

# News Release

**For Immediate Release  
November 10, 2010**

## **Pioneer Announces Business Results for 2Q Fiscal 2011**

Pioneer Corporation today announced its consolidated second-quarter business results for the period ended September 30, 2010.

### **Consolidated Financial Highlights**

(In millions of yen except per share information)

	<b>Three months</b>			<b>Six months</b>		
	ended September 30			ended September 30		
	2010	2009	Percent change	2010	2009	Percent change
Net sales	¥116,833	¥107,976	+8.2%	¥226,681	¥203,733	+11.3%
Operating income (loss)	4,301	(14,004)	-	6,669	(22,760)	-
Ordinary income (loss)	3,769	(15,329)	-	5,454	(24,270)	-
Net income (loss)	¥ 7,056	¥ (36,758)	-%	¥ 7,654	¥ (40,857)	-%
Net income (loss) per share	¥21.98	¥(179.30)		¥23.84	¥(199.29)	

### **Consolidated Business Results**

For the second quarter of fiscal 2011, the three months ended September 30, 2010, consolidated net sales increased 8.2% year on year from the second quarter of fiscal 2010 to ¥116,833 million (US\$1,390.9 million). Sales were lifted by increased sales of Blu-ray Disc drive-related products and higher sales of car electronics products centered on OEM. This was despite decreased sales of plasma displays, from which business Pioneer withdrew in fiscal 2010, and the negative impact of the Japanese yen's appreciation.

Pioneer posted operating income of ¥4,301 million (US\$51.2 million), compared with an operating loss of ¥14,004 million in the second quarter of fiscal 2010. This mainly reflected substantial improvement in the gross profit margin and reduced selling, general and administrative (SG&A) expenses owing to restructuring benefits, in addition to increased sales, despite the impact of the Japanese yen's appreciation. Net income was ¥7,056 million (US\$84.0 million) compared with a net loss of ¥36,758 million in the second quarter of fiscal 2010. This improvement reflected the improved operating income

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and a gain on the sale of noncurrent assets such as the Company's former Head Office. The net loss in the second quarter of fiscal 2010 included restructuring costs of ¥17,738 million.

During the second quarter of fiscal 2011, the average value of the Japanese yen appreciated 9.0% against the U.S. dollar and 20.8% against the euro, compared with the second quarter of fiscal 2010.

**Car Electronics** sales increased 5.9% year on year to ¥63,917 million (US\$760.9 million), despite the impact of the Japanese yen's appreciation. In car navigation systems, consumer-market sales rose year on year. Although sales decreased in North America and Europe, the growth in consumer-market sales mainly reflected higher sales in Japan, supported partly by the roll out of new products, despite the impact of a shortage of certain components. OEM sales increased due to higher sales in North America and Japan, despite lower sales in China. In car audio products, consumer-market sales were mostly unchanged from the second quarter of fiscal 2010, as lower sales in North America and Europe offset higher sales in newly emerging markets. OEM sales increased mainly due to higher sales in Japan and North America. Total OEM sales in this business segment accounted for approximately 45% of Car Electronics sales, compared with approximately 42% in the second quarter of fiscal 2010.

By geographic region, sales in Japan increased 15.9% to ¥27,671 million (US\$329.4 million), while overseas sales were mostly unchanged from the second quarter of fiscal 2010 at ¥36,246 million (US\$431.5 million).

This segment reported operating income of ¥3,684 million (US\$43.9 million) compared with an operating loss of ¥5,312 million in the second quarter of fiscal 2010. This change was mainly due to an improvement in the gross profit margin and reduced SG&A expenses owing to restructuring benefits and cost reduction measures, in addition to increased sales offsetting the impact of the Japanese yen's appreciation.

**Home Electronics** sales rose 18.0% year on year to ¥40,634 million (US\$483.7 million), despite the impact of the Japanese yen's appreciation. This mainly reflected substantial growth in sales of Blu-ray Disc drive-related products as an optical disc joint venture commenced operations in the second half of fiscal 2010, in addition to favorable sales of AV receivers, primarily in North America.

By geographic region, sales in Japan were ¥19,539 million (US\$232.6 million), approximately 3.1 times higher than in the second quarter of fiscal 2010, while overseas sales declined 25.2% to ¥21,095 million (US\$251.1 million).

Operating income in this segment was ¥714 million (US\$8.5 million), compared with an operating loss of ¥8,215 million in the second quarter of fiscal 2010, despite the impact of the Japanese yen's appreciation. This change was mainly due to an improvement in the gross profit margin and reduced SG&A expenses owing to restructuring benefits and cost reduction measures.

In the **Others** segment, sales decreased 7.1% year on year to ¥12,282 million (US\$146.2 million), mainly due to decreased sales of speaker units for cellular phones, despite higher sales of factory automation systems.

By geographic region, sales in Japan decreased 11.2% to ¥7,726 million (US\$92.0 million), while overseas sales were mostly unchanged from the second quarter of fiscal 2010 at ¥4,556 million (US\$54.2 million).

This segment reported operating income of ¥847 million (US\$10.1 million), compared with an operating loss of ¥143 million in the second quarter of fiscal 2010. This improvement reflected reduced SG&A expenses owing to restructuring benefits, despite lower sales.

For the first half of fiscal 2011, the six months ended September 30, 2010, consolidated net sales increased 11.3% year on year to ¥226,681 million (US\$2,698.6 million). Pioneer recorded operating income of ¥6,669 million (US\$79.4 million), compared with an operating loss of ¥22,760 million in the first half of fiscal 2010. It also posted net income of ¥7,654 million (US\$91.1 million), compared with a net loss of ¥40,857 million, including restructuring costs of ¥18,376 million, in the same period of fiscal 2010.

- Notes: 1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.
2. In the first quarter of fiscal 2011, AV accessories were reclassified from the Others segment to the Home Electronics segment. Consequently, figures for the second quarter of fiscal 2010 were also reclassified in accordance with the presentation used in the second quarter of fiscal 2011.

### **Consolidated Financial Position**

Total assets as of September 30, 2010 were ¥377,457 million (US\$4,493.5 million), a decrease of ¥12,262 million from March 31, 2010, mainly reflecting decreases in property, plant and equipment and investment securities, despite higher cash and deposits, and inventories. Cash and deposits increased ¥7,424 million to ¥97,669 million (US\$1,162.7 million). Inventories increased ¥5,654 million to ¥60,704 million (US\$722.7 million), reflecting the stockpiling of car electronics and home electronics inventories in line with sales projections for the third quarter of fiscal 2011 and beyond. Meanwhile, property, plant and equipment decreased ¥12,478 million to ¥77,586 million (US\$923.6 million), partly due to the sale of the Company's former Head Office and other assets, in addition to curbs on capital expenditures. Investment securities decreased ¥4,385 million to ¥12,635 million (US\$150.4 million) due to a fall in the market price of shares held.

Total liabilities as of September 30, 2010 were ¥293,043 million (US\$3,488.6 million), a decrease of ¥6,022 million from March 31, 2010. This mainly reflected a decrease in borrowings of ¥4,445 million.

Total equity was ¥84,414 million (US\$1,004.9 million), a decrease of ¥6,240 million from March 31, 2010, despite net income of ¥7,654 million (US\$91.1 million). This reflected a deterioration of ¥9,568 million in foreign currency translation adjustments due to the yen's appreciation, in addition to a decrease of ¥3,944 million in unrealized gain on available-for-sale securities mainly due to the decline in the market price of shares held.

### **Cash Flows**

During the first half of fiscal 2011, operating activities provided net cash of ¥15,261 million (US\$181.7 million). The main factors providing cash were income before income taxes and minority interests of ¥10,443 million (US\$124.3 million), and the addback of non-cash expenses, namely depreciation and amortization of ¥16,090 million (US\$191.5 million) and an increase in trade payables of ¥8,254 million (US\$98.3 million), despite an increase in inventories of ¥9,187 million (US\$109.4 million), and a gain of ¥4,673 million (US\$55.6 million) on the sale and disposal of noncurrent assets. Investing activities

provided net cash of ¥137 million (US\$1.6 million). This mainly reflected proceeds of ¥11,917 million (US\$141.9 million) from the sale of noncurrent assets and investment securities, despite ¥11,079 million (US\$131.9 million) used for new purchases of noncurrent assets. Financing activities used net cash of ¥4,141 million (US\$49.3 million), mainly for the repayment of borrowings. In addition, cash and cash equivalents denominated in foreign currencies declined by ¥3,819 million (US\$45.5 million) upon translation into Japanese yen, due to the yen's sharp appreciation.

Consequently, cash and cash equivalents as of September 30, 2010 were ¥91,580 million (US\$1,090.2 million), up ¥7,438 million from March 31, 2010.

### **Business Forecasts for Fiscal 2011**

Consolidated full-year business forecasts for fiscal 2011, ending March 31, 2011, have been revised from those announced on May 13, 2010, as shown below.

	(In millions of yen)				
	Revised forecasts (A)	Previous forecasts (B)	Amount Change (A - B)	Percent change (A-B / B)	Full-year results for fiscal 2010
Net sales	¥460,000	¥480,000	¥(20,000)	-4.2%	¥438,998
Operating income (loss)	17,000	17,000	0	-	(17,514)
Ordinary income (loss)	12,500	12,500	0	-	(24,740)
Net income (loss)	¥ 11,000	¥ 11,000	¥ 0	-%	¥ (58,276)

The net sales forecast has been revised taking into account the recent foreign exchange situation, and a conservative estimate of consumption trends and the competitive environment from the third quarter of fiscal 2011 onward.

Despite the reduced sales forecast and negative impact of exchange rates, Pioneer has maintained its initial operating income forecast of ¥17.0 billion taking into account cost reduction measures centered on fixed costs. In addition, the ordinary income and net income forecasts remain unchanged.

For the revised forecasts, the yen-U.S. dollar exchange rate assumption for the third quarter onward is ¥80, ¥10 stronger than previously assumed, while the yen-euro exchange rate assumption is ¥110, ¥10 stronger than before.

### **Dividends**

The Company regrets that it will pay no interim dividend for fiscal 2011, as in fiscal 2010. The decision is attributable to several factors including the Company's financial position, despite forecasting consolidated operating income of ¥17.0 billion and consolidated net income of ¥11.0 billion for fiscal 2011. (Previously announced on September 8, 2010.)

### **Issues to Be Addressed**

Looking ahead, uncertain economic conditions are expected worldwide, along with the yen's sharp appreciation, making Pioneer's business environment extremely challenging.

Pioneer will address this harsh business environment by rigorously cutting costs, while implementing all manner of initiatives to increase sales. At the same time, the

Company will promote the following growth strategies.

First, to tackle the challenge of additional drastic cost reductions, we will continue to reduce costs by promoting the standardization and sharing of parts, components and modules in every process from planning to production and sales, along with utilizing OEM and other suppliers. Additionally, in collaboration with Mitsubishi Electric Corporation, we will work to reduce software development costs for car navigation systems.

Our second and third initiatives are to strengthen our alliance strategy and to expand our businesses in newly emerging markets, respectively. In the Car Electronics business, we are operating a joint venture with Shanghai Automotive Industry Corporation (Group), a major Chinese automaker. We aim to further enlarge our business in China by focusing on expanding business with Shanghai Automotive Industry, and by establishing an “Intelligent Transport System (ITS)” tailored to road and traffic conditions in China, as ITS is expected to become important to the Chinese market. In the Home Electronics business, Pioneer has formed a strategic alliance with Suning Appliance Co., Ltd., a major Chinese home electronics mass retailer. Through this alliance, Pioneer seeks to increase home AV product sales in the Chinese market. The alliance is making steady progress, highlighted by the launch of Pioneer brand-licensed LCD TVs in August this year.

Our fourth initiative is to establish new business models in the Car Electronics business. While taking full advantage of its proprietary probe (real-time vehicle driving) information, Pioneer will work to develop new businesses that provide information services and peripheral equipment for communications-oriented car navigation systems, targeting the expanding smartphone market. Through new businesses, Pioneer will propose new automotive life services to consumers. In October 2010 we formed a basic agreement with NTT Docomo, Inc. to collaborate on development and provision of a car navigation application for smartphones and an in-car smartphone cradle, as well as on joint development of an information service for smartphones. We aim to commercialize these products and services during fiscal 2011.

Our last initiative is to actively develop new businesses. We are focusing on accelerating the commercialization of newly developed technologies. In organic light emitting diode (OLED) lighting, where Pioneer is working in alliance with Mitsubishi Chemical Corporation, we are making steady progress towards beginning mass production in 2011. Going forward, Pioneer will supply OLED lighting panels to Mitsubishi Chemical, while both companies pursue further joint research on OLED lighting panels with printable emitting materials and examine the commercial feasibility of this technology. Meanwhile, HVT (Horizontal-Vertical Transforming) speaker technology has been put on the market as a Pioneer car audio speaker model. This technology enables slim speakers capable of producing rich bass sounds. Pioneer is also considering the development of other applications that leverage the advantages of these speakers in terms of their distinctive low-vibration, omni-directional properties, such as for home use.

Pioneer will continue to make every effort to implement the foregoing initiatives to achieve its initial earnings targets in fiscal 2011 and to drive future growth.

#### **Information Regarding Going Concern Assumption**

Pioneer’s financial position remained under strain in the previous fiscal year, due to a sharp drop in net sales and large losses. However, Pioneer’s financial position has

improved substantially, mainly due to measures implemented in March 2010, including stable funding secured through the refinancing of loans from financial institutions, and capital increases through an international offering.

In the first half of fiscal 2011, Pioneer restored profitability at the operating income and net income levels, supported by a large increase in net sales compared with the first half of fiscal 2010. As in fiscal 2010, Pioneer has continued to sell assets that have a low degree of relevance to its main businesses. The sale of the Company's former Head Office was completed on schedule at the end of July 2010. Cash and deposits as of the end of September 2010 were ¥97.7 billion. In light of the above, Pioneer has sufficient cash for the redemption of ¥60.0 billion in the aggregate principal amount of its convertible bonds due in March 2011.

As a result of the foregoing, the Company believes that material uncertainty about Pioneer's ability to continue its business activities into the future has been largely resolved.

#### **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; and (ix) 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 ¥84=US\$1.00, the approximate rate prevailing on September 30, 2010.

Attached are consolidated financial statements for the three months and the six months ended September 30, 2010.

**(1) CONSOLIDATED BALANCE SHEETS**

(In millions of yen)

	September 30, 2010	March 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash and deposits	¥ 97,669	¥ 90,245
Trade receivables	66,599	70,800
Merchandise and finished goods	29,486	25,218
Work in process	11,680	10,211
Raw materials and supplies	19,538	19,621
Deferred tax assets	5,841	5,808
Other current assets	13,848	13,845
Allowance for doubtful receivables	(1,741)	(1,875)
<b>Total current assets</b>	<b>242,920</b>	<b>233,873</b>
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	78,686	92,245
Machinery, vehicles, tools, furniture and fixtures	157,632	168,397
Others	25,653	29,395
Accumulated depreciation	(184,385)	(199,973)
<b>Total property, plant and equipment</b>	<b>77,586</b>	<b>90,064</b>
Intangible assets:		
Goodwill	1,303	1,343
Software	25,668	28,357
Others	1,717	1,603
<b>Total intangible assets</b>	<b>28,688</b>	<b>31,303</b>
Investments and other assets:		
Investment securities	12,635	17,020
Deferred tax assets	8,841	9,389
Others	6,548	7,762
Allowance for doubtful accounts	(0)	(10)
<b>Total investments and other assets</b>	<b>28,024</b>	<b>34,161</b>
<b>Total noncurrent assets</b>	<b>134,298</b>	<b>155,528</b>
Deferred assets	239	318
<b>Total assets</b>	<b>¥ 377,457</b>	<b>¥ 389,719</b>

(In millions of yen)

	September 30, 2010	March 31, 2010
<b>LIABILITIES</b>		
Current liabilities:		
Trade payables	¥ 62,327	¥ 57,694
Short-term borrowings	11,398	14,567
Current portion of long-term debt	37,478	2,553
Current portion of bonds	60,600	60,600
Accrued income taxes	3,961	5,016
Accrued expenses	37,923	39,813
Warranty reserve	3,089	3,504
Other current liabilities	12,459	15,420
<b>Total current liabilities</b>	<b>229,235</b>	<b>199,167</b>
Long-term liabilities:		
Long-term debt	50,676	86,877
Accrued pension and severance costs	9,310	9,300
Other long-term liabilities	3,822	3,721
<b>Total long-term liabilities</b>	<b>63,808</b>	<b>99,898</b>
<b>Total liabilities</b>	<b>293,043</b>	<b>299,065</b>
<b>EQUITY</b>		
Shareholders' equity:		
Common stock	87,257	87,257
Capital surplus	119,487	119,487
Retained earnings	(37,442)	(45,096)
Treasury stock	(11,050)	(11,049)
<b>Total shareholders' equity</b>	<b>158,252</b>	<b>150,599</b>
Valuation and translation adjustments:		
Unrealized gain on available-for-sale securities	953	4,897
Deferred loss on derivatives under hedge accounting	(323)	-
Foreign currency translation adjustments	(75,958)	(66,390)
Pension adjustments recognized by foreign consolidated subsidiaries	(1,787)	(1,946)
<b>Total valuation and translation adjustments</b>	<b>(77,115)</b>	<b>(63,439)</b>
Minority interests	3,277	3,494
<b>Total equity</b>	<b>84,414</b>	<b>90,654</b>
<b>Total liabilities and equity</b>	<b>¥377,457</b>	<b>¥389,719</b>



**(2) CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions of yen)

	Three months ended September 30	
	2009	2010
Net sales	¥107,976	¥116,833
Cost of sales	95,653	91,474
Gross profit	12,323	25,359
Selling, general and administrative expenses	26,327	21,058
Operating income (loss)	(14,004)	4,301
Non-operating income:		
Interest income	172	81
Dividends income	48	57
Foreign exchange gains	–	700
Subsidy income	402	8
Others	262	172
Total non-operating income	884	1,018
Non-operating expenses:		
Interest expenses	876	936
Foreign exchange loss	323	–
Others	1,010	614
Total non-operating expenses	2,209	1,550
Ordinary income (loss)	(15,329)	3,769
Extraordinary income:		
Gain on sales of noncurrent assets	108	5,270
Others	122	149
Total extraordinary income	230	5,419
Extraordinary loss:		
Loss on sales and disposal of noncurrent assets	–	476
Impairment loss	28	116
Loss on valuation of investment securities	16	–
Restructuring costs	17,738	–
Others	996	–
Total extraordinary losses	18,778	592
Income (loss) before income taxes and minority interests	(33,877)	8,596
Income taxes—current	737	1,194
Income taxes—deferred	2,040	303
Total income taxes	2,777	1,497
Income before minority interests	–	7,099
Minority interests in income	104	43
Net income (loss)	¥ (36,758)	¥ 7,056

(In millions of yen)

Six months ended September 30

	2009	2010
Net sales	¥203,733	¥226,681
Cost of sales	182,004	176,617
Gross profit	21,729	50,064
Selling, general and administrative expenses	44,489	43,395
Operating income (loss)	(22,760)	6,669
Non-operating income:		
Interest income	345	155
Dividends income	261	191
Foreign exchange gains	58	974
Subsidy income	402	17
Others	441	351
Total non-operating income	1,507	1,688
Non-operating expenses:		
Interest expenses	1,641	1,824
Others	1,376	1,079
Total non-operating expenses	3,017	2,903
Ordinary income (loss)	(24,270)	5,454
Extraordinary income:		
Gain on sales of noncurrent assets	6,062	5,391
Gain on sales of investment securities	–	642
Others	130	150
Total extraordinary income	6,192	6,183
Extraordinary loss:		
Loss on sales and disposal of noncurrent assets	–	718
Impairment loss	28	116
Loss on valuation of investment securities	363	–
Restructuring costs	18,376	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	359
Others	1,053	1
Total extraordinary losses	19,820	1,194
Income (loss) before income taxes and minority interests	(37,898)	10,443
Income taxes—current	1,407	2,589
Income taxes—deferred	1,516	(44)
Total income taxes	2,923	2,545
Income before minority interests	–	7,898
Minority interests in income	36	244
Net income (loss)	¥ (40,857)	¥ 7,654

**(3) CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions of yen)

Six months ended September 30

	2009	2010
<b>I. Cash flows from operating activities:</b>		
Income (loss) before income taxes and minority interests	¥(37,898)	¥ 10,443
Depreciation and amortization	21,006	16,090
Impairment loss	28	116
Increase (decrease) in accrued pension and severance costs	(2,526)	345
Interest and dividends income	(606)	(346)
Interest expenses	1,641	1,824
Loss on valuation of investment securities	363	-
Loss (gain) on sales and disposal of noncurrent assets, net	(5,010)	(4,673)
Decrease (increase) in trade receivables	(4,850)	1,398
Decrease (increase) in inventories	17,888	(9,187)
Increase in trade payables	16,822	8,254
Increase (decrease) in accrued expenses	6,504	(835)
Other, net	(2,983)	(2,849)
<b>Subtotal</b>	<b>10,379</b>	<b>20,580</b>
Interest and dividends income received	546	317
Interest expenses paid	(1,656)	(1,815)
Income taxes paid	(3,343)	(3,821)
<b>Net cash provided by operating activities</b>	<b>5,926</b>	<b>15,261</b>
<b>II. Cash flows from investing activities:</b>		
Purchase of noncurrent assets	(11,456)	(11,079)
Proceeds from sales of noncurrent assets	9,116	10,429
Proceeds from sales of investment securities	200	1,488
Other, net	41	(701)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,099)</b>	<b>137</b>
<b>III. Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	803	(2,696)
Repayment of long-term debt	(1,210)	(1,276)
Other, net	(224)	(169)
<b>Net cash used in financing activities</b>	<b>(631)</b>	<b>(4,141)</b>
Effect of exchange rate changes on cash and cash equivalents	(1,741)	(3,819)
<b>Net increase in cash and cash equivalents</b>	<b>1,455</b>	<b>7,438</b>
Cash and cash equivalents, beginning of period	63,746	84,142
<b>Cash and cash equivalents, end of period</b>	<b>¥ 65,201</b>	<b>¥ 91,580</b>

**(4) SEGMENT INFORMATION**

&lt;Net Sales by Segment&gt;

(In millions of yen)

	Three months ended September 30					
	2009		2010		% to prior year	
	Amount	% to total	Amount	% to total		
Domestic	¥ 23,874	22.1%	¥ 27,671	23.7%	115.9%	
Overseas	36,456	33.8	36,246	31.0	99.4	
Car Electronics	60,330	55.9	63,917	54.7	105.9	
Domestic	6,219	5.8	19,539	16.7	314.2	
Overseas	28,206	26.1	21,095	18.1	74.8	
Home Electronics	34,425	31.9	40,634	34.8	118.0	
Domestic	8,702	8.0	7,726	6.6	88.8	
Overseas	4,519	4.2	4,556	3.9	100.8	
Others	13,221	12.2	12,282	10.5	92.9	
Domestic	38,795	35.9	54,936	47.0	141.6	
Overseas	69,181	64.1	61,897	53.0	89.5	
Total	¥107,976	100.0%	¥116,833	100.0%	108.2%	

(In millions of yen)

	Six months ended September 30					
	2009		2010		% to prior year	
	Amount	% to total	Amount	% to total		
Domestic	¥ 48,504	23.8%	¥ 53,927	23.8%	111.2%	
Overseas	66,061	32.4	72,688	32.1	110.0	
Car Electronics	114,565	56.2	126,615	55.9	110.5	
Domestic	14,327	7.0	34,397	15.2	240.1	
Overseas	50,264	24.7	41,294	18.2	82.2	
Home Electronics	64,591	31.7	75,691	33.4	117.2	
Domestic	16,625	8.2	15,538	6.8	93.5	
Overseas	7,952	3.9	8,837	3.9	111.1	
Others	24,577	12.1	24,375	10.7	99.2	
Domestic	79,456	39.0	103,862	45.8	130.7	
Overseas	124,277	61.0	122,819	54.2	98.8	
Total	¥203,733	100.0%	¥226,681	100.0%	111.3%	

## &lt;Business Segments&gt;

(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	¥34,425	¥13,221	¥107,976	-	¥107,976
Inter-segment	482	178	4,104	4,764	¥(4,764)	-
Total	60,812	34,603	17,325	112,740	(4,764)	107,976
Operating loss	¥ (5,312)	¥ (8,215)	¥ (143)	¥ (13,670)	¥ (334)	¥ (14,004)

(In millions of yen)						
Three months ended September 30, 2010	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥63,917	¥40,634	¥12,282	¥116,833	-	¥116,833
Inter-segment	348	134	1,739	2,221	¥(2,221)	-
Total	64,265	40,768	14,021	119,054	(2,221)	116,833
Operating income (loss)	¥ 3,684	¥ 714	¥ 847	¥ 5,245	¥ (944)	¥ 4,301

(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	¥64,591	¥24,577	¥203,733	-	¥203,733
Inter-segment	867	363	7,671	8,901	¥(8,901)	-
Total	115,432	64,954	32,248	212,634	(8,901)	203,733
Operating income (loss)	¥ (14,005)	¥ (7,243)	¥ (1,710)	¥ (22,958)	¥ 198	¥ (22,760)

(In millions of yen)						
Six months ended September 30, 2010	Car Electronics	Home Electronics	Others	Total	Corporate and Eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥126,615	¥75,691	¥24,375	¥226,681	-	¥226,681
Inter-segment	609	210	3,817	4,636	¥(4,636)	-
Total	127,224	75,901	28,192	231,317	(4,636)	226,681
Operating income (loss)	¥ 5,671	¥ 720	¥ 941	¥ 7,332	¥ (663)	¥ 6,669

Notes:

1. 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 drives, DVD players, DVD drives and AV accessories
  - Others:
    - factory automation systems, speaker units, electronics 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. Effective from the first quarter of fiscal 2011, the Company applied Accounting Standards Board of Japan (the "ASBJ") Statement No. 18, "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations," both issued on March 31, 2008. The effect of this change on the accompanying consolidated financial statements was immaterial.