Consolidated Financial Statements
for the Three-Month Period Ended June 30, 2008

August 8, 2008

Listed Company Name:	Alpine Electronics, Inc.		
Security Code:	6816 (First Section, Tokyo Stock Exchange)	URL: http://www.alpine.com/	
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Expected Date for Submission of Quarterly Report:	August 7, 2008		

1. Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2009

(April 1, 2008, to June 30, 2008)

(1) Operating Results (Consolidated)

Amounts less than one million yen have been omitted; percentages represent increases from the corresponding period of the previous year.

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
Three-Month Period Ended June 30, 2008	63,289	—	343	—	1,882	—	390	—
Three-Month Period Ended June 30, 2007	68,906	5.2%	3,315	19.0%	3,963	32.0%	2,338	29.5%

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three-Month Period Ended June 30, 2008	5.60	
Three-Month Period Ended June 30, 2007	33.53	—

(2) Financial Position (Consolidated)

Millions of yen unless otherwise stated; amounts less than one million yen have been omitted.

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
June 30, 2008	171,705	116,854	67.3	1,656.87
March 31, 2008	167,785	116,264	68.5	1,646.38

[Reference] Stockholders' equity
Three months ended June 30, 2008: ¥115,590 million
Fiscal year ended March 31, 2008 ¥114,857 million

2. Dividends

	Dividends per Share (Yen)				
Date of Record	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Full Fiscal Year
Fiscal Year Ended March 31, 2008	—	10.00	—	15.00	25.00
Fiscal Year Ending March 31, 2008	—	——	——	——	——
Fiscal Year Ending March 31, 2008 (Forecast)	——	10.00	—	15.00	25.00

(Note) Changes in dividend forecasts during the quarter under review: None

3. Projections for Fiscal Year Ending March 31, 2009 (April 1, 2008, to March 31, 2009)

Percentages represent increases from the corresponding period of the previous year.
Millions of yen, unless otherwise stated

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share (Yen)
Six-Month Period Ending September 30, 2008	124,000	—	1,000	—	1,500	—	800	—	11.47
Fiscal Year Ending March 31, 2009	260,000	3.1%	5,000	(28.7%)	6,000	(6.3%)	3,500	(1.5%)	50.17

4. Others

(1) Changes in material subsidiaries during the period (changes in specific subsidiaries affecting the scope of consolidation): No

(2) Application of simplified methods of accounting and accounting methods specific to the preparation of quarterly financial statements: Yes
For details, please refer to section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results."

(3) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements (recorded in changes to important items that form the basis for preparation of quarterly consolidated financial statements)
1) Changes due to revisions to accounting standards, etc.: Yes
2) Changes other than 1): No
For details, please refer to section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results."

(4) Average number of outstanding shares (ordinary shares)
1) Number of shares outstanding as of the end of period (including treasury shares)
First quarter year ended June 30, 2008: 69,784,501
Fiscal year ended March 31, 2008: 69,784,501
2) Number of treasury shares as of the end of period
First quarter year ended June 30, 2008: 20,585
Fiscal year ended March 31, 2008: 20,464
3) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)
First quarter year ended June 30, 2008: 69,763,970
Fiscal year ended March 31, 2008: 69,764,259

Notes: Cautionary Statement Regarding Performance Forecasts

1. The forecasts and future projections stated above have been prepared on the basis of the information available as of the date of announcement of this summary information, and the actual results could differ significantly from forecast figures depending on a variety of factors.
2. In the current consolidated fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14). The quarterly consolidated financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements.

1. Consolidated Business Results

1. Qualitative Information Regarding Consolidated Business Results

During the first quarter of the fiscal year ending March 31, 2009, caution about the global economic outlook mounted, owing to such factors as rising inflation prompted by higher crude oil and raw material prices, coupled with concerns of U.S. economic deceleration.

In the automobile industry, the mainstay North American market was characterized by a decline in new car sales, and an accelerating demand shift toward compact cars offering high fuel efficiency, prompted by sharply higher gasoline prices. Fears of rising inflation in such fast-growing emerging markets as China and India caused the rate of increase in new vehicle demand to slow.

In the car electronics industry, which is the focus of the Alpine Electronics Group, the size of the European and U.S. after-markets for inexpensive personal navigation devices (PNDs) increased. Various companies also posted steady PND sales in the Japanese market, indicating that the market for car navigation systems is beginning to take hold.

Under these conditions, Alpine introduced new products and succeeded in expanding its business to automobile manufacturers. However, performance suffered from a slowdown in new car sales and appreciation of the yen against the U.S. dollar—the industry's prime currency. Consequently, during the first quarter (from April 1, 2008, to June 30, 2008), consolidated net sales declined 8.2% from the same period of the preceding year, to ¥63.2 billion. Operating income slid 89.7%, to ¥0.3 billion; ordinary income dropped 52.5%, to ¥1.8 billion, and net income decreased 83.3%, to ¥0.3 billion.

Segment information by type of business is summarized as follows. Sales figures indicate sales to external customers.

(1) Segment information by type of business

Audio Products Segment

In this segment, sales remained strong for Alpine's after-market iPod-compatible automotive CD players, which have been introduced in Japan, North America and Europe. In Japan, proposal-based selling of high-end speakers for minivans contributed to a sales increase. However, increasingly severe price competition on CD players, a major product category, sapped after-market sales.

Sales of brand-name products to automobile manufacturers benefited from robust orders of CD audio systems for inclusion in compact cars, which sold briskly. Brand-name product sales to European and U.S. manufacturers declined, however, affected by model changes.

Furthermore, the sales composition continues to change, as both the after-market and sales of brand-name products to automobile manufacturers gravitate toward integrated visual and car navigation products. For Alpine, sales of such integrated products tend to augment sales in the Information and Communication Equipment Segment, at the expense of Audio Products Segment sales.

As a result of the aforementioned factors, sales in this segment declined 13.3% year on year, to ¥28.2 billion.

Information and Communication Equipment Segment

In this segment, sales in the Japanese after-market rose as a result of our successful anticipation of user needs with the Rear Vision TMX-R500/R1100, which features a large, high-resolution screen that enables viewers to enjoy both terrestrial digital broadcasts and DVDs. This product won the Product Grand Prize, sponsored by the *Nikkan Jidosha Shimbun* (a national automotive newspaper) for superior product planning and development. To garner market share, we began delivering our next-generation car navigation system, the Mobile Media Station X075, for sale as a dealer option.

In the European and U.S. after-markets, however, sales of navigation equipment were affected by growing price competition amid market dispersion of low-priced PNDs.

In sales of brand-name products to manufacturers, we enjoyed strong orders of large-scale systems, centering on car navigation systems, to high-end European automobile manufacturers. Sales of large systems in the mainstay U.S. market declined, however, owing to the accelerated demand shift toward highly fuel efficient compact cars at the expense of large luxury cars, a large percentage of which employ navigation systems and visual products. As a result, sales of brand-name products to automobile manufacturers remained on a par with the same period of the preceding year.

Owing to the above-mentioned factors, segment sales decreased 3.5% year on year, to ¥35.0 billion.

2. Qualitative Information Regarding Consolidated Financial Position

(1) Assets, liabilities and net assets

Total assets stood at ¥171.7 billion as of June 30, 2008, up ¥3.9 billion from the figure as of March 31, 2008, and net assets came to ¥116.8 billion, up ¥0.5 billion. As a result, the stockholders' equity ratio was 67.3%. Primary reasons for this change included a ¥2.0 billion decrease in cash and cash equivalents, a ¥5.6 billion increase in notes and accounts receivable, a ¥1.2 billion rise in merchandise and a ¥2.1 billion drop in other current assets, which together caused total current assets to grow ¥2.9 billion. Fixed assets expanded ¥1.0 billion, affected by a ¥0.7 billion decrease in tangible fixed assets and a ¥1.9 billion rise in investments in securities.

Current liabilities grew ¥2.7 billion. Notable in this category were notes and accounts payable, which expanded ¥2.3 billion, as well as accrued expenses, which increased ¥1.4 billion.

(2) Cash flows

Cash and cash equivalents stood at ¥27.3 billion as of June 30, 2008. This amount represented an increase of ¥2.7 billion, or 9.2%, from March 31, 2008.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥1.3 billion. Principal sources of cash included ¥0.5 billion in income before tax and other adjustments, depreciation and amortization of ¥2.7 billion and a ¥0.7 billion increase in accounts receivable. Among the major uses of cash were a ¥4.4 billion increase in notes and accounts receivable and a ¥0.8 billion increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥4.0 billion. Among principal uses of cash were ¥2.4 billion in payments for acquisition of property, plant and equipment and ¥0.9 billion in payments for acquisition of intangible fixed assets.

(Cash flows from financing activities)

Net cash used in financing activities totaled ¥0.2 billion. Uses of cash included ¥1.0 billion in cash dividends paid, while an increase in short-term borrowings provided ¥0.7 billion.

Owing to these factors, the Company's free cash flows for the quarter amounted to a negative ¥2.6 billion. Free cash flows are the sum of cash flows from operating activities and cash flows from investing activities.

3. Qualitative Information Regarding Consolidated Performance Forecasts

At present, we maintain unchanged our projections for the fiscal year ending March 31, 2009, as stated in the consolidated financial statements released May 7, 2008. These projections are stated below.

Consolidated performance forecasts	Net sales:	¥260.0 billion (up 3.1% year on year)
	Operating income:	¥5.0 billion (down 28.7% year on year)
	Ordinary income:	¥6.0 billion (down 6.3% year on year)
	Net income:	¥3.5 billion (down 1.5% year on year)

4. Others

(1) Changes in material subsidiaries during the period (changes in specific subsidiaries affecting the scope of consolidation)

Nothing to report

(2) Application of simplified methods of accounting and accounting methods specific to the preparation of quarterly financial statements

1) With regard to computing the balance of inventories as of June 30, 2008, physical inventory checks were omitted, but for valuation of inventories a rational calculation method was employed based on the actual inventory level as of March 31, 2008.

2) In calculating tax expenses for the Company and certain of its consolidated subsidiaries during the current fiscal year, including the first quarter under review, income taxes were estimated rationally, using the effective tax rate after applying tax effect accounting multiplied by income before income taxes to estimate the appropriate effective tax rate.

The adjustment of corporate taxes is included within "income taxes, additional corporate tax and others."

3) The method of calculating the amount of corporate tax payments for other consolidated subsidiaries was limited to calculating significant increases or decreases and tax deductions.

In determining the recoverability of deferred tax assets, the operating performance forecasts and tax planning methods used during and prior to the fiscal year ended March 31, 2008, were applied to the period under review, as no significant changes in the operating environment or sudden and significant changes in conditions were recognized.

(3) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements

1) In the current fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14). The quarterly consolidated financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements."

2) In the past, the Company and its domestic consolidated subsidiaries typically valued wholesale assets held for the purpose of sale mainly on a cost basis using the gross average method. However, the "Accounting Standard for Valuing Inventory Assets" (Financial Financial Accounting Standard No. 9, July 5, 2006) was applied from the quarter under review. As a result, the method of valuing these assets was changed from principally the gross average method on a cost basis to a cost basis (marking down the book value in line with profitability decreases).

The impact of this change was to raise operating income and ordinary income ¥550 million and reduce income before income taxes ¥540 million, compared with the previous method. The effect of this change on segment information is noted in the corresponding section

3) In the quarter under review, the Company began applying the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006), making the necessary adjustments to the consolidated financial statements.

This change raised operating income ¥29 million, and ordinary income and income before income taxes ¥0 million, compared with the previous method. The effect of this change on segment information is noted in the corresponding section.

5. Quarterly Consolidated Financial Statements (Summary)

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	June 30, 2008	March 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	28,110	30,172
Notes and accounts receivable	37,471	31,825
Merchandise	21,458	20,252
Raw materials	5,994	5,977
Goods in process	2,000	1,738
Supplies	370	497
Deferred tax assets	3,381	3,338
Other current assets	8,567	10,740
Allowance for doubtful accounts	(688)	(788)
Total current assets	**106,665**	**103,756**
Fixed Assets:		
Tangible Fixed Assets:		
Buildings and structures	22,580	23,020
Less accumulated depreciation	(13,038)	(12,960)
Buildings and structures (net)	9,542	10,060
Machinery and equipment	19,471	19,331
Less accumulated depreciation	(10,681)	(10,269)
Machinery and equipment (net)	8,790	9,061
Fixtures and fittings	50,165	50,080
Less accumulated depreciation	(43,539)	(42,846)
Fixtures and fittings (net)	6,626	7,233
Land	5,124	5,136
Construction in progress	1,971	1,359
Total tangible fixed assets	**32,054**	**32,851**
Intangible Fixed Assets:	7,078	7,004
Investments and Other Assets:		
Investments in securities	21,870	19,908
Deferred tax assets	314	350
Other investments	3,744	3,937
Allowance for doubtful receivables	(22)	(22)
Total investments and other assets	**25,906**	**24,173**
Total fixed assets	**65,040**	**64,029**
Total Assets	**171,705**	**167,785**

(Millions of yen)

	June 30, 2008	March 31, 2008
LIABILITIES		
Current liabilities:		
Notes and accounts payable	28,740	26,360
Bank loans	999	215
Income taxes payable	659	810
Accrued expenses	11,490	10,055
Deferred tax liabilities	15	129
Allowance for employee bonuses	1,128	1,817
Allowance for directors' bonuses	11	53
Provision for product warranties	4,636	4,822
Other current liabilities	3,333	4,000
Total current liabilities	**51,016**	**48,265**
Long-term liabilities:		
Deferred tax liabilities	1,749	1,283
Accrued retirement benefits	683	669
Directors' severance and retirement benefits	685	704
Other long-term liabilities	714	598
Total long-term liabilities	**3,834**	**3,255**
Total liabilities	**54,850**	**51,520**
NET ASSETS		
Stockholders' equity		
Common stock	**25,920**	**25,920**
Capital surplus	**24,905**	**24,905**
Retained earnings	**58,218**	**58,592**
Treasury stock	**(30)**	**(30)**
Total stockholders' capital	**109,014**	**109,388**
Valuation and currency translation adjustments		
Valuation adjustment, other marketable securities	**6,237**	**4,753**
Land revaluation adjustment	**(1,394)**	**(1,394)**
Foreign currency translation	**1,732**	**2,111**
Total valuation and conversion adjustments	**6,575**	**5,469**
Minority interests	**1,264**	**1,406**
Total net assets	**116,854**	**116,264**
Total liabilities and net assets	**171,705**	**167,785**

(2) Quarterly Consolidated Statements of Income

(Millions of yen)

	Three-Month Period Ended June 30, 2008
Net sales	63,289
Cost of sales	53,117
Gross profit	**10,171**
Selling, general and administrative expenses	9,828
Operating income	**343**
Other income	
Interest income	65
Dividend income	222
Foreign exchange gain	805
Equity in gain from affiliated companies	118
Other	475
Total other income	1,687
Other expenses	
Interest expense	28
Sales discounts	56
Other	61
Total other expenses	147
Ordinary income	**1,882**
Extraordinary income	
Gain on sales of fixed assets	4
Gain on sales of investments in securities	0
Gain on reversal of allowance for doubtful accounts	29
Total extraordinary income	33
Extraordinary losses	
Loss on sales of fixed assets	215
Loss on valuation of investments in securities	31
Loss on valuation of inventories	1,090
Other	0
Total extraordinary losses	1,338
Income before income taxes	**577**
Income taxes, additional corporate tax and others	328
Income tax adjustments	(184)
Total income taxes	143
Minority interests in net income	**42**
Net income	**390**

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Quarter Ended June 30, 2008 (April 1, 2008, to June 30, 2008)
Cash Flows from Operating Activities	
Income before tax and other adjustments	577
Depreciation and amortization	2,701
Increase in notes and accounts receivable	(4,459)
Increase in inventories	(830)
Increase in accounts receivable	770
Other	2,394
Total	1,154
Interest and dividends received	282
Interest paid	(27)
Income taxes paid	(29)
Net cash provided by operating activities	1,379
Cash Flows from Investing Activities:	
Payments for acquisition of property, plant and equipment	(2,460)
Proceeds from sale of property, plant and equipment	27
Payments for acquisition of intangible fixed assets	(961)
Payments for acquisition of investments in securities	(0)
Proceeds from sale of investments in securities	12
Payments for loans	(29)
Collections of loans receivable	21
Other	(632)
Net cash used in operating activities	(4,024)
Cash Flows from Financing Activities:	
Increase in short-term borrowings	749
Cash dividends paid	(1,029)
Cash dividends paid to minority interests	(16)
Other	(0)
Net cash used in financing activities	(296)
Effect of exchange rate changes on cash and cash equivalents	163
Net decrease in cash and cash equivalents	(2,777)
Cash and cash equivalents at beginning of period	30,159
Cash and cash equivalents at end of period	27,381

In the current consolidated fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14).

(4) Notes related to the assumption of an ongoing concern

Nothing to report.

(5) Segment Information

a) Information by Business Segment

First Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to June 30, 2008)

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net Sales					
(1) Outside Customers	28,230	35,058	63,289	—	63,289
(2) Within Consolidated Group	186	85	271	(271)	—
Total	28,417	35,143	63,560	(271)	63,289
Operating Income	477	1,399	1,877	(1,533)	343

Notes:

1. Business segments are based on internal administrative segmentation.
2. The Company's primary business activities include:
   (1) The audio products business, which includes car audio systems and accessories.
   (2) The information and communication equipment business, which includes car communications, electronic components and imaging unit components.
3. Changes in accounting method
   (Accounting Standard for Valuing Inventory Assets)
   As stated in section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results," during the first quarter under review the Company adopted the "Accounting Standard for Valuing Inventory Assets" (Financial Accounting Standard No. 9, July 5, 2006). Owing to this change, operating income was ¥449 million higher in the Audio Products Segment and ¥101 million higher in the Information and Communication Equipment Segment than it would have been under the previous method.
   (Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
   As stated in section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results," during the first quarter under review the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006). As a result, operating income was ¥25 million higher in the Audio Products Segment and ¥3 million higher in the Information and Communication Equipment Segment than it would have been under the previous method.

a) Geographic Area Information

First Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to June 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net Sales								
(1) Outside Customers	9,213	20,312	29,286	4,057	419	63,289	—	63,289
(2) Within Consolidated Group	38,944	377	6,784	9,901	0	56,008	(56,008)	—
Total	48,157	20,690	36,071	13,959	419	119,297	(56,008)	63,289
Operating Income	1,240	438	(551)	224	33	1,385	(1,042)	343

Notes:

1. Differentiation between countries and regions is based on geographic proximity.
2. Major countries and regions are:
   (1) North America: The United States of America and Canada
   (2) Europe: Germany, France, the United Kingdom, Italy, Spain and Hungary
   (3) Asia: Singapore, China and Thailand
   (4) Other Areas: Australia
3. Changes in accounting method
   (Accounting Standard for Valuing Inventory Assets)
   As stated in section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results," during the first quarter under review the Company adopted the "Accounting Standard for Valuing Inventory Assets" (Financial Accounting Standard No. 9, July 5, 2006). Owing to this change, operating income was ¥550 million higher in Japan than it would have been under the previous method.
   (Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
   As stated in section 4. (3) of the "Qualitative Information Regarding Consolidated Business Results," during the first quarter under review the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006). As a result, operating income was ¥8 million higher in Europe and ¥38 million higher in Asia than it would have been under the previous method.

c) Overseas Sales

First Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to June 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Other Areas	Total
I. Overseas Sales	20,109	29,298	4,964	625	54,998
II. Consolidated Sales					63,289
III. Ratio of Overseas Sales (%)	31.8	46.3	7.8	1.0	86.9

Notes:

1. Differentiation between countries and regions is based on geographic proximity.
2. Major countries and regions are:
   (1) North America: The United States of America and Canada
   (2) Europe: Germany, France, the United Kingdom, Italy, Spain and Sweden
   (3) Asia: Singapore, China and Thailand
   (4) Other Areas: Australia
3. Overseas sales are sales of the Company and its consolidated subsidiaries outside Japan.

6. Production, Orders Received and Sales

(1) Production

Production for the first quarter of the fiscal year ending March 31, 2009, by business segment was as follows.

(Millions of yen)

Business Segment	Production
Audio Products	21,175
Information and Communication Equipment	31,237
Total	52,413

Notes:

1. Stated amounts are calculated based on sales prices.
2. Consumption tax is not included in the above-stated amounts.

(2) Orders Received

Orders received for the first quarter of the fiscal year ending March 31, 2009, by business segment are as follows.

(Millions of yen)

Business Segment	Orders Received	Order Balance
Audio Products	28,716	13,222
Information and Communication Equipment	35,231	17,930
Total	63,947	31,153

Note: Consumption tax is not included in the above-stated amounts.

(3) Sales

Sales for the first quarter of the fiscal year ending March 31, 2009, by business segment are as follows.

(Millions of yen)

Business Segment	Sales
Audio Products	28,230
Information and Communication Equipment	35,058
Total	63,289

Note: Consumption tax is not included in the above-stated amounts.

7. Notes Concerning Significant Changes in Stockholders' Equity

Nothing to report.