

# News Release

**For Immediate Release  
February 9, 2018**

## **Pioneer Announces Business Results for 3Q Fiscal 2018**

Pioneer Corporation today announced its consolidated third-quarter and nine-month business results for the period ended December 31, 2017.

### **Consolidated Financial Highlights**

(In millions of yen except per share information)

	Three months ended December 31			Nine months ended December 31		
	2017	2016	Percent change	2017	2016	Percent change
Net sales	¥94,701	¥98,405	-3.8%	¥270,871	¥288,802	-6.2%
Operating income	63	1,875	-96.6	2,112	3,391	-37.7
Ordinary income (loss)	(1,805)	(976)	-	(2,165)	1,852	-
Net income (loss) *	¥ (2,856)	¥ (3,994)	-%	¥ (5,505)	¥ (3,028)	-%
Net income (loss) * per share	¥(7.56)	¥(10.88)		¥(14.85)	¥(8.25)	

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

### **Consolidated Business Results**

For the third quarter of fiscal 2018, the three months ended December 31, 2017, consolidated net sales declined 3.8% year on year, to ¥94,701 million. This was mainly due to lower sales of Car Electronics and the effect of the transfer of the cable TV system-related equipment business more than offsetting the positive effect of the Japanese yen's depreciation.

Operating income was ¥63 million, compared with ¥1,875 million for the third quarter of fiscal 2017, due to the deterioration in the cost of sales ratio mainly as a result of foreign exchange rate movements, and the decline in net sales. Net loss attributable to owners of Pioneer was ¥2,856 million, compared with ¥3,994 million for the third quarter of fiscal 2017. This was mainly due to the decrease in foreign exchange loss and the extraordinary loss mainly associated with restructuring, despite the decrease in operating income.

### ***For further information, please contact:***

Investor Relations & Public Relations Division  
Pioneer Corporation, Tokyo  
Phone: +81-3-6634-8777 / Fax: +81-3-6634-8745  
E-mail: pioneer\_ir@post.pioneer.co.jp  
IR Website: <http://global.pioneer/en/ir/>

During the third quarter of fiscal 2018, the average value of the Japanese yen declined 3.3% against the U.S. dollar year on year, to ¥112.98=1 U.S. dollar, and declined 11.5% against the euro, to ¥133.01=1 euro.

**Car Electronics** sales declined 2.9% year on year, to ¥75,972 million. This was mainly due to lower car navigation system sales, despite the positive effect of the Japanese yen's depreciation.

Sales of the consumer market business were almost unchanged year on year, because of favorable sales in telematics services mainly for automobile insurance, despite lower sales in car navigation systems and car audio products. Sales of car audio products declined due to lower sales mainly in North America, despite higher sales in Europe and Central and South America. Car navigation system sales declined due to lower sales mainly in North America and Europe.

Sales of the OEM business declined year on year. Sales of car audio products increased because of higher sales mainly in China and Japan. Car navigation system sales increased in Central and South America, but overall sales declined due to lower sales mainly in Japan.

The OEM business sales accounted for 58% of total Car Electronics sales, compared with 59% a year earlier.

By geographic region, sales in Japan declined 6.8%, to ¥27,366 million, and overseas sales were roughly flat year on year at ¥48,606 million.

Operating loss was ¥609 million, compared with an operating income of ¥2,006 million for the third quarter of fiscal 2017, due to the deterioration in the cost of sales ratio and an increase of selling, general and administrative (SG&A) expenses both mainly as a result of foreign exchange rate movements, as well as the decline in sales.

In the **Others** segment, sales declined 7.1% year on year, to ¥18,729 million, mainly because of the effect of the transfer of the cable TV system-related equipment business and lower sales of home AV products.

By geographic region, sales in Japan increased 6.0%, to ¥10,834 million, and overseas sales declined 20.5%, to ¥7,895 million.

The segment's operating income increased by 2.8 times year on year to ¥730 million, primarily due to an improvement in the cost of sales ratio, despite the decline in sales.

For the nine months ended December 31, 2017, consolidated net sales declined 6.2% year on year, to ¥270,871 million. This was primarily due to lower car navigation system sales mainly in the OEM business and lower sales of home AV products, despite higher sales of car audio products in both the OEM business and the consumer market business, with the positive effect of the Japanese yen's depreciation.

Operating income declined 37.7% year on year to ¥2,112 million. This was due to the decline in net sales, despite a decrease in SG&A expenses and an improvement in the cost of sales ratio. Net loss attributable to owners of Pioneer was ¥5,505 million,

compared with a net loss of ¥3,028 million in the corresponding period of fiscal 2017. This was mainly due to the decrease in operating income, as well as a ¥1,391 million increase in foreign exchange loss to ¥1,896 million.

During the nine months ended December 31, 2017, the average value of the Japanese yen declined 4.5% year on year against the U.S. dollar, to ¥111.70=1 U.S. dollar, and 8.2% against the euro, to ¥128.53=1 euro.

- Notes: 1. Operating income (loss) in each business segment represents operating income (loss) before elimination of intersegment transactions.  
 2. In Car Electronics, some overseas car navigation systems are reclassified from “the consumer market business” to “the OEM business” from fiscal 2018. Figures shown for the third quarter of fiscal 2017 have been reclassified accordingly.

### **Consolidated Financial Position**

Total assets as of December 31, 2017 were ¥298,498 million, an increase of ¥16,712 million from March 31, 2017, mainly due to increases in intangible assets and inventories, despite a decrease in trade receivables. Trade receivables decreased ¥5,459 million to ¥60,597 million. Intangible assets increased ¥16,405 million to ¥73,198 million mainly due to an increase in software in progress. Inventories increased ¥5,752 million to ¥55,573 million, mainly due to an increase in Car Electronics.

Total liabilities were ¥210,810 million, a ¥15,813 million increase from March 31, 2017. This was primarily due to an increase of ¥12,469 million in borrowings.

Total equity was ¥87,688 million, an ¥899 million increase from March 31, 2017. This mainly reflected a payment received of ¥2,299 million associated with a third-party allotment during the third quarter of fiscal 2018 and an increase of ¥2,285 million in foreign currency translation adjustments, as well as an increase of ¥1,181 million in defined retirement benefit plans, despite the recording of ¥5,505 million of net loss attributable to owners of Pioneer for the nine months ended December 31, 2017.

### **Consolidated Business Forecasts for Fiscal 2018**

Consolidated business forecasts for fiscal 2018, ending March 31, 2018, have been revised from those announced on August 7, 2017, 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 2017
Net sales	¥370,000	¥380,000	¥(10,000)	-2.6%	¥386,682
Operating income	5,000	10,000	(5,000)	-50.0	4,167
Net income (loss) *	¥ (3,000)	¥ 3,500	¥ (6,500)	-%	¥ (5,054)

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

Note: The yen-U.S. dollar exchange rate assumption for the fourth quarter of fiscal 2018 remains unchanged at ¥110, while the yen-euro exchange rate assumption is ¥135, a depreciation of ¥7 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 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.

# # # # # #

Attached are consolidated financial statements for the three months and the nine months ended December 31, 2017.

**(1) CONSOLIDATED BALANCE SHEETS**

	(In millions of yen)	
	March 31, 2017	December 31, 2017
<b>ASSETS</b>		
Current assets:		
Cash and deposits	38,405	37,831
Trade receivables	66,056	60,597
Finished products	21,245	24,950
Work in process	11,795	12,899
Raw materials and supplies	16,781	17,724
Deferred tax assets	3,696	2,439
Other current assets	16,798	16,456
Allowance for doubtful receivables	(2,896)	(1,658)
Total current assets	171,880	171,238
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	47,779	48,421
Machinery, equipment and others	126,053	119,643
Lease assets	3,574	8,685
Others	12,020	11,002
Accumulated depreciation	(148,591)	(148,409)
Net property, plant and equipment	40,835	39,342
Intangible assets:		
Goodwill	438	405
Software	16,187	22,681
Software in progress	39,544	49,510
Others	624	602
Total intangible assets	56,793	73,198
Investments and other assets:		
Investment securities	6,920	9,237
Deferred tax assets	1,142	1,291
Net defined benefit asset	838	909
Others	3,428	3,307
Allowance for doubtful accounts	(50)	(49)
Total investments and other assets	12,278	14,695
Total noncurrent assets	109,906	127,235
Deferred assets	-	25
Total assets	281,786	298,498

	(In millions of yen)	
	March 31, 2017	December 31, 2017
<u>LIABILITIES</u>		
Current liabilities:		
Trade payables	62,362	62,623
Short-term borrowings	10,703	33,383
Current portion of long-term debt	11,033	1,667
Income taxes payable	1,305	1,043
Accrued expenses	30,987	34,013
Warranty reserve	1,967	1,923
Other current liabilities	20,529	19,047
Total current liabilities	138,886	153,699
Long-term liabilities:		
Convertible bonds	15,056	15,045
Long-term debt	2,500	1,666
Accrued pension and severance costs	35,106	33,854
Other long-term liabilities	3,449	6,546
Total long-term liabilities	56,111	57,111
Total liabilities	194,997	210,810
<u>EQUITY</u>		
Shareholders' equity:		
Common stock	91,732	92,881
Capital surplus	56,016	32,294
Retained earnings	28,984	48,351
Treasury stock	(11,051)	(11,052)
Total shareholders' equity	165,681	162,474
Accumulated other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(191)	140
Deferred gain (loss) on derivatives under hedge accounting	-	(107)
Foreign currency translation adjustments	(59,149)	(56,864)
Defined retirement benefit plans	(23,825)	(22,644)
Total accumulated other comprehensive income (loss)	(83,165)	(79,475)
Noncontrolling interests	4,273	4,689
Total equity	86,789	87,688
Total liabilities and equity	281,786	298,498

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

	(In millions of yen)	
	Nine months ended December 31	
	2016	2017
Net sales	288,802	270,871
Cost of sales	237,058	221,381
Gross profit	51,744	49,490
Selling, general and administrative expenses	48,353	47,378
Operating income	3,391	2,112
Non-operating income:		
Interest income	244	162
Dividend income	95	101
Others	224	123
Total non-operating income	563	386
Non-operating expenses:		
Interest expense	460	464
Exchange loss	505	1,896
Equity in losses of affiliated companies	93	1,071
Others	1,044	1,232
Total non-operating expenses	2,102	4,663
Ordinary income (loss)	1,852	(2,165)
Extraordinary income:		
Gain on sale of noncurrent assets	529	186
Gain on sale of investment securities	-	48
Total extraordinary income	529	234
Extraordinary loss:		
Loss on sale and disposal of noncurrent assets	283	319
Impairment loss	138	-
Loss on business transfer	-	11
Restructuring costs	1,443	880
Provision for loss on transfer of business	1,152	-
Loss on litigation settlement	506	61
Others	70	-
Total extraordinary loss	3,592	1,271
Income (loss) before income taxes	(1,211)	(3,202)
Income taxes:		
Current	2,469	1,502
Deferred	(405)	791
Total income taxes	2,064	2,293
Net income (loss)	(3,275)	(5,495)
Net income (loss) attributable to noncontrolling interests	(247)	10
Net income (loss) attributable to owners of Pioneer Corporation	(3,028)	(5,505)

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

	(In millions of yen)	
	Nine months ended December 31	
	2016	2017
Net income (loss)	(3,275)	(5,495)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	(196)	331
Deferred gain (loss) on derivatives under hedge accounting	(13)	(107)
Foreign currency translation adjustments	(456)	2,485
Defined retirement benefit plans	2,058	1,181
Share of other comprehensive income (loss) in associates	(230)	4
Total other comprehensive income (loss)	1,163	3,894
Comprehensive income (loss)	(2,112)	(1,601)
Comprehensive income (loss) attributable to:		
Owners of Pioneer Corporation	(1,800)	(1,815)
Noncontrolling interests	(312)	214



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

	(In millions of yen)	
	Three months ended December 31	
	2016	2017
Net sales	98,405	94,701
Cost of sales	80,524	78,506
Gross profit	17,881	16,195
Selling, general and administrative expenses	16,006	16,132
Operating income	1,875	63
Non-operating income:		
Interest income	53	55
Dividend income	6	7
Others	52	55
Total non-operating income	111	117
Non-operating expenses:		
Interest expense	146	158
Exchange loss	2,295	661
Equity in losses of affiliated companies	26	790
Others	495	376
Total non-operating expenses	2,962	1,985
Ordinary income (loss)	(976)	(1,805)
Extraordinary income:		
Gain on sale of noncurrent assets	238	178
Gain on sale of investment securities	-	48
Total extraordinary income	238	226
Extraordinary loss:		
Loss on sale and disposal of noncurrent assets	65	112
Restructuring costs	1,216	17
Provision for loss on transfer of business	1,152	-
Total extraordinary loss	2,433	139
Income (loss) before income taxes	(3,171)	(1,718)
Income taxes:		
Current	1,019	457
Deferred	(169)	608
Total income taxes	850	1,065
Net income (loss)	(4,021)	(2,783)
Net income (loss) attributable to noncontrolling interests	(27)	73
Net income (loss) attributable to owners of Pioneer Corporation	(3,994)	(2,856)

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

	(In millions of yen)	
	Three months ended December 31	
	2016	2017
Net income (loss)	(4,021)	(2,783)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	57	(345)
Deferred gain (loss) on derivatives under hedge accounting	218	70
Foreign currency translation adjustments	10,711	674
Defined retirement benefit plans	199	157
Share of other comprehensive income (loss) in associates	1	21
Total other comprehensive income (loss)	11,186	577
Comprehensive income (loss)	7,165	(2,206)
Comprehensive income (loss) attributable to:		
Owners of Pioneer Corporation	6,723	(2,350)
Noncontrolling interests	442	144

**(6) CONSOLIDATED STATEMENTS OF CASH FLOWS**

	(In millions of yen)	
	Nine months ended December 31	
	2016	2017
Cash flows from operating activities:		
Income (loss) before income taxes	(1,211)	(3,202)
Depreciation and amortization	18,893	15,130
Loss (gain) on business transfer—net	–	11
Increase (decrease) in accrued pension and severance costs	(1,621)	(3,553)
Interest and dividend income	(339)	(263)
Interest expense	460	464
Equity in losses (earnings) of affiliated companies	93	1,071
Loss (gain) on sales and disposals of noncurrent assets—net	(246)	133
Loss (gain) on sales of investment securities—net	–	(48)
Decrease (increase) in trade receivables	10,442	5,044
Decrease (increase) in inventories	(3,870)	(4,536)
Increase (decrease) in trade payables	(4,014)	(1,493)
Increase (decrease) in accrued expenses	(1,165)	(2,531)
Other—net	2,900	5,524
<b>Subtotal</b>	<b>20,322</b>	<b>11,751</b>
Interest and dividend income received	339	263
Interest expense paid	(473)	(464)
Income taxes paid	(2,693)	(1,722)
<b>Net cash provided by (used in) operating activities</b>	<b>17,495</b>	<b>9,828</b>
Cash flows from investing activities:		
Decrease (increase) in time deposits	–	(6)
Payment for purchase of noncurrent assets	(27,439)	(25,289)
Proceeds from sale of noncurrent assets	560	937
Payment for purchase of investment securities	(20)	(2,692)
Proceeds from sales of investment securities	–	134
Payment for purchase of shares of associated companies	–	(513)
Payment for business transfer	–	(118)
Other—net	(221)	6
<b>Net cash provided by (used in) investing activities</b>	<b>(27,120)</b>	<b>(27,541)</b>
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings—net	119	22,204
Increase in long-term debt	3,333	–
Repayment of long-term debt	–	(10,200)
Repayment of lease obligations	(760)	(979)
Proceeds from sale and lease back transactions	–	2,563
Proceeds from issuance of new shares	–	2,267
Purchase of treasury stock	(0)	(1)
Proceeds from stock issuance to noncontrolling interests	–	214
<b>Net cash provided by (used in) financing activities</b>	<b>2,692</b>	<b>16,068</b>
Foreign currency translation adjustments on cash and cash equivalents	78	1,065
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,855)</b>	<b>(580)</b>
Cash and cash equivalents, beginning of period	51,993	38,405
<b>Cash and cash equivalents, end of period</b>	<b>45,138</b>	<b>37,825</b>

**(7) ADDITIONAL INFORMATION**

Software for sale has been amortized by the straight-line method over its expected salable period by related product group of one to three years, in view of the trends of the expected sales volume based on the life cycle of its related product group. However, a portion of software for sale newly recorded for the second quarter onward of fiscal 2018, ending March 31, 2018, is amortized at the larger of either the amount calculated based on its expected sales volume over its expected salable period by related product group of five years, or the amount calculated based on the straight-line method over its remaining salable period by related product group. This is because the trends of the expected sales volume based on the life cycle of the related product group of the said portion of software for sale are different from those of conventional ones.

**(8) NOTE WITH RESPECT TO SIGNIFICANT CHANGES IN SHAREHOLDERS' EQUITY**

On July 31, 2017, the Company reduced its additional paid-in capital on a non-consolidated basis, and appropriated surplus in accordance with the resolution at its Ordinary General Meeting of Shareholders held on June 28, 2017. Accordingly, on its consolidated balance sheets, capital surplus decreased by ¥24,872 million, while retained earnings increased by the same amount.

On October 5, 2017, the Company issued new shares through a third-party allotment to HERE Global B.V. Accordingly, on its consolidated balance sheets, common stock and capital surplus each increased by ¥1,149 million.

As a result, common stock as of December 31, 2017 was ¥92,881 million, an increase of ¥1,149 million from March 31, 2017, and capital surplus was ¥32,294 million, a decrease of ¥23,723 million.

**(9) SEGMENT INFORMATION**

&lt;Net Sales by Segment&gt;

(In millions of yen)

	Nine months ended December 31				
	2016		2017		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	92,190	31.9 %	80,959	29.9 %	-12.2 %
Overseas	140,587	48.7	138,743	51.2	-1.3
Total	232,777	80.6	219,702	81.1	-5.6
Others:					
Japan	28,420	9.9	28,839	10.6	+1.5
Overseas	27,605	9.5	22,330	8.3	-19.1
Total	56,025	19.4	51,169	18.9	-8.7
Consolidated:					
Japan	120,610	41.8	109,798	40.5	-9.0
Overseas	168,192	58.2	161,073	59.5	-4.2
Total	288,802	100.0 %	270,871	100.0 %	-6.2 %

(In millions of yen)

	Three months ended December 31				
	2016		2017		Percent change
	Amount	Ratio	Amount	Ratio	
Car Electronics:					
Japan	29,353	29.8 %	27,366	28.9 %	-6.8 %
Overseas	48,895	49.7	48,606	51.3	-0.6
Total	78,248	79.5	75,972	80.2	-2.9
Others:					
Japan	10,221	10.4	10,834	11.4	+6.0
Overseas	9,936	10.1	7,895	8.4	-20.5
Total	20,157	20.5	18,729	19.8	-7.1
Consolidated:					
Japan	39,574	40.2	38,200	40.3	-3.5
Overseas	58,831	59.8	56,501	59.7	-4.0
Total	98,405	100.0 %	94,701	100.0 %	-3.8 %

<Sales and Income (Loss) by Segment> - Nine months ended December 31

Nine months ended December 31, 2016	Car		Total	(In millions of yen)	
	Electronics	Others		Reconciliations * 1	Consolidated * 2
Sales:					
Sales to external customers	232,777	56,025	288,802	-	288,802
Intersegment sales	290	2,281	2,571	(2,571)	-
Total sales	233,067	58,306	291,373	(2,571)	288,802
Segment income (loss)	4,689	(795)	3,894	(503)	3,391

Notes:

1. Reconciliations of ¥(503) million recorded for segment income (loss) include elimination of intersegment transactions of ¥(100) million and corporate expenses of ¥(403) 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, 2017	Car		Total	(In millions of yen)	
	Electronics	Others		Reconciliations * 1	Consolidated * 2
Sales:					
Sales to external customers	219,702	51,169	270,871	-	270,871
Intersegment sales	270	2,355	2,625	(2,625)	-
Total sales	219,972	53,524	273,496	(2,625)	270,871
Segment income	1,486	820	2,306	(194)	2,112

Notes:

1. Reconciliations of ¥(194) million recorded for segment income include elimination of intersegment transactions of ¥179 million and corporate expenses of ¥(373) 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.

## &lt;Sales and Income (Loss) by Segment&gt; - Three months ended December 31

Three months ended December 31, 2016					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	78,248	20,157	98,405	-	98,405	
Intersegment sales	89	682	771	(771)	-	
Total sales	78,337	20,839	99,176	(771)	98,405	
Segment income	2,006	264	2,270	(395)	1,875	

## Notes:

1. Reconciliations of ¥(395) million recorded for segment income include elimination of intersegment transactions of ¥(214) million and corporate expenses of ¥(181) 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.

Three months ended December 31, 2017					(In millions of yen)	
	Car Electronics	Others	Total	Reconciliations * 1	Consolidated * 2	
Sales:						
Sales to external customers	75,972	18,729	94,701	-	94,701	
Intersegment sales	62	776	838	(838)	-	
Total sales	76,034	19,505	95,539	(838)	94,701	
Segment income (loss)	(609)	730	121	(58)	63	

## Notes:

1. Reconciliations of ¥(58) million recorded for segment income (loss) include elimination of intersegment transactions of ¥96 million and corporate expenses of ¥(154) 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.