



Consolidated Financial Statements (Japan GAAP) for the Three Months Ended June 30, 2011

July 29, 2011

Listed Company Name: Alpine Electronics, Inc.
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 Expected Date for Submission of Quarterly Report: August 9, 2011
 Expected Commencement Date of Dividend Payment: —
 Materials Prepared to Supplement the Consolidated Financial Statements: No
 Quarterly Presentation of Business Results Meeting Held: No

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

1. Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2012

(April 1, 2011, to June 30, 2011)

(1) Consolidated Operating Results

(Millions of yen unless otherwise stated)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
Three Months Ended June 30, 2011	46,673	(5.0%)	1,543	(61.5%)	1,533	(48.7%)	1,121	(55.7%)
Three Months Ended June 30, 2010	49,128	36.3%	4,014	—	2,988	—	2,532	—

Note: Comprehensive income (loss)
 Three months ended June 30, 2011: ¥866 million (—%)
 Fiscal year ended March 31, 2011: (¥368 million) (—%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three Months Ended June 30, 2011	16.07	—
Three Months Ended June 30, 2010	36.30	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
June 30, 2011	153,844	98,928	63.8	1,406.71
March 31, 2011	153,783	98,759	63.7	1,403.69

[Reference] Shareholders' equity
 Three months ended June 30, 2011: ¥98,140 million
 Fiscal year ended March 31, 2011: ¥97,928 million

2. Dividends

Date of Record	Dividends per Share (Yen)				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Full Fiscal Year
Fiscal Year Ended March 31, 2011	—	10.00	—	10.00	20.00
Fiscal Year Ending March 31, 2012	—				
Fiscal Year Ending March 31, 2012 (Forecast)		10.00	—	10.00	20.00

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

3. Projections for Fiscal Year Ending March 31, 2012 (April 1, 2011, to March 31, 2012)

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 Months Ending September 30, 2011	95,000	(3.1%)	2,500	(64.3%)	2,500	(58.5%)	2,000	(59.8%)	28.67
Fiscal Year Ending March 31, 2012	190,000	(5.6%)	5,000	(55.2%)	5,000	(53.6%)	3,500	(42.0%)	50.17

(Note) Changes in projections during the quarter under review: Yes

4. Others (For details, please refer to section 4 of the “Qualitative Information Regarding Consolidated Business Results.”)

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

Note: Indicates whether changes in specific subsidiaries affecting the scope of consolidation have been made.

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

(3) Changes in accounting principles, processes, presentation methods, etc.

1) Changes due to revisions to accounting standards, etc.: No

2) Changes other than 1): No

3) Changes in accounting estimates: No

4) Re-presentation of revisions: No

(4) Average number of outstanding shares (ordinary shares)

1) Number of shares outstanding as of the end of the period (including treasury shares)

First quarter ended June 30, 2011	69,784,501	Fiscal year ended March 31, 2011	69,784,501
2) Number of treasury shares as of the end of the period	18,492	Fiscal year ended March 31, 2011	19,062
3) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)	69,765,673	First quarter ended June 30, 2010	69,764,704

Note: Disclosure of Implementation Status of Quarterly Review Procedures

This report of quarterly financial results is outside the scope of the quarterly review procedures prescribed in the Financial Instruments and Exchange Act. As of the date of this report, the quarterly review procedures prescribed in the Financial Instruments and Exchange Act were not complete.

Notes: Cautionary Statements Regarding Performance Forecasts

(1) Revisions have been made to the performance forecasts announced on May 13, 2011.

(2) 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.

1. Consolidated Business Results

(1.) Qualitative Information Regarding Consolidated Business Results

During the first quarter of the fiscal year ending March 31, 2012, the worldwide economy continued to expand, supported by favorable exports to emerging markets, centered on Asia. Economic growth continued in China in particular, as in addition to exports internal demand expanded robustly. However, Chinese government measures to rein in inflation caused growth to slow somewhat. Other factors also began to cloud the economic outlook. Sovereign risk resurfaced in Europe; growing tension in the Middle East and North Africa raised concerns about rising crude oil prices; and the U.S. economic recovery showed signs of beginning to wane. Meanwhile in Japan, the Great East Japan Earthquake caused industrial activity to decline in numerous sectors, as the earthquake disrupted supply chains, led to an accident at a nuclear power plant that caused shortages in the power supply, and spurred damage from rumors.

The automobile industry was affected temporarily by a shortage of parts, but by quickly ramping up production in the second half of the previous fiscal year automakers appear to have normalized their production at initially projected levels.

In the Japanese car electronics industry, demand for digital terrestrial tuners and AV equipment increased, owing to the July cessation of analog broadcasts. Memory-type navigation equipment increased as a percentage of unit shipments, marking a clear polarization between these and HDD-type navigation equipment featuring advanced functions.

Against this backdrop, the Alpine Group's production facilities suffered damage from the earthquake, affecting product manufacturing and shipment. However, companywide efforts to restore production to stable levels enabled us to bring production lines back on line quickly, and we had resumed normal production by the end of March. However, the operating environment remained problematic, owing to such factors as difficulties in procuring parts and materials, reduced production levels by automakers—our customers, and the impact of yen appreciation.

As a result, during the first quarter of the fiscal year ending March 31, 2012 (from April 1 to June 30, 2011), consolidated net sales were down 5.0% year on year, to ¥46.6 billion. Operating income fell 61.5%, to ¥1.5 billion, ordinary income dropped 48.7%, to ¥1.5 billion, and net income amounted to ¥1.1 billion, down 55.7%.

Segment information is summarized below. Sales figures indicate sales to external customers.

Audio Products Segment

In the Audio Products segment, sales in Japan and Europe of high-quality speakers and amplifiers that feature clear cabin audio playback were robust. Sales in the European market were also firm for head units, chiefly CD players, but overall conditions were severe, owing to increasingly intense price competition in the mainstay North American market.

In the OEM market, sales to European automakers were firm, supported by robust new car demand in China. However, sales to automakers were down overall, owing to lower production volumes—and hence reduced demand for our products—from our mainstay clients as a result of the earthquake.

Accordingly, segment sales declined 23.6%, to ¥14.2 billion.

Information and Communication Equipment Segment

A growing mood of restraint on personal consumption in the domestic market affected performance in this segment, but we achieved favorable sales performance as a result of successful promotional campaigns conducted through tie-ups with mass-market retailers. Sales were also positive in the European and U.S. markets, owing to positive customer response to the strong cost performance of our affordably priced navigation systems.

In the OEM market, production cutbacks among our major customers affected sales to automakers. However, sales were strong to European high-end car manufacturers, as they introduced new models to accurately meet Chinese consumer demand. Furthermore, installation rates recovered for such highly functional items as navigation and display products, pushing up sales.

Owing to these factors, sales in this segment grew 6.4%, to ¥32.3 billion.

(2.) Qualitative Information Regarding Consolidated Financial Position

Total assets stood at ¥153.8 billion as of June 30, 2011, essentially unchanged from one year earlier, while net assets rose ¥0.1 billion, to ¥98.9 billion. As a result, the equity ratio was 63.8%. Primary factors behind this change were a ¥1.1 billion decrease in cash and deposits, ¥1.0 lower notes and accounts receivable—trade, a ¥1.9 billion rise in inventories and ¥0.9 billion higher short-term loans receivable, the combination of which caused current assets to climb ¥0.8 billion. Total noncurrent assets fell ¥0.8 billion, stemming from a ¥0.3 billion decline in property, plant and equipment, and a ¥0.4 billion decrease in intangible assets.

Total current liabilities remained essentially unchanged year on year, with notes and accounts payable—trade rising ¥1.7 billion, deferred tax liabilities falling ¥0.3 billion, the provision for bonuses dropping ¥0.6 billion, and accrued

expenses decreasing ¥0.4 billion.

Noncurrent liabilities were down ¥0.08 billion, led by a ¥0.1 billion decline in other noncurrent liabilities.

(3.) Qualitative Information Regarding Consolidated Performance Forecasts

For information regarding our consolidated performance forecasts, please refer to the announcement dated today (June 29, 2011) titled “Notification of Revisions to Performance Forecasts.”

5. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	March 31, 2011	June 30, 2011
ASSETS		
Current assets		
Cash and deposits	44,049	42,852
Notes and accounts receivable–trade	28,192	27,186
Merchandise and finished goods	14,202	15,247
Work in process	1,244	1,490
Raw materials and supplies	6,033	6,646
Deferred tax assets	2,062	2,185
Other	7,396	8,421
Allowance for doubtful accounts	(248)	(219)
Total current assets	102,931	103,809
Noncurrent Assets		
Property, plant and equipment		
Buildings and structures	22,817	22,880
Accumulated depreciation	(14,069)	(14,234)
Buildings and structures, net	8,747	8,646
Machinery, equipment and vehicles	15,783	15,892
Accumulated depreciation	(11,271)	(11,526)
Machinery, equipment and vehicles, net	4,511	4,366
Tools, furniture, fixtures and dies	49,234	49,800
Accumulated depreciation	(45,548)	(46,224)
Tools, furniture, fixtures and dies, net	3,685	3,576
Land	4,810	4,822
Lease assets	287	213
Accumulated depreciation	(174)	(119)
Lease assets, net	112	93
Construction in progress	173	193
Total property, plant and equipment	22,042	21,698
Intangible assets	4,546	4,140
Investments and other assets		
Investment securities	21,151	21,326
Deferred tax assets	341	337
Other	2,784	2,545
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	24,264	24,195
Total noncurrent assets	50,852	50,035
Total assets	153,783	153,844

(Millions of yen)

	March 31, 2011	June 30, 2011
LIABILITIES		
Current liabilities		
Notes and accounts payable–trade	21,287	23,029
Short-term loans payable	47	96
Income taxes payable	1,017	711
Accrued expenses	8,385	7,888
Deferred tax liabilities	196	111
Provision for bonuses	1,642	990
Provision for directors' bonuses	54	13
Provision for product warranties	4,777	4,760
Provision for losses due to disaster	808	763
Other	3,965	3,790
Total current liabilities	42,183	42,155
Noncurrent liabilities		
Long-term loans payable	5,400	5,400
Deferred tax liabilities	4,628	4,672
Provision for retirement benefits	734	750
Provision for directors' retirement benefits	616	576
Other	1,460	1,360
Total noncurrent liabilities	12,841	12,760
Total liabilities	55,024	54,915
NET ASSETS		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	51,796	52,220
Treasury stock	(27)	(26)
Total shareholders' equity	102,595	103,019
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,839	4,752
Deferred gains or losses on hedges	—	10
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	(8,195)	(8,331)
Total valuation and translation adjustments	(4,666)	(4,879)
Minority interests	830	788
Total net assets	98,759	98,928
Total liabilities and net assets	153,783	153,844

(2) Consolidated Quarterly Statements of Operations and Comprehensive Income

(Millions of yen)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2011
Net sales	49,128	46,673
Cost of sales	37,549	37,848
Gross profit	11,578	8,824
Selling, general and administrative expenses	7,564	7,281
Operating income (loss)	4,014	1,543
Non-operating income		
Interest income	42	57
Dividends income	77	96
Equity in earnings of affiliates	49	67
Other	86	105
Total non-operating income	255	326
Non-operating expenses		
Interest expenses	51	26
Foreign exchange loss	1,053	197
Sales discounts	34	23
Commission fees	58	30
Other	83	58
Total non-operating expenses	1,280	336
Ordinary income (loss)	2,988	1,533
Extraordinary income		
Gain on sales of noncurrent assets	19	16
Reversal of allowance for doubtful accounts	46	—
Reversal of provision for product warranties	2	—
Gain on settlement and valuation of options	102	—
Disaster relief money	—	17
Other	—	0
Total extraordinary income	170	34
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	15	6
License fee on prior periods	—	79
Other	2	—
Total extraordinary losses	18	85
Income (loss) before income taxes and minority interests	3,140	1,483
Income taxes—current	674	581
Income taxes—deferred	(74)	(205)
Total income taxes	600	375
Income before minority interests	2,539	1,107
Minority interests in income (loss)	7	(13)
Net income (loss)	2,532	1,121
Minority interests in income (loss)	7	(13)

(Millions of yen)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2011
Income before minority interests	2,539	1,107
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,530)	(87)
Deferred gains or losses on hedges	—	10
Foreign currency translation adjustment	(1,534)	(350)
Share of other comprehensive income of associates accounted for using equity method	156	186
Total other comprehensive income	(2,908)	(241)
Comprehensive income	(368)	866
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	(386)	908
Comprehensive income attributable to minority interests	17	(42)

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

Nothing to report.

(4) Segment Information

Information by Business Segment

1) Net Sales and Operating Income (Loss) by Reporting Segment for the

First Quarter of the Fiscal Year Ended March 31, 2011 (April 1, 2010, to June 30, 2010)

(Millions of yen)

	Reporting Segments			Adjustments (Note)	Consolidated
	Audio Products Segment	Information and Communication Equipment Segment	Total		
Net Sales					
Outside Customers	18,715	30,412	49,128	—	49,128
Within Consolidated Group	130	43	173	(173)	—
Total	18,846	30,455	49,301	(173)	49,128
Segment Operating Income	1,665	3,524	5,190	(1,176)	4,014

Note: The negative ¥1,176 million adjustment to segment operating income is for companywide expenses that are not allocated to reporting segments. Companywide expenses comprise mainly non-segment corporate administrative and research and development costs.

2) Net Sales and Operating Income (Loss) by Reporting Segment for the

First Quarter of the Fiscal Year Ending March 31, 2012 (April 1, 2011, to June 30, 2011)

(Millions of yen)

	Reporting Segments			Adjustments (Note)	Consolidated
	Audio Products Segment	Information and Communication Equipment Segment	Total		
Net Sales					
Outside Customers	14,291	32,381	46,673	—	46,673
Within Consolidated Group	185	35	221	(221)	—
Total	14,477	32,417	46,894	(221)	46,673
Segment Operating Income	139	2,414	2,554	(1,011)	1,543

Note: The negative ¥1,011 million adjustment to segment operating income is for companywide expenses that are not allocated to reporting segments. Companywide expenses comprise mainly non-segment corporate administrative and research and development costs.

(5) Notes Concerning Significant Changes in Shareholders' Equity

Nothing to report.