PIONEER CORPORATION
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News Release

For Immediate Release
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Pioneer Announces Business Results for 2Q Fiscal 2009

TOKYO — Pioneer Corporation today announced its consolidated second-quarter and semiannual business results for the periods ended September 30, 2008.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Three months ended September 30			**Six months** ended September 30		
	2008	2007	% to prior year	2008	2007	% to prior year
Operating revenue	¥166,076	¥200,520	82.8%	¥327,042	¥383,161	85.4%
Operating income (loss)	(6,872)	939	–	(13,091)	2,262	–
Income (loss) before income taxes	(31,201)	1,460	–	(36,877)	17,645	–
Net income (loss)	¥ (45,234)	¥ (2,395)	–%	¥ (52,978)	¥ 9,936	–%
Net income (loss) per share:						
Basic	¥(220.64)	¥(13.73)		¥(258.41)	¥56.97	
Diluted	¥(220.64)	¥(13.73)		¥(258.41)	¥51.65	

Consolidated Business Results

For the second quarter of fiscal 2009, the three months ended September 30, 2008, consolidated operating revenue decreased 17.2% from the second quarter of fiscal 2008 to ¥166,076 million (US$1,596.9 million), mainly due to lower sales of plasma displays, DVD drives and car audio products.

Pioneer recorded an operating loss of ¥6,872 million (US$66.1 million), compared with operating income of ¥939 million in the second quarter of fiscal 2008, due to the lower operating revenue and deterioration in the gross profit margin. In addition, Pioneer recorded business restructuring expenses of ¥15,616 million (US$150.2 million) mainly for implementing an early retirement program, and a write-down of marketable

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securities. Higher income taxes were also recorded following an evaluation of deferred tax assets. Consequently, the net loss was ¥45,234 million (US$434.9 million), compared with ¥2,395 million in the second quarter of fiscal 2008.

During the second quarter of fiscal 2009, the average value of the Japanese yen appreciated 9.5% against the U.S. dollar and remained mostly unchanged against the euro, compared with the second quarter of fiscal 2008.

Car Electronics operating revenue decreased 7.7% year on year to ¥85,546 million (US$822.6 million) due to lower overall sales of car audio products, despite higher overall car navigation system sales. In car navigation systems, consumer-market sales rose year on year, mainly because of higher sales in Europe. OEM sales also increased due to higher sales in China and Japan, despite lower sales in North America. In car audio products, consumer-market sales decreased because of lower sales in North America and Europe due to contracting markets and economic recession. OEM sales also declined due to lower sales in North America and Japan, despite higher sales in China. Total OEM sales in this segment accounted for approximately 40% of Car Electronics operating revenue, compared with approximately 38% in the second quarter of fiscal 2008.

In terms of geographic operating revenue, operating revenue in Japan was mostly the same as in the second quarter of fiscal 2008 at ¥28,428 million (US$273.3 million) while overseas operating revenue decreased 11.2% year on year to ¥57,118 million (US$549.2 million).

Operating income in this segment decreased 82.2% year on year to ¥1,072 million (US$10.3 million). This reflected lower car audio product sales, and deterioration in the gross profit margin due to a drop in production volume.

Home Electronics operating revenue decreased 30.0% year on year to ¥62,589 million (US$601.8 million). This largely reflected lower overseas plasma display sales volume, as well as lower DVD drive sales. Sales of display products accounted for approximately 40% of Home Electronics operating revenue, compared with approximately 41% in the second quarter of fiscal 2008.

In terms of geographic operating revenue, operating revenue in Japan declined 36.4% year on year to ¥6,747 million (US$64.9 million), while overseas operating revenue decreased 29.2% to ¥55,842 million (US$536.9 million).

The operating loss in this segment widened from ¥4,105 million in the second quarter of fiscal 2008 to ¥6,953 million (US$66.9 million). This was chiefly due to lower plasma display and DVD drive sales, and erosion in the gross profit margin for these products.

In the **Others** segment, operating revenue decreased 2.2% year on year to ¥17,941 million (US$172.5 million) due to lower sales of organic light-emitting diode displays.

In terms of geographic operating revenue, operating revenue in Japan rose 1.4% year on year to ¥10,668 million (US$102.6 million), while overseas operating revenue decreased 7.1% year on year to ¥7,273 million (US$69.9 million).

Operating income in this segment rose 64.1% year on year to ¥443 million (US$4.3 million), because of improved profitability in speaker units for cellular phones.

For the first half of fiscal 2009, the six months ended September 30, 2008, consolidated operating revenue decreased 14.6% to ¥327,042 million (US$3,144.6 million). Pioneer recorded an operating loss of ¥13,091 million (US$125.9 million) compared with operating income of ¥2,262 million in the first half of fiscal 2008. It also posted a net loss of ¥52,978 million (US$509.4 million) compared with net income of ¥9,936 million in the same period of fiscal 2008, which included a gain on sales of all land and buildings at the Tokorozawa Plant and some at the Omori Plant.

Notes: 1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.
2. Effective from the first quarter of fiscal 2009, the patent licensing business, which was previously classified as an independent business segment, has been included in the “Others” segment because of its reduced importance to consolidated business results. Figures for the corresponding period of fiscal 2008 have been reclassified.

Consolidated Financial Position

Total assets as of September 30, 2008 were ¥571,547 million (US$5,495.6 million), a decrease of ¥4,569 million from March 31, 2008. This mainly reflected decreases in cash and cash equivalents, investments and long-term receivables, and long-term deferred tax assets, despite an increase in inventories. Inventories rose ¥21,696 million to ¥125,864 million (US$1,210.2 million), mainly due to the stockpiling of new plasma display models and consumer-market car navigation systems ahead of the launch of new products. On the other hand, investments and long-term receivables decreased ¥8,397 million to ¥28,000 million (US$269.2 million), mainly due to falling share prices. Long-term deferred tax assets declined ¥8,997 million to ¥30,918 million (US$297.3 million) in line with an increase in the valuation allowance.

Total liabilities as of September 30, 2008 were ¥375,250 million (US$3,608.2 million), up ¥47,891 million from March 31, 2008. This mainly reflected increases in short-term borrowings and accrued liabilities. Short-term borrowings rose ¥41,750 million to ¥56,562 million (US$543.9 million). Accrued liabilities increased ¥9,999 million to ¥90,631 million (US$871.5 million), primarily due to provisions for special retirement benefits associated with the implementation of early retirement programs.

Total shareholders’ equity was ¥194,850 million (US$1,873.6 million), a decrease of ¥52,545 million from March 31, 2008. This mainly reflected a drop of ¥53,053 million in retained earnings.

Cash Flows

During the first half of fiscal 2009, operating activities used net cash of ¥25,642 million (US$246.6 million). The main factors reducing cash were a net loss of ¥52,978 million (US$509.4 million) and an increase in inventories of ¥23,255 million (US$223.6 million). These factors outweighed the addback of non-cash expenses, namely depreciation and amortization of ¥13,480 million (US$129.6 million), deferred taxes of ¥12,050 million (US$115.9 million), and an increase in other accrued liabilities of ¥10,829 million (US$104.1 million), among other factors increasing cash. Investing activities used net cash of ¥15,264 million (US$146.8 million), mainly for capital expenditures in the Car Electronics business. Financing activities provided net cash of ¥30,869 million (US$296.8 million), mainly through an increase in short-term borrowings.

Consequently, cash and cash equivalents at September 30, 2008 were ¥72,431 million (US$696.5 million), down ¥8,749 million from March 31, 2008.

Business Forecasts for Fiscal 2009

We revised our consolidated business forecasts for fiscal 2009, ending March 31, 2009, which were announced on May 13, 2008, as follows:

(In millions of yen)

	Revised projections for fiscal 2009 (A)	Previous projections for fiscal 2009 (B)	Changes (A – B)	Results for fiscal 2008
Operating revenue	¥700,000	¥780,000	¥(80,000)	¥774,477
Operating income (loss)	(17,000)	7,000	(24,000)	10,907
Income (loss) before income taxes	(54,000)	(7,500)	(46,500)	3,434
Net loss	¥ (78,000)	¥ (19,000)	¥(59,000)	¥ (17,992)

We have lowered our operating revenue forecast from ¥780 billion to ¥700 billion. This is mainly because the Car Electronics business and Home Electronics business are both expected to post lower-than-projected operating revenue due to intensifying competition involving our core products, as well as the impact of economic recession and the yen's appreciation.

We have revised our operating income forecast from ¥7 billion to a projected operating loss of ¥17 billion based on expectations of worsening profitability due to lower sales and the impact of the yen's appreciation.

Furthermore, we have decided to carry out additional business restructuring measures in the display business and measures for improving profitability in the Home Electronics business, among other actions. This means that projected business restructuring expenses for fiscal 2009 will increase from ¥15 billion to ¥29 billion. In addition, we expect to book a write-down of marketable securities. Consequently, we have revised our forecast for the loss before income taxes from ¥7.5 billion to ¥54 billion. We have also revised the projected net loss from ¥19 billion to ¥78 billion based on a projected increase in income taxes associated with the valuation of deferred tax assets.

We are assuming an average yen-U.S. dollar exchange rate of ¥100, ¥5 higher than previously, and a yen-euro exchange rate of ¥130, ¥25 higher than before, for the revised projections.

Basic Management Policies and Issues to Be Addressed

Pioneer seeks to create new value for customers by offering innovative, high-quality, and high value-added electronics products, with the aim of realizing the Pioneer Group's philosophy of "Move the Heart and Touch the Soul" with more people around the world. Based on this group philosophy, Pioneer has formulated a group vision that serves as a reference point for the Group's business activities, as follows: "To become a company that encourages all its members to work as a team, with everyone customer-focused, integrating each one's professionalism in pursuing innovations one after another."

The overall economic outlook is uncertain given current economic conditions. The economy is experiencing a financial crisis highlighted by tumbling share prices worldwide, unstable foreign exchange markets and other developments triggered by the U.S. sub-prime loan issue. At the same time, volatile crude oil prices and soaring raw material costs are driving up the costs of corporate business activities and weakening consumer spending.

In addition to these difficult economic conditions, Pioneer continues to face an extremely challenging business environment due to fierce competition involving its core products.

Pioneer has established medium-term management targets of consolidated operating revenue of ¥900 billion and operating income of ¥37 billion in fiscal 2011, the year ending March 31, 2011. To this end, the Company had planned to restore the Home Electronics business to profitability in fiscal 2010 by implementing measures for restructuring the display business and improving profitability in the Home Electronics business as a whole. However, we are currently reviewing our medium-term management targets because their achievement has become extremely difficult in light of intensifying competition and sharply deteriorating business conditions highlighted by falling share prices and other developments worldwide. Pioneer plans to announce its new medium-term management targets along with concrete measures by February 2009, after closely examining the year-end shopping season and other market conditions as well as economic developments going forward.

On May 13, 2008, Pioneer announced measures for restructuring the display business and improving profitability in the Home Electronics business as a whole.

Pioneer is successively terminating in-house production of plasma display panels as planned. Pioneer Display Products Corporation (DPC) Yamanashi Plant has already ended production and was closed at the end of September 2008. Going forward, we plan to terminate plasma display panel production at Pioneer Plasma Display Corporation (PPD) Kagoshima Plant and DPC Shizuoka Plant in November 2008 and February 2009, respectively.

Pioneer continues to consider ways to utilize these facilities after panel production ends. We are currently choosing a buyer and conducting negotiations on the sale of land and buildings at DPC Yamanashi Plant. Elsewhere, Pioneer has reached a basic agreement on transferring PPD Kagoshima Plant to Field Emission Technologies Inc. and is proceeding with negotiations. In regard to DPC Shizuoka Plant, Pioneer plans to convert the plant into a center for Home Electronics product manufacturing, including plasma display assembly, and aftersales services, in conjunction with downsizing operations.

Furthermore, Pioneer has sought applicants for early retirement through an incentive-based early retirement plan for administrative and sales divisions in Japan, and a special early retirement program has been applied to DPC Yamanashi Plant. These measures resulted in the retirement of 309 and 205 employees, respectively, as of September 30, 2008.

Overseas, with the view to closing its plasma display production facilities in the U.S. and the U.K. as an additional measure, and overhauling the European sales structure for the Home Electronics business, Pioneer is conducting discussions with labor unions in each region.

The actions above, as well as additional measures, are expected to yield projected cost savings of ¥26 billion from the second half of fiscal 2009.

Pioneer will continue working to restore its business performance and generate stable earnings by ensuring that it fully implements the above initiatives. At the same time, we will step up measures to achieve steady growth in the Car Electronics business and restore profitability in the Home Electronics business as a whole, while focusing on the factory automation (FA) systems business and electronic devices and parts business, both of which leverage our extensive technologies.

In the Car Electronics business, Pioneer is working to achieve growth in sales of consumer-market car navigation systems driven by portable navigation devices with telematics functions, and to reduce costs by boosting development efficiency, in order to improve profitability in consumer-market car navigation systems. We are also trying to develop new products offering new value propositions with the aim of expanding our business domains.

In OEM car navigation systems, we will concentrate on winning contracts for assembly line products for automakers and the dealer options market in Japan.

In car audio products, we will work to maintain our share of contracting consumer markets in Japan, North America and Europe, and to respond to market expansion in emerging economies, as we strive to shift our center of gravity to car audio/video products. Through these measures, Pioneer aims to achieve business expansion and better profitability in both consumer markets and the OEM field.

In the Home Electronics business, Pioneer is implementing measures for improving profitability and restructuring the display business.

In the display business, from summer 2009, Pioneer plans to produce plasma displays with plasma display panels supplied by Panasonic Corporation that incorporate Pioneer's proprietary technologies. Furthermore, Pioneer will conduct development with the view to incorporating its own technologies into LCD TVs procured from Sharp Corporation.

In the optical disc business, Pioneer will focus on reinforcing its development capabilities, while looking into cooperative ties with Sharp, in order to establish a strong presence in Blu-ray Disc products, which are rapidly penetrating the market.

In the audio business, Pioneer plans to step up measures to raise its market share.

Additionally, Pioneer will take new initiatives in the area of "sound." Pioneer will offer new products and value propositions that combine its specialization in "sound" with design and cultural elements. We will focus on all aspects of "sound" in people's lives, without confining our activities to existing businesses or technologies.

In the speaker business, Pioneer is working to raise efficiency and expand business by concentrating at Tohoku Pioneer Corporation speaker development and production ranging from car speakers and home-use speakers to speaker units for cellular phones and TVs.

In the FA systems business and electronic devices and parts business, Pioneer seeks to expand its business domains and scope of operations by responding to demand from outside the electronics industry through the application of highly versatile technologies developed over the years. We will focus on FA systems such as automotive and precision components production equipment, semiconductors and other electronic devices and parts.

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; (ii) exchange rates, particularly between the yen and the U.S. dollar, 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 highly rated products and services in extremely competitive markets, which are characterized by continual product launches, rapid technological development, intense price-based competition, subjective and changing consumer preferences and other factors; (iv) our ability to successfully implement our business strategies; (v) our ability to compete, as well as develop and implement successful sales and distribution strategies, in light of technological developments in and affecting our businesses; (vi) our continued ability to devote sufficient resources to research and development, and capital expenditure; (vii) our ability to continuously enhance our brand image; (viii) the success of our joint ventures and alliances; (ix) the success of our business restructuring plans; and (x) the outcome of contingencies.

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

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The U.S. dollar amounts in this release represent translations of Japanese yen, for convenience only, at the rate of ¥104=US$1.00, the approximate rate prevailing on September 30, 2008.

Attached are consolidated financial statements for the three months and the six months ended September 30, 2008.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	September 30			March 31	
	2008	2007	Increase (Decrease)	2008	Increase (Decrease)
ASSETS					
Current assets:					
Cash and cash equivalents	¥ 72,431	¥ 82,120	¥ (9,689)	¥ 81,180	¥ (8,749)
Trade receivables, less allowance	87,221	123,552	(36,331)	93,068	(5,847)
Inventories	125,864	137,762	(11,898)	104,168	21,696
Other current assets	73,154	72,117	1,037	70,821	2,333
Total current assets	358,670	415,551	(56,881)	349,237	9,433
Investments and long-term receivables	28,000	25,133	2,867	36,397	(8,397)
Property, plant and equipment, less depreciation	122,479	146,703	(24,224)	122,752	(273)
Intangible assets	16,578	19,192	(2,614)	17,738	(1,160)
Deferred income taxes	30,918	36,617	(5,699)	39,915	(8,997)
Other assets	14,902	11,778	3,124	10,077	4,825
Total assets	¥571,547	¥654,974	¥(83,427)	¥576,116	¥ (4,569)
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Short-term borrowings	¥ 56,562	¥ 38,833	¥ 17,729	¥ 14,812	¥ 41,750
Current portion of long-term debt	2,799	14,962	(12,163)	13,672	(10,873)
Trade payables	94,422	114,685	(20,263)	86,195	8,227
Accrued liabilities	90,631	96,985	(6,354)	80,632	9,999
Other current liabilities	20,674	16,042	4,632	26,696	(6,022)
Total current liabilities	265,088	281,507	(16,419)	222,007	43,081
Long-term debt	68,912	73,943	(5,031)	72,041	(3,129)
Other long-term liabilities	41,250	23,769	17,481	33,311	7,939
Total liabilities	375,250	379,219	(3,969)	327,359	47,891
Minority interests	1,447	2,383	(936)	1,362	85
Shareholders' equity:					
Common stock	69,824	49,049	20,775	69,824	–
Capital surplus	103,578	82,995	20,583	103,578	–
Retained earnings	92,242	174,083	(81,841)	145,295	(53,053)
Accumulated other comprehensive loss	(59,668)	(20,296)	(39,372)	(60,178)	510
Treasury stock	(11,126)	(12,459)	1,333	(11,124)	(2)
Total shareholders' equity	194,850	273,372	(78,522)	247,395	(52,545)
Total liabilities, minority interests and shareholders' equity	¥571,547	¥654,974	¥(83,427)	¥576,116	¥ (4,569)

Breakdown of accumulated other comprehensive loss:					
Pension liability adjustments	¥ (14,282)	¥ (5,105)	¥ (9,177)	¥ (12,279)	¥ (2,003)
Net unrealized gains on securities	2,323	6,116	(3,793)	1,943	380
Foreign currency translation adjustments	(47,709)	(21,307)	(26,402)	(49,842)	2,133
Total accumulated other comprehensive loss	¥ (59,668)	¥ (20,296)	¥(39,372)	¥ (60,178)	¥ 510

(2) CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions of yen)

	Three months ended September 30		
	2008	2007	% to prior year
Operating revenue:			
Net sales	¥165,991	¥200,212	82.9%
Royalty revenue	85	308	27.6
Total operating revenue	166,076	200,520	82.8
Operating costs and expenses:			
Cost of sales	132,945	154,998	85.8
Selling, general and administrative expenses	40,003	44,583	89.7
Total operating costs and expenses	172,948	199,581	86.7
Operating income (loss)	(6,872)	939	–
Other income (expenses):			
Business restructuring expenses	(15,616)	–	–
Write-down of marketable securities and sundry investments	(8,651)	(5)	–
Interest income	991	1,124	88.2
Foreign exchange gain (loss)	36	(261)	–
Interest expense	(800)	(386)	207.3
Other—net	(289)	49	–
Total other income (expenses)	(24,329)	521	–
Income (loss) before income taxes	(31,201)	1,460	–
Income taxes	13,922	3,927	354.5
Minority interest in earnings of subsidiaries	(49)	(46)	106.5
Equity in earnings (losses) of affiliated companies	(62)	118	–
Net loss	¥ (45,234)	¥ (2,395)	–%

(In millions of yen)

	Six months ended September 30		
	2008	2007	% to prior year
Operating revenue:			
Net sales	¥326,898	¥382,746	85.4%
Royalty revenue	144	415	34.7
Total operating revenue	327,042	383,161	85.4
Operating costs and expenses:			
Cost of sales	261,964	293,731	89.2
Selling, general and administrative expenses	78,169	87,168	89.7
Total operating costs and expenses	340,133	380,899	89.3
Operating income (loss)	(13,091)	2,262	–
Other income (expenses):			
Business restructuring expenses	(15,616)	–	–
Write-down of marketable securities and sundry investments	(8,651)	(5)	–
Interest income	2,026	2,914	69.5
Foreign exchange gain	259	168	154.2
Interest expense	(1,215)	(929)	130.8
Other—net	(589)	13,235	–
Total other income (expenses)	(23,786)	15,383	–
Income (loss) before income taxes	(36,877)	17,645	–
Income taxes	15,881	7,578	209.6
Minority interest in earnings of subsidiaries	(97)	(138)	70.3
Equity in earnings (losses) of affiliated companies	(123)	7	–
Net income (loss)	¥ (52,978)	¥ 9,936	–%

(3) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
I. Cash flows from operating activities:				
Net income (loss)	¥(45,234)	¥ (2,395)	¥(52,978)	¥ 9,936
Depreciation and amortization	6,550	8,055	13,480	16,772
Deferred income taxes	11,751	1,409	12,050	3,268
Write-down of marketable securities and sundry investments	8,651	5	8,651	5
Loss (Gain) on sale and disposal of fixed assets, net	(219)	273	(541)	(12,650)
(Increase) decrease in trade receivables	15,833	4,198	5,215	(5,191)
Increase in inventories	(9,132)	(10,607)	(23,255)	(32,309)
Increase (decrease) in trade payables	(5,612)	(1,283)	7,774	22,636
Increase in other accrued liabilities	20,893	9,964	10,829	519
Other	(663)	(604)	(6,867)	(8,151)
Net cash provided by (used in) operating activities	2,818	9,015	(25,642)	(5,165)
II. Cash flows from investing activities:				
Payment for purchase of fixed assets	(7,280)	(9,850)	(16,170)	(25,310)
Payment for purchase of shares of consolidated subsidiaries	–	(638)	–	(14,342)
Other	313	1,386	906	2,897
Net cash used in investing activities	(6,967)	(9,102)	(15,264)	(36,755)
III. Cash flows from financing activities:				
Increase (decrease) in short-term borrowings and long-term debt	451	(372)	31,744	24,327
Dividends paid	–	–	(513)	(872)
Other	(206)	(883)	(362)	(1,762)
Net cash provided by (used in) financing activities	245	(1,255)	30,869	21,693
Effect of exchange rate changes on cash and cash equivalents	(3,049)	(3,044)	1,288	527
Net decrease in cash and cash equivalents	(6,953)	(4,386)	(8,749)	(19,700)
Cash and cash equivalents, beginning of period	79,384	86,506	81,180	101,820
Cash and cash equivalents, end of period	¥72,431	¥82,120	¥72,431	¥82,120

Free cash flows (I + II)	¥ (4,149)	¥ (87)	¥(40,906)	¥(41,920)

(4) OPERATING REVENUE BY SEGMENT

(In millions of yen)

	Three months ended September 30				
	2008		2007		% to
	Amount	% to total	Amount	% to total	prior year
Domestic	¥ 28,428	17.1%	¥ 28,415	14.2%	100.0%
Overseas	57,118	34.4	64,315	32.0	88.8
Car Electronics	85,546	51.5	92,730	46.2	92.3
Domestic	6,747	4.1	10,612	5.3	63.6
Overseas	55,842	33.6	78,837	39.3	70.8
Home Electronics	62,589	37.7	89,449	44.6	70.0
Domestic	10,668	6.4	10,516	5.2	101.4
Overseas	7,273	4.4	7,825	4.0	92.9
Others	17,941	10.8	18,341	9.2	97.8
Domestic	45,843	27.6	49,543	24.7	92.5
Overseas	120,233	72.4	150,977	75.3	79.6
Total	¥166,076	100.0%	¥200,520	100.0%	82.8%

(In millions of yen)

	Six months ended September 30				
	2008		2007		% to
	Amount	% to total	Amount	% to total	prior year
Domestic	¥ 63,320	19.4%	¥ 60,873	15.9%	104.0%
Overseas	110,321	33.7	128,874	33.6	85.6
Car Electronics	173,641	53.1	189,747	49.5	91.5
Domestic	13,375	4.1	23,375	6.1	57.2
Overseas	106,557	32.6	135,505	35.4	78.6
Home Electronics	119,932	36.7	158,880	41.5	75.5
Domestic	21,037	6.4	20,871	5.4	100.8
Overseas	12,432	3.8	13,663	3.6	91.0
Others	33,469	10.2	34,534	9.0	96.9
Domestic	97,732	29.9	105,119	27.4	93.0
Overseas	229,310	70.1	278,042	72.6	82.5
Total	¥327,042	100.0%	¥383,161	100.0%	85.4%

(5) SEGMENT INFORMATION

The following segment information is prepared pursuant to the regulations under the Financial Instruments and Exchange Law of Japan.

<Business Segments>

(In millions of yen)

	Three months ended September 30					
	2008		2007		% to prior year	
	Operating Revenue	Operating Income(Loss)	Operating Revenue	Operating Income(Loss)	Operating Revenue	Operating Income(Loss)
Car Electronics	¥ 86,019	¥ 1,072	¥ 93,274	¥ 6,026	92.2%	17.8%
Home Electronics	62,758	(6,953)	89,644	(4,105)	70.0	–
Others	26,036	443	27,154	270	95.9	164.1
Total	174,813	(5,438)	210,072	2,191	83.2	–
Corporate and Eliminations	(8,737)	(1,434)	(9,552)	(1,252)	–	–
Consolidated	¥166,076	¥ (6,872)	¥200,520	¥ 939	82.8%	–%

(In millions of yen)

	Six months ended September 30					
	2008		2007		% to prior year	
	Operating Revenue	Operating Income(Loss)	Operating Revenue	Operating Income(Loss)	Operating Revenue	Operating Income(Loss)
Car Electronics	¥174,583	¥ 2,776	¥190,785	¥13,635	91.5%	20.4%
Home Electronics	120,214	(14,347)	159,236	(9,542)	75.5	–
Others	50,034	179	51,966	(480)	96.3	–
Total	344,831	(11,392)	401,987	3,613	85.8	–
Corporate and Eliminations	(17,789)	(1,699)	(18,826)	(1,351)	–	–
Consolidated	¥327,042	¥(13,091)	¥383,161	¥ 2,262	85.4%	–%

Notes:

1. The Company’s consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, except for the disclosure of segment information.
2. The Company’s business is classified into three segments: “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:
     plasma displays, LCD TVs, DVD recorders, DVD players, DVD drives, Blu-ray Disc players, Blu-ray Disc drives, audio systems, audio components, DJ equipment and equipment for cable TV systems
   - Others:
     organic light-emitting diode displays, factory automation systems, speaker units, electronics devices and parts, telephones, AV accessories, business-use AV systems and licensing of patents related to laser optical disc technologies
3. Effective from the first quarter of fiscal 2009, the patent licensing business, which was previously classified as an independent business segment, has been included in the “Others” segment because of its reduced importance to consolidated business results. Figures for the corresponding period of fiscal 2008 have been reclassified.