

News Release

For Immediate Release
May 11, 2011

Pioneer Announces Business Results for Fiscal 2011

Pioneer Corporation today announced its consolidated business results for the year ended March 31, 2011.

Consolidated Financial Highlights

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

	2011	2010	Percent change
Net sales	¥457,545	¥438,998	+4.2%
Operating income (loss)	15,817	(17,514)	-
Ordinary income (loss)	12,331	(24,740)	-
Net income (loss)	¥ 10,350	¥ (58,276)	-%
Net income (loss) per share	¥32.24	¥(272.70)	

Consolidated Business Results

In fiscal 2011, consolidated net sales rose 4.2% year on year, to ¥457,545 million. This was mainly the result of solid sales of Blu-ray Disc drive-related products, which offset the negative impact to sales from Pioneer's withdrawal from the plasma display business in fiscal 2010, the Japanese yen's appreciation and The Great East Japan Earthquake that occurred on March 11.

Operating income was ¥15,817 million, marking a turnaround to profitability from ¥17,514 million of operating loss in fiscal 2010, which offset the negative impact of the Earthquake, on an improvement in the gross profit margin as a result of restructuring and cost reduction as well as lower selling, general and administrative expenses, combined with sales growth. Net income improved to a ¥10,350 million net profit, from ¥58,276 million of net loss in fiscal 2010, reflecting the improvement in operating income and the absence of the ¥21,875 million in restructuring expenses recorded in the previous year.

During fiscal 2011, the average value of the Japanese yen appreciated 8.3%

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against the U.S. dollar and 15.9% against the euro, compared with the previous fiscal year.

Car Electronics sales were negatively affected by the stronger yen, but nevertheless grew 1.9% year on year, to ¥254,129 million. Sales of car navigation systems decreased, following a decline in OEM sales in Japan and China, while consumer-market sales were solid mainly in Japan. In car audio products, consumer-market sales recorded increased sales mainly from growth in North America and Europe. OEM sales rose as well, on higher sales in Japan and North America, despite decreased sales in China. In total, OEM sales accounted for approximately 43% of Car Electronics sales, compared with roughly 44% in the previous fiscal year.

By geographic region, sales in Japan grew 3.2% to ¥107,712 million, and overseas sales rose 1.0% to ¥146,417 million despite the Japanese yen's appreciation.

Operating income for the segment was a ¥14,044 million profit, compared with a ¥7,274 million operating loss in fiscal 2010, reflecting on an improvement in the gross profit margin from restructuring and cost reductions, combined with higher sales.

Home Electronics sales grew 16.2% year on year, to ¥157,565 million. Despite a decline in sales of plasma displays in Europe and North America, there was a large increase in sales of Blu-ray Disc drive-related products from the commencement of operations at an optical disc joint venture in the second half of the previous fiscal year, and sales of AV receivers, primarily in North America, grew as well.

By geographic region, sales in Japan roughly doubled to ¥83,249 million, while overseas sales declined 20.9% to ¥74,316 million due to the appreciation of the Japanese yen.

The segment recorded positive operating income in the amount of ¥2,542 million, compared with ¥9,160 million of operating loss in fiscal 2010, from lower fixed costs as a result of restructuring, combined with sales growth.

In the **Others** segment, sales declined 15.3% year on year to ¥45,851 million, on lower sales of speaker units for cellular phones and business-use AV systems, and despite increased sales of factory automation systems.

By geographic region, sales in Japan declined 19.8% to ¥29,023 million, while overseas sales decreased 6.2% to ¥16,828 million.

Operating income declined to ¥59 million, compared with ¥711 million in fiscal 2010, with reductions in fixed costs from restructuring not fully offsetting the decline in sales.

Notes: 1. Operating income (loss) for each business segment is the operating income (loss) before elimination of intersegment transactions.

2. From fiscal 2011, AV accessories were reclassified from the Others segment to the Home Electronics segment. Consequently, figures for fiscal 2010 have been reclassified in accordance with the presentation used in fiscal 2011.

Consolidated Financial Position

Total assets as of March 31, 2011 were ¥309,712 million, a decrease of ¥80,007 million from March 31, 2010, mainly reflecting decreases in cash and deposits and in property,

plant and equipment. Cash and deposits decreased ¥42,679 million to ¥47,566 million. Property, plant and equipment decreased ¥22,660 million to ¥67,404 million, reflecting the sale of the Company's former Head Office buildings and restrained capital expenditures.

Total liabilities as of March 31, 2011, were ¥221,258 million, a decrease of ¥77,807 million from March 31, 2010. This included a ¥60,600 decrease upon redemption of convertible bonds, and a ¥16,165 million reduction in borrowings.

Total equity as of March 31, 2011, was ¥88,454 million, a decrease of ¥2,200 million from March 31, 2010. Despite the recording of ¥10,350 million in net income, foreign currency translation adjustments decreased ¥9,303 million as a result of the Japanese yen's appreciation, and the unrealized gain on available-for-sale securities decreased ¥3,691 million mainly on a decline in the market value of equity holdings.

Cash Flows

During fiscal 2011, operating activities provided net cash in the amount of ¥37,454 million. Although inventories increased by ¥7,648 million, cash was generated by the recording of ¥17,930 million in income before income taxes and minority interests, and the addback of noncash expenses in the amounts of ¥29,842 million for depreciation and amortization and ¥5,969 million for an increase in trade payables. Investing activities provided net cash in the amount of ¥3,886 million. Purchases of noncurrent assets used ¥22,148 million, but sales of noncurrent assets generated ¥18,337 million and reductions in time deposits added ¥6,103 million. Financing activities used net cash in the amount of ¥74,244 million, which included redemption of convertible bonds and repayments of borrowings. In addition, the Japanese yen's appreciation resulted in a ¥3,672 million decrease in the value of foreign currency-denominated cash and cash equivalents.

As a result, cash and cash equivalents as of March 31, 2011 totaled ¥47,566 million, a ¥36,576 million decrease from March 31, 2010.

Business Forecasts for Fiscal 2012

The Company's consolidated business forecasts for fiscal 2012, the year ending March 31, 2012, are as follows:

	(In millions of yen)		
	Forecasts for fiscal 2012	Results for fiscal 2011	Percent change
Net sales	¥470,000	¥457,545	+2.7%
Operating income	17,500	15,817	+10.6%
Ordinary income	13,500	12,331	+9.5%
Net income	¥ 4,000	¥ 10,350	-61.4%

In fiscal 2012, Pioneer is forecasting sales growth despite the impact of the Great East Japan Earthquake. Growth in the Car Electronics business is forecast in both the OEM and consumer-market sales, and in the Home Electronics business, sales are also

expected to increase on the introduction of new concept home AV products.

Pioneer expects profit to grow in terms of both operating income and ordinary income from our ongoing cost reduction measures to increase gross profit. The Company is forecasting a decline in net income for fiscal 2012, reflecting the absence of a gain on the sale of noncurrent assets in fiscal 2011, as well as the anticipated recording of an extraordinary loss associated with the introduction of a defined contribution pension plan at the parent company as part of its retirement and pension plans.

Pioneer is assuming an average U.S. dollar-yen exchange rate of ¥80 and an average euro-yen exchange rate of ¥110 for the aforementioned consolidated business forecasts for fiscal 2012.

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.

The Company currently faces a difficult operating environment. In addition to the trend of a stronger yen and an uncertain outlook for the global economy stemming from high prices for crude oil and rising prices for parts and materials, the Great East Japan Earthquake that occurred in March is having a major impact. We will implement measures to respond to the effect of the disaster, including the use of inventory parts, substitutions with alternate parts, increasing sales of current models, increasing the number of new models and changing the timing of their launches, revising product pricing, as well as outsourcing the production of certain parts. In addition, we are addressing this severe environment by implementing further measures to increase sales and thoroughly reduce costs.

In terms of sales measures, the Car Electronics business has launched a new business in cooperation with NTT Docomo, Inc., utilizing Pioneer's proprietary probe (real-time vehicle driving) information with the growing market of smartphones, to provide an information service and peripheral equipment for car navigation systems with communications functions. The consumer-market business is working to increase sales in emerging markets such as Central and South America, Southeast Asia and the Middle East, by introducing products tailored to each market's needs. The business is introducing competitive products in the largest volume zones in the regions, including developed markets. The OEM business is strengthening its relationships with automobile manufacturers, its major customer group, while at the same time aiming to expand its dealer option business.

At the Home Electronics business, the home AV business continues to pursue increased sales of AV receivers in North America and Europe, and is striving to increase sales with products to cultivate business in emerging markets, like the built-in home audio systems and multi AV systems. The business has formed a strategic alliance with Suning Appliance Co., Ltd. in China, and is building a strategy and expanding its sales network in Central and South America.

The DJ equipment business is also working to expand its operations, by strengthening its offerings in the area of new DJ styles that use personal computers and by introducing sound system products for clubs in addition to business-use visual transmission equipment.

The optical disc business is strengthening its sales structure in the personal computer market for drives that are compatible with the new BDXL (multilayer media) standard for Blu-ray Discs, while at the same time proposing new products to further enhance its product competitiveness.

In terms of new businesses, Pioneer is working with Mitsubishi Chemical Corporation in the area of organic light emitting diode (OLED) lighting to jointly develop printing technologies that can be expected to further reduce prices, and is also proceeding with a plan to commercialize light source panels that use current vapor-deposition technologies. The plan is to start mass production of vapor-deposition panels this summer, and supply them to Mitsubishi Chemical.

In addition, sales of HVT (Horizontal-Vertical Transforming) speakers have already begun for car use, and the introduction of the built-in home audio version is scheduled for June. The business will further expand its range of home AV products going forward.

Cautionary Statement with Respect to Forward-Looking Statements

Statements made in this release with respect to our current plans, estimates, strategies and beliefs, and other statements that are not historical facts are forward-looking statements about our future performance. These statements are based on management's assumptions and beliefs in light of the information currently available to it. We caution that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore you should not place undue reliance on them. It is not our obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We disclaim any such obligation. Risks and uncertainties that might affect us include, but are not limited to: (i) general economic conditions in our markets, particularly levels of consumer spending, and levels of demand in the major industrial sectors which we serve; (ii) exchange rates, particularly between the Japanese yen and the euro, the U.S. dollar, and other currencies in which we make significant sales or in which our assets and liabilities are denominated; (iii) our ability to continuously design and develop and win acceptance for our products in extremely competitive markets; (iv) our ability to successfully implement our business strategies; (v) the success of our joint ventures, alliances and other business relationships with third parties; (vi) our ability to access funding; (vii) our continued ability to devote sufficient resources to research and development, and capital expenditure; (viii) our ability to ensure the quality of our products; (ix) conditions in which we are able to continuously procure key parts essential to our manufacturing operations; and (x) the outcome of contingencies.

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

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Attached are consolidated financial statements for the year ended March 31, 2011.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

March 31

	2010	2011
ASSETS		
Current assets:		
Cash and deposits	¥ 90,245	¥ 47,566
Trade receivables	70,800	65,247
Merchandise and finished goods	25,218	27,864
Work in process	10,211	11,522
Raw materials and supplies	19,621	20,230
Deferred tax assets	5,808	5,530
Other current assets	13,845	13,202
Allowance for doubtful receivables	(1,875)	(1,686)
Total current assets	233,873	189,475
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	92,245	68,367
Accumulated depreciation	(54,241)	(41,512)
Net	38,004	26,855
Machinery, equipment and vehicles	89,196	77,131
Accumulated depreciation	(73,127)	(67,329)
Net	16,069	9,802
Land	29,062	22,712
Construction in progress	333	688
Others	79,201	79,605
Accumulated depreciation	(72,605)	(72,258)
Net	6,596	7,347
Total property, plant and equipment	90,064	67,404
Intangible assets:		
Goodwill	1,343	690
Software	28,357	25,628
Others	1,603	1,916
Total intangible assets	31,303	28,234
Investments and other assets:		
Investment securities	17,020	12,133
Deferred tax assets	9,389	6,057
Others	7,762	6,269
Allowance for doubtful accounts	(10)	(41)
Total investments and other assets	34,161	24,418
Total noncurrent assets	155,528	120,056
Deferred assets:		
Stock issuance cost	318	181
Total deferred assets	318	181
Total assets	¥ 389,719	¥ 309,712

(In millions of yen)

March 31

	2010	2011
LIABILITIES		
Current liabilities:		
Trade payables	¥ 57,694	¥ 60,008
Short-term borrowings	14,567	6,951
Current portion of long-term debt	2,553	35,035
Current portion of bonds	60,600	—
Accrued income taxes	5,016	4,080
Accrued expenses	39,813	38,764
Warranty reserve	3,504	2,780
Other current liabilities	15,420	14,675
Total current liabilities	199,167	162,293
Long-term liabilities:		
Long-term debt	86,877	45,846
Accrued pension and severance costs	9,300	8,576
Other long-term liabilities	3,721	4,543
Total long-term liabilities	99,898	58,965
Total liabilities	299,065	221,258
EQUITY		
Shareholders' equity:		
Common stock	87,257	87,257
Capital surplus	119,487	119,487
Retained earnings	(45,096)	(34,746)
Treasury stock	(11,049)	(11,050)
Total shareholders' equity	150,599	160,948
Accumulated other comprehensive income:		
Unrealized gain on available-for-sale securities	4,897	1,206
Deferred loss on derivatives under hedge accounting	—	(26)
Foreign currency translation adjustments	(66,390)	(75,693)
Pension adjustments recognized by foreign consolidated subsidiaries	(1,946)	(1,421)
Total accumulated other comprehensive income	(63,439)	(75,934)
Minority interests	3,494	3,440
Total equity	90,654	88,454
Total liabilities and equity	¥389,719	¥309,712

**(2) CONSOLIDATED STATEMENTS OF OPERATIONS AND
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
<CONSOLIDATED STATEMENTS OF OPERATIONS>**

(In millions of yen)

	Year ended March 31	
	2010	2011
Net sales	¥438,998	¥457,545
Cost of sales	366,165	356,449
Gross profit	72,833	101,096
Selling, general and administrative expenses	90,347	85,279
Operating income (loss)	(17,514)	15,817
Non-operating income:		
Interest income	587	281
Dividends income	391	308
Exchange gain	–	645
Subsidy income	490	202
Others	954	507
Total non-operating income	2,422	1,943
Non-operating expenses:		
Interest expenses	3,302	3,488
Exchange loss	2,850	–
Borrowing cost	1,650	208
Equity in losses of affiliated companies	276	97
Others	1,570	1,636
Total non-operating expenses	9,648	5,429
Ordinary income (loss)	(24,740)	12,331
Extraordinary income:		
Gain on sales of noncurrent assets	8,255	8,186
Gain on sales of investment securities	2,139	644
Others	537	1,796
Total extraordinary income	10,931	10,626
Extraordinary loss:		
Loss on sales and disposal of noncurrent assets	4,976	2,833
Loss on impairment of property, plant and equipment	7,932	1,324
Loss on valuation of investment securities	327	–
Restructuring costs	21,875	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	359
Others	611	511
Total extraordinary loss	35,721	5,027
Income (loss) before income taxes and minority interests	(49,530)	17,930
Income taxes:		
Current	4,715	3,524
Deferred	3,729	3,633
Total income taxes	8,444	7,157
Income before minority interests	–	10,773
Minority interests	302	423
Net income (loss)	¥ (58,276)	¥ 10,350

<CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME>

(In millions of yen)

	Year ended March 31	
	2010	2011
Income before minority interests	–	¥10,773
Other comprehensive income:		
Unrealized loss on available-for-sale securities	–	(3,691)
Deferred loss on derivatives under hedge accounting	–	(26)
Foreign currency translation adjustments	–	(9,380)
Portion in other comprehensive income of affiliates accounted for on an equity basis	–	(84)
Pension adjustments recognized by foreign consolidated subsidiaries	–	525
Total other comprehensive income	–	(12,656)
Comprehensive income	–	(1,883)
Comprehensive income attributable to:		
Shareholders of the parent company	–	(2,145)
Minority interests	–	¥ 262

(3) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of yen)

	Year ended March 31	
	2010	2011
SHAREHOLDERS' EQUITY		
Common Stock:		
Balance, beginning of year	¥ 69,824	¥ 87,257
Changes of items in the year:		
Issuance of new shares	17,433	—
Total changes of items in the year	17,433	—
Balance, end of year	87,257	87,257
Capital Surplus:		
Balance, beginning of year	102,054	119,487
Changes of items in the year:		
Issuance of new shares	17,433	—
Total changes of items in the year	17,433	—
Balance, end of year	119,487	119,487
Retained Earnings:		
Balance, beginning of year	13,250	(45,096)
Changes of items in the year:		
Net income (loss)	(58,276)	10,350
Disposal of treasury stock	(70)	(0)
Total changes of items in the year	(58,346)	10,350
Balance, end of year	(45,096)	(34,746)
Treasury Stock:		
Balance, beginning of year	(11,124)	(11,049)
Changes of items in the year:		
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	75	0
Total changes of items in the year	75	(1)
Balance, end of year	(11,049)	(11,050)
Total Shareholders' Equity:		
Balance, beginning of year	174,004	150,599
Changes of items in the year:		
Issuance of new shares	34,866	—
Net income (loss)	(58,276)	10,350
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	5	0
Total changes of items in the year	(23,405)	10,349
Balance, end of year	¥150,599	¥160,948

(In millions of yen)

	Year ended March 31	
	2010	2011
<u>ACCUMULATED OTHER COMPREHENSIVE INCOME</u>		
Unrealized Gain (Loss) on Available-for-Sale Securities:		
Balance, beginning of year	¥ 1,552	¥ 4,897
Changes of items in the year:		
Net changes of items other than shareholders' equity	3,345	(3,691)
Total changes of items in the year	3,345	(3,691)
Balance, end of year	4,897	1,206
Deferred Gain (Loss) on Derivatives Under Hedge Accounting:		
Balance, beginning of year	42	-
Changes of items in the year:		
Net changes of items other than shareholders' equity	(42)	(26)
Total changes of items in the year	(42)	(26)
Balance, end of year	-	(26)
Foreign Currency Translation Adjustments:		
Balance, beginning of year	(63,549)	(66,390)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(2,841)	(9,303)
Total changes of items in the year	(2,841)	(9,303)
Balance, end of year	(66,390)	(75,693)
Pension Adjustments Recognized by Foreign Consolidated Subsidiaries:		
Balance, beginning of year	(1,551)	(1,946)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(395)	525
Total changes of items in the year	(395)	525
Balance, end of year	(1,946)	(1,421)
Total Accumulated Other Comprehensive Income:		
Balance, beginning of year	(63,506)	(63,439)
Changes of items in the year:		
Net changes of items other than shareholders' equity	67	(12,495)
Total changes of items in the year	67	(12,495)
Balance, end of year	(63,439)	(75,934)
<u>MINORITY INTERESTS</u>		
Balance, beginning of year	1,350	3,494
Changes of items in the year:		
Net changes of items other than shareholders' equity	2,144	(54)
Total changes of items in the year	2,144	(54)
Balance, end of year	¥ 3,494	¥ 3,440

(In millions of yen)

	Year ended March 31	
	2010	2011
<u>TOTAL EQUITY</u>		
Balance, beginning of year	¥111,848	¥ 90,654
Changes of items in the year:		
Issuance of new shares	34,866	-
Net income (loss)	(58,276)	10,350
Purchase of treasury stock	(0)	(1)
Disposal of treasury stock	5	0
Net changes of items other than shareholders' equity	2,211	(12,549)
Total changes of items in the year	(21,194)	(2,200)
Balance, end of year	¥ 90,654	¥ 88,454

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Year ended March 31	
	2010	2011
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥(49,530)	¥ 17,930
Depreciation and amortization	39,303	29,842
Loss on impairment of property, plant and equipment	7,932	1,324
Increase (decrease) in accrued pension and severance costs	(3,804)	139
Interest and dividends income	(978)	(589)
Interest expenses	3,302	3,488
Loss (gain) on sales and disposal of noncurrent assets	(3,279)	(5,353)
Loss (gain) on sales and disposal of investment securities	(1,657)	(522)
Loss on valuation of investment securities	327	—
Decrease (increase) in trade receivables	(9,959)	3,219
Decrease (increase) in inventories	29,342	(7,648)
Increase in trade payables	17,056	5,969
Decrease in accrued expenses	(10,715)	(217)
Other-net	(1,674)	(1,648)
Subtotal	15,666	45,934
Interest and dividends income received	957	558
Interest expenses paid	(3,318)	(3,496)
Income taxes paid	(5,349)	(5,542)
Net cash provided by operating activities	7,956	37,454
Cash flows from investing activities:		
Decrease (increase) in time deposits	(6,103)	6,103
Purchase of noncurrent assets	(23,802)	(22,148)
Proceeds from sales of noncurrent assets	15,536	18,337
Proceeds from sales of investment securities	6,448	2,311
Other-net	(511)	(717)
Net cash provided by (used in) investing activities	(8,432)	3,886
Cash flows from financing activities:		
Net decrease in short-term borrowings	(95,028)	(7,246)
Proceeds from long-term debt	89,430	—
Repayment of long-term debt	(9,176)	(8,549)
Redemption of bonds	—	(60,000)
Proceeds from sale and lease-back transactions	—	2,018
Proceeds from issuance of common stock	34,732	—
Proceeds from stock issuance to minority shareholders	2,040	—
Other-net	(152)	(467)
Net cash provided by (used in) financing activities	21,846	(74,244)
Foreign currency translation adjustments on cash and cash equivalents	(974)	(3,672)
Net increase (decrease) in cash and cash equivalents	20,396	(36,576)
Cash and cash equivalents, beginning of year	63,746	84,142
Cash and cash equivalents, end of year	¥ 84,142	¥ 47,566

(5) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Year ended March 31				% to prior year
	2010		2011		
	Amount	% to total	Amount	% to total	
Car Electronics:					
Domestic	¥104,350	23.8%	¥107,712	23.5%	103.2%
Overseas	144,981	33.0	146,417	32.0	101.0
Total	249,331	56.8	254,129	55.5	101.9
Home Electronics:					
Domestic	41,589	9.5	83,249	18.2	200.2
Overseas	93,961	21.4	74,316	16.2	79.1
Total	135,550	30.9	157,565	34.4	116.2
Others:					
Domestic	36,181	8.2	29,023	6.4	80.2
Overseas	17,936	4.1	16,828	3.7	93.8
Total	54,117	12.3	45,851	10.1	84.7
Consolidated:					
Domestic	182,120	41.5	219,984	48.1	120.8
Overseas	256,878	58.5	237,561	51.9	92.5
Total	¥438,998	100.0%	¥457,545	100.0%	104.2%

<Segment Information>

Effective from the fiscal year ending March 31, 2011, the Company applied Accounting Standards Board of Japan (the “ASBJ”) Statement No. 17, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” issued on March 27, 2009, and ASBJ Guidance No. 20, “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” issued on March 21, 2008.

1. Overview of segments

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

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

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

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

Car Electronics:

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

Home Electronics:

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

Others:

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

2. Sales and income (loss) by segment

(In millions of yen)

Year ended March 31, 2010	Segments				Adjustment *1	Consolidated Total *2
	Car Electronics	Home Electronics	Others	Total		
Sales to customers	¥249,331	¥135,550	¥54,117	¥438,998	-	¥438,998
Intersegment sales	1,729	658	14,229	16,616	¥(16,616)	-
Total sales	251,060	136,208	68,346	455,614	(16,616)	438,998
Segment income (loss)	¥ (7,274)	¥ (9,160)	¥ 711	¥ (15,723)	¥ (1,791)	¥ (17,514)

Notes:

1. The ¥(1,791) million adjustment to segment income (loss) includes elimination of intersegment transactions of ¥30 million and corporate expenses of ¥(1,821) million that are not allocated to any segments. Corporate expenses principally consist of administrative expenses and R&D expenses which are not subject to any segments.
2. Segment income (loss) is adjusted with operating loss on the accompanying consolidated statements of operations.
3. From fiscal 2011, AV accessories were reclassified from the Others segment to the Home Electronics segment. Consequently, figures for fiscal 2010 have been reclassified in accordance with the presentation used in fiscal 2011.

(In millions of yen)

Year ended March 31, 2011	Segments				Adjustment *1	Consolidated Total *2
	Car Electronics	Home Electronics	Others	Total		
Sales to customers	¥254,129	¥157,565	¥45,851	¥457,545	-	¥457,545
Intersegment sales	1,123	428	7,583	9,134	¥ (9,134)	-
Total sales	255,252	157,993	53,434	466,679	(9,134)	457,545
Segment income	¥ 14,044	¥ 2,542	¥ 59	¥ 16,645	¥ (828)	¥ 15,817

Notes:

1. The ¥(828) million adjustment to segment income includes elimination of intersegment transactions of ¥1,424 million and corporate expenses of ¥(2,252) million that are not allocated to any segments. Corporate expenses principally consist of administrative expenses and R&D expenses which are not subject to any segments.
2. Segment income is adjusted with operating income on the accompanying consolidated statements of operations.

(6) OTHER INFORMATION

1. Accounting Standard for Asset Retirement Obligations

Effective from the fiscal year ending March 31, 2011, the Company applied 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.

2. Information with Respect to Comprehensive Income for Fiscal 2010

	(In millions of yen)
	Year ended March 31
	2010
Comprehensive income attributable to:	
Shareholders of the parent company	¥(58,209)
Minority interests	294
Comprehensive income	¥(57,915)

	(In millions of yen)
	Year ended March 31
	2010
Unrealized gain on available-for-sale securities	¥ 3,345
Deferred loss on derivatives under hedge accounting	(42)
Foreign currency translation adjustments	(2,884)
Portion in other comprehensive income of affiliates accounted for on an equity basis	35
Pension adjustments recognized by foreign consolidated subsidiaries	(395)
Total other comprehensive income	¥ 59