

News Release

**For Immediate Release
February 9, 2016**

Pioneer Announces Business Results for 3Q Fiscal 2016

Pioneer Corporation today announced its consolidated third-quarter and nine-month business results for the period ended December 31, 2015.

Consolidated Financial Highlights

(In millions of yen except per share information)

	Three months ended December 31			Nine months ended December 31		
	2015	2014	Percent change	2015	2014	Percent change
Net sales	¥116,861	¥136,433	-14.3%	¥339,456	¥372,361	-8.8%
Operating income	1,766	1,664	+6.1	3,844	5,032	-23.6
Ordinary income (loss)	964	(2,125)	-	2,369	(3,476)	-
Net income (loss) *	¥ 245	¥ (2,303)	-%	¥ (1,749)	¥ (4,737)	-%
Net income (loss) * per share	¥0.67	¥(6.27)		¥(4.76)	¥(12.90)	

* Net income (loss) attributable to owners of Pioneer Corporation

Consolidated Business Results

For the third quarter of fiscal 2016, the three months ended December 31, 2015, consolidated net sales declined 14.3% year on year, to ¥116,861 million. This decrease was mainly due to the impact of the transfers of the home AV business and DJ equipment business in fiscal 2015, and a decline in consumer-market car audio sales in emerging markets coupled with a negative effect of currency depreciation there, despite an increase in sales of both OEM and consumer-market car navigation systems.

Operating income was ¥1,766 million, a 6.1% increase year on year. Despite lower sales reflecting the impact of the business transfers, as well as a deterioration in the cost of sales ratio mainly due to an increase in depreciation and amortization, a decline in selling, general and administrative (SG&A) expenses as a result of the business transfers and organizational streamlining led to an overall increase. Net income attributable to owners of Pioneer was ¥245 million, compared with a net loss of ¥2,303 million for the third quarter of fiscal 2015. This was mainly due to a large decrease in the foreign exchange loss, despite a smaller gain on sale of investment securities.

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During the third quarter of fiscal 2016, the average value of the Japanese yen declined 5.7% year on year against the U.S. dollar, to ¥121.50=1 U.S. dollar, and rose 7.6% against the euro, to ¥132.95=1 euro.

Car Electronics sales declined 3.8% year on year, to ¥88,842 million.

Sales of car audio products decreased. Consumer-market sales declined, mainly from lower sales in emerging markets coupled with the effect of currency depreciation there. OEM sales rose owing to increases in Japan and China, despite a decline in North America.

Car navigation system sales increased. Consumer-market sales rose on higher sales in China and Japan. OEM sales rose mainly owing to increases in Southeast Asia and Japan, despite a decline in North America and the effect of currency depreciation in emerging markets.

OEM sales accounted for 62% of total Car Electronics sales, compared with 56% a year earlier.

By geographic region, sales in Japan grew 10.1%, to ¥34,013 million, while overseas sales declined 10.8%, to ¥54,829 million.

Operating income declined 44.3% year on year, to ¥1,374 million, as a result of the deterioration in the cost of sales ratio mainly due to an increase in depreciation and amortization, combined with lower sales, despite a reduction in SG&A expenses.

In the **Others** segment, sales declined 36.5% year on year, to ¥28,019 million, primarily because of the transfers of businesses in fiscal 2015.

By geographic region, sales in Japan decreased 18.7%, to ¥14,010 million, and overseas sales declined 47.8%, to ¥14,009 million.

Operating income was ¥351 million, compared with a year-earlier ¥402 million loss, reflecting a decline in SG&A expenses, despite the effect of the business transfers.

For the nine months ended December 31, 2015, consolidated net sales declined 8.8% year on year, to ¥339,456 million. Despite an increase in sales in Car Electronics, coupled with a positive effect from the Japanese yen's depreciation, the decline was mainly due to the transfers of the home AV and DJ equipment businesses in the previous fiscal year.

Operating income declined 23.6% year on year, to ¥3,844 million. Despite the reduction in SG&A expenses as a result of the business transfers and organizational streamlining, the deterioration in the cost of sales ratio, mainly due to foreign exchange rate movements and increased depreciation and amortization, and lower sales resulting from the business transfers led to an overall decline. The net loss attributable to owners of Pioneer narrowed to ¥1,749 million, compared with a year-earlier net loss of ¥4,737 million, with a large decrease in the foreign exchange loss.

During the nine months ended December 31, 2015, the average value of the Japanese yen declined 12.2% year on year against the U.S. dollar, to ¥121.70=1 U.S. dollar, and rose 4.4% against the euro, to ¥134.36=1 euro.

- Notes: 1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.
2. On March 2, 2015, the home AV, telephone, headphone-related, and DJ equipment businesses were transferred. In accordance with these transfers, the business segments from fiscal 2016 are classified as "Car Electronics" and "Others." Figures shown for the third quarter of fiscal 2015 have been reclassified accordingly.

Consolidated Financial Position

Total assets as of December 31, 2015 were ¥317,969 million, a decrease of ¥10,308 million from March 31, 2015, from decreases in cash and deposits, property, plant and equipment, and inventories, despite an increase in intangible assets. Intangible assets grew ¥4,050 million, to ¥45,588 million, mainly from new purchases of software to be installed in products. On the other hand, cash and deposits decreased ¥4,733 million, to ¥47,427 million. Property, plant and equipment decreased ¥4,242 million, to ¥53,387 million, mainly from foreign exchange rate movements. Inventories decreased ¥1,271 million, to ¥62,024 million, mostly from foreign exchange rate movements.

Total liabilities were ¥214,298 million, a ¥6,913 million decline from March 31, 2015. Borrowings increased ¥10,044 million, which included ¥15,075 million from the issuance of convertible bonds in the third quarter of fiscal 2016, but a ¥13,383 million decrease in accrued expenses, mainly due to the payment of special retirement benefits associated with organizational streamlining carried out in fiscal 2015, resulted in an overall decline.

Total equity was ¥103,671 million, a decrease of ¥3,395 million from March 31, 2015, mainly reflecting a ¥2,999 million decrease in foreign currency translation adjustments and the recording of a ¥1,749 million net loss attributable to owners of Pioneer for the nine months ended December 31, 2015.

Cash Flows

During the nine months ended December 31, 2015, operating activities provided net cash in the amount of ¥7,232 million, a ¥22,061 million decrease from the year-earlier period. This reflected a ¥9,938 million decrease in accrued expenses, mainly due to the payment of special retirement benefits, compared with a ¥4,490 million increase in the year-earlier period, and a ¥1,731 million increase in trade receivables, compared with a year-earlier ¥5,544 million decrease.

Investing activities used net cash in the amount of ¥20,655 million, an ¥11,203 million increase from the year-earlier period. This included a ¥5,016 million increase in outlays for the purchase of noncurrent assets, a ¥3,763 million decrease in proceeds from sale of investment securities, and payments of ¥2,017 million for business transfers.

Financing activities provided net cash in the amount of ¥10,225 million, compared with ¥11,959 million in net cash used in the year-earlier period. This mainly reflected proceeds of ¥15,073 million from the issuance of convertible bonds in the third quarter of fiscal 2016.

Foreign currency translation adjustments on cash and cash equivalents were a negative ¥1,051 million, compared with a positive ¥2,527 million in the year-earlier period.

As a result, cash and cash equivalents as of December 31, 2015, totaled ¥47,427 million, a ¥4,249 million decrease from March 31, 2015.

Business Forecasts for Fiscal 2016

The forecast for net sales for fiscal 2016, ending March 31, 2016, has been revised from the previous forecast announced on November 10, 2015, 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 2015
Net sales	¥455,000	¥465,000	¥(10,000)	-2.2%	¥501,676
Operating income	8,000	8,000	0	-	7,778
Ordinary income (loss)	6,000	6,000	0	-	(2,915)
Net income *	¥ 1,000	¥ 1,000	¥ 0	-%	¥ 14,632

* Net income attributable to owners of Pioneer Corporation

The net sales forecast has been revised downward by ¥10 billion from the previous forecast, taking into account foreign exchange rate movements and economic weakness in emerging markets, as well as anticipated lower sales of optical disc drive-related products and equipment for cable-TV systems. The forecasts for operating income, ordinary income and net income attributable to owners of Pioneer remain unchanged from previous forecasts.

The yen-U.S. dollar exchange rate assumption for the fourth quarter of fiscal 2016 is ¥120, representing a ¥2 appreciation compared with the previously announced forecast, and the yen-euro exchange rate assumption is ¥130, a ¥5 appreciation.

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 U.S. dollar, the euro, 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 car electronics 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, 2015.

(1) CONSOLIDATED BALANCE SHEETS

	(In millions of yen)	
	March 31, 2015	December 31, 2015
ASSETS		
Current assets:		
Cash and deposits	52,160	47,427
Trade receivables	79,158	79,637
Finished products	29,039	27,293
Work in process	11,065	13,016
Raw materials and supplies	23,191	21,715
Deferred tax assets	4,563	4,136
Other current assets	20,666	17,464
Allowance for doubtful receivables	(2,195)	(3,136)
Total current assets	217,647	207,552
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	64,524	63,841
Machinery, vehicles, tools, furniture and fixtures	139,724	128,934
Lease assets	15,040	7,319
Others	16,537	16,131
Accumulated depreciation	(178,196)	(162,838)
Net property, plant and equipment	57,629	53,387
Intangible assets:		
Goodwill	522	489
Software	25,600	22,215
Software in progress	14,376	21,978
Others	1,040	906
Total intangible assets	41,538	45,588
Investments and other assets:		
Investment securities	6,349	6,492
Deferred tax assets	2,049	1,503
Prepaid pension costs	1,118	1,218
Others	1,908	2,187
Allowance for doubtful accounts	(80)	-
Total investments and other assets	11,344	11,400
Total noncurrent assets	110,511	110,375
Deferred assets	119	42
Total assets	328,277	317,969

	(In millions of yen)	
	March 31, 2015	December 31, 2015
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	76,359	75,717
Short-term borrowings	17,871	15,969
Current portion of long-term debt	6,367	3,238
Income taxes payable	2,266	2,334
Accrued expenses	44,834	31,451
Warranty reserve	2,531	2,190
Other current liabilities	23,803	22,686
Total current liabilities	174,031	153,585
Long-term liabilities:		
Long-term debt	10,000	10,000
Convertible bonds	–	15,075
Accrued pension and severance costs	32,202	31,019
Other long-term liabilities	4,978	4,619
Total long-term liabilities	47,180	60,713
Total liabilities	221,211	214,298
<u>EQUITY</u>		
Shareholders' equity:		
Common stock	91,732	91,732
Capital surplus	56,016	56,016
Retained earnings	33,277	31,558
Treasury stock	(11,051)	(11,051)
Total shareholders' equity	169,974	168,255
Accumulated other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(105)	103
Deferred gain on derivatives under hedge accounting	–	53
Foreign currency translation adjustments	(47,369)	(50,368)
Defined retirement benefit plans	(20,767)	(19,526)
Total accumulated other comprehensive loss	(68,241)	(69,738)
Non-controlling interests	5,333	5,154
Total equity	107,066	103,671
Total liabilities and equity	328,277	317,969

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

	(In millions of yen)	
	Nine months ended December 31	
	2014	2015
Net sales	372,361	339,456
Cost of sales	297,166	281,344
Gross profit	75,195	58,112
Selling, general and administrative expenses	70,163	54,268
Operating income	5,032	3,844
Non-operating income:		
Interest income	134	205
Dividend income	152	95
Others	228	188
Total non-operating income	514	488
Non-operating expenses:		
Interest expenses	1,850	940
Exchange loss	5,416	6
Equity in losses of affiliated companies	67	82
Others	1,689	935
Total non-operating expenses	9,022	1,963
Ordinary income (loss)	(3,476)	2,369
Extraordinary income:		
Gain on sale of property, plant and equipment	1,512	210
Gain on sale of investment securities	1,596	702
Gain on sale of investment in subsidiary	327	-
Gain on transfer of business	-	301
Total extraordinary income	3,435	1,213
Extraordinary loss:		
Loss on sale and disposal of property, plant and equipment	266	294
Restructuring costs	571	882
Others	77	492
Total extraordinary loss	914	1,668
Income (loss) before income taxes	(955)	1,914
Income taxes:		
Current	3,463	2,631
Deferred	466	945
Total income taxes	3,929	3,576
Net loss	(4,884)	(1,662)
Net income (loss) attributable to non-controlling interests	(147)	87
Net loss attributable to owners of Pioneer Corporation	(4,737)	(1,749)

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

	(In millions of yen)	
	Nine months ended December 31	
	2014	2015
Net loss	(4,884)	(1,662)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(1,155)	208
Deferred gain on derivatives under hedge accounting	256	53
Foreign currency translation adjustments	13,093	(3,196)
Share of other comprehensive income (loss) in associates	65	(69)
Defined retirement benefit plans	1,261	1,241
Total other comprehensive income (loss)	13,520	(1,763)
Comprehensive income (loss)	8,636	(3,425)
Comprehensive income (loss) attributable to:		
Owners of Pioneer Corporation	8,169	(3,246)
Non-controlling interests	467	(179)

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

(In millions of yen)

	Three months ended December 31	
	2014	2015
Net sales	136,433	116,861
Cost of sales	108,908	96,483
Gross profit	27,525	20,378
Selling, general and administrative expenses	25,861	18,612
Operating income	1,664	1,766
Non-operating income:		
Interest income	8	80
Dividend income	14	7
Equity in earnings of affiliated companies	29	-
Others	42	30
Total non-operating income	93	117
Non-operating expenses:		
Interest expenses	578	288
Exchange loss	3,256	375
Equity in losses of affiliated companies	-	36
Others	48	220
Total non-operating expenses	3,882	919
Ordinary income (loss)	(2,125)	964
Extraordinary income:		
Gain on sale of property, plant and equipment	70	21
Gain on sale of investment securities	1,138	343
Others	-	62
Total extraordinary income	1,208	426
Extraordinary loss:		
Loss on sale and disposal of property, plant and equipment	83	127
Restructuring costs	94	279
Others	77	52
Total extraordinary loss	254	458
Income (loss) before income taxes	(1,171)	932
Income taxes:		
Current	949	(93)
Deferred	243	680
Total income taxes	1,192	587
Net income (loss)	(2,363)	345
Net income (loss) attributable to non-controlling interests	(60)	100
Net income (loss) attributable to owners of Pioneer Corporation	(2,303)	245

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

	(In millions of yen)	
	Three months ended December 31	
	2014	2015
Net income (loss)	(2,363)	345
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(778)	445
Deferred gain (loss) on derivatives under hedge accounting	(180)	11
Foreign currency translation adjustments	7,989	(632)
Share of other comprehensive income (loss) in associates	117	(76)
Defined retirement benefit plans	298	451
Total other comprehensive income	7,446	199
Comprehensive income	5,083	544
Comprehensive income attributable to:		
Owners of Pioneer Corporation	4,768	548
Non-controlling interests	315	(4)

(6) CONSOLIDATED STATEMENTS OF CASH FLOWS

	(In millions of yen)	
	Nine months ended December 31	
	2014	2015
Cash flows from operating activities:		
Income (loss) before income taxes	(955)	1,914
Depreciation and amortization	17,199	20,361
Net gain on transfer of business	–	(288)
Decrease in accrued pension and severance costs	(1,130)	(1,135)
Interest and dividends income	(286)	(300)
Interest expenses	1,850	940
Net loss (gain) on sale and disposal of noncurrent assets	(1,246)	84
Gain on sale of investment securities	(1,596)	(702)
Decrease (increase) in trade receivables	5,544	(1,731)
Increase in inventories	(2,980)	(1,247)
Increase in trade payables	5,080	2,406
Increase (decrease) in accrued expenses	4,490	(9,938)
Other—net	8,766	593
Subtotal	34,736	10,957
Interest and dividends income received	287	300
Interest expenses paid	(1,888)	(902)
Income taxes paid	(3,842)	(3,123)
Net cash provided by operating activities	29,293	7,232
Cash flows from investing activities:		
Decrease in time deposits	1,093	489
Purchase of noncurrent assets	(17,561)	(22,577)
Proceeds from sale of noncurrent assets	2,607	2,526
Purchase of investment securities	(316)	(277)
Proceeds from sale of investment securities	4,609	846
Payment for business transfer	–	(2,017)
Proceeds from business transfer	–	360
Net decrease from sale of subsidiary stock resulting in change in scope of consolidation	(154)	–
Other—net	270	(5)
Net cash used in investing activities	(9,452)	(20,655)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	2,009	(1,345)
Proceeds from long term debt	36,587	–
Repayment of long term debt	(50,115)	(3,129)
Proceeds from issuance of convertible bonds	–	15,073
Proceeds from sale and lease-back transactions	1,043	1,059
Repayment of lease obligations	(1,483)	(1,433)
Net cash provided by (used in) financing activities	(11,959)	10,225
Foreign currency translation adjustments on cash and cash equivalents	2,527	(1,051)
Net increase (decrease) in cash and cash equivalents	10,409	(4,249)
Cash and cash equivalents, beginning of period	33,904	51,676
Cash and cash equivalents, end of period	44,313	47,427

(7) CHANGE IN ACCOUNTING POLICY

Effective from the beginning of the first quarter of fiscal 2016, the year ending March 31, 2016, the Company adopted the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No.21, issued September 13, 2013, hereinafter the “Accounting Standard for Business Combinations”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22, issued September 13, 2013, hereinafter the “Accounting Standard for Consolidated Financial Statements”) and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7, issued September 13, 2013, hereinafter the “Accounting Standard for Business Divestitures”). In applying these revised accounting standards, the Company records any differences arising from changes in interests in its subsidiary retaining control as capital surplus and acquisition-related costs are recognized as expenses when the costs are incurred. Also, regarding business combinations conducted on or after the beginning of the first quarter of fiscal 2016, the disclosure method was revised with regard to the adjustment of purchase price allocation based on provisional accounting applicable to the consolidated financial statements of the period in which the business combination occurs. In addition, the presentation method of net income was amended and the reference to “minority interests” was changed to “non-controlling interests.” To reflect these changes in presentation, the consolidated financial statements for the nine months and the third quarter of fiscal 2015 and the consolidated financial statements for fiscal 2015 have been reclassified.

Concerning the application of the Accounting Standard for Business Combinations and others, based on the provisional treatment set out in Section 58-2 (4) of the Accounting Standard for Business Combinations, in Section 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and in Section 57-4 (4) of the Accounting Standard for Business Divestitures, these changes are effective from the beginning of the first quarter of fiscal 2016.

There is no impact of these changes on the consolidated financial statements for the nine months and the third quarter of fiscal 2016.

(8) SEGMENT INFORMATION

<Net Sales by Segment>

(In millions of yen)

	Nine months ended December 31				
	2014		2015		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	96,071	25.8 %	94,722	27.9 %	-1.4 %
Overseas	164,866	44.3	169,398	49.9	+2.7
Total	260,937	70.1	264,120	77.8	+1.2
Others:					
Japan	44,889	12.1	39,853	11.7	-11.2
Overseas	66,535	17.8	35,483	10.5	-46.7
Total	111,424	29.9	75,336	22.2	-32.4
Consolidated:					
Japan	140,960	37.9	134,575	39.6	-4.5
Overseas	231,401	62.1	204,881	60.4	-11.5
Total	372,361	100.0 %	339,456	100.0 %	-8.8 %

(In millions of yen)

	Three months ended December 31				
	2014		2015		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	30,889	22.6 %	34,013	29.1 %	+10.1 %
Overseas	61,453	45.1	54,829	46.9	-10.8
Total	92,342	67.7	88,842	76.0	-3.8
Others:					
Japan	17,238	12.7	14,010	12.0	-18.7
Overseas	26,853	19.6	14,009	12.0	-47.8
Total	44,091	32.3	28,019	24.0	-36.5
Consolidated:					
Japan	48,127	35.3	48,023	41.1	-0.2
Overseas	88,306	64.7	68,838	58.9	-22.0
Total	136,433	100.0 %	116,861	100.0 %	-14.3 %

<Sales and Income (Loss) by Segment>

Nine months ended December 31, 2014					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	260,937	111,424	372,361	-	372,361	
Intersegment sales	444	3,562	4,006	(4,006)	-	
Total sales	261,381	114,986	376,367	(4,006)	372,361	
Segment income (loss)	8,080	(1,324)	6,756	(1,724)	5,032	

Notes:

1. Reconciliations of ¥(1,724) million recorded for segment income (loss) include elimination of intersegment transactions of ¥385 million and corporate expenses of ¥(2,109) 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.

Nine months ended December 31, 2015					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	264,120	75,336	339,456	-	339,456	
Intersegment sales	399	2,639	3,038	(3,038)	-	
Total sales	264,519	77,975	342,494	(3,038)	339,456	
Segment income	4,220	472	4,692	(848)	3,844	

Notes:

1. Reconciliations of ¥(848) million recorded for segment income include elimination of intersegment transactions of ¥179 million and corporate expenses of ¥(1,027) 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.

<Sales and Income (loss) by Segment>

Three months ended December 31, 2014					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	92,342	44,091	136,433	-	136,433	
Intersegment sales	149	1,215	1,364	(1,364)	-	
Total sales	92,491	45,306	137,797	(1,364)	136,433	
Segment income (loss)	2,466	(402)	2,064	(400)	1,664	

Notes:

1. Reconciliations of ¥(400) million recorded for segment income (loss) include elimination of intersegment transactions of ¥186 million and corporate expenses of ¥(586) 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.

Three months ended December 31, 2015					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	88,842	28,019	116,861	-	116,861	
Intersegment sales	131	827	958	(958)	-	
Total sales	88,973	28,846	117,819	(958)	116,861	
Segment income	1,374	351	1,725	41	1,766	

Notes:

1. Reconciliations of ¥41 million recorded for segment income include elimination of intersegment transactions of ¥235 million and corporate expenses of ¥(194) 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>

On March 2, 2015, the home AV, telephone, headphone-related, and DJ equipment businesses were transferred. In accordance with these transfers, the business segments from fiscal 2016 are classified as "Car Electronics" and "Others." Figures shown for the corresponding periods of fiscal 2015 have been reclassified accordingly.