Practical Issues Task Force No.32 issued on June 17, 2016) in accordance with the revision of the Corporation Tax Act of Japan. In applying the revised accounting standard, the Company changed the depreciation method for facilities attached to buildings and for structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method. The impact of this change on profit and loss for fiscal 2017 was immaterial.

(7) ADDITIONAL INFORMATION

Effective from fiscal 2017, the year ended March 31, 2017, the Company adopted the “Guidance on Recoverability of Deferred Tax Assets” (Accounting Standard Board of Japan Guidance No. 26 issued on March 28, 2016).

(8) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Year ended March 31				Percent change
	2016		2017		
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	134,081	29.8 %	123,631	32.0 %	-7.8 %
Overseas	223,761	49.8	188,858	48.8	-15.6
Total	357,842	79.6	312,489	80.8	-12.7
Others:					
Japan	47,789	10.6	39,083	10.1	-18.2
Overseas	43,999	9.8	35,110	9.1	-20.2
Total	91,788	20.4	74,193	19.2	-19.2
Consolidated:					
Japan	181,870	40.4	162,714	42.1	-10.5
Overseas	267,760	59.6	223,968	57.9	-16.4
Total	449,630	100.0 %	386,682	100.0 %	-14.0 %

<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 strategy for its products and services in Japan and overseas, and operates its business activities.

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

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

Car Electronics:

car navigation systems, car stereos, car AV systems, car speakers, and map software

Others:

Optical disc drive-related products, equipment for cable-TV systems, factory automation systems, electronic devices and parts, organic light-emitting diode (OLED) displays, DJ equipment (subcontracted manufacturing/sales), and home AV products

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

(In millions of yen)

Year ended March 31, 2016	Segment			Reconciliations * 1	Consolidated * 2
	Car Electronics	Others	Total		
Sales:					
Sales to external customers	357,842	91,788	449,630	–	449,630
Intersegment sales	526	3,616	4,142	(4,142)	–
Total sales	358,368	95,404	453,772	(4,142)	449,630
Segment income (loss)	8,581	(144)	8,437	(1,133)	7,304
Segment assets	89,693	27,178	116,871	181,141	298,012
Other items:					
Depreciation	23,467	2,895	26,362	760	27,122
Amortization of goodwill	–	–	–	42	42
Increase in property, plant and equipment and intangible assets	21,653	2,696	24,349	1,077	25,426

Notes:

1. (1) Reconciliations of ¥(1,133) million recorded for segment income (loss) include elimination of intersegment transactions of ¥237 million and corporate expenses of ¥(1,370) 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 ¥181,141 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 ¥1,077 million are capital investments principally related to relocation of head office.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.

(In millions of yen)

Year ended March 31, 2017	Segment			Reconciliations * 1	Consolidated * 2
	Car Electronics	Others	Total		
Sales:					
Sales to external customers	312,489	74,193	386,682	–	386,682
Intersegment sales	348	3,059	3,407	(3,407)	–
Total sales	312,837	77,252	390,089	(3,407)	386,682
Segment income (loss)	6,051	(780)	5,271	(1,104)	4,167
Segment assets	82,243	24,786	107,029	174,757	281,786
Other items:					
Depreciation	21,642	2,745	24,387	551	24,938
Amortization of goodwill	–	–	–	42	42
Increase in property, plant and equipment and intangible assets	18,954	2,608	21,562	390	21,952

Notes:

1. (1) Reconciliations of ¥(1,104) million recorded for segment income (loss) include elimination of intersegment transactions of ¥50 million and corporate expenses of ¥(1,154) 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 ¥174,757 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 ¥390 million are capital investments principally in facilities and R&D.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.

<Change in Segment>

From fiscal 2017, map software, previously classified in “Others,” is reclassified in “Car Electronics.” Figures for fiscal 2016 have been reclassified, accordingly.