

Annual Report 2012-2013

For the year ended March 31, 2012



Driving Mobile Media Solutions

For the Fiscal Year Ended March 31, 2012

Annual Select[®] 2012

Alpine Electronics, Inc.

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Corporate Profile

Continuing to grow as a Mobile Media Solution Company creating future value, Alpine creates a safe, comfortable vehicle interior environment that makes driving a pleasure with its cutting-edge in-car equipment and systems. Music and image media and communication tools are diversifying and moving to the next generation, while advances are being made in cloud computing. Speedily embracing ceaseless technological innovation, Alpine also seeks to provide an unprecedented in-car experience as a specialist combining audio, visual, navigation and communication functions with those assist the driving process. In addition to meeting the needs of society and the market with environmentally friendly manufacturing and by contributing to a society in which cars have a low impact on the environment, Alpine constantly takes up the challenge to explore new business fields.

I. Summary of Selected Financial Data (Consolidated)

Year ended March 31,	42 nd fiscal year 2008	43 rd fiscal year 2009	44 th fiscal year 2010	45 th fiscal year 2011	46 th fiscal year 2012
Net sales (Millions of yen)	252,071	196,666	168,586	201,257	202,905
Ordinary income (loss) (Millions of yen)	6,403	(5,051)	807	10,771	6,521
Net income (loss) (Millions of yen)	3,554	(9,290)	(1,249)	6,029	4,572
Comprehensive income (Millions of yen)	–	–	–	2,382	4,445
Net assets (Millions of yen)	116,264	96,873	97,035	98,759	101,811
Total assets (Millions of yen)	167,785	132,422	153,428	153,783	167,355
Net assets per share (Yen)	1,646.38	1,374.95	1,379.61	1,403.69	1,448.63
Net income (loss) per share (Yen)	50.95	(133.17)	(17.92)	86.43	65.53
Diluted net income per share (Yen)	–	–	–	–	–
Equity ratio (%)	68.5	72.4	62.7	63.7	60.4
Return on equity (%)	3.0	(8.8)	(1.3)	6.2	4.6
Price earnings ratio (Times)	21.6	–	–	10.8	17.0
Cash flows from operating activities (Millions of yen)	9,963	10,679	9,858	14,371	9,921
Cash flows from investing activities (Millions of yen)	(14,101)	(12,850)	(3,962)	(4,349)	(7,710)
Cash flows from financing activities (Millions of yen)	(2,289)	(329)	8,150	(5,411)	(1,381)
Cash and cash equivalents at end of period (Millions of yen)	30,159	26,141	39,844	43,883	43,947
Number of employees [Separately, average number of temporary employees] (Persons)	13,403 [2,077]	11,573 [1,865]	10,913 [456]	10,835 [621]	11,058 [703]

- Notes:
1. Net sales does not include consumption taxes.
 2. Diluted net income per share is not provided since there are no potential shares.
 3. Price earnings ratio for the 43rd and 44th fiscal years is not provided since there was a net loss per share in those two fiscal years.

Dear Shareholders

We have striven to maintain our current business to stabilize our supply of products in the extremely harsh business environment during the fiscal year ended March 2012 - which included not only two great natural disasters, the Great East Japan Earthquake and the flooding in Thailand, but the historically high yen and shortages of electric power. Immediately after the disaster, procurement of parts, and therefore, production, were extremely difficult, but we have devoted all our energy to expanding aftermarket sales as well as continuing to supply to products to auto makers. We have reaped extremely good evaluations from our auto maker clients for maintaining supplies in the midst of these difficult circumstances, which made us proud of ourselves as an OEM supplier. Regarding our aftermarket business, the market has highly praised our added value strategy, which has been our most important endeavor. Moreover, the “Big X” (8-inch navigation system) and the “Perfect Fit” systems, received the Good Design Award for 2011 and contributed greatly to our profits.



As we face a transformation of the business environment, specifically the European financial crisis, slowdown of the Chinese economy, and the continued rising value of the yen, we will strengthen our aggressive approach to aim for further growth. For example, we are working to expand business by strengthening our overseas production and sales network in Asia, the Middle and East, and Brazil, etc. as well as establishing an R&D company in Silicon Valley in order to expand business in cloud computing area for automotive use, and by developing business models - introducing the “Big X” and “Perfect Fit” - in the European and U.S. markets, which have been successful in the Japanese market.

Gaining self-confidence by overcoming these difficulties brought by unprecedented disasters through a unified company effort, we will continue to grow as a global car electronics manufacturer.

We thank all of our shareholders and ask that you continue to give us your support and encouragement, as you have in the past.

June, 2012

Toru Usami
President & CEO

II. Operational Review

Audio Products Segment

In the Audio products business segment, sales in Japan and overseas of high-quality speakers and amplifiers that feature clear cabin audio playback were robust. However, sales of head units, chiefly CD players, were hampered in the Japanese, European and U.S. markets by intensified price competition.

In the original equipment manufacturer (OEM) market, sales fell since our major domestic customers decreased production due to the Great East Japan Earthquake and the flooding in Thailand.

As a result, sales in this segment fell 20.2% year on year, to ¥55.7 billion.

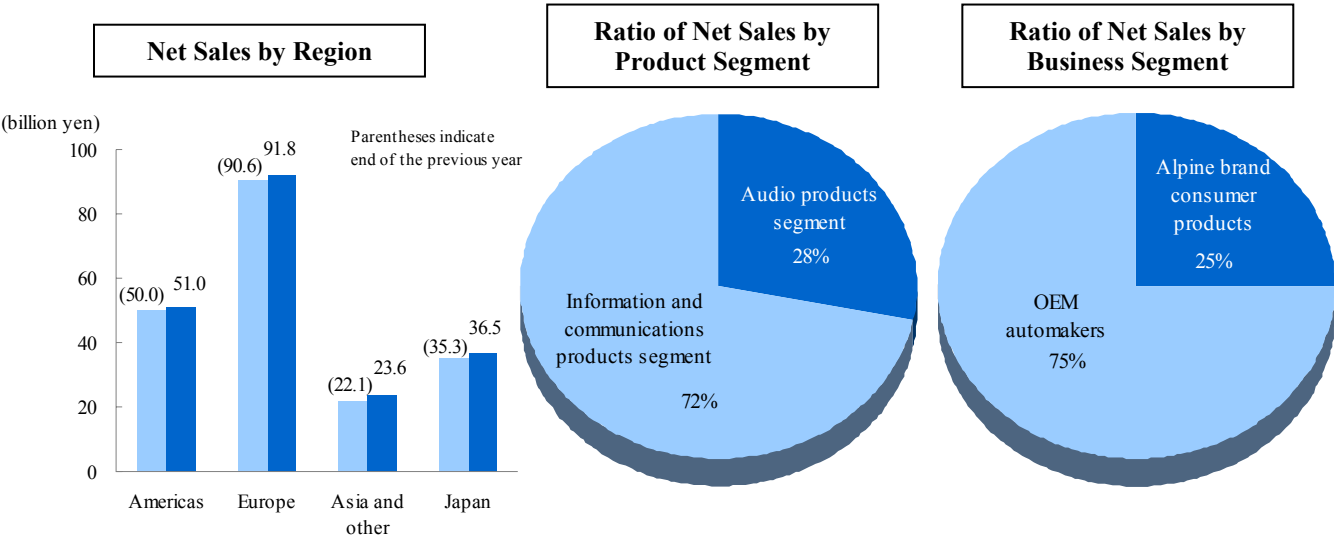
Information and Communications Products Segment

In the domestic market, competition intensified with attempts by competitors to strengthen product lineups. However, we achieved strong sales due to the success of promotional campaigns for the “BIG-X” car navigation system with an 8-inch screen and the “Perfect Fit” system. “BIG-X” enjoyed an excellent reputation as a differentiated product in the market and received the 2011 Good Design Award.

Furthermore, in the European and U.S. markets we launched affordably priced navigation systems that provide good cost performance. However, sales decreased due to aggressive marketing strategies of our competitors and deteriorating market conditions.

In the OEM market, sales to automakers were affected by our major domestic customers’ production cutbacks caused by the Great East Japan Earthquake and the flooding in Thailand. However, strong sales in North America and China of new models sold by middle- and high-end car manufacturers. Furthermore, installation rates recovered for such highly functional items as navigation and display products, pushing up sales.

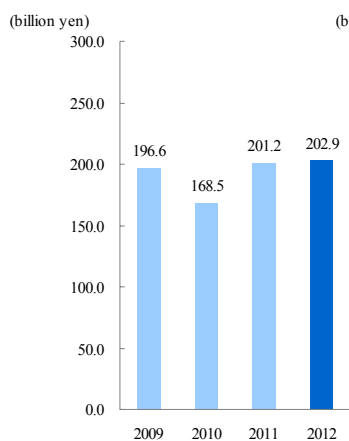
Owing to the above-mentioned factors, segment sales increased 12.0% year on year, to ¥147.1 billion.



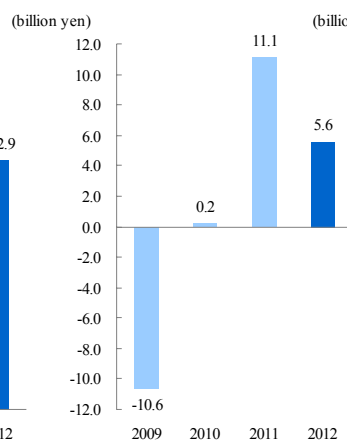
III. Business Review

Changes in Major Management Indices

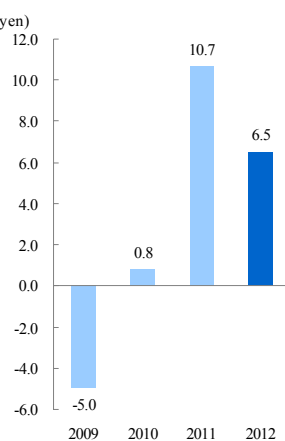
Net Sales



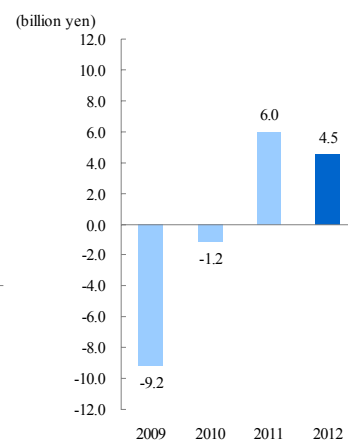
Operating Income



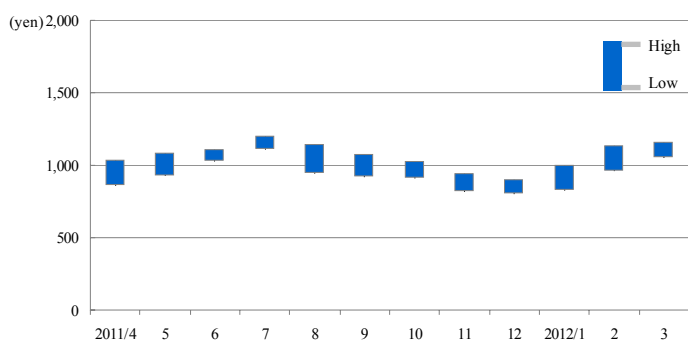
Ordinary Income



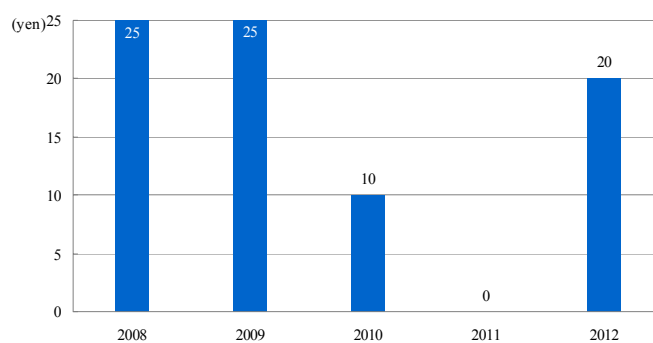
Net Income



Share Price



Dividend



IV. Product Topics

Expansion of New Product Lineup Including World's First Navigation System with a 9-Inch Screen



“VIE-X009”
(navigation system with a 9-inch screen for
TOYOTA ALPHARD and VELLFIRE)

and VELLFIRE car models and is the world's first car navigation system sold on the market to be equipped with a large, 9-inch screen. With its elaborated and tailored hardware design, by which it can be matched with the shape of a car's original dashboard, as well as its tailored opening screen, the VIE-X009 helps to make the interior of the popular ALPHARD and VELLFIRE cars into a stylish space. With its large screen, which is approximately 1.8 times the size of the current standard 7-inch screens, it also provides maps that are easier to see and impressive images.

Alpine's "BIG-X" car navigation system, which is tailored to specific car models and has a large screen, has garnered significant praise since its launch in 2010. That high evaluation has been helped by the "Perfect Fit" installation kit, which allows the large screen to be fit into the car in a way that looks attractive, even though the screen exceeds the previous standard industry size at 8 inches. With BIG-X, Alpine has created a new market for car navigation systems that have the capability to be tailored to specific car models as well as large screens.

The new BIG-X unveiled is the "VIE-X009", which is tailored to the TOYOTA ALPHARD



“VIE-X008”
(navigation system with a large, 8-inch screen)

installation kit, which is tailored to the specific car models, is delivered to the customer as part of a package. In this way, this system has made a further advance in design for installation that is tailored according to car model and is easier to understand at the time the product is purchased than previous products.

Alpine aims to secure market share by achieving the optimal installation for each customer's car, while also improving visibility and ease of use through the large maps and word displays that can only be realized by a car navigation system with a large screen.

The "VIE-X008," a new car navigation system with a large, 8-inch screen that is compatible with 34 car models, including new minivans and hybrid cars such as the TOYOTA AQUA.

The new BIG-X, for which further advances have been made in its design for compatibility with different car models, boasts a tailored opening screen that displays the specific name and symbol of a customer's car model. Moreover, important information such as data on the optimal sound for the car and vehicle data are installed onto the system. All the preparation is made after orders has been received. At the same time, the Perfect Fit



“PCX-R3500B”
(REARVISION with plasmacluster technology)

By integrating an in-car monitor with plasmacluster technology (*), which has antibacterial and deodorizing effects and is beneficial for the beautiful skin, Alpine has launched “REARVISION with plasmacluster technology,” on which passengers on the back seats of a car can enjoy DVDs and other images. The need for clean air in cabin is spreading as well as other spaces.

REARVISION with plasmacluster technology meets customers’ needs by creating a comfortable environment inside the car with clean air through release and diffusion of plasmacluster ions from the ideal place, the ceiling of the car. Since it also provides entertainment by enabling passengers in the back seats to enjoy watching the television, DVDs and other images, one piece of equipment can carry out two roles simultaneously.

(*) Plasmacluster is the trademark of Sharp Corporation.



“STL-17C” (trade-in type 17cm coaxial speakers)

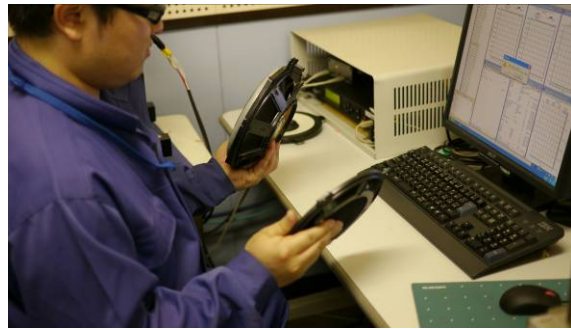
Alpine has launched trade-in speakers that can be installed in a wide variety of car models for a reasonable price.

The speakers provide playback with accurate, high-quality sound with a full range, from high pitches to low pitches. This is achieved with the use of a voice coil that can handle high-capacity electrical currents, in a magnetic circuit that converts electric signals into vibrations with accuracy.

As a specialist maker of in-car equipment that provides impression to customers, Alpine will continue seeking to create products which are focused on providing good quality sound.

Development of Environmentally Friendly Products

Alpine takes initiatives to develop compact, lightweight and efficient sound units that are in demand for environmentally friendly vehicles such as hybrid cars and electric vehicles, while at the same time seeking optimal sound systems that maintain Alpine's characteristic commitment to high-quality sound.



Development of ultra-thin (1-inch) speakers

The “Green premium sound system,” which has been developed with the aim of having a sound system that is 50% lighter and more efficient, succeeded in developing a speaker that is 60% thinner and 50% lighter than the current model with a new structure. Since the system is now lighter and thinner, it can be attached to the ceiling of the car.

Alpine aims to provide new products that bring satisfaction to customers by responding to changes required for cars, while at the same time endeavoring to achieve cutting-edge sound technology and seeking to develop optimal in-car sound systems.

V. Global Topics

Receiving Praise from Japanese and Overseas Carmakers After Overcoming 2 Natural Disasters

Alpine, which has its headquarters function in Iwaki City, Fukushima Prefecture, was forced to suspend operations for two weeks due to damage from the Great East Japan Earthquake. However, we were able to recover quickly thanks to support from the Alps Group and the local government, as well as the efforts of our employees. Following the earthquake, damage from the flooding in Thailand in the latter half of the year had an impact on supply chains, severely impairing parts procurement. Even so, we were able to carry out product deliveries with no major impact on the production plans of our customers as a result of our concerted, group-wide efforts. This achievement earned us praise from our customers and a commendation from Daimler AG.

Alpine also received the Supplier Award from Honda Motor Co., Ltd. due to the excellence of the products it delivered, in terms of their quality and the timing of their delivery.

Participation in Test Demonstration of ITS (Intelligent Transportation System)

Alpine participated in an open test of drive-through using ITS spot communication. The aim of the test was to promote the use of ITS spots by putting in place partnerships among several private companies in which they cooperate in store operation and navigation, thus improving drive-throughs' convenience. The test also attracted attention for featuring the world's first in-car order settlement system using credit cards.

Alpine contributed to the standardization of ITS by proactively making suggestions with respect to the knowhow it has built up through Nagasaki EV&ITS Project. We were also able to publicize our ITS technology because of the positive evaluations we received regarding how easy to use and operate our screens were.

Although the test at drive-through was completed successfully, it also served as a reminder that the limited dissemination of in-car DSRC (Dedicated Short Range Communication) units is a significant issue in the introduction of ITS. The Ministry of Land, Infrastructure, Transport and Tourism, the ITS Service Promotion Association ORG. and other players in the government and industry sectors are working together to find a solution to this issue.

By making efforts to promote awareness of ITS spots through the market launch of navigation systems that are compatible with ITS spots, as well as continuing to participate in test projects for the benefit of society, Alpine will create future value for Mobile Media through ITS.

Expansion and Enhancement of Overseas Bases

Having a unified structure for processes from development, production to sales in its four key areas of Japan, the U.S., Europe and China is one of Alpine’s strengths. Alpine is also working to expand and enhance its overseas bases in order to strengthen its response to developing countries and its proactive approach.



Factory in Thailand to back into operation

Asia Bring Thai factories back into operation in September 2012 (sales promotion of products on market / expansion of OEM business)

Middle East Establish a sales subsidiary in April 2012 (sales promotion of products on market)

Brazil Work with a partner company in production and sales (sales promotion of products on market / development of logistics network)

North America Establish a research and development subsidiary in Silicon Valley in April 2012 (establishment of business in cloud field)

Appeal of Alpine Brand through Global Events

Alpine exhibited its products at a variety of events worldwide, including the Shanghai Motor Show, in China, which has become the world’s largest automobile market, the Indonesia International Motor Show, where the market is growing dramatically, and the International Consumer Electronics Show (CES) in Las Vegas in North America, which is the world’s largest such show. Through our participation in these events, we promoted the Alpine brand to the world.

At CES, we attracted a great deal of attention since we received the Innovations Design and Engineering Award for “INE-Z928HD,” the first navigation system with an 8-inch screen sold in the North American market, and introduced the “Perfect Fit” system, which has already been well-received in the Japanese market. We also exhibited the “BIG-X” system, which received the Good Design Award at the Tokyo Auto Salon, Japan’s largest custom car event, and displayed a sample of the new REAVISION product “PCX-R3500,” which is equipped with plasmacluster technology. Many visitors told us that they have high expectations regarding our new products.

Alpine will continue to make proposals regarding attractive, cutting-edge Mobile Media by participating in events in Japan and overseas.



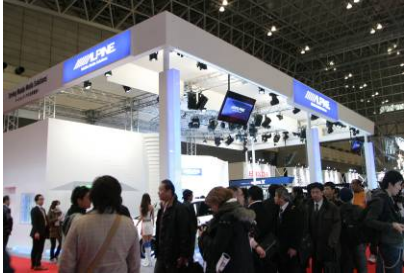
Shanghai Motor Show, China



Indonesia International Motor Show



International Consumer Electronics Show, U.S.



Tokyo Auto Salon

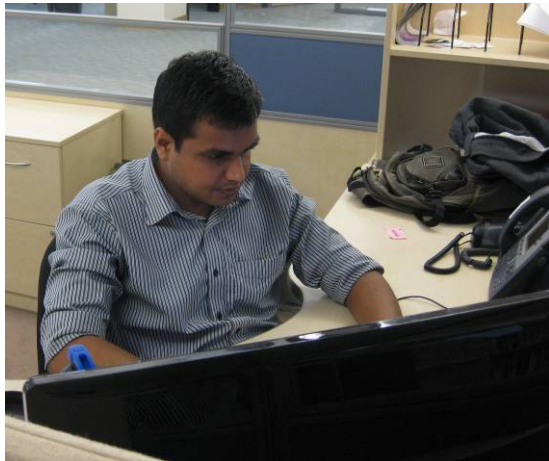


China International Automotive Aftermarket Industry Trade Fair



Bangkok International Motor Show, Thailand

Full-fledged Linkage with Smart phones/Cloud Computing



Application development

In line with the recent penetration of smart phones, customer needs are increasing for linkage between their smart phones and in-car systems within their vehicles. In addition, the need for a response to the field of cloud computing has spread to the car electronics industry, becoming an important theme.

In response, Alpine has established a subsidiary in Silicon Valley, California in the U.S., where is the hub of the IT industry. Through this subsidiary, Alpine is making intensive efforts to develop new applications that link up cars and smart phones, and to discover IT techniques that can contribute to Alpine's future in-car equipment business. Through these initiatives, Alpine aims to invigorate its development activities and

increase the attractiveness of the products it develops.

As part of its measures in response to cloud computing, Alpine has entered into a partnership for a joint development with Chleon Automotive Ltd. of Finland, a supplier for a content and application management platform for automobiles. Through the partnership, the two companies aim to develop a next-generation connected infotainment system that will enable direct connectivity to internet cloud networking through an integrated communication module.

Alpine will create market needs by further strengthening linkage with smart phones and working to diversify Alpine's connectivity with cloud computing through this joint development.

Strengthening Alpine's Connection with the Local Area (Iwaki Area)



Radiation monitoring

Alpine is the core private company involved in a non-profit organization called "Iwaki environmental system." This organization was set up with the purpose of rehabilitating the local areas that suffered substantial destruction and were subject to harmful rumors as a result of the Great East Japan Earthquake and the accident at the Fukushima Dai-ichi nuclear power plant, as well as revitalizing the region.

"Iwaki environmental system," was founded by the Iwaki Chamber of Commerce and Industry along with its members, including Alpine. The idea behind its founding was that the government, industry and

academic sectors should come together and work to solve the unknown problems caused by a natural disaster of unprecedented scale and radioactive contamination. In addition to its key work of environmental recovery including radiation dose monitoring and basic decontamination, Iwaki environmental system is engaged in a wide variety of activities that contribute to economic reconstruction in the region, such as job creation. Through these activities, the organization is aiming to become a new model for reconstruction.

VI. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Assets		
Current assets		
Cash and deposits	44,049	44,209
Notes and accounts receivable-trade	28,192	35,695
Merchandise and finished goods	14,202	20,092
Work in process	1,244	992
Raw materials and supplies	6,033	5,927
Deferred tax assets	2,062	1,999
Other	7,396	9,946
Allowance for doubtful accounts	(248)	(262)
Total current assets	102,931	118,602
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	22,817	22,984
Accumulated depreciation	(14,069)	(14,704)
Buildings and structures, net	8,747	8,280
Machinery, equipment and vehicles	15,783	16,552
Accumulated depreciation	(11,271)	(12,335)
Machinery, equipment and vehicles, net	4,511	4,216
Tools, furniture, fixtures and dies	49,234	50,073
Accumulated depreciation	(45,548)	(46,450)
Tools, furniture, fixture and dies, net	3,685	3,622
Land	4,810	4,810
Lease assets	287	123
Accumulated depreciation	(174)	(36)
Lease assets, net	112	86
Construction in progress	173	575
Total property, plant and equipment	22,042	21,592
Intangible assets	4,546	2,814
Investments and other assets		
Investment securities	21,151	22,032
Deferred tax assets	341	268
Other	2,784	2,059
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	24,264	24,346
Total noncurrent assets	50,852	48,753
Total assets	153,783	167,355

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,287	32,116
Short-term loans payable	47	132
Current portion of long-term loans payable	–	5,400
Accrued expenses	8,385	8,466
Income taxes payable	1,017	755
Deferred tax liabilities	196	90
Provision for bonuses	1,642	1,791
Provision for directors' bonuses	54	52
Provision for product warranties	4,777	4,725
Provision for loss on disaster	808	38
Other	3,965	4,225
Total current liabilities	42,183	57,795
Noncurrent liabilities		
Long-term loans payable	5,400	–
Deferred tax liabilities	4,628	4,600
Provision for retirement benefits	734	1,080
Provision for directors' retirement benefits	616	608
Other	1,460	1,459
Total noncurrent liabilities	12,841	7,749
Total liabilities	55,024	65,544
Net assets		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	51,796	54,972
Treasury stock	(27)	(24)
Total shareholders' equity	102,595	105,774
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,839	5,355
Deferred gains or losses on hedges	–	(6)
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	(8,195)	(8,745)
Total accumulated other comprehensive income	(4,666)	(4,706)
Minority interests	830	743
Total net assets	98,759	101,811
Total liabilities and net assets	153,783	167,355

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales	201,257	202,905
Cost of sales	158,801	167,406
Gross profit	42,456	35,499
Selling, general and administrative expenses	31,301	29,849
Operating income	11,155	5,649
Non-operating income		
Interest income	203	203
Dividends income	290	275
Equity in earnings of affiliates	949	760
Foreign exchange gains	–	23
Other	280	277
Total non-operating income	1,723	1,541
Non-operating expenses		
Interest expenses	197	113
Sales discounts	124	125
Foreign exchange losses	1,253	–
Commission fee	234	124
Withholding tax	142	171
Other	154	134
Total non-operating expenses	2,107	669
Ordinary income	10,771	6,521
Extraordinary income		
Gain on sales of noncurrent assets	62	44
Gain on sales of investment securities	–	4
Gain on sales of subsidiaries and affiliates' stocks	4	–
Reversal of allowance for doubtful accounts	111	–
Gain and loss on settlement and valuation of options	102	–
Income of employment adjustment subsidy	–	157
Compensation income	–	244
Income of earthquake disaster reconstruction subsidy	–	595
Other	7	120
Total extraordinary income	289	1,167
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	102	145
Impairment loss	–	199
Loss on valuation of investment securities	2	35
Warranty expenses for prior periods	50	–
Provision for product warranties	103	–
Loss on abolishment of retirement benefit plan	512	–
Loss on disaster	1,555	299
Other	224	28
Total extraordinary losses	2,551	709
Income before income taxes and minority interests	8,509	6,980
Income taxes-current	2,501	2,496
Income taxes-deferred	(85)	(21)
Total income taxes	2,416	2,474

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Income before minority interests	6,093	4,505
Minority interests in income (loss)	63	(66)
Net income	6,029	4,572
Minority interests in income (loss)	63	(66)
Income before minority interests	6,093	4,505
Other comprehensive income		
Valuation difference on available-for-sale securities	(379)	505
Deferred gains or losses on hedges	–	(6)
Foreign currency translation adjustment	(2,857)	(257)
Share of other comprehensive income of associates accounted for using equity method	(474)	(302)
Total other comprehensive income	(3,710)	(60)
Comprehensive income	2,382	4,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,377	4,532
Comprehensive income attributable to minority interests	5	(87)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	25,920	25,920
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	25,920	25,920
Capital surplus		
Balance at the beginning of current period	24,905	24,905
Changes of items during the period		
Disposal of treasury stock	(0)	(1)
Transfer of disposal loss on treasury stock	0	1
Total changes of items during the period	–	–
Balance at the end of current period	24,905	24,905
Retained earnings		
Balance at the beginning of current period	46,549	51,796
Changes of items during the period		
Dividends from surplus	(697)	(1,395)
Net income	6,029	4,572
Transfer of disposal loss on treasury stock	(0)	(1)
Reversal of revaluation reserve for land	(84)	–
Total changes of items during the period	5,247	3,175
Balance at the end of current period	51,796	54,972
Treasury stock		
Balance at the beginning of current period	(28)	(27)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	1	3
Total changes of items during the period	1	3
Balance at the end of current period	(27)	(24)
Total shareholders' equity		
Balance at the beginning of current period	97,347	102,595
Changes of items during the period		
Dividends from surplus	(697)	(1,395)
Net income	6,029	4,572
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	1	2
Reversal of revaluation reserve for land	(84)	–
Total changes of items during the period	5,248	3,178
Balance at the end of current period	102,595	105,774

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	5,260	4,839
Changes of items during the period		
Net changes of items other than shareholders' equity	(420)	516
Total changes of items during the period	(420)	516
Balance at the end of current period	4,839	5,355
Deferred gains or losses on hedges		
Balance at the beginning of current period	–	–
Changes of items during the period		
Net changes of items other than shareholders' equity	–	(6)
Total changes of items during the period	–	(6)
Balance at the end of current period	–	(6)
Revaluation reserve for land		
Balance at the beginning of current period	(1,394)	(1,310)
Changes of items during the period		
Reversal of revaluation reserve for land	84	–
Total changes of items during the period	84	–
Balance at the end of current period	(1,310)	(1,310)
Foreign currency translation adjustment		
Balance at the beginning of current period	(4,964)	(8,195)
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,231)	(549)
Total changes of items during the period	(3,231)	(549)
Balance at the end of current period	(8,195)	(8,745)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(1,098)	(4,666)
Changes of items during the period		
Reversal of revaluation reserve for land	84	–
Net changes of items other than shareholders' equity	(3,652)	(39)
Total changes of items during the period	(3,568)	(39)
Balance at the end of current period	(4,666)	(4,706)
Minority interests		
Balance at the beginning of current period	786	830
Changes of items during the period		
Net changes of items other than shareholders' equity	43	(87)
Total changes of items during the period	43	(87)
Balance at the end of current period	830	743

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Total net assets		
Balance at the beginning of current period	97,035	98,759
Changes of items during the period		
Dividends from surplus	(697)	(1,395)
Net income	6,029	4,572
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	1	2
Net changes of items other than shareholders' equity	(3,608)	(126)
Total changes of items during the period	1,724	3,051
Balance at the end of current period	98,759	101,811

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	8,509	6,980
Depreciation and amortization	7,442	6,740
Increase (decrease) in provision for retirement benefits	83	338
Increase (decrease) in provision for directors' retirement benefits	(25)	(8)
Impairment loss	–	199
Interest and dividends income	(493)	(479)
Interest expenses	197	113
Equity in (earnings) losses of affiliates	(949)	(760)
Loss (gain) on sales of property, plant and equipment	(32)	(29)
Decrease (increase) in notes and accounts receivable-trade	(1,395)	(8,299)
Decrease (increase) in inventories	(5,009)	(5,640)
Increase (decrease) in notes and accounts payable-trade	1,424	11,763
Increase (decrease) in provision for product warranties	835	83
Loss (gain) on settlement and valuation of options	(102)	–
Other, net	5,729	1,295
Subtotal	16,213	12,296
Interest and dividends income received	876	488
Interest expenses paid	(203)	(85)
Income taxes paid	(2,595)	(3,251)
Income taxes refund	79	474
Net cash provided by (used in) operating activities	14,371	9,921
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(3,000)	–
Proceeds from sales of short-term investment securities	3,000	–
Purchase of property, plant and equipment	(3,707)	(4,783)
Proceeds from sales of property, plant and equipment	247	69
Purchase of intangible assets	(1,254)	(401)
Payments of loans receivable	(3,659)	(5,502)
Collection of loans receivable	3,020	3,014
Other, net	1,003	(107)
Net cash provided by (used in) investing activities	(4,349)	(7,710)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	7	87
Repayment of long-term loans payable	(4,602)	–
Cash dividends paid	(697)	(1,392)
Cash dividends paid to minority shareholders	(13)	–
Other, net	(105)	(76)
Net cash provided by (used in) financing activities	(5,411)	(1,381)
Effect of exchange rate change on cash and cash equivalents	(570)	(765)
Net increase (decrease) in cash and cash equivalents	4,039	63
Cash and cash equivalents at beginning of period	39,844	43,883
Cash and cash equivalents at end of period	43,883	43,947

VII. Corporate Data

Corporate Profile (as of March 31, 2012)

Trade name:	Alpine Electronics, Inc.
Date of establishment:	May 10, 1967
Listing date:	March 15, 1988
Business year:	From April 1 to March 31
Paid-in capital:	25,920 million yen
Number of employees:	11,761 (including contract employees) (Consolidated)
Headquarters:	1-1-8 Nishi-Gotanda, Shinagawa-ku, Tokyo, Japan Contact: 20-1 Yoshima-Kogyodanchi, Iwaki, Fukushima, Japan
Telephone:	+81-246-36-4111
Consolidated subsidiaries:	ALPINE ELECTRONICS OF AMERICA, INC. ALCOM AUTOMOTIVE, INC. ALPINE ELECTRONICS OF CANADA, INC. ALCOM ELECTRONICS DE MEXICO, S.A. DE C.V. ALPINE ELECTRONICS (EUROPE) GMBH ALPINE ELECTRONICS GMBH ALPINE ELECTRONICS FRANCE S.A.R.L. ALPINE ELECTRONICS OF U.K., LTD. ALPINE ITALIA S.P.A. ALPINE ELECTRONICS DE ESPANA, S.A. ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD. ALPINE ELECTRONICS OF AUSTRALIA PTY. LTD. ALPINE ELECTRONICS HONG KONG, LTD. ALPINE ELECTRONICS (CHINA) CO., LTD. DALIAN ALPINE ELECTRONICS CO., LTD. TAICANG ALPINE ELECTRONICS CO., LTD. ALPINE TECHNOLOGY MANUFACTURING (THAILAND) CO., LTD. ALPINE ELECTRONICS OF ASIA PACIFIC CO., LTD. ALPINE OF ASIA PACIFIC INDIA PVT. LTD. ALPINE TECHNOLOGY MANUFACTURING, INC. ALPINE ELECTRONICS MANUFACTURING, INC. ALPINE PRECISION, INC. ALPINE INFORMATION SYSTEM, INC. ALPINE ELECTRONICS MARKETING, INC. ALPINE GIKEN, INC. ALPINE BUSINESS SERVICE, INC. ALPINE CUSTOMERS SERVICE CO., LTD. Other 1 company

Directors and Auditors (as of March 31, 2012)

Chairman	Seizo Ishiguro
President & CEO	Toru Usami
Managing Director	Hirofumi Morioka
Managing Director	Shigekazu Hori
Managing Director	Hitoshi Kajiwara
Managing Director	Seishi Kai
Director	Masataka Kataoka
Director	Satoshi Soma
Director	Toshinori Kobayashi
Director	Koichi Endo
Director	Naoki Mizuno
Statutory Auditor	Toji Tanaka
Auditor	Kaname Kurashima
Auditor*	Hideo Kojima
Auditor*	Taisuke Yonemori

* Outside Auditor

Stock Status (as of March 31, 2012)

Total number of authorized shares:	160,000,000 shares
Total number of shares issued:	69,784,501 shares
Number of shareholders:	4,031
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
ALPS ELECTRIC CO., LTD.	28,215	40.43
STATE STREET BANK CLIENT OMNIBUS OM04 (Standing Proxy: The Hong Kong and Shanghai Banking Corporation Limited Tokyo branch)	4,655	6.67
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,623	5.19
ICHIGO TRUST (Standing Proxy: Sumitomo Mitsui Banking Corporation)	2,800	4.01
Japan Trustee Services Bank, Ltd. (Trust Account)	2,766	3.96
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,911	2.74
BNY FOR TAX TREATY JASDEC OMNIBUS NO. 2 (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	848	1.22
The Bank of New York, Treaty JASDEC Account (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	820	1.18
State Street Bank and Trust Company 505225 (Standing Proxy: Mizuho Corporate Bank, Ltd.)	812	1.16
State Street Bank and Trust Company 505103 (Standing Proxy: Mizuho Corporate Bank, Ltd.)	705	1.01

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