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News Release

For Immediate Release
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Pioneer Announces Business Results for Fiscal 2013

Pioneer Corporation today announced its consolidated business results for fiscal 2013, the year ended March 31, 2013.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Year ended March 31		
	2013	2012	Percent change
Net sales	¥451,841	¥436,753	+3.5%
Operating income	5,997	12,514	–52.1
Ordinary income	812	9,863	–91.8
Net income (loss)	¥ (19,552)	¥ 3,670	–%
Net income (loss) per share	¥(60.90)	¥11.43	

Consolidated Business Results

In fiscal 2013, consolidated net sales grew 3.5% year on year, to ¥451,841 million. Although sales of optical disc drive-related products and consumer-market car navigation systems declined, increased OEM sales of car navigation systems and consumer-market sales of car audio products, coupled with the positive effect of the Japanese yen's depreciation, resulted in an overall increase in net sales.

Operating income declined 52.1% year on year, to ¥5,997 million, from an increase in selling, general and administrative (SG&A) expenses and a lower gross profit margin, reflecting the negative effect of foreign exchange rate movements, and despite an increase in net sales. A net loss of ¥19,552 million was recorded, compared with the previous fiscal year's ¥3,670 million net income, reflecting the decline in operating income, combined with ¥6,242 million of restructuring costs and a ¥5,040 million loss on impairment of investment securities recorded as an extraordinary loss, and a reversal of deferred tax assets.

During fiscal 2013, the average value of the Japanese yen declined 4.8% against the U.S. dollar and increased 1.7% against the euro, compared with the previous fiscal year.

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Car Electronics sales grew 15.4% year on year, to ¥312,568 million. Sales of car navigation systems rose on increased OEM sales in Japan and North America, and despite a decline in consumer-market sales, primarily in Japan, reflecting weak market conditions. Sales of car audio products increased, with higher consumer-market sales in each overseas region and growth in OEM sales mainly in North America, more than offsetting a decline in OEM sales in Japan. OEM sales accounted for 51% of total Car Electronics sales, compared with 43% in the previous fiscal year.

By geographic region, sales in Japan grew 6.3%, to ¥144,978 million, and overseas sales rose 24.7%, to ¥167,590 million.

The segment's operating income declined 4.9%, to ¥9,786 million, reflecting a lower gross profit margin and an increase in SG&A expenses, and despite an increase in sales.

Home Electronics sales declined 22.0% year on year, to ¥95,925 million. Although sales of DJ equipment rose, 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 47.5%, to ¥30,501 million, and overseas sales were roughly flat with the previous fiscal year, at ¥65,424 million.

The segment recorded an operating loss of ¥2,798 million, compared with operating income of ¥3,560 million in fiscal 2012, mainly because of lower sales and an increase in SG&A expenses.

In the **Others** segment, sales rose 1.0% year on year, to ¥43,348 million, from the commencement of subcontracted electronic manufacturing services (EMS) at our joint venture in Brazil during fiscal 2013 and increased sales of factory automation systems, and despite lower sales of electronic devices and parts, and telephones, as well as a decline in royalty revenue from patents related to optical disc technologies.

By geographic region, sales in Japan declined 4.1%, to ¥26,264 million, while overseas sales grew 10.0%, to ¥17,084 million.

The segment recorded an operating loss of ¥937 million, compared with a loss of ¥296 million in fiscal 2012, from a lower gross profit margin, and despite lower SG&A expenses.

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

Consolidated Financial Position

Total assets as of March 31, 2013 were ¥311,325 million, a decrease of ¥10,687 million from March 31, 2012, mainly reflecting decreases in cash and deposits and in investment securities, which more than offset increases in inventories and intangible assets. Inventories increased ¥9,595 million, to ¥76,466 million, reflecting the effect of the Japanese yen's depreciation combined with a shortfall from plan for sales. Intangible assets grew ¥7,855 million, to ¥36,710 million, mainly as a result of new purchases of software to be installed in products. Investment securities decreased ¥3,127 million, to ¥6,491 million, on a decline in the market value of equity holdings.

Total liabilities as of March 31, 2013, were ¥229,749 million, a decrease of ¥3,226 million from March 31, 2012. Although borrowings grew ¥6,701 million and a ¥6,211 million provision for restructuring costs was recorded, this was primarily because of a ¥14,503 million decrease in trade payables, reflecting lower purchasing amounts in fiscal 2013.

Total equity as of March 31, 2013, was ¥81,576 million, marking a ¥7,461 million decrease from March 31, 2012. Although the Japanese yen's depreciation resulted in a ¥10,880 million increase in foreign currency translation adjustments, the recording of a ¥19,552 million net loss for the fiscal 2013 resulted in an overall decline.

Cash Flows

During fiscal 2013, operating activities provided net cash in the amount of ¥1,179 million, a ¥17,034 million decrease from fiscal 2012. Although trade receivables decreased ¥3,611 million in fiscal 2013, compared with a ¥13,211 million increase in fiscal 2012, trade payables decreased ¥18,714 million, compared with a ¥12,349 million increase in fiscal 2012, and income before income taxes and minority interests fell to a loss of ¥10,801 million, compared with the previous fiscal year's income of ¥5,903 million.

Investing activities used net cash in the amount of ¥35,239 million, a ¥13,458 million increase from fiscal 2012. This was mainly because of a ¥10,196 million increase in outlays for the purchase of noncurrent assets.

Financing activities provided net cash in the amount of ¥7,018 million, a ¥5,299 million increase from fiscal 2012, primarily from a ¥4,040 million increase in proceeds from borrowings.

Foreign currency translation adjustments on cash and cash equivalents increased ¥1,820 million from the previous fiscal year end, to ¥2,056 million.

As a result, cash and cash equivalents as of March 31, 2013, totaled ¥20,967 million, a ¥24,986 million decrease from March 31, 2012.

Business Forecasts for Fiscal 2014

Consolidated business forecasts for fiscal 2014, the year ending March 31, 2014, are as follows:

(In millions of yen)

	First half			Full year		
	Forecasts for fiscal 2014	Results for fiscal 2013	Percent change	Forecasts for fiscal 2014	Results for fiscal 2013	Percent change
Net sales	¥235,000	¥224,577	+4.6%	¥515,000	¥451,841	+14.0%
Operating income	1,000	3,153	–68.3	15,000	5,997	+150.1
Ordinary income (loss)	(1,500)	733	–	10,000	812	+1,131.5
Net income (loss)	¥ (1,500)	¥ (7,500)	–%	¥ 6,000	¥ (19,552)	–%

For fiscal 2014, Pioneer forecasts year-on-year growth in sales and profit.

In this projection, Pioneer forecasts consolidated net sales to increase. In Car Electronics, growth is expected both for OEM and consumer-market sales, and in Home Electronics, sales are also expected to increase centering on DJ equipment and cable-TV set-top boxes, despite a decline in optical disc drive-related products.

Operating income, ordinary income, and net income are also expected to grow, mainly because of the increase in net sales, an improvement in the gross profit margin, and restructuring benefits, even though we foresee activity expenses for sales expansion and up-front expenses for our new businesses.

Pioneer is assuming an average U.S. dollar–yen exchange rate of ¥95 and an average euro–yen exchange rate of ¥125 for the aforementioned consolidated business forecasts for fiscal 2014.

Basic Management Policies

As its basic management policies, Pioneer aims to create new markets and cultures with products and services borne from innovative ideas and cutting-edge technologies that embody our 2015 Vision of "Spread the smiles. Feel the vibes. Share the passion. Pioneer engages you anytime, anywhere," and to continue to realize our Group Philosophy of "Move the Heart and Touch the Soul."

Issues to Be Addressed

Currently, Pioneer's operating environment for our Car Electronics business is experiencing rapid changes including lower product prices in line with smaller and lower-priced automobiles. In addition, the growth of the OEM business leads to the slowdown of Japan's consumer market. In Home Electronics, we are facing harsh conditions in our efforts to secure profit, as our optical disc business has seen a considerable contraction in the market. In fiscal 2014, we will respond to these changes and work to restore profitability through measures to increase sales, with a view to stimulate new demand, and through business restructuring with an aim to thoroughly review our cost structure. At the same time, we will pursue the challenges of creating new market value through utilizing strategic alliances and transforming our business model.

In Car Electronics, we will continue to develop new products that provide new customer value in the area of next-generation car information devices, including head-up displays, smartphone-linked display audio, and next-generation cloud-based car navigation systems. As well, we will further expand sales in emerging markets with growth expectations, through pursuing strategies and product planning that are aligned with the distinct characteristics of each region.

At the same time, we will thoroughly review our cost structure. We will also fully review our development methods to increase the number of models we offer and efficiently address diverse customer needs, and transform our earnings structure. Specifically, we intend to further expand joint development of product platforms to significantly reduce development costs and acquire superior competitiveness. We will also continue to pursue new design methods like modular designing. In terms of manufacturing, we will realign our sites in Japan and overseas to build a streamlined manufacturing structure.

In addition, we will use new business models to accelerate our expansion into new business areas, by moving from our current stand-alone product-based planning to enhance value by strengthening strategic alliances to incorporate cloud-based services and applications, while also shifting internal resources from hardware to software, and pursuing the integration of hardware, software, and information services.

In Home Electronics, we will conduct a major review of our business structure to establish stable profitability in our home AV and optical disc businesses. We intend to achieve profitability in the home AV business by realigning the business, including related businesses, and spinning off businesses to streamline the organization and eliminate overlapping functions. We will also further streamline the framework of our optical disc business to accommodate the current market size, with the aim of retaining profit.

We will efficiently pursue new businesses by concentrating resources in promising business areas to quickly generate earnings.

In terms of business restructuring, we will lower fixed costs and achieve a competitive cost structure, through such measures as readjusting employment including at group companies in Japan, and reducing compensation for directors and executive officers and salaries and bonuses for employees. In addition, we will effectively realign our sales structure in developed markets to shift our management resources to emerging markets where growth is forecast.

Through these initiatives, we will make every effort in fiscal 2014 to increase earnings and set a course for future growth.

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, 2013.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	March 31 2012	March 31 2013
ASSETS		
Current assets:		
Cash and deposits	¥ 45,953	¥ 22,059
Trade receivables	77,273	78,978
Merchandise and finished goods	31,616	40,032
Work in process	12,599	11,447
Raw materials and supplies	22,656	24,987
Deferred tax assets	7,874	4,925
Other current assets	16,085	14,559
Allowance for doubtful receivables	(1,160)	(1,734)
Total current assets	212,896	195,253
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	63,851	67,680
Accumulated depreciation	(40,494)	(43,330)
Net	23,357	24,350
Machinery, equipment and others	72,154	65,627
Accumulated depreciation	(63,256)	(56,615)
Net	8,898	9,012
Land	20,462	20,526
Leased assets	3,159	9,333
Accumulated depreciation	(2,169)	(5,222)
Net	990	4,111
Construction in progress	2,269	818
Others	72,514	81,254
Accumulated depreciation	(66,390)	(75,069)
Net	6,124	6,185
Total property, plant and equipment	62,100	65,002
Intangible assets:		
Goodwill	648	606
Software	26,713	34,898
Others	1,494	1,206
Total intangible assets	28,855	36,710
Investments and other assets:		
Investment securities	9,618	6,491
Deferred tax assets	5,902	5,728
Others	2,581	2,351
Allowance for doubtful accounts	(26)	(210)
Total investments and other assets	18,075	14,360
Total noncurrent assets	109,030	116,072
Deferred assets:		
Stock issuance cost	86	–
Total deferred assets	86	–
Total assets	¥322,012	¥311,325

(In millions of yen)

	March 31 2012	March 31 2013
LIABILITIES		
Current liabilities:		
Trade payables	¥ 73,276	¥ 58,773
Short-term borrowings	9,052	20,535
Current portion of long-term debt	70,459	62,677
Accrued income taxes	5,503	2,617
Accrued expenses	33,787	28,431
Warranty reserve	2,561	2,678
Provision for restructuring costs	–	6,211
Other current liabilities	14,532	17,328
Total current liabilities	209,170	199,250
Long-term liabilities:		
Long-term debt	10,000	13,000
Accrued pension and severance costs	10,771	13,153
Other long-term liabilities	3,034	4,346
Total long-term liabilities	23,805	30,499
Total liabilities	232,975	229,749
EQUITY		
Shareholders' equity:		
Common stock	87,257	87,257
Capital surplus	119,487	51,541
Retained earnings	(31,076)	17,318
Treasury stock	(11,050)	(11,050)
Total shareholders' equity	164,618	145,066
Accumulated other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(1,064)	695
Deferred loss on derivatives under hedge accounting	(105)	(34)
Foreign currency translation adjustments	(77,140)	(66,260)
Pension adjustments recognized by foreign consolidated subsidiaries	(2,196)	(3,063)
Total accumulated other comprehensive loss	(80,505)	(68,662)
Minority interests	4,924	5,172
Total equity	89,037	81,576
Total liabilities and equity	¥322,012	¥311,325

(2) CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions of yen)

	Year ended March 31 2012	Year ended March 31 2013
Net sales	¥436,753	¥451,841
Cost of sales	343,244	359,847
Gross profit	93,509	91,994
Selling, general and administrative expenses	80,995	85,997
Operating income	12,514	5,997
Non-operating income:		
Interest income	220	153
Dividend income	212	132
Exchange gain	1,176	–
Equity in earnings of affiliated companies	–	125
Subsidy income	90	118
Others	350	395
Total non-operating income	2,048	923
Non-operating expenses:		
Interest expense	2,886	2,587
Exchange loss	–	1,090
Borrowing cost	674	455
Equity in losses of affiliated companies	305	–
Others	834	1,976
Total non-operating expenses	4,699	6,108
Ordinary income	9,863	812
Extraordinary income:		
Gain on sale of property, plant and equipment	136	179
Gain on sale of investment securities	1	254
Gain on sale of investments in subsidiaries	455	–
Insurance income for disaster	10,062	291
Others	40	–
Total extraordinary income	10,694	724
Extraordinary loss:		
Loss on sale and disposal of property, plant and equipment	804	182
Loss on impairment of investment securities	43	5,040
Impairment loss	510	61
Loss on disaster	9,328	490
Loss on transition to defined contribution pension plan	3,908	–
Restructuring costs	–	6,242
Others	61	322
Total extraordinary loss	14,654	12,337
Income (loss) before income taxes and minority interests	5,903	(10,801)
Income taxes:		
Current	4,389	4,495
Deferred	(2,740)	4,758
Total income taxes	1,649	9,253
Income (loss) before minority interests	4,254	(20,054)
Minority interests	584	(502)
Net income (loss)	¥ 3,670	¥ (19,552)

(3) CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In millions of yen)

	Year ended March 31	
	2012	2013
Income (loss) before minority interests	¥ 4,254	¥(20,054)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(2,270)	1,759
Deferred gain (loss) on derivatives under hedge accounting	(79)	71
Foreign currency translation adjustments	(1,290)	11,172
Portion of other comprehensive gain (loss) of associates	(51)	167
Pension adjustments recognized by foreign subsidiaries	(775)	(867)
Total other comprehensive income (loss)	(4,465)	12,302
Comprehensive loss	¥ (211)	¥ (7,752)
Comprehensive loss attributable to:		
Shareholders of the parent company	¥ (901)	¥ (7,709)
Minority interests	¥ 690	¥ (43)

(4) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of yen)

	Year ended March 31	
	2012	2013
SHAREHOLDERS' EQUITY		
Common Stock:		
Balance, beginning of year	¥ 87,257	¥ 87,257
Changes of items in the year:		
Total changes of items in the year	–	–
Balance, end of year	87,257	87,257
Capital Surplus:		
Balance, beginning of year	119,487	119,487
Changes of items in the year:		
Transfer to retained earnings from capital surplus	–	(67,946)
Disposal of treasury stock	–	(0)
Total changes of items in the year	–	(67,946)
Balance, end of year	119,487	51,541
Retained Earnings:		
Balance, beginning of year	(34,746)	(31,076)
Changes of items in the year:		
Transfer to retained earnings from capital surplus	–	67,946
Net income (loss)	3,670	(19,552)
Disposal of treasury stock	(0)	–
Total changes of items in the year	3,670	48,394
Balance, end of year	(31,076)	17,318
Treasury Stock:		
Balance, beginning of year	(11,050)	(11,050)
Changes of items in the year:		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Total changes of items in the year	(0)	(0)
Balance, end of year	(11,050)	(11,050)
Total Shareholders' Equity:		
Balance, beginning of year	160,948	164,618
Changes of items in the year:		
Net income (loss)	3,670	(19,552)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Total changes of items in the year	3,670	(19,552)
Balance, end of year	¥164,618	¥145,066

(In millions of yen)

	Year ended March 31	
	2012	2013
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized Gain (Loss) on Available-for-sale Securities:		
Balance, beginning of year	¥ 1,206	¥ (1,064)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(2,270)	1,759
Total changes of items in the year	(2,270)	1,759
Balance, end of year	(1,064)	695
Deferred Loss on Derivatives Under Hedge Accounting:		
Balance, beginning of year	(26)	(105)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(79)	71
Total changes of items in the year	(79)	71
Balance, end of year	(105)	(34)
Foreign Currency Translation Adjustments:		
Balance, beginning of year	(75,693)	(77,140)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(1,447)	10,880
Total changes of items in the year	(1,447)	10,880
Balance, end of year	(77,140)	(66,260)
Pension Adjustments Recognized by Foreign Consolidated Subsidiaries:		
Balance, beginning of year	(1,421)	(2,196)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(775)	(867)
Total changes of items in the year	(775)	(867)
Balance, end of year	(2,196)	(3,063)
Total Accumulated Other Comprehensive Loss:		
Balance, beginning of year	(75,934)	(80,505)
Changes of items in the year:		
Net changes of items other than shareholders' equity	(4,571)	11,843
Total changes of items in the year	(4,571)	11,843
Balance, end of year	(80,505)	(68,662)
MINORITY INTERESTS		
Balance, beginning of year	3,440	4,924
Changes of items in the year:		
Net changes of items other than shareholders' equity	1,484	248
Total changes of items in the year	1,484	248
Balance, end of year	¥ 4,924	¥ 5,172

(In millions of yen)

	Year ended March 31	
	2012	2013
TOTAL EQUITY		
Balance, beginning of year	¥88,454	¥ 89,037
Changes of items in the year:		
Net income	3,670	(19,552)
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	(3,087)	12,091
Total changes of items in the year	583	(7,461)
Balance, end of year	¥89,037	¥ 81,576

(5) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Year ended March 31	
	2012	2013
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ 5,903	¥(10,801)
Depreciation and amortization	24,568	25,413
Impairment loss	510	61
Increase in accrued pension and severance costs	1,100	1,845
Increase in provision for restructuring costs	–	6,211
Interest and dividend income	(432)	(285)
Interest expense	2,886	2,587
Insurance income for disaster	(10,062)	(291)
Loss on sale and disposal of noncurrent assets	668	3
Loss on impairment of investment securities	51	5,040
Loss (gain) on sale of investment securities	13	(253)
Decrease (increase) in trade receivables	(13,211)	3,611
Increase in inventories	(7,991)	(1,352)
Increase (decrease) in trade payables	12,349	(18,714)
Decrease in accrued expenses	(4,707)	(9,807)
Other—net	4,505	3,627
Subtotal	16,150	6,895
Interest and dividend income received	432	285
Interest expense paid	(2,869)	(2,620)
Proceeds from insurance income for disaster	8,565	1,788
Income taxes paid	(4,065)	(5,169)
Net cash provided by operating activities	18,213	1,179
Cash flows from investing activities:		
Increase in time deposits	–	(991)
Purchase of noncurrent assets	(24,769)	(34,965)
Proceeds from sale of noncurrent assets	2,494	356
Other—net	494	361
Net cash used in investing activities	(21,781)	(35,239)
Cash flows from financing activities:		
Net increase in short-term borrowings	1,864	10,264
Increase in long-term debt	35,328	70,288
Repayment of long-term debt	(35,750)	(75,070)
Repayment of capital lease obligation	(938)	(2,168)
Proceeds from sale and lease-back transactions	458	3,413
Other—net	757	291
Net cash provided financing activities	1,719	7,018
Foreign currency translation adjustments on cash and cash equivalents	236	2,056
Net decrease in cash and cash equivalents	(1,613)	(24,986)
Cash and cash equivalents, beginning of year	47,566	45,953
Cash and cash equivalents, end of year	¥ 45,953	¥ 20,967

(6) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Year ended March 31				
	2012		2013		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥136,438	31.2%	¥144,978	32.1%	+6.3%
Overseas	134,347	30.8	167,590	37.1	+24.7
Total	270,785	62.0	312,568	69.2	+15.4
Home Electronics:					
Japan	58,142	13.3	30,501	6.8	–47.5
Overseas	64,915	14.9	65,424	14.4	+0.8
Total	123,057	28.2	95,925	21.2	–22.0
Others:					
Japan	27,387	6.3	26,264	5.7	–4.1
Overseas	15,524	3.5	17,084	3.9	+10.0
Total	42,911	9.8	43,348	9.6	+1.0
Consolidated:					
Japan	221,967	50.8	201,743	44.6	–9.1
Overseas	214,786	49.2	250,098	55.4	+16.4
Total	¥436,753	100.0%	¥451,841	100.0%	+3.5%

<Segment Information>

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, electronic manufacturing services, map software and licensing of patents related to laser optical disc technologies

2. Sales, Income (Loss), Assets and Other Items

(In millions of yen)

Year ended March 31, 2012	Segment: Car Electronics	Segment: Home Electronics	Segment: Others	Segment: Total	Reconciliations *1	Consolidated *2
Sales:						
Sales to external customers	¥270,785	¥123,057	¥42,911	¥436,753	–	¥436,753
Intersegment sales	810	275	7,770	8,855	¥ (8,855)	–
Total sales	271,595	123,332	50,681	445,608	(8,855)	436,753
Segment income (loss)	10,292	3,560	(296)	13,556	(1,042)	12,514
Segment assets	90,822	21,855	20,347	133,024	188,988	322,012
Other items:						
Depreciation	16,405	3,442	2,645	22,492	2,076	24,568
Amortization of goodwill	–	–	–	–	42	42
Increase in property, plant and equipment and intangible assets	¥ 20,324	¥ 3,246	¥ 2,638	¥ 26,208	¥ 767	¥ 26,975

Notes:

1. (1) Reconciliations of ¥(1,042) million recorded for segment income (loss) include elimination of intersegment transactions of ¥131 million and corporate expenses of ¥(1,173) 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) Reconciliations recorded for segment assets of ¥188,988 million are corporate assets which are not allocated to any segment.
   (3) Reconciliations recorded for increase in property, plant and equipment and intangible assets of ¥767 million are capital investments principally for software.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of income.

(In millions of yen)

Year ended March 31, 2013	Segment: Car Electronics	Segment: Home Electronics	Segment: Others	Segment: Total	Reconciliations *1	Consolidated *2
Sales:						
Sales to external customers	¥312,568	¥ 95,925	¥43,348	¥451,841	–	¥451,841
Intersegment sales	693	257	7,517	8,467	¥ (8,467)	–
Total sales	313,261	96,182	50,865	460,308	(8,467)	451,841
Segment income (loss)	9,786	(2,798)	(937)	6,051	(54)	5,997
Segment assets	92,593	23,195	22,109	137,897	173,428	311,325
Other items:						
Depreciation	17,985	3,161	2,565	23,711	1,702	25,413
Amortization of goodwill	–	–	–	–	42	42
Increase in property, plant and equipment and intangible assets	¥ 16,791	¥ 3,362	¥ 3,479	¥ 23,632	¥ 457	¥ 24,089

Notes:

1. (1) Reconciliations of ¥(54) million recorded for segment income (loss) include elimination of intersegment transactions of ¥2,614 million and corporate expenses of ¥(2,668) 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) Reconciliations recorded for segment assets of ¥173,428 million are corporate assets which are not allocated to any segment.
   (3) Reconciliations recorded for increase in property, plant and equipment and intangible assets of ¥457 million are capital investments principally for software.
2. Adjustments are made to reconcile segment income (loss) to operating income presented in the accompanying consolidated statements of operations.