PIONEER CORPORATION
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News Release

For Immediate Release
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Pioneer Announces Business Results for 2Q Fiscal 2010

TOKYO — Pioneer Corporation today announced its consolidated second-quarter and semiannual business results for the periods ended September 30, 2009.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Three months ended September 30			**Six months** ended September 30		
	2009	2008	% to prior year	2009	2008	% to prior year
Net sales	¥107,976	¥166,076	65.0%	¥203,733	¥327,042	62.3%
Operating loss	(14,004)	(7,515)	–	(22,760)	(14,340)	–
Ordinary loss	(15,329)	(8,023)	–	(24,270)	(13,540)	–
Net loss	¥ (36,758)	¥ (34,584)	–%	¥ (40,857)	¥ (44,071)	–%
Net loss per share	¥(179.30)	¥(168.69)		¥(199.29)	¥(214.96)	

Consolidated Business Results

For the second quarter of fiscal 2010, the three months ended September 30, 2009, consolidated net sales decreased 35.0% from the second quarter of fiscal 2009 to ¥107,976 million (US$1,199.7 million). This was mainly the result of a decline in sales of car electronics products, which largely reflected generally weak economic conditions and the impact of the yen's appreciation, as well as lower sales in the plasma display business, from which Pioneer will withdraw.

Pioneer recorded an operating loss of ¥14,004 million (US$155.6 million), compared with an operating loss of ¥7,515 million in the second quarter of fiscal 2009. The larger operating loss reflected the drop in net sales and deterioration in the gross profit margin, despite lower selling, general and administrative (SG&A) expenses, mainly owing to restructuring benefits. The net loss increased from ¥34,584 million in the second quarter of fiscal 2009 to ¥36,758 million (US$408.4 million). This change mainly

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reflected restructuring costs of ¥17,738 million (US$197.1 million) incurred primarily due to the implementation of early retirement programs, despite decreased income taxes.

During the second quarter of fiscal 2010, the average value of the Japanese yen appreciated 15.0% against the U.S. dollar and 21.1% against the euro, compared with the second quarter of fiscal 2009.

Car Electronics sales decreased 29.5% year on year to ¥60,330 million (US$670.3 million) because of lower sales of both car audio products and car navigation systems, partly as the worldwide auto market has yet to stage a convincing recovery. In car navigation systems, consumer-market sales declined year on year, due to lower sales in Europe, Japan and North America. OEM sales decreased because of lower sales in North America, Japan and China. In car audio products, consumer-market sales declined, mainly due to lower overseas sales. OEM sales decreased mainly because of lower sales in North America. Total OEM sales in this segment accounted for approximately 42% of Car Electronics sales, compared with approximately 40% in the second quarter of fiscal 2009.

In terms of geographic sales, sales in Japan decreased 16.0% to ¥23,874 million (US$265.3 million), and overseas sales declined 36.2% to ¥36,456 million (US$405.1 million).

This segment recorded an operating loss of ¥5,312 million (US$59.0 million), compared with operating income of ¥1,072 million in the second quarter of fiscal 2009. This was mainly due to the drop in net sales and deterioration in the gross profit margin caused by a decline in production volume and the impact of the strong yen.

Home Electronics sales decreased 45.7% year on year to ¥33,979 million (US$377.5 million). Despite increased sales of Blu-ray Disc drives, the decrease in Home Electronics sales largely reflected lower overseas sales in the plasma display business, from which Pioneer will withdraw by the end of fiscal 2010.

In terms of geographic sales, sales in Japan decreased 12.4% to ¥5,909 million (US$65.7 million), and overseas sales declined 49.7% to ¥28,070 million (US$311.9 million).

This segment recorded an operating loss of ¥8,153 million (US$90.6 million), compared with an operating loss of ¥6,953 million in the second quarter of fiscal 2009. The larger operating loss mainly resulted from the drop in net sales and deterioration in the gross profit margin, despite lower SG&A expenses, mainly owing to restructuring benefits.

In the **Others** segment, sales decreased 23.8% year on year to ¥13,667 million (US$151.9 million) due to lower sales of factory automation systems and speaker units for cellular phones.

In terms of geographic sales, sales in Japan decreased 15.5% to ¥9,012 million (US$100.1 million), and overseas sales declined 36.0% to ¥4,655 million (US$51.7 million).

The operating loss in this segment was ¥205 million (US$2.3 million) compared with operating income of ¥443 million in the second quarter of fiscal 2009. The operating loss resulted from the drop in net sales and deterioration in the gross profit margin.

For the first half of fiscal 2010, the six months ended September 30, 2009, consolidated net sales decreased 37.7% to ¥203,733 million (US$2,263.7 million). Pioneer recorded an operating loss of ¥22,760 million (US$252.9 million) compared with an operating loss of ¥14,340 million in the first half of fiscal 2009. It also posted a net loss of ¥40,857 million (US$454.0 million) compared with a net loss of ¥44,071 million in the same period of fiscal 2009. The improvement mainly reflected the recording of a gain on sales of noncurrent assets such as patents related to plasma displays, and decreased income taxes.

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

Consolidated Financial Position

Total assets as of September 30, 2009 were ¥396,165 million (US$4,401.8 million), a decrease of ¥32,928 million from March 31, 2009, mainly reflecting decreases in inventories as well as property, plant and equipment and intangible assets. Inventories declined ¥19,376 million from March 31, 2009 to ¥65,510 million (US$727.9 million), reflecting progress with inventory reductions in the plasma display business, from which we will withdraw, as well as reduced inventories in the Car Electronics business. Property, plant and equipment decreased ¥8,800 million from March 31, 2009 to ¥103,367 million (US$1,148.5 million) as we curtailed capital expenditures. Intangible assets were ¥36,558 million (US$406.2 million), a decrease of ¥8,240 million from the previous fiscal year-end, mainly due to curbs on new acquisitions and the sale of patents.

Total liabilities as of September 30, 2009 were ¥329,443 million (US$3,660.5 million), an increase of ¥12,198 million from March 31, 2009. This mainly reflected an increase of ¥15,371 million in trade payables accompanying increased production.

Total equity was ¥66,722 million (US$741.4 million), a decrease of ¥45,126 million from March 31, 2009. This chiefly reflected the recording of a net loss of ¥40,857 million (US$454.0 million).

Cash Flows

During the first half of fiscal 2010 (April 1 to September 30, 2009), operating activities provided net cash of ¥5,926 million (US$65.8 million). The main factors increasing cash were the addback of non-cash expenses, including depreciation and amortization of ¥21,006 million (US$233.4 million), as well as a decrease in inventories of ¥17,888 million (US$198.8 million) and an increase in trade payables of ¥16,822 million (US$186.9 million). These factors were partially offset by a loss before income taxes and minority interests of ¥37,898 million (US$421.1 million). Net cash used in investing activities was ¥2,099 million (US$23.3 million), despite the payment of ¥11,456 million (US$127.3 million) for new purchases of noncurrent assets, owing to proceeds of ¥9,116 million (US$101.3 million) from sales of noncurrent assets such as patents. Financing activities used net cash of ¥631 million (US$7.0 million), mainly due to the repayment of debt.

Consequently, cash and cash equivalents at September 30, 2009 were ¥65,201 million (US$724.5 million), up ¥1,455 million from March 31, 2009.

Business Forecasts for Fiscal 2010

Consolidated full-year business forecasts for fiscal 2010, ending March 31, 2010, have not been changed from those announced on October 29, 2009, as shown below.

We are assuming an average yen-U.S. dollar exchange rate in the second half of fiscal 2010 of ¥90 and a yen-euro exchange rate of ¥130 for these forecasts.

(In millions of yen)

	Forecasts for fiscal 2010	Results for fiscal 2009
Net sales	¥451,000	¥ 558,837
Operating loss	(25,500)	(54,529)
Ordinary loss	(30,000)	(54,420)
Net loss	¥ (59,500)	¥(130,529)

Issues to Be Addressed

Pioneer is currently implementing drastic restructuring comprising measures to realign the business portfolio, streamline the business framework of the entire Pioneer group, and improve the Company's financial position. Progress with restructuring is as follows.

Regarding business portfolio realignment, in its core Car Electronics business, Pioneer has executed joint development agreement on car navigation platforms with Mitsubishi Electric Corporation, and is vigorously pursuing joint development work. We also established a joint venture in October 2009 with Shanghai Automotive Industry Corporation (Group) of China and the operations will start in November 2009. In the display business, Pioneer terminated production in August 2009 and plans to completely withdraw from this business after ending plasma TV sales by March 31, 2010, as scheduled. Regarding the optical disc joint venture with Sharp Corporation, the joint venture plans to promptly begin operations as procedures related to compliance with anti-trust laws overseas have been completed. In connection with the formation of this joint venture, in fiscal 2010, we expect to save approximately ¥16 billion in restructuring costs and curtail cash outflows by approximately ¥6 billion.

Regarding streamlining the business framework of the entire Pioneer group, we are consolidating our current network of production companies around the world. Five companies have already been closed and the operations of one company have been downsized. Going forward, we plan to close three additional companies and downsize the operations of five more companies by March 31, 2010. Phased production transfers from the remaining one company are currently under way, and we plan to close this company by the end of the first half of fiscal 2011. Regarding our sales structures in Japan, in October 2009, we integrated domestic sales divisions and several sales companies in the Car Electronics and Home Electronics businesses into single sales companies for each business, in order to raise efficiency. Regarding streamlining overseas sales structures, we are currently implementing measures in North America and Europe. Furthermore, we are proceeding with the integration of Pioneer's network of five operating bases in Japan's Kanto region into two locations at the cities of Kawasaki and Kawagoe, and expect to relocate the Head Office on November 24, 2009 from Meguro to Kawasaki. After the relocation is complete, we plan to promptly sell the current Meguro Head Office site to generate cash. In line with these measures, we implemented early retirement programs in Japan with a retirement date of September 30, 2009, resulting in the retirement of roughly 1,600 employees (including 1,204 employees related to Pioneer Corporation). There has been a decrease in group-wide personnel of around 6,300 regular employees and about 1,900 temporary and contract employees (excluding the retirees as of September 30, 2009) compared with the workforce as of December 31, 2008.

Regarding improving the Company's financial position, Pioneer has continued working to generate cash by actively reducing inventories and other accounts. Pioneer expects substantial free cash flow improvement due to a smaller operating loss than originally planned, and to a boost from savings in restructuring costs. Furthermore, Pioneer's main banks have agreed to maintain their existing loans to the Company. As a result, Pioneer now expects that the amount of funds needed to implement its medium-term management plan will be reduced to around half of the original estimate of approximately ¥40 billion. The Company will reduce this amount further through the sale of assets, including the Head Office site. However, we will continue discussions on financial partnerships with potential sponsors. In addition, Pioneer plans to determine the timeframe for a ¥2.5 billion third-party allotment of shares to Honda Motor Co., Ltd. by the time the Company reaches agreement on financial partnerships with other potential sponsors.

In this manner, restructuring is proceeding largely on schedule. Going forward, we will continue making every effort to bring this restructuring to a successful conclusion.

Material Events Regarding Going Concern Assumption

Pioneer's financial position remains under strain due to a sharp drop in net sales and large losses, although operating cash flow turned positive in the second quarter of fiscal 2010. As a result, conditions have given rise to material uncertainty about Pioneer's ability to continue its business activities into the future. However, Pioneer believes that this uncertainty can be avoided by steadily implementing the drastic restructuring that is currently under way.

Also, from fiscal 2009, the Company's business performance and financial position have triggered breaches of financial covenants stipulated by loan agreements with multiple banks. However, in recognition of the Company's situation as described above, the banks have agreed to maintain their existing loans to Pioneer under the terms of loan agreements. Furthermore, Pioneer has received loans on an ongoing basis chiefly from its main banks, which have pledged their intention to continue providing financial support to the Company. Pioneer remains committed to improving its performance by implementing restructuring, while working hard to ensure the continued support of the banks.

Details of progress with restructuring are provided in the "Issues to Be Addressed" section shown above.

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 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 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 restructuring plans; 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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The U.S. dollar amounts in this release represent translations of Japanese yen, for convenience only, at the rate of ¥90=US$1.00, the approximate rate prevailing on September 30, 2009.

Attached are consolidated financial statements for the three months and the six months ended September 30, 2009.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	September 30, 2009	March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	¥ 65,201	¥ 63,745
Trade receivables	65,263	60,989
Merchandise and finished goods	33,845	45,169
Work in process	11,628	14,699
Raw materials and supplies	20,037	25,018
Deferred tax assets	6,814	7,097
Other current assets	14,495	17,420
Allowance for doubtful receivables	(2,021)	(2,035)
Total current assets	215,262	232,102
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	101,536	102,285
Machinery, vehicles, tools, furniture and fixtures	177,045	176,593
Others	33,473	34,078
Accumulated depreciation	(208,687)	(200,789)
Total property, plant and equipment	103,367	112,167
Intangible assets:		
Goodwill	1,380	1,420
Software	33,602	39,215
Others	1,576	4,163
Total intangible assets	36,558	44,798
Investments and other assets:		
Investment securities	21,909	18,972
Deferred tax assets	11,142	12,484
Others	7,859	8,470
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	40,903	39,919
Total noncurrent assets	180,828	196,884
Deferred assets	75	107
Total assets	¥396,165	¥429,093

(In millions of yen)

	September 30, 2009	March 31, 2009
LIABILITIES		
Current liabilities:		
Trade payables	¥ 56,169	¥ 40,798
Short-term borrowings	110,536	110,000
Current portion of long-term debt	2,664	2,664
Accrued income taxes	3,522	4,153
Accrued expenses	57,068	50,763
Warranty reserve	3,934	4,222
Other current liabilities	14,364	19,820
Total current liabilities	248,257	232,420
Long-term liabilities:		
Bonds payable	60,600	60,600
Long-term debt	5,305	6,515
Accrued pension and severance costs	10,197	12,704
Other long-term liabilities	5,084	5,006
Total long-term liabilities	81,186	84,825
Total liabilities	329,443	317,245
EQUITY		
Shareholders' equity:		
Common stock	69,824	69,824
Capital surplus	102,054	102,054
Retained earnings	(27,607)	13,250
Treasury stock	(11,124)	(11,124)
Total shareholders' equity	133,147	174,004
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	4,934	1,552
Deferred gain (loss) on derivatives under hedge accounting	(81)	42
Foreign currency translation adjustments	(70,980)	(63,549)
Pension adjustments recognized by foreign consolidated subsidiaries	(1,485)	(1,551)
Total valuation and translation adjustments	(67,612)	(63,506)
Minority interests	1,187	1,350
Total equity	66,722	111,848
Total liabilities and equity	¥396,165	¥429,093

(2) CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions of yen)

	Three months ended September 30	
	2008	2009
Net sales	¥166,076	¥107,976
Cost of sales	133,247	95,653
Gross profit	32,829	12,323
Selling, general and administrative expenses	40,344	26,327
Operating loss	(7,515)	(14,004)
Non-operating income:		
Interest income	991	172
Dividends income	–	48
Subsidy income	–	402
Others	393	262
Total non-operating income	1,384	884
Non-operating loss:		
Interest expenses	896	876
Foreign exchange loss	655	323
Others	341	1,010
Total non-operating loss	1,892	2,209
Ordinary loss	(8,023)	(15,329)
Extraordinary income:		
Gain on sales of noncurrent assets	251	108
Others	1	122
Total extraordinary income	252	230
Extraordinary loss:		
Impairment loss	586	28
Loss on valuation of investment securities	–	16
Restructuring costs	15,728	17,738
Others	487	996
Total extraordinary loss	16,801	18,778
Loss before income taxes and minority interests	(24,572)	(33,877)
Income taxes—current	6,471	737
Income taxes—deferred	3,492	2,040
Total income taxes	9,963	2,777
Minority interests in income	49	104
Net loss	¥ (34,584)	¥ (36,758)

(In millions of yen)

	Six months ended September 30	
	2008	2009
Net sales	¥327,042	¥203,733
Cost of sales	262,643	182,004
Gross profit	64,399	21,729
Selling, general and administrative expenses	78,739	44,489
Operating loss	(14,340)	(22,760)
Non-operating income:		
Interest income	2,026	345
Dividends income	–	261
Foreign exchange income	210	58
Subsidy income	–	402
Others	814	441
Total non-operating income	3,050	1,507
Non-operating loss:		
Interest expenses	1,651	1,641
Others	599	1,376
Total non-operating loss	2,250	3,017
Ordinary loss	(13,540)	(24,270)
Extraordinary income:		
Gain on sales of noncurrent assets	789	6,062
Others	68	130
Total extraordinary income	857	6,192
Extraordinary loss:		
Impairment loss	1,445	28
Loss on valuation of investment securities	–	363
Restructuring costs	15,728	18,376
Others	580	1,053
Total extraordinary loss	17,753	19,820
Loss before income taxes and minority interests	(30,436)	(37,898)
Income taxes—current	9,112	1,407
Income taxes—deferred	4,426	1,516
Total income taxes	13,538	2,923
Minority interests in income	97	36
Net loss	¥ (44,071)	¥ (40,857)

(3) CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions of yen)

	Six months ended September 30	
	2008	2009
I. Cash flows from operating activities:		
Loss before income taxes and minority interests	¥(30,436)	¥(37,898)
Depreciation and amortization	20,559	21,006
Impairment loss	1,445	28
Decrease in accrued pension and severance costs	–	(2,526)
Interest and dividends income	(2,404)	(606)
Interest expenses	1,651	1,641
Loss on valuation of investment securities	489	363
Gain on sales and disposal of noncurrent assets	(698)	(5,010)
Decrease (increase) in trade receivables	5,215	(4,850)
Decrease (increase) in inventories	(23,552)	17,888
Increase in trade payables	7,774	16,822
Increase in accrued expenses	11,448	6,504
Other, net	(3,444)	(2,983)
Subtotal	(11,953)	10,379
Interest and dividends income received	2,118	546
Interest expenses paid	(1,449)	(1,656)
Income taxes paid	(5,962)	(3,343)
Net cash provided by (used in) operating activities	(17,246)	5,926
II. Cash flows from investing activities:		
Purchase of noncurrent assets	(24,571)	(11,456)
Proceeds from sales of noncurrent assets	1,094	9,116
Proceeds from sales of investment securities	137	200
Other, net	(320)	41
Net cash used in investing activities	(23,660)	(2,099)
III. Cash flows from financing activities:		
Net increase in short-term borrowings	43,354	803
Repayment of long-term debt	(1,610)	(1,210)
Redemption of bonds	(10,000)	–
Dividends paid	(513)	–
Other, net	(362)	(224)
Net cash provided by (used in) financing activities	30,869	(631)
Effect of exchange rate changes on cash and cash equivalents	1,288	(1,741)
Net increase (decrease) in cash and cash equivalents	(8,749)	1,455
Cash and cash equivalents, beginning of period	81,180	63,746
Cash and cash equivalents, end of period	¥ 72,431	¥ 65,201

(4) SEGMENT INFORMATION

＜Net Sales by Segment＞

(In millions of yen)

	Three months ended September 30				
	2008		2009		% to prior year
	Amount	% to total	Amount	% to total	
Domestic	¥ 28,428	17.1%	¥ 23,874	22.1%	84.0%
Overseas	57,118	34.4	36,456	33.8	63.8
Car Electronics	85,546	51.5	60,330	55.9	70.5
Domestic	6,747	4.1	5,909	5.5	87.6
Overseas	55,842	33.6	28,070	26.0	50.3
Home Electronics	62,589	37.7	33,979	31.5	54.3
Domestic	10,668	6.4	9,012	8.3	84.5
Overseas	7,273	4.4	4,655	4.3	64.0
Others	17,941	10.8	13,667	12.6	76.2
Domestic	45,843	27.6	38,795	35.9	84.6
Overseas	120,233	72.4	69,181	64.1	57.5
Total	¥166,076	100.0%	¥107,976	100.0%	65.0%

(In millions of yen)

	Six months ended September 30				
	2008		2009		% to prior year
	Amount	% to total	Amount	% to total	
Domestic	¥ 63,320	19.4%	¥ 48,504	23.8%	76.6%
Overseas	110,321	33.7	66,061	32.4	59.9
Car Electronics	173,641	53.1	114,565	56.2	66.0
Domestic	13,375	4.1	13,671	6.7	102.2
Overseas	106,557	32.6	50,013	24.6	46.9
Home Electronics	119,932	36.7	63,684	31.3	53.1
Domestic	21,037	6.4	17,281	8.5	82.1
Overseas	12,432	3.8	8,203	4.0	66.0
Others	33,469	10.2	25,484	12.5	76.1
Domestic	97,732	29.9	79,456	39.0	81.3
Overseas	229,310	70.1	124,277	61.0	54.2
Total	¥327,042	100.0%	¥203,733	100.0%	62.3%

<Business Segments>

(In millions of yen)

Three months ended September 30, 2008	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥85,546	¥62,589	¥17,941	¥166,076	–	¥166,076
Inter-segment	473	169	8,095	8,737	¥(8,737)	–
Total	86,019	62,758	26,036	174,813	(8,737)	166,076
Operating income (loss)	¥ 1,072	¥ (6,953)	¥ 443	¥ (5,438)	¥(2,077)	¥ (7,515)

(In millions of yen)

Three months ended September 30, 2009	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥60,330	¥33,979	¥13,667	¥107,976	–	¥107,976
Inter-segment	482	151	4,131	4,764	¥(4,764)	–
Total	60,812	34,130	17,798	112,740	(4,764)	107,976
Operating loss	¥ (5,312)	¥ (8,153)	¥ (205)	¥ (13,670)	¥ (334)	¥ (14,004)

(In millions of yen)

Six months ended September 30, 2008	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥173,641	¥119,932	¥33,469	¥327,042	–	¥327,042
Inter-segment	942	282	16,565	17,789	¥(17,789)	–
Total	174,583	120,214	50,034	344,831	(17,789)	327,042
Operating income (loss)	¥ 2,776	¥ (14,347)	¥ 179	¥ (11,392)	¥ (2,948)	¥ (14,340)

(In millions of yen)

Six months ended September 30, 2009	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥114,565	¥63,684	¥25,484	¥203,733	–	¥203,733
Inter-segment	867	333	7,701	8,901	¥(8,901)	–
Total	115,432	64,017	33,185	212,634	(8,901)	203,733
Operating income (loss)	¥ (14,005)	¥ (7,133)	¥ (1,820)	¥ (22,958)	¥ 198	¥ (22,760)

Note: Business segments are determined according to type of products and similarity of sales markets.

Notes:

1. Effective from fiscal 2010, “Net sales” has included “Other operating revenue” (Royalty revenue) because of its reduced importance to consolidated business results. Previously, “Net sales” and “Other operating revenue” composed “Operating revenue.” Figures for the previous year have been reclassified to conform to this presentation.
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:
   audio systems, audio components, DJ equipment, equipment for cable-TV systems, Blu-ray Disc players, Blu-ray Disc recorders, Blu-ray Disc drives, DVD players, DVD recorders, DVD drives and plasma displays
   Others:
   factory automation systems, speaker units, electronics devices and parts, organic light-emitting diode displays, telephones, AV accessories, business-use AV systems and licensing of patents related to laser optical disc technologies

Note relating to going concern assumption:

Not applicable.