

News Release

**For Immediate Release
November 6, 2012**

Pioneer Announces Business Results for 2Q Fiscal 2013

Pioneer Corporation today announced its consolidated second-quarter and six-month business results for the period ended September 30, 2012.

Consolidated Financial Highlights

(In millions of yen except per share information)

| | Three months | | | Six months | | |
|-----------------------------|---------------------|----------|----------------|--------------------|----------|----------------|
| | ended September 30 | | | ended September 30 | | |
| | 2012 | 2011 | Percent change | 2012 | 2011 | Percent change |
| Net sales | ¥113,147 | ¥115,602 | -2.1% | ¥224,577 | ¥213,729 | +5.1% |
| Operating income | 2,554 | 5,050 | -49.4 | 3,153 | 7,002 | -55.0 |
| Ordinary income | 1,709 | 3,424 | -50.1 | 733 | 5,071 | -85.5 |
| Net income (loss) | ¥ (4,739) | ¥ 1,212 | -% | ¥ (7,500) | ¥ 1,505 | -% |
| Net income (loss) per share | ¥(14.76) | ¥3.77 | | ¥(23.36) | ¥4.69 | |

Consolidated Business Results

For the second quarter of fiscal 2013, the three months ended September 30, 2012, consolidated net sales declined 2.1% year on year, to ¥113,147 million. Although sales of car navigation systems grew, a substantial decline in sales of optical disc drive-related products and the negative impact of the Japanese yen's appreciation resulted in this decline.

Operating income declined 49.4% from the second quarter of fiscal 2012, to ¥2,554 million, owing to a lower gross profit margin and the negative impact of the Japanese yen's appreciation. As a result, Pioneer recorded a net loss of ¥4,739 million for the second quarter, compared with a year-earlier net income of ¥1,212 million, because a ¥5,830 million loss on impairment of investment securities was recorded as an extraordinary loss, in addition to the decline in operating income.

During the second quarter of fiscal 2013, the average value of the Japanese yen was almost unchanged against the U.S. dollar, and appreciated 12.0% against the euro year on year.

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Car Electronics sales increased 10.0% year on year, to ¥77,905 million, despite the negative impact of the Japanese yen's appreciation. Car navigation system sales rose on strong OEM sales in Japan and North America in spite of a decline in consumer-market sales, primarily in Japan, reflecting weak market conditions. Car audio product sales rose, with growth in consumer-market products, primarily in Central and South America, North America, and Japan, more than offsetting a decline in OEM sales in Japan. OEM sales accounted for 51% of total Car Electronics sales, compared with 42% a year earlier.

By geographic region, sales in Japan increased 2.9%, to ¥37,650 million, and overseas sales grew 17.7%, to ¥40,255 million.

Operating income declined 14.1%, to ¥3,103 million, due to a lower gross profit margin from a decline in sales of high-margin car navigation system for consumer market, which more than offset the segment's higher sales and selling, general and administrative (SG&A) expense reductions.

Home Electronics sales declined 31.8% year on year, to ¥22,855 million. Although sales of DJ equipment, AV systems, and AV receivers grew, sales of optical disc drive-related products declined substantially, primarily for AV use, reflecting a weak Japanese market.

By geographic region, sales in Japan declined 62.5%, to ¥6,368 million, and overseas sales were roughly flat at ¥16,487 million.

Although the gross profit margin improved, gross profit declined, from lower sales, and as a result the segment recorded an operating loss of ¥250 million, compared with a ¥1,619 million operating income in the second quarter of fiscal 2012.

In the **Others** segment, sales rose 9.8% year on year, to ¥12,387 million, from increased sales of factory automation systems and the commencement of subcontracted electronic manufacturing services (EMS) at our joint venture in Brazil, despite lower sales of electronic devices and parts.

By geographic region, sales in Japan declined 14.9%, to ¥6,050 million, while overseas sales rose 52.1%, to ¥6,337 million.

Despite a lower gross profit margin, SG&A expense reductions and higher sales resulted in a 3.2-fold increase in the segment's operating income, to ¥458 million.

For the first half of fiscal 2013, the six months ended September 30, 2012, consolidated net sales rose 5.1% year on year, to ¥224,577 million, with higher sales of car navigation systems and car audio products more than offsetting a substantial decline in sales of optical disc drive-related products and the negative impact of the Japanese yen's appreciation.

Although net sales increased, Pioneer recorded a 55.0% decline from the first half of fiscal 2012 in operating income, to ¥3,153 million, from a lower gross profit margin and an increase in SG&A expenses. Pioneer posted a net loss of ¥7,500 million, compared with net income of ¥1,505 million in the first half of fiscal 2012, primarily from the recording of a ¥5,830 million loss on impairment of investment securities in addition to the decline in operating income.

During the first half of fiscal 2013, the average value of the Japanese yen was almost unchanged against the U.S. dollar, and appreciated 13.1% against the euro year on year.

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, 2012 were ¥299,741 million, a decrease of ¥22,271 million from March 31, 2012. Although inventories grew, this decrease mainly reflected declines in cash and deposits, trade receivables, and investment securities. Inventories grew ¥8,506 million, to ¥75,377 million, as stocks were built up ahead of the year-end shopping season, especially for overseas markets, and orders increased for factory automation systems that require long lead times. On the other hand, cash and deposits decreased ¥14,312 million, to ¥31,641 million. Trade receivables decreased ¥8,407 million, to ¥68,866 million, reflecting lower second-quarter sales compared with sales in the fourth quarter of fiscal 2012 and the Japanese yen's appreciation. Investment securities decreased ¥4,794 million, to ¥4,824 million, on a decline in the market value of equity holdings.

Total liabilities were ¥220,927 million, a ¥12,048 million decrease from March 31, 2012. This was primarily because of an ¥11,953 million decrease in trade payables, reflecting lower purchasing amounts for the second quarter of fiscal 2013 compared with the fourth quarter of the previous fiscal year and the Japanese yen's appreciation.

Total equity was ¥78,814 million, a decrease of ¥10,223 million from March 31, 2012. In addition to the recording of a ¥7,500 million net loss for the first half of fiscal 2013, the Japanese yen's appreciation resulted in a ¥4,191 million reduction in foreign currency translation adjustments.

Cash Flows

During the first half of fiscal 2013, operating activities provided net cash in the amount of ¥1,270 million, which was ¥9,785 million less than the net cash provided in the year-earlier period. Despite an increase of ¥5,114 million in reduction in trade receivables, a reversal in trade payables, to a decrease of ¥8,071 million compared with a ¥4,408 million increase in the year-earlier period, coupled with other factors, resulted in an overall decline.

Investing activities used net cash in the amount of ¥18,340 million, an ¥8,236 million increase from the first half of fiscal 2012. This was mainly because of a ¥7,294 million increase in outlays for the purchase of noncurrent assets, including investments in Thai plants to assist in the recovery following the flooding in Thailand.

Financing activities provided net cash in the amount of ¥3,529 million, which was ¥2,989 million less than the net cash provided in the year-earlier period. This was primarily because the net increase in long-term debt and short-term borrowings was ¥4,604 million less than in the year-earlier period.

Foreign currency translation adjustments on cash and cash equivalents were a negative ¥1,523 million, compared with a negative ¥1,809 million in the first half of fiscal 2012.

As a result, cash and cash equivalents as of September 30, 2012 totaled ¥30,889 million, a ¥15,064 million decrease from March 31, 2012.

Business Forecasts for Fiscal 2013

Consolidated business forecasts for fiscal 2013, ending March 31, 2013, have been revised from those announced on August 7, 2012, as shown below.

| | (In millions of yen) | | | | |
|------------------|-----------------------|------------------------|-----------------------|--------------------------|-------------------------|
| | Revised forecasts (A) | Previous forecasts (B) | Amount change (A - B) | Percent change (A-B / B) | Results for fiscal 2012 |
| Net sales | ¥466,000 | ¥500,000 | ¥(34,000) | -6.8% | ¥436,753 |
| Operating income | 15,000 | 20,000 | (5,000) | -25.0 | 12,514 |
| Ordinary income | 11,000 | 16,000 | (5,000) | -31.3 | 9,863 |
| Net income | ¥ 1,000 | ¥ 8,500 | ¥ (7,500) | -88.2% | ¥ 3,670 |

The above downward revisions to the business forecasts for fiscal 2013 reflect stagnation in car navigation sales in the consumer market and lower sales in China for Car Electronics, downward revision of the sales targets for optical disc drive-related products and home AV products for Home Electronics, and the recording of a ¥5,830 million loss on impairment of investment securities as an extraordinary loss.

For the revised forecasts, the yen-U.S. dollar exchange rate assumption for the second half of fiscal 2013 remains unchanged at ¥77, while the yen-euro exchange rate assumption is ¥100, a depreciation of ¥5 from the previous assumption.

Issues to Be Addressed

With an uncertain outlook for the global economy and instability in exchange rates and the situation in China, Pioneer continues to face a harsh business environment. We have lowered our business forecasts for fiscal 2013 to reflect factors including stagnation in car navigation sales in the consumer market, a market contraction for optical discs, and anticipated lower sales in China, but we will strive to achieve our targets by steadily implementing the following measures.

In Car Electronics, we are working to revitalize the consumer market in Japan and have already launched smartphone-linked products including the smartphone link “Appli Unit.” In addition, we are promoting sales of *Cyber Navi* products equipped with an advanced “augmented reality (AR) head-up display (HUD) unit” that projects information sent from the main car navigation system beyond the windshield. Also, this autumn we launched a new *Raku Navi* that uses an “Air Gesture” user interface for greater ease of use. We will also strive to increase profitability as we launch new car audio products with rigorous cost control.

In Home Electronics, we will work to maintain profits through reviewing the structure and by reducing costs in the optical disc business in line with the size of the business, and by aggressively releasing new products, especially home AV products and DJ equipment, ahead of the year-end holiday shopping season.

We will make every effort to achieve our targets for fiscal 2013 by increasing sales while thoroughly controlling costs.

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 three months and the six months ended September 30, 2012.

(1) CONSOLIDATED BALANCE SHEETS

| | (In millions of yen) | |
|--|----------------------|-----------------------|
| | March 31, 2012 | September 30, 2012 |
| ASSETS | | |
| Current assets: | | |
| Cash and deposits | ¥ 45,953 | ¥ 31,641 |
| Trade receivables | 77,273 | 68,866 |
| Merchandise and finished goods | 31,616 | 38,453 |
| Work in process | 12,599 | 13,170 |
| Raw materials and supplies | 22,656 | 23,754 |
| Deferred tax assets | 7,874 | 7,881 |
| Other current assets | 16,085 | 10,982 |
| Allowance for doubtful receivables | (1,160) | (1,141) |
| Total current assets | 212,896 | 193,606 |
| Noncurrent assets: | | |
| Property, plant and equipment: | | |
| Buildings and structures | 63,851 | 64,089 |
| Machinery, vehicles, tools, furniture and fixtures | 144,668 | 144,032 |
| Others | 25,890 | 24,861 |
| Accumulated depreciation | (172,309) | (170,944) |
| Net property, plant and equipment | 62,100 | 62,038 |
| Intangible assets: | | |
| Goodwill | 648 | 626 |
| Software | 26,713 | 29,237 |
| Others | 1,494 | 1,296 |
| Total intangible assets | 28,855 | 31,159 |
| Investments and other assets: | | |
| Investment securities | 9,618 | 4,824 |
| Deferred tax assets | 5,902 | 5,649 |
| Others | 2,581 | 2,452 |
| Allowance for doubtful accounts | (26) | (26) |
| Total investments and other assets | 18,075 | 12,899 |
| Total noncurrent assets | 109,030 | 106,096 |
| Deferred assets | 86 | 39 |
| Total assets | ¥ 322,012 | ¥ 299,741 |

| | (In millions of yen) | |
|---|----------------------|-----------------------|
| | March 31, 2012 | September 30, 2012 |
| <u>LIABILITIES</u> | | |
| Current liabilities: | | |
| Trade payables | ¥ 73,276 | ¥ 61,323 |
| Short-term borrowings | 9,052 | 15,118 |
| Current portion of long-term debt | 70,459 | 66,277 |
| Income taxes payable | 5,503 | 4,647 |
| Accrued expenses | 33,787 | 33,807 |
| Warranty reserve | 2,561 | 2,461 |
| Other current liabilities | 14,532 | 12,229 |
| Total current liabilities | 209,170 | 195,862 |
| Long-term liabilities: | | |
| Long-term debt | 10,000 | 10,000 |
| Accrued pension and severance costs | 10,771 | 11,531 |
| Other long-term liabilities | 3,034 | 3,534 |
| Total long-term liabilities | 23,805 | 25,065 |
| Total liabilities | 232,975 | 220,927 |
| <u>EQUITY</u> | | |
| Shareholders' equity: | | |
| Common stock | 87,257 | 87,257 |
| Capital surplus | 119,487 | 51,541 |
| Retained earnings | (31,076) | 29,370 |
| Treasury stock | (11,050) | (11,050) |
| Total shareholders' equity | 164,618 | 157,118 |
| Accumulated other comprehensive loss: | | |
| Unrealized gain (loss) on available-for-sale securities | (1,064) | 379 |
| Deferred gain (loss) on derivatives under hedge accounting | (105) | 4 |
| Foreign currency translation adjustments | (77,140) | (81,331) |
| Pension adjustments recognized by foreign consolidated subsidiaries | (2,196) | (2,036) |
| Total accumulated other comprehensive loss | (80,505) | (82,984) |
| Minority interests | 4,924 | 4,680 |
| Total equity | 89,037 | 78,814 |
| Total liabilities and equity | ¥322,012 | ¥299,741 |

(2) CONSOLIDATED STATEMENTS OF OPERATIONS – Six months ended September 30

(In millions of yen)

| | Six months ended September 30 | |
|--|-------------------------------|-----------|
| | 2011 | 2012 |
| Net sales | ¥213,729 | ¥224,577 |
| Cost of sales | 165,065 | 178,509 |
| Gross profit | 48,664 | 46,068 |
| Selling, general and administrative expenses | 41,662 | 42,915 |
| Operating income | 7,002 | 3,153 |
| Non-operating income: | | |
| Interest income | 159 | 65 |
| Dividend income | 145 | 109 |
| Exchange gain | 233 | – |
| Others | 202 | 231 |
| Total non-operating income | 739 | 405 |
| Non-operating expenses: | | |
| Interest expenses | 1,642 | 1,254 |
| Exchange loss | – | 124 |
| Others | 1,028 | 1,447 |
| Total non-operating expenses | 2,670 | 2,825 |
| Ordinary income | 5,071 | 733 |
| Extraordinary income: | | |
| Gain on sale of property, plant and equipment | 49 | 100 |
| Gain on sale of investment securities | – | 135 |
| Gain on sale of investments in subsidiaries | 455 | – |
| Insurance income for disaster | – | 35 |
| Total extraordinary income | 504 | 270 |
| Extraordinary loss: | | |
| Loss on sale and disposal of property, plant and equipment | 676 | 57 |
| Loss on impairment of investment securities | 32 | 5,830 |
| Impairment loss | 502 | 45 |
| Others | 144 | 749 |
| Total extraordinary loss | 1,354 | 6,681 |
| Income (loss) before income taxes and minority interests | 4,221 | (5,678) |
| Income taxes: | | |
| Current | 2,535 | 2,396 |
| Deferred | (244) | (297) |
| Total income taxes | 2,291 | 2,099 |
| Income (loss) before minority interests | 1,930 | (7,777) |
| Minority interests | 425 | (277) |
| Net income (loss) | ¥ 1,505 | ¥ (7,500) |

(3) CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS – Six months ended September 30

(In millions of yen)

| | Six months ended September 30 | |
|--|-------------------------------|------------------|
| | 2011 | 2012 |
| Income (loss) before minority interests | ¥ 1,930 | ¥ (7,777) |
| Other comprehensive income (loss): | | |
| Unrealized gain (loss) on available-for-sale securities | (1,912) | 1,443 |
| Deferred gain on derivatives under hedge accounting | 134 | 109 |
| Foreign currency translation adjustments | (7,241) | (4,483) |
| Portion of other comprehensive gain (loss) of associates | (8) | 28 |
| Pension adjustments recognized by foreign subsidiaries | 126 | 160 |
| Total other comprehensive loss | (8,901) | (2,743) |
| Comprehensive loss | ¥(6,971) | ¥(10,520) |
| Comprehensive income (loss) attributable to: | | |
| Shareholders of the parent company | ¥(7,269) | ¥ (9,979) |
| Minority interests | ¥ 298 | ¥ (541) |

(4) CONSOLIDATED STATEMENTS OF OPERATIONS – Three months ended September 30

(In millions of yen)

| | Three months ended September 30 | |
|--|---------------------------------|-----------|
| | 2011 | 2012 |
| Net sales | ¥115,602 | ¥113,147 |
| Cost of sales | 90,576 | 91,084 |
| Gross profit | 25,026 | 22,063 |
| Selling, general and administrative expenses | 19,976 | 19,509 |
| Operating income | 5,050 | 2,554 |
| Non-operating income: | | |
| Interest income | 71 | 22 |
| Dividend income | 54 | 47 |
| Exchange gain | – | 428 |
| Others | 72 | 182 |
| Total non-operating income | 197 | 679 |
| Non-operating expenses: | | |
| Interest expenses | 796 | 620 |
| Exchange loss | 221 | – |
| Borrowing cost | 452 | 252 |
| Others | 354 | 652 |
| Total non-operating expenses | 1,823 | 1,524 |
| Ordinary income | 3,424 | 1,709 |
| Extraordinary income: | | |
| Gain on sale of property, plant and equipment | 27 | 28 |
| Gain on sale of investment securities | – | 135 |
| Others | 6 | – |
| Total extraordinary income | 33 | 163 |
| Extraordinary loss: | | |
| Loss on sale and disposal of property, plant and equipment | 544 | 37 |
| Loss on impairment of investment securities | 32 | 5,830 |
| Impairment loss | 418 | – |
| Others | 137 | 259 |
| Total extraordinary loss | 1,131 | 6,126 |
| Income (loss) before income taxes and minority interests | 2,326 | (4,254) |
| Income taxes: | | |
| Current | 1,572 | 1,045 |
| Deferred | (393) | (329) |
| Total income taxes | 1,179 | 716 |
| Income (loss) before minority interests | 1,147 | (4,970) |
| Minority interests | (65) | (231) |
| Net income (loss) | ¥ 1,212 | ¥ (4,739) |

(5) CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS – Three months ended September 30

(In millions of yen)

| | Three months ended September 30 | |
|--|---------------------------------|----------|
| | 2011 | 2012 |
| Income (loss) before minority interests | ¥ 1,147 | ¥(4,970) |
| Other comprehensive income (loss): | | |
| Unrealized gain (loss) on available-for-sale securities | (861) | 3,640 |
| Deferred gain (loss) on derivatives under hedge accounting | 345 | (257) |
| Foreign currency translation adjustments | (5,398) | (343) |
| Portion of other comprehensive loss of associates | (38) | (54) |
| Pension adjustments recognized by foreign subsidiaries | 83 | 21 |
| Total other comprehensive income (loss) | (5,869) | 3,007 |
| Comprehensive loss | ¥(4,722) | ¥(1,963) |
| Comprehensive loss attributable to: | | |
| Shareholders of the parent company | ¥(4,546) | ¥(1,693) |
| Minority interests | ¥ (176) | ¥ (270) |

(6) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

Six months ended September 30

| | 2011 | 2012 |
|---|----------|-----------|
| Cash flows from operating activities: | | |
| Income (loss) before income taxes and minority interests | ¥ 4,221 | ¥ (5,678) |
| Depreciation and amortization | 12,235 | 12,240 |
| Impairment loss | 502 | 45 |
| Increase in accrued pension and severance costs | 615 | 952 |
| Interest and dividends income | (304) | (174) |
| Interest expenses | 1,642 | 1,254 |
| Loss (gain) on sales and disposal of noncurrent assets | 627 | (43) |
| Loss on impairment of investment securities | 32 | 5,830 |
| Decrease in trade receivables | 759 | 5,873 |
| Increase in inventories | (8,573) | (11,827) |
| Increase (Decrease) in trade payables | 4,408 | (8,071) |
| Increase (Decrease) in accrued expenses | (138) | 714 |
| Other—net | (1,197) | 4,543 |
| Subtotal | 14,829 | 5,658 |
| Interest and dividends income | 304 | 174 |
| Interest expenses paid | (1,640) | (1,267) |
| Income taxes paid | (2,438) | (3,295) |
| Net cash provided by operating activities | 11,055 | 1,270 |
| Cash flows from investing activities: | | |
| Increase in time deposits | (1,127) | (774) |
| Purchase of noncurrent assets | (10,683) | (17,977) |
| Proceeds from sales of noncurrent assets | 1,190 | 245 |
| Other—net | 516 | 166 |
| Net cash used in investing activities | (10,104) | (18,340) |
| Cash flows from financing activities: | | |
| Net increase in short-term borrowings | 1,793 | 6,494 |
| Proceeds from long-term debt | 35,328 | 41,664 |
| Repayment of long-term debt | (30,205) | (45,846) |
| Proceeds from sale and lease-back transactions | — | 2,418 |
| Other—net | (398) | (1,201) |
| Net cash provided by financing activities | 6,518 | 3,529 |
| Foreign currency translation adjustments on cash and cash equivalents | (1,809) | (1,523) |
| Net increase (decrease) in cash and cash equivalents | 5,660 | (15,064) |
| Cash and cash equivalents, beginning of period | 47,566 | 45,953 |
| Cash and cash equivalents, end of period | ¥ 53,226 | ¥ 30,889 |

(7) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

| | Six months ended September 30 | | | | |
|-------------------|-------------------------------|--------|----------|--------|----------------|
| | 2011 | | 2012 | | Percent change |
| | Amount | Ratio | Amount | Ratio | |
| Car Electronics: | | | | | |
| Japan | ¥ 63,701 | 29.8% | ¥ 78,622 | 35.0% | +23.4% |
| Overseas | 64,582 | 30.2 | 80,325 | 35.8 | +24.4 |
| Total | 128,283 | 60.0 | 158,947 | 70.8 | +23.9 |
| Home Electronics: | | | | | |
| Japan | 32,452 | 15.2 | 15,066 | 6.7 | -53.6 |
| Overseas | 31,494 | 14.7 | 29,136 | 13.0 | -7.5 |
| Total | 63,946 | 29.9 | 44,202 | 19.7 | -30.9 |
| Others: | | | | | |
| Japan | 13,013 | 6.1 | 12,264 | 5.5 | -5.8 |
| Overseas | 8,487 | 4.0 | 9,164 | 4.0 | +8.0 |
| Total | 21,500 | 10.1 | 21,428 | 9.5 | -0.3 |
| Consolidated: | | | | | |
| Japan | 109,166 | 51.1 | 105,952 | 47.2 | -2.9 |
| Overseas | 104,563 | 48.9 | 118,625 | 52.8 | +13.4 |
| Total | ¥213,729 | 100.0% | ¥224,577 | 100.0% | +5.1% |

(In millions of yen)

| | Three months ended September 30 | | | | |
|-------------------|---------------------------------|--------|----------|--------|----------------|
| | 2011 | | 2012 | | Percent change |
| | Amount | Ratio | Amount | Ratio | |
| Car Electronics: | | | | | |
| Japan | ¥ 36,591 | 31.7% | ¥ 37,650 | 33.3% | +2.9% |
| Overseas | 34,214 | 29.5 | 40,255 | 35.6 | +17.7 |
| Total | 70,805 | 61.2 | 77,905 | 68.9 | +10.0 |
| Home Electronics: | | | | | |
| Japan | 16,997 | 14.7 | 6,368 | 5.6 | -62.5 |
| Overseas | 16,523 | 14.3 | 16,487 | 14.6 | -0.2 |
| Total | 33,520 | 29.0 | 22,855 | 20.2 | -31.8 |
| Others: | | | | | |
| Japan | 7,112 | 6.1 | 6,050 | 5.4 | -14.9 |
| Overseas | 4,165 | 3.7 | 6,337 | 5.5 | +52.1 |
| Total | 11,277 | 9.8 | 12,387 | 10.9 | +9.8 |
| Consolidated: | | | | | |
| Japan | 60,700 | 52.5 | 50,068 | 44.3 | -17.5 |
| Overseas | 54,902 | 47.5 | 63,079 | 55.7 | +14.9 |
| Total | ¥115,602 | 100.0% | ¥113,147 | 100.0% | -2.1% |

<Sales and Income (Loss) by Segment>

(In millions of yen)

| Six months ended September 30, 2011 | Car Electronics | Home Electronics | Others | Total | Reconciliations *1 | Consolidated *2 |
|--|--------------------|---------------------|---------|----------|-----------------------|--------------------|
| Sales: | | | | | | |
| Sales to external customers | ¥128,283 | ¥63,946 | ¥21,500 | ¥213,729 | - | ¥213,729 |
| Intersegment sales | 442 | 149 | 3,222 | 3,813 | ¥(3,813) | - |
| Total sales | 128,725 | 64,095 | 24,722 | 217,542 | (3,813) | 213,729 |
| Segment income (loss) | ¥ 5,466 | ¥ 1,981 | ¥ (373) | ¥ 7,074 | ¥ (72) | ¥ 7,002 |

Notes:

1. Reconciliations of ¥(72) million recorded for segment income (loss) include elimination of intersegment transactions of ¥(48) million and corporate expenses of ¥(24) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.

(In millions of yen)

| Six months ended September 30, 2012 | Car Electronics | Home Electronics | Others | Total | Reconciliations *1 | Consolidated *2 |
|--|--------------------|---------------------|---------|----------|-----------------------|--------------------|
| Sales: | | | | | | |
| Sales to external customers | ¥158,947 | ¥44,202 | ¥21,428 | ¥224,577 | - | ¥224,577 |
| Intersegment sales | 390 | 136 | 3,736 | 4,262 | ¥(4,262) | - |
| Total sales | 159,337 | 44,338 | 25,164 | 228,839 | (4,262) | 224,577 |
| Segment income (loss) | ¥ 8,075 | ¥ (3,030) | ¥ (698) | ¥ 4,347 | ¥(1,194) | ¥ 3,153 |

Notes:

1. Reconciliations of ¥(1,194) million recorded for segment income (loss) include elimination of intersegment transactions of ¥134 million and corporate expenses of ¥(1,328) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.

(In millions of yen)

| Three months ended September 30, 2011 | Car Electronics | Home Electronics | Others | Total | Reconciliations *1 | Consolidated *2 |
|--|--------------------|---------------------|---------|----------|-----------------------|--------------------|
| Sales: | | | | | | |
| Sales to external customers | ¥70,805 | ¥33,520 | ¥11,277 | ¥115,602 | - | ¥115,602 |
| Intersegment sales | 232 | 84 | 1,514 | 1,830 | ¥(1,830) | - |
| Total sales | 71,037 | 33,604 | 12,791 | 117,432 | (1,830) | 115,602 |
| Segment income | ¥ 3,613 | ¥ 1,619 | ¥ 143 | ¥ 5,375 | ¥ (325) | ¥ 5,050 |

Notes:

1. Reconciliations of ¥(325) million recorded for segment income include elimination of intersegment transactions of ¥(2) million and corporate expenses of ¥(323) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
2. Adjustments are made to reconcile segment income to operating income presented in the accompanying consolidated statements of operations.

(In millions of yen)

| Three months ended September 30, 2012 | Car Electronics | Home Electronics | Others | Total | Reconciliations *1 | Consolidated *2 |
|--|--------------------|---------------------|---------|----------|-----------------------|--------------------|
| Sales: | | | | | | |
| Sales to external customers | ¥77,905 | ¥22,855 | ¥12,387 | ¥113,147 | - | ¥113,147 |
| Intersegment sales | 199 | 68 | 1,903 | 2,170 | ¥(2,170) | - |
| Total sales | 78,104 | 22,923 | 14,290 | 115,317 | (2,170) | 113,147 |
| Segment income (loss) | ¥ 3,103 | ¥ (250) | ¥ 458 | ¥ 3,311 | ¥ (757) | ¥ 2,554 |

Notes:

1. Reconciliations of ¥(757) million recorded for segment income (loss) include elimination of intersegment transactions of ¥90 million and corporate expenses of ¥(847) million that are not allocated to any segment. Corporate expenses principally consist of allocation variance of general and administrative expenses, and general and administrative expenses and R&D expenses which are not attributable to any segment.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.

(8) NOTE WITH RESPECT TO SIGNIFICANT CHANGES IN SHAREHOLDER'S EQUITY

On July 31, 2012, the Company reduced its capital surplus and retained earnings reserve, on non-consolidated basis, and appropriated its surplus, in accordance with the resolution at its Ordinary General Meeting of Shareholders held on June 27, 2012. On its consolidated balance sheets, capital surplus decreased by ¥67,946 million, while retained earnings increased by the same amount, accordingly.