PIONEER CORPORATION
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News Release

For Immediate Release
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Pioneer Announces Business Results for 2Q Fiscal 2015

Pioneer Corporation today announced its consolidated second-quarter and six-month business results for the period ended September 30, 2014.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Three months ended September 30			**Six months** ended September 30		
	2014	2013	Percent change	2014	2013	Percent change
Net sales	¥122,594	¥127,073	–3.5%	¥235,928	¥236,330	–0.2%
Operating income	3,103	8,137	–61.9	3,368	569	+491.9
Ordinary income (loss)	(1,072)	7,198	–	(1,351)	(1,953)	–
Net income (loss)	¥ (345)	¥ 5,125	–%	¥ (2,434)	¥ (4,951)	–%
Net income (loss) per share	¥(0.94)	¥13.96		¥(6.63)	¥(14.35)	

Consolidated Business Results

For the second quarter of fiscal 2015, the three months ended September 30, 2014, consolidated net sales declined 3.5% year on year, to ¥122,594 million. Despite a positive effect from the Japanese yen's depreciation, the decline reflected a drop-off in sales of consumer-market car navigation systems mainly from the shift in the market to lower-priced models, and lower sales of home AV products.

Pioneer's operating income for the quarter declined 61.9% year on year, to ¥3,103 million, reflecting an increase in selling, general and administrative (SG&A) expenses and a deterioration of the cost of sales ratio, both resulted from factors including the completion of short-term restructuring measures implemented in fiscal 2014, as well as a decline in net sales. A net loss of ¥345 million was recorded, compared with year-earlier net income of ¥5,125 million, reflecting the decline in operating income and the recording of a ¥2,669 million foreign exchange loss, despite the gain on sale of noncurrent assets.

During the second quarter of fiscal 2015, the average value of the Japanese yen declined 4.8% against the U.S. dollar year on year, to ¥103.92=1 U.S. dollar, and 4.9% against the euro, to ¥137.76=1 euro.

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Car Electronics sales declined 2.6% year on year, to ¥86,168 million. Car navigation system sales declined. Consumer-market sales declined on a decrease in sales in Japan, mainly from the shift in the market to lower-priced models. OEM sales rose despite a decline in sales in Japan, from increases overseas including in Central and South America and in North America. Car audio product sales rose overall. Sales of consumer-market products were roughly flat year on year, with an increase in Central and South America and a decrease mainly in Europe. OEM sales declined mainly in China, but increases in Southeast Asia, North America, and Europe resulted in an overall increase. Total OEM sales accounted for 56% of Car Electronics sales, compared with 53% a year earlier.

By geographic region, sales in Japan declined 17.6%, to ¥31,560 million, while overseas sales rose 8.9%, to ¥54,608 million.

The segment recorded a 39.9% decline in operating income year on year, to ¥3,620 million, owing to a deterioration of the cost of sales ratio, lower sales, and an increase in SG&A expenses.

Home Electronics sales declined 14.2% year on year, to ¥25,550 million, on lower sales of home AV products and optical disc drive-related products.

By geographic region, sales in Japan declined 9.2%, to ¥7,562 million, and overseas sales declined 16.1%, to ¥17,988 million.

Operating income declined 71.9% year on year, to ¥652 million, due to lower sales and a deterioration of the cost of sales ratio.

In the **Others** segment, sales rose 22.9% year on year, to ¥10,876 million, mainly on increased sales of factory automation systems.

By geographic region, sales in Japan grew 22.5% year on year, to ¥6,351 million, and overseas sales rose 23.4%, to ¥4,525 million.

Operating income declined 89.2% year on year, to ¥22 million, on an increase in SG&A expenses, and despite an improved cost of sales ratio and increased sales.

For the first half of fiscal 2015, the six months ended September 30, 2014, consolidated net sales were roughly flat year on year, at ¥235,928 million. Despite the positive effect of the Japanese yen's depreciation, lower sales of home AV products, combined with a decline in sales of consumer-market car navigation systems mainly from the shift in the market to lower-priced models, led to this result.

Pioneer's operating income rose 5.9 times from the first half of fiscal 2014, to ¥3,368 million, owing to an improved cost of sales ratio. The net loss was reduced to ¥2,434 million, from a year-earlier net loss of ¥4,951 million, due to the increase in operating income and gain on sale of noncurrent assets, and despite the recording of a ¥2,160 million foreign exchange loss.

During the first half of fiscal 2015, the average value of the Japanese yen declined 4.1% against the U.S. dollar year on year, to ¥103.04=1 U.S. dollar, and 6.4% against the euro, to ¥138.92=1 euro.

Notes:
1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.
2. In the first quarter of fiscal 2015, telephones were reclassified from the Others segment to the Home Electronics segment. Consequently, figures for the second quarter of fiscal 2014 were also reclassified in accordance with the presentation used in the second quarter of fiscal 2015.

Consolidated Financial Position

Total assets as of September 30, 2014, were ¥328,946 million, an increase of ¥1,033 million from March 31, 2014. Although trade receivables and investment securities decreased, the increase in total assets reflected growth in inventories and in cash and deposits. Trade receivables decreased ¥4,712 million, to ¥80,848 million, reflecting lower sales in the second quarter of fiscal 2015 compared with sales in the fourth quarter of fiscal 2014. Investment securities decreased ¥3,018 million, to ¥4,211 million, from the sale of a portion of investment securities. On the other hand, inventories increased ¥4,147 million, to ¥74,518 million, from the effect of the Japanese yen's depreciation and inventory buildups, primarily for overseas markets, ahead of the year-end shopping season. Cash and deposits increased ¥2,254 million, to ¥37,651 million.

Total liabilities were ¥246,781 million, a ¥3,316 million decrease from March 31, 2014. Although accrued expenses rose ¥5,513 million, and trade payables grew ¥3,762 million from the effect of the Japanese yen's depreciation, a ¥9,823 million decrease in borrowings was the primary factor of the overall decrease.

Total equity was ¥82,165 million, an increase of ¥4,349 million from March 31, 2014. Despite the recording of a ¥2,434 million net loss for the first half, the Japanese yen's depreciation resulted in a ¥4,813 million increase in foreign currency translation adjustments.

Cash Flows

During the first half of fiscal 2015, operating activities provided net cash in the amount of ¥17,125 million, a ¥670 million increase from the first half of fiscal 2014. Although the amount of increase in trade payables declined ¥20,385 million, turnarounds in trade receivables, from a ¥3,465 million increase in the year-earlier period to a ¥6,084 million decrease, in accrued expenses, from a ¥1,375 million decrease to a ¥5,030 million increase, and year-earlier ¥6,211 million decrease in provision for restructuring costs, resulted in an overall increase.

Investing activities used net cash in the amount of ¥4,425 million, a ¥7,902 million decrease from the year-earlier period. This was because of a ¥3,178 million inflow from the sale of investment securities in the second quarter, a ¥2,168 million decrease from the year-earlier period in outlays for the purchase of noncurrent assets, and a ¥1,826 million increase from the year-earlier period in proceeds from the sale of noncurrent assets.

Financing activities used net cash in the amount of ¥10,258 million, compared with ¥7,034 million provided in the year-earlier period. This reflected the absence of the year-earlier ¥8,643 million inflow from the capital increase through third-party allotments, and a ¥7,591 million larger decrease in the amount of net borrowings from the year-earlier period.

Foreign currency translation adjustments on cash and cash equivalents were a positive ¥862 million, a ¥336 million increase from the year-earlier period.

As a result, cash and cash equivalents as of September 30, 2014 totaled ¥37,208 million, a ¥3,304 million increase from March 31, 2014.

Business Forecasts for Fiscal 2015

Consolidated business forecasts for fiscal 2015, ending March 31, 2015, have been revised from those announced on May 12, 2014, 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 2014
Net sales	¥515,000	¥515,000	¥ 0	–%	¥498,051
Operating income	12,500	12,500	0	–	11,169
Ordinary income	5,500	7,500	(2,000)	–26.7	5,111
Net income	¥ 20,000	¥ 2,000	¥18,000	+900.0%	¥ 531

The forecasts for net sales and operating income remain unchanged as announced in May 2014, but the forecast for ordinary income has been reduced to reflect the foreign exchange loss recorded in the second quarter as a result of the U.S. dollar's further appreciation. The forecast for net income has been raised to reflect the extraordinary income of approximately ¥58 billion mainly from the transfer of the DJ equipment business, the reduction in ordinary income and an extraordinary loss of approximately ¥33 billion associated with factors including the streamlining of the Group structure.

For the revised forecasts, the yen–U.S. dollar exchange rate assumption for the second half of fiscal 2015 is ¥105, a depreciation of ¥5 from the previous assumption, while the yen–euro exchange rate assumption remains unchanged at ¥135.

Medium-term Business Targets

In accordance with business strategies announced on September 16, 2014, we have set our consolidated business targets through fiscal 2017 as follows:

(In billions of yen)

	Year ended (ending) March 31			
	2014 (Results)	2015 (Forecasts)	2016 (Plan)	2017 (Plan)
Consolidated:				
Net sales	¥498.1	¥515.0	¥475.0	¥485.0
Operating income	11.2	12.5	12.5	20.0
Operating income margin	2.4%	2.4%	2.6%	4.1%
Ordinary income	5.1	5.5	9.0	17.0
Net income	0.5	20.0	3.0	10.5
Car Electronics:				
Net sales	348.1	364.5	385.0	395.0
Operating income	12.4	13.0	13.0	20.0
Non-Car Electronics:				
Net sales	150.0	150.5	90.0	90.0
Operating income (loss)	¥ (0.8)	¥ (0.5)	¥ (0.5)	¥ 0.0
Currency rate (yen):				
1 U.S. dollar	¥100.24	¥104.02	¥105	¥105
1 euro	¥134.37	¥136.96	¥135	¥135

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

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, 2014.

(1) CONSOLIDATED BALANCE SHEETS

(In millions of yen)

	March 31, 2014	September 30, 2014
ASSETS		
Current assets:		
Cash and deposits	¥ 35,397	¥ 37,651
Trade receivables	85,560	80,848
Finished products	34,778	38,220
Work in process	11,279	11,663
Raw materials and supplies	24,314	24,635
Deferred tax assets	4,542	4,419
Other current assets	16,990	19,886
Allowance for doubtful receivables	(1,448)	(1,369)
Total current assets	211,412	215,953
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	68,419	65,475
Machinery, vehicles, tools, furniture and fixtures	143,907	145,980
Lease assets	12,668	15,005
Others	18,577	17,542
Accumulated depreciation	(182,742)	(184,190)
Net property, plant and equipment	60,829	59,812
Intangible assets:		
Goodwill	564	542
Software	17,058	19,140
Software in progress	21,237	19,792
Others	1,198	869
Total intangible assets	40,057	40,343
Investments and other assets:		
Investment securities	7,229	4,211
Deferred tax assets	5,697	5,891
Others	2,580	2,677
Allowance for doubtful accounts	(111)	(111)
Total investments and other assets	15,395	12,668
Total noncurrent assets	116,281	112,823
Deferred assets	220	170
Total assets	¥ 327,913	¥ 328,946

(In millions of yen)

	March 31, 2014	September 30, 2014
LIABILITIES		
Current liabilities:		
Trade payables	¥ 71,657	¥ 75,419
Short-term borrowings	22,178	24,432
Current portion of long-term debt	65,270	43,193
Income taxes payable	2,817	2,040
Accrued expenses	28,973	34,486
Warranty reserve	2,290	2,204
Other current liabilities	18,631	17,376
Total current liabilities	211,816	199,150
Long-term liabilities:		
Long-term debt	–	10,000
Liabilities related to retirement benefits	34,585	33,271
Other long-term liabilities	3,696	4,360
Total long-term liabilities	38,281	47,631
Total liabilities	250,097	246,781
EQUITY		
Shareholders' equity:		
Common stock	91,732	91,732
Capital surplus	56,016	56,016
Retained earnings	17,849	16,211
Treasury stock	(11,051)	(11,051)
Total shareholders' equity	154,546	152,908
Accumulated other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	1,168	791
Deferred gain on derivatives under hedge accounting	–	436
Foreign currency translation adjustments	(59,688)	(54,875)
Defined retirement benefit plans	(23,567)	(22,604)
Total accumulated other comprehensive loss	(82,087)	(76,252)
Minority interests	5,357	5,509
Total equity	77,816	82,165
Total liabilities and equity	¥327,913	¥328,946

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

(In millions of yen)

	Six months ended September 30	
	2013	2014
Net sales	¥236,330	¥235,928
Cost of sales	191,905	188,258
Gross profit	44,425	47,670
Selling, general and administrative expenses	43,856	44,302
Operating income	569	3,368
Non-operating income:		
Interest income	74	126
Dividend income	67	138
Equity in earnings of affiliated companies	90	–
Others	176	186
Total non-operating income	407	450
Non-operating expenses:		
Interest expenses	1,330	1,272
Equity in losses of affiliated companies	–	96
Exchange loss	684	2,160
Others	915	1,641
Total non-operating expenses	2,929	5,169
Ordinary loss	(1,953)	(1,351)
Extraordinary income:		
Gain on sale of noncurrent assets	100	1,442
Gain on sale of investment securities	–	458
Gain on sale of investment in subsidiary	–	327
Insurance income for disaster	66	–
Total extraordinary income	166	2,227
Extraordinary loss:		
Restructuring costs	885	477
Loss on sale and disposal of noncurrent assets	177	183
Others	4	–
Total extraordinary loss	1,066	660
Income (loss) before income taxes and minority interests	(2,853)	216
Income taxes:		
Current	2,240	2,514
Deferred	204	223
Total income taxes	2,444	2,737
Loss before minority interests	(5,297)	(2,521)
Minority interests	(346)	(87)
Net loss	¥ (4,951)	¥ (2,434)

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

(In millions of yen)

	Six months ended September 30	
	2013	2014
Loss before minority interests	¥(5,297)	¥(2,521)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	947	(377)
Deferred gain (loss) on derivatives under hedge accounting	(237)	436
Foreign currency translation adjustments	2,687	5,104
Portion of other comprehensive gain (loss) of associates	207	(52)
Pension adjustments recognized by foreign subsidiaries	(182)	–
Defined retirement benefit plans	–	963
Total other comprehensive income	3,422	6,074
Comprehensive income (loss)	¥(1,875)	¥ 3,553
Comprehensive income (loss) attributable to:		
Shareholders of the parent company	¥(1,624)	¥ 3,401
Minority interests	¥ (251)	¥ 152

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

(In millions of yen)

	Three months ended September 30	
	2013	2014
Net sales	¥127,073	¥122,594
Cost of sales	98,860	97,147
Gross profit	28,213	25,447
Selling, general and administrative expenses	20,076	22,344
Operating income	8,137	3,103
Non-operating income:		
Interest income	43	80
Dividend income	49	120
Exchange gain	22	–
Others	155	127
Total non-operating income	269	327
Non-operating expenses:		
Interest expenses	661	626
Equity in losses of affiliated companies	–	49
Exchange loss	–	2,669
Others	547	1,158
Total non-operating expenses	1,208	4,502
Ordinary income (loss)	7,198	(1,072)
Extraordinary income:		
Gain on sale of noncurrent assets	2	1,424
Gain on sale of investment securities	–	458
Insurance income for disaster	66	–
Total extraordinary income	68	1,882
Extraordinary loss:		
Restructuring costs	580	434
Loss on sale and disposal of noncurrent assets	148	157
Total extraordinary loss	728	591
Income before income taxes and minority interests	6,538	219
Income taxes:		
Current	1,310	864
Deferred	289	(113)
Total income taxes	1,599	751
Income (loss) before minority interests	4,939	(532)
Minority interests	(186)	(187)
Net income (loss)	¥ 5,125	¥ (345)

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

(In millions of yen)

	Three months ended September 30	
	2013	2014
Income (loss) before minority interests	¥4,939	¥ (532)
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities	(367)	(445)
Deferred gain (loss) on derivatives under hedge accounting	(238)	366
Foreign currency translation adjustments	(390)	6,379
Portion of other comprehensive gain (loss) of associates	42	(24)
Pension adjustments recognized by foreign subsidiaries	(35)	–
Defined retirement benefit plans	–	397
Total other comprehensive income (loss)	(988)	6,673
Comprehensive income	¥3,951	¥6,141
Comprehensive income attributable to:		
Shareholders of the parent company	¥4,180	¥5,998
Minority interests	¥ (229)	¥ 143

(6) CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of yen)

	Six months ended September 30 2013	Six months ended September 30 2014
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	¥ (2,853)	¥ 216
Depreciation and amortization	12,513	11,241
Increase in accrued pension and severance costs	438	–
Decrease in liabilities related to retirement benefits	–	(849)
Decrease in provision for restructuring costs	(6,211)	–
Interest and dividends income	(141)	(264)
Interest expenses	1,330	1,272
Net loss (gain) on sale and disposal of noncurrent assets	77	(1,259)
Gain on sale of investment securities	–	(458)
Decrease (increase) in trade receivables	(3,465)	6,084
Decrease (increase) in inventories	2,117	(2,280)
Increase in trade payables	20,982	597
Increase (decrease) in accrued expenses	(1,375)	5,030
Other—net	(4,074)	1,743
Subtotal	19,338	21,073
Interest and dividends income received	141	263
Interest expenses paid	(1,337)	(1,334)
Income taxes paid	(1,687)	(2,877)
Net cash provided by operating activities	16,455	17,125
Cash flows from investing activities:		
Decrease in time deposits	248	1,093
Purchase of noncurrent assets	(13,248)	(11,080)
Proceeds from sale of noncurrent assets	738	2,564
Proceeds from sale of investment securities	–	3,178
Net decrease from sale of subsidiary stock resulting in change in scope of consolidation	–	(154)
Other—net	(65)	(26)
Net cash used in investing activities	(12,327)	(4,425)
Cash flows from financing activities:		
Net increase in short-term borrowings	796	1,682
Proceeds from long-term debt	34,464	36,587
Repayment of long-term debt	(38,064)	(48,664)
Proceeds from sale and lease-back transactions	1,969	1,043
Proceeds from issuance of new shares	8,643	–
Repayments of lease obligations	(770)	(906)
Other—net	(4)	–
Net cash provided by (used in) financing activities	7,034	(10,258)
Foreign currency translation adjustments on cash and cash equivalents	526	862
Net increase in cash and cash equivalents	11,688	3,304
Cash and cash equivalents, beginning of period	20,967	33,904
Cash and cash equivalents, end of period	¥ 32,655	¥ 37,208

(7) CHANGE IN ACCOUNTING POLICY

Effective from the first quarter of fiscal 2015, the Company has applied ASBJ Statement No. 26, issued on May 17, 2012, “Accounting Standard for Retirement Benefits” (hereinafter the “Retirement Benefit Accounting Standard”) and ASBJ Guidance No. 25, May 17, 2012, “Guidance on Accounting Standard for Retirement Benefits” (hereinafter the “Guidance on Retirement Benefits”), in accordance with the provisions of Paragraph 35 of the Retirement Benefit Accounting Standard and Paragraph 67 of the Guidance on Retirement Benefits. Consequently, the Company has changed the method of attributing projected benefit to periods from the straight-line basis to the benefit formula basis in line with the revision of the method for calculating retirement benefit obligations and service costs. With respect to the method for the determining the discount rate, the Company has been using a single weighted-average discount rate that reflects the periods until the expected payment of retirement benefits and the amount of projected benefits every such period.

With regard to the application of the Retirement Benefit Accounting Standard, etc., in accordance with the transitional treatment provided in Paragraph 37 of the Retirement Benefit Accounting Standard, the effect of the changing the method for calculating retirement benefit obligations and service costs was recognized by adjusting retained earnings at the beginning of fiscal 2015.

As a result, liabilities related to retirement benefits at the beginning of fiscal 2015 decreased by ¥812 million and retained earnings increased by ¥796 million. The impact of these changes on profit and loss for the first half and the second quarter of fiscal 2015 was immaterial.

(8) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Six months ended September 30				
	2013		2014		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥ 72,636	30.7%	¥ 65,182	27.6%	–10.3%
Overseas	94,904	40.2	103,413	43.9	+9.0
Total	167,540	70.9	168,595	71.5	+0.6
Home Electronics:					
Japan	15,276	6.5	15,584	6.6	+2.0
Overseas	35,548	15.0	31,232	13.2	–12.1
Total	50,824	21.5	46,816	19.8	–7.9
Others:					
Japan	10,255	4.3	12,067	5.1	+17.7
Overseas	7,711	3.3	8,450	3.6	+9.6
Total	17,966	7.6	20,517	8.7	+14.2
Consolidated:					
Japan	98,167	41.5	92,833	39.3	–5.4
Overseas	138,163	58.5	143,095	60.7	+3.6
Total	¥236,330	100.0%	¥235,928	100.0%	–0.2%

(In millions of yen)

	Three months ended September 30				
	2013		2014		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	¥ 38,284	30.1%	¥ 31,560	25.7%	–17.6%
Overseas	50,168	39.5	54,608	44.6	+8.9
Total	88,452	69.6	86,168	70.3	–2.6
Home Electronics:					
Japan	8,332	6.6	7,562	6.2	–9.2
Overseas	21,437	16.8	17,988	14.6	–16.1
Total	29,769	23.4	25,550	20.8	–14.2
Others:					
Japan	5,185	4.1	6,351	5.2	+22.5
Overseas	3,667	2.9	4,525	3.7	+23.4
Total	8,852	7.0	10,876	8.9	+22.9
Consolidated:					
Japan	51,801	40.8	45,473	37.1	–12.2
Overseas	75,272	59.2	77,121	62.9	+2.5
Total	¥127,073	100.0%	¥122,594	100.0%	–3.5%

<Sales and Income (Loss) by Segment>

(In millions of yen)

Six months ended September 30, 2013	Car Electronics	Home Electronics	Others	Total	Reconciliations * 1	Consolidated * 2
Sales:						
Sales to external customers	¥167,540	¥50,824	¥17,966	¥236,330	–	¥236,330
Intersegment sales	438	89	3,967	4,494	¥(4,494)	–
Total sales	167,978	50,913	21,933	240,824	(4,494)	236,330
Segment income (loss)	¥ 2,948	¥ (1,192)	¥ (796)	¥ 960	¥ (391)	¥ 569

Notes:

1. Reconciliations of ¥(391) million recorded for segment income (loss) include elimination of intersegment transactions of ¥183 million and corporate expenses of ¥(574) 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, 2014	Car Electronics	Home Electronics	Others	Total	Reconciliations * 1	Consolidated * 2
Sales:						
Sales to external customers	¥168,595	¥46,816	¥20,517	¥235,928	–	¥235,928
Intersegment sales	295	61	3,817	4,173	¥(4,173)	–
Total sales	168,890	46,877	24,334	240,101	(4,173)	235,928
Segment income (loss)	¥ 5,614	¥ (721)	¥ (207)	¥ 4,686	¥(1,318)	¥ 3,368

Notes:

1. Reconciliations of ¥(1,318) million recorded for segment income (loss) include elimination of intersegment transactions of ¥207 million and corporate expenses of ¥(1,525) 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, 2013	Car Electronics	Home Electronics	Others	Total	Reconciliations * 1	Consolidated * 2
Sales:						
Sales to external customers	¥88,452	¥29,769	¥ 8,852	¥127,073	–	¥127,073
Intersegment sales	248	38	1,918	2,204	¥(2,204)	–
Total sales	88,700	29,807	10,770	129,277	(2,204)	127,073
Segment income	¥ 6,025	¥ 2,318	¥ 203	¥ 8,546	¥ (409)	¥ 8,137

Notes:
1. Reconciliations of ¥(409) million recorded for segment income include elimination of intersegment transactions of ¥89 million and corporate expenses of ¥(498) 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, 2014	Car Electronics	Home Electronics	Others	Total	Reconciliations * 1	Consolidated * 2
Sales:						
Sales to external customers	¥86,168	¥25,550	¥10,876	¥122,594	–	¥122,594
Intersegment sales	142	32	1,870	2,044	¥(2,044)	–
Total sales	86,310	25,582	12,746	124,638	(2,044)	122,594
Segment income	¥ 3,620	¥ 652	¥ 22	¥ 4,294	¥(1,191)	¥ 3,103

Notes:
1. Reconciliations of ¥(1,191) million recorded for segment income include elimination of intersegment transactions of ¥12 million and corporate expenses of ¥(1,203) 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.

<Change in Segment>

In the first quarter of fiscal 2015, telephones were reclassified from the Others segment to the Home Electronics segment. Accordingly, figures for the first half and the second quarter of fiscal 2014 have been reclassified to conform with this presentation used in the first half and the second quarter of fiscal 2015.