

News Release

**For Immediate Release
February 12, 2014**

Pioneer Announces Business Results for 3Q Fiscal 2014

Pioneer Corporation today announced its consolidated third-quarter and nine-month business results for the period ended December 31, 2013.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Three months ended December 31			Nine months ended December 31		
	2013	2012	Percent change	2013	2012	Percent change
Net sales	¥126,297	¥104,511	+20.8%	¥362,627	¥329,088	+10.2%
Operating income (loss)	2,757	(1,770)	-	3,326	1,383	+140.5
Ordinary loss	(124)	(2,850)	-	(2,077)	(2,117)	-
Net loss	¥ (1,748)	¥ (2,256)	-%	¥ (6,699)	¥ (9,756)	-%
Net loss per share	¥(4.76)	¥(7.03)		¥(19.01)	¥(30.39)	

Consolidated Business Results

For the third quarter of fiscal 2014, the three months ended December 31, 2013, consolidated net sales rose 20.8% year on year, to ¥126,297 million, on the positive effect of the Japanese yen's depreciation and increased sales of both OEM and consumer-market Car Electronics products.

Operating income for the quarter was ¥2,757 million, compared with a ¥1,770 million operating loss in the third quarter of fiscal 2013, reflecting increased sales and an improved cost of sales ratio from the effects of restructuring and cost reductions, and despite an increase in selling, general and administrative (SG&A) expenses mainly caused by foreign exchange factors. The net loss contracted to ¥1,748 million, from a year-earlier net loss of ¥2,256 million, reflecting the improvement in operating income and despite the recording of a ¥1,546 million exchange loss, which widened by ¥1,372 million from the year-earlier period, and the absence of the ¥1,100 million gain on reversal of loss on impairment of investment securities recorded in the year-earlier period.

During the third quarter of fiscal 2014, the average value of the Japanese yen declined 19.2% against the U.S. dollar, and 23.0% against the euro year on year.

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Car Electronics sales grew 25.6% year on year, to ¥86,186 million. Car navigation system sales rose, from an increase in OEM sales primarily in Japan and Central and South America. Car audio product sales rose on increased OEM sales in Japan, China, and North America, and on growth in consumer-market sales, mainly in Central and South America and North America. OEM sales accounted for 54% of total Car Electronics sales, compared with 52% a year earlier.

By geographic region, sales in Japan rose 19.0%, to ¥36,345 million, and overseas sales grew 30.9%, to ¥49,841 million.

The segment recorded a 4.5 times increase in operating income year on year, to ¥2,691 million, mostly the result of increased sales and despite an increase in SG&A expenses.

Home Electronics sales grew 18.5% year on year, to ¥29,416 million. Although sales of optical disc drive-related products declined, increased sales of products including DJ equipment reflecting the positive effect of the Japanese yen's depreciation, and cable-TV set-top boxes, resulted in an overall increase.

By geographic region, sales in Japan grew 16.4%, to ¥8,025 million, and overseas sales rose 19.3%, to ¥21,391 million.

Operating income of ¥436 million was recorded, compared with an operating loss of ¥1,673 million for the third quarter of fiscal 2013, owing to increased sales primarily of high-margin DJ equipment, and a reduction in SG&A expenses resulting from restructuring.

In the **Others** segment, sales declined 3.4% year on year, to ¥10,695 million, from lower sales of factory automation systems, and despite increased sales of electronic devices and parts.

By geographic region, sales in Japan declined 1.9%, to ¥7,228 million, and overseas sales declined 6.2%, to ¥3,467 million.

The operating loss contracted to ¥391 million, from a year-earlier loss of ¥761 million, reflecting an improved cost of sales ratio and despite higher SG&A expenses.

For the nine months ended December 31, 2013, consolidated net sales rose 10.2% year on year, to ¥362,627 million, with the positive effect of the Japanese yen's depreciation and increased sales of OEM car navigation systems more than offsetting lower sales of optical disc drive-related products and consumer-market car navigation systems.

With this increase in net sales, and despite a higher cost of sales ratio and an increase in SG&A expenses, operating income rose 2.4 times year on year, to ¥3,326 million. This increase in operating income, combined with the absence of the year-earlier ¥4,730 million loss on impairment of investment securities recorded as an extraordinary loss, more than offset the recording of a ¥2,230 million exchange loss, which widened by ¥1,932 million from the year-earlier period. This resulted in a net loss of ¥6,699 million, an improvement from a net loss of ¥9,756 million a year earlier.

During the nine months ended December 31, 2013, the average value of the Japanese yen declined 19.5% against the U.S. dollar, and 22.7% 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 December 31, 2013, were ¥344,499 million, an increase of ¥33,174 million from March 31, 2013. Although property, plant and equipment decreased, this increase reflected growth in cash and deposits, inventories, trade receivables, and intangible assets. Property, plant and equipment decreased ¥1,660 million, to ¥63,342 million, as a result of restrained capital expenditures. On the other hand, cash and deposits increased ¥16,256 million, to ¥38,315 million, as a result of the capital increase through third-party allotments implemented during the first quarter of fiscal 2014. Inventories increased ¥8,185 million, to ¥84,651 million, from the effect of the Japanese yen's depreciation and an increase mostly in inventories of Car Electronics products, reflecting strong sales. Trade receivables increased ¥2,600 million, to ¥81,578 million, as a result of the Japanese yen's depreciation. Intangible assets grew ¥2,513 million, to ¥39,223 million, from new purchases of software to be installed in products.

Total liabilities were ¥251,647 million, a ¥21,898 million increase from March 31, 2013. Although the provision for restructuring costs decreased ¥6,211 million and borrowings decreased ¥1,394 million, trade payables grew ¥25,311 million, reflecting an increase in purchasing amounts.

Total equity was ¥92,852 million, an increase of ¥11,276 million from March 31, 2013. Despite the recording of a ¥6,699 million net loss for the nine months ended December 31, 2013, the capital increase through third-party allotments increased common stock and the capital surplus by ¥4,475 million each, and the Japanese yen's depreciation resulted in an ¥8,658 million increase in foreign currency translation adjustments.

Cash Flows

During the nine months ended December 31, 2013, operating activities provided net cash in the amount of ¥25,921 million, compared with ¥1,629 million of net cash used in the year-earlier period. This reflected a turnaround in trade payables, from a ¥12,629 million decrease in the year-earlier period to a ¥20,685 million increase, and a ¥15,411 million reduction in the amount of increase in inventories, and despite a ¥12,503 million reduction in the amount of decrease in trade receivables.

Investing activities used net cash in the amount of ¥18,606 million, a ¥5,442 million decrease from the year-earlier period. This was mainly because of a ¥4,458 million decrease in outlays for the purchase of noncurrent assets in the absence of year-earlier investments to assist in the recovery of plants in Thailand.

Financing activities provided net cash in the amount of ¥6,632 million, a ¥2,025 million decrease year on year. Despite a capital increase of ¥8,643 million through third-party allotments, this reflected a ¥2,656 million net outlay for borrowings compared with ¥6,746 million provided in the year-earlier period.

Foreign currency translation adjustments on cash and cash equivalents were a positive ¥2,004 million, compared with a positive ¥578 million in the year-earlier period.

As a result, cash and cash equivalents as of December 31, 2013, totaled ¥36,918 million, a ¥15,951 million increase from March 31, 2013.

Business Forecasts for Fiscal 2014

Consolidated business forecasts for fiscal 2014, ending March 31, 2013, have not been changed from those announced on August 6, 2013.

	(In millions of yen)		
	Forecasts for fiscal 2014	Results for fiscal 2013	Percent change
Net sales	¥505,000	¥451,841	+11.8%
Operating income	10,000	5,997	+66.8
Ordinary income	5,000	812	+515.8
Net income (loss)	¥ 500	¥ (19,552)	-%

The yen–U.S. dollar exchange rate assumption for the fourth quarter of fiscal 2014 is ¥100, a depreciation of ¥5 from the previous assumption, while the yen–euro exchange rate assumption is ¥135, a depreciation of ¥5 from the previous assumption.

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 nine months ended December 31, 2013.

(1) CONSOLIDATED BALANCE SHEETS

	(In millions of yen)	
	March 31, 2013	December 31, 2013
ASSETS		
Current assets:		
Cash and deposits	¥ 22,059	¥ 38,315
Trade receivables	78,978	81,578
Merchandise and finished goods	40,032	44,564
Work in process	11,447	12,764
Raw materials and supplies	24,987	27,323
Deferred tax assets	4,925	5,449
Other current assets	14,559	18,137
Allowance for doubtful receivables	(1,734)	(1,857)
Total current assets	195,253	226,273
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	67,680	68,874
Machinery, vehicles, tools, furniture and fixtures	146,881	150,005
Lease assets	9,333	12,743
Others	21,344	20,418
Accumulated depreciation	(180,236)	(188,698)
Net property, plant and equipment	65,002	63,342
Intangible assets:		
Goodwill	606	573
Software	34,898	37,663
Others	1,206	987
Total intangible assets	36,710	39,223
Investments and other assets:		
Investment securities	6,491	7,622
Deferred tax assets	5,728	5,783
Others	2,351	2,216
Allowance for doubtful accounts	(210)	(206)
Total investments and other assets	14,360	15,415
Total noncurrent assets	116,072	117,980
Deferred assets	-	246
Total assets	¥ 311,325	¥ 344,499

	(In millions of yen)	
	March 31, 2013	December 31, 2013
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	¥ 58,773	¥ 84,084
Short-term borrowings	20,535	22,741
Current portion of long-term debt	62,677	72,077
Accrued income taxes	2,617	3,047
Accrued expenses	28,431	29,584
Warranty reserve	2,678	2,256
Provision for restructuring costs	6,211	-
Other current liabilities	17,328	18,841
Total current liabilities	199,250	232,630
Long-term liabilities:		
Long-term debt	13,000	-
Accrued pension and severance costs	13,153	14,446
Other long-term liabilities	4,346	4,571
Total long-term liabilities	30,499	19,017
Total liabilities	229,749	251,647
<u>EQUITY</u>		
Shareholders' equity:		
Common stock	87,257	91,732
Capital surplus	51,541	56,016
Retained earnings	17,318	10,619
Treasury stock	(11,050)	(11,051)
Total shareholders' equity	145,066	147,316
Accumulated other comprehensive loss:		
Unrealized gain on available-for-sale securities	695	1,539
Deferred loss on derivatives under hedge accounting	(34)	(176)
Foreign currency translation adjustments	(66,260)	(57,602)
Pension adjustments recognized by foreign consolidated subsidiaries	(3,063)	(3,516)
Total accumulated other comprehensive loss	(68,662)	(59,755)
Minority interests	5,172	5,291
Total equity	81,576	92,852
Total liabilities and equity	¥311,325	¥344,499

(2) CONSOLIDATED STATEMENTS OF OPERATIONS — Nine months ended December 31

(In millions of yen)

	Nine months ended December 31	
	2012	2013
Net sales	¥329,088	¥362,627
Cost of sales	262,005	291,356
Gross profit	67,083	71,271
Selling, general and administrative expenses	65,700	67,945
Operating income	1,383	3,326
Non-operating income:		
Interest income	106	130
Dividend income	123	81
Others	378	190
Total non-operating income	607	401
Non-operating expenses:		
Interest expense	1,925	2,007
Exchange loss	298	2,230
Others	1,884	1,567
Total non-operating expenses	4,107	5,804
Ordinary loss	(2,117)	(2,077)
Extraordinary income:		
Gain on sale of property, plant and equipment	111	118
Gain on sale of investment securities	136	–
Insurance income for disaster	35	66
Others	–	3
Total extraordinary income	282	187
Extraordinary loss:		
Restructuring costs	–	1,182
Loss on sale and disposal of property, plant and equipment	90	204
Loss on impairment of investment securities	4,730	–
Loss on disaster	490	–
Others	307	6
Total extraordinary loss	5,617	1,392
Loss before income taxes and minority interests	(7,452)	(3,282)
Income taxes:		
Current	2,739	3,069
Deferred	(21)	625
Total income taxes	2,718	3,694
Loss before minority interests	(10,170)	(6,976)
Minority interests	(414)	(277)
Net loss	¥ (9,756)	¥ (6,699)

**(3) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) — Nine months ended
December 31**

(In millions of yen)

	Nine months ended December 31	
	2012	2013
Loss before minority interests	¥(10,170)	¥ (6,976)
Other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	1,644	844
Deferred gain (loss) on derivatives under hedge accounting	133	(142)
Foreign currency translation adjustments	4,162	8,870
Portion of other comprehensive gain of associates	9	188
Pension adjustments recognized by foreign subsidiaries	(62)	(453)
Total other comprehensive income	5,886	9,307
Comprehensive income (loss)	¥ (4,284)	¥ 2,331
Comprehensive loss attributable to:		
Shareholders of the parent company	¥ (3,997)	¥ 2,208
Minority interests	¥ (287)	¥ 123

(4) CONSOLIDATED STATEMENTS OF OPERATIONS — Three months ended December 31

(In millions of yen)

	Three months ended December 31	
	2012	2013
Net sales	¥104,511	¥126,297
Cost of sales	83,496	99,451
Gross profit	21,015	26,846
Selling, general and administrative expenses	22,785	24,089
Operating income (loss)	(1,770)	2,757
Non-operating income:		
Interest income	41	56
Dividend income	14	14
Others	147	14
Total non-operating income	202	84
Non-operating expenses:		
Interest expense	671	677
Exchange loss	174	1,546
Others	437	742
Total non-operating expenses	1,282	2,965
Ordinary loss	(2,850)	(124)
Extraordinary income:		
Gain on reversal of loss on impairment of investment securities	1,100	—
Gain on sale of property, plant and equipment	11	18
Others	1	3
Total extraordinary income	1,112	21
Extraordinary loss:		
Restructuring costs	—	297
Loss on sale and disposal of property, plant and equipment	33	27
Others	3	2
Total extraordinary loss	36	326
Loss before income taxes and minority interests	(1,774)	(429)
Income taxes:		
Current	343	829
Deferred	276	421
Total income taxes	619	1,250
Loss before minority interests	(2,393)	(1,679)
Minority interests	(137)	69
Net loss	¥ (2,256)	¥ (1,748)

**(5) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME — Three months ended
December 31**

	(In millions of yen)	
	Three months ended December 31	
	2012	2013
Loss before minority interests	¥(2,393)	¥(1,679)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	201	(103)
Deferred gain on derivatives under hedge accounting	24	95
Foreign currency translation adjustments	8,645	6,183
Portion of other comprehensive loss of associates	(19)	(19)
Pension adjustments recognized by foreign subsidiaries	(222)	(271)
Total other comprehensive income	8,629	5,885
Comprehensive income	¥ 6,236	¥ 4,206
Comprehensive income attributable to:		
Shareholders of the parent company	¥ 5,982	¥ 3,832
Minority interests	¥ 254	¥ 374

(6) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Nine months ended December 31	
	2012	2013
Cash flows from operating activities:		
Loss before income taxes and minority interests	¥ (7,452)	¥ (3,282)
Depreciation and amortization	18,758	18,936
Increase in accrued pension and severance costs	870	656
Decrease in provision for restructuring costs	–	(6,211)
Interest and dividend income	(229)	(211)
Interest expense	1,925	2,007
Loss on impairment of investment securities	4,730	–
Decrease in trade receivables	15,016	2,513
Increase in inventories	(18,498)	(3,087)
Increase (decrease) in trade payables	(12,629)	20,685
Decrease in accrued expenses	(6,526)	(172)
Other—net	8,395	(1,735)
Subtotal	4,360	30,099
Interest and dividend income received	229	211
Interest expense paid	(1,872)	(1,951)
Income taxes paid	(4,346)	(2,438)
Net cash provided by (used in) operating activities	(1,629)	25,921
Cash flows from investing activities:		
Increase in time deposits	(396)	(144)
Purchase of noncurrent assets	(24,117)	(19,659)
Proceeds from sale of noncurrent assets	314	1,153
Other—net	151	44
Net cash used in investing activities	(24,048)	(18,606)
Cash flows from financing activities:		
Net increase in short-term borrowings	7,928	944
Proceeds from long-term debt	44,664	34,464
Repayment of long-term debt	(45,846)	(38,064)
Proceeds from sale and lease-back transactions	3,413	2,030
Proceeds from issuance of new shares	–	8,643
Repayment of lease obligations	(1,799)	(1,380)
Other—net	297	(5)
Net cash provided by financing activities	8,657	6,632
Foreign currency translation adjustments on cash and cash equivalents	578	2,004
Net increase (decrease) in cash and cash equivalents	(16,442)	15,951
Cash and cash equivalents, beginning of period	45,953	20,967
Cash and cash equivalents, end of period	¥ 29,511	¥ 36,918

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

On June 28, 2013, the Company issued new shares through third-party allotments to NTT DOCOMO, INC. and Mitsubishi Electric Corporation. As a consequence, common stock and capital surplus each increased by ¥4,475 million in the first quarter of fiscal 2014, resulting in common stock of ¥91,732 million and capital surplus of ¥56,016 million as of December 31, 2013.

(8) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Nine months ended December 31				
	2012		2013		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥109,159	33.2%	¥108,981	30.1%	-0.2%
Overseas	118,399	35.9	144,745	39.9	+22.3
Total	227,558	69.1	253,726	70.0	+11.5
Home Electronics:					
Japan	21,961	6.7	21,691	6.0	-1.2
Overseas	47,072	14.3	56,938	15.7	+21.0
Total	69,033	21.0	78,629	21.7	+13.9
Others:					
Japan	19,635	5.9	19,093	5.2	-2.8
Overseas	12,862	4.0	11,179	3.1	-13.1
Total	32,497	9.9	30,272	8.3	-6.8
Consolidated:					
Japan	150,755	45.8	149,765	41.3	-0.7
Overseas	178,333	54.2	212,862	58.7	+19.4
Total	¥329,088	100.0%	¥362,627	100.0%	+10.2%

(In millions of yen)

	Three months ended December 31				
	2012		2013		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥ 30,537	29.2%	¥ 36,345	28.8%	+19.0%
Overseas	38,074	36.4	49,841	39.4	+30.9
Total	68,611	65.6	86,186	68.2	+25.6
Home Electronics:					
Japan	6,895	6.6	8,025	6.4	+16.4
Overseas	17,936	17.2	21,391	16.9	+19.3
Total	24,831	23.8	29,416	23.3	+18.5
Others:					
Japan	7,371	7.1	7,228	5.7	-1.9
Overseas	3,698	3.5	3,467	2.8	-6.2
Total	11,069	10.6	10,695	8.5	-3.4
Consolidated:					
Japan	44,803	42.9	51,598	40.9	+15.2
Overseas	59,708	57.1	74,699	59.1	+25.1
Total	¥104,511	100.0%	¥126,297	100.0%	+20.8%

<Sales and Income (Loss) by Segment>

(In millions of yen)

Nine months ended December 31, 2012	Segment			Total	Reconciliations * 1	Consolidated * 2
	Car Electronics	Home Electronics	Others			
Sales:						
Sales to external customers	¥227,558	¥69,033	¥32,497	¥329,088	-	¥329,088
Intersegment sales	563	191	5,553	6,307	¥(6,307)	-
Total sales	228,121	69,224	38,050	335,395	(6,307)	329,088
Segment income (loss)	¥ 8,679	¥ (4,703)	¥ (1,459)	¥ 2,517	¥(1,134)	¥ 1,383

Notes:

1. Reconciliations of ¥(1,134) million recorded for segment income (loss) include elimination of intersegment transactions of ¥163 million and corporate expenses of ¥(1,297) 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)

Nine months ended December 31, 2013	Segment			Total	Reconciliations * 1	Consolidated * 2
	Car Electronics	Home Electronics	Others			
Sales:						
Sales to external customers	¥253,726	¥78,629	¥30,272	¥362,627	-	¥362,627
Intersegment sales	544	135	6,097	6,776	¥(6,776)	-
Total sales	254,270	78,624	36,369	369,403	(6,776)	362,627
Segment income (loss)	¥ 5,639	¥ (588)	¥ (1,355)	¥ 3,696	¥ (370)	¥ 3,326

Notes:

1. Reconciliations of ¥(370) million recorded for segment income (loss) include elimination of intersegment transactions of ¥388 million and corporate expenses of ¥(758) 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 December 31, 2012	Segment				Reconciliations * 1	Consolidated * 2
	Car Electronics	Home Electronics	Others	Total		
Sales:						
Sales to external customers	¥68,611	¥24,831	¥11,069	¥104,511	-	¥104,511
Intersegment sales	173	55	1,817	2,045	¥(2,045)	-
Total sales	68,784	24,886	12,886	106,556	(2,045)	104,511
Segment income (loss)	¥ 604	¥ (1,673)	¥ (761)	¥ (1,830)	¥ 60	¥ (1,770)

Notes:

1. Reconciliations of ¥60 million recorded for segment income (loss) include elimination of intersegment transactions of ¥29 million and corporate expenses of ¥31 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 loss presented in the accompanying consolidated statements of operations.

(In millions of yen)

Three months ended December 31, 2013	Segment				Reconciliations * 1	Consolidated * 2
	Car Electronics	Home Electronics	Others	Total		
Sales:						
Sales to external customers	¥86,186	¥29,416	¥10,695	¥126,297	-	¥126,297
Intersegment sales	106	47	2,129	2,282	¥(2,282)	-
Total sales	86,292	29,463	12,824	128,579	(2,282)	126,297
Segment income (loss)	¥ 2,691	¥ 436	¥ (391)	¥ 2,736	¥ 21	¥ (2,757)

Notes:

1. Reconciliations of ¥21 million recorded for segment income (loss) include elimination of intersegment transactions of ¥205 million and corporate expenses of ¥(184) 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 loss presented in the accompanying consolidated statements of operations.