

**Consolidated Financial Results**  
**for the First Three Months of the Fiscal Year Ending March 31, 2013**  
**<under Japanese GAAP>**

Company name: **Alpine Electronics, Inc.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 6816  
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Scheduled date to file Quarterly Securities Report: August 9, 2012  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly earnings: None  
 Holding of quarterly earnings performance review: None

(Millions of yen with fractional amounts discarded, unless otherwise noted)

**1. Consolidated performance for the first three months of the fiscal year ending March 31, 2013**  
**(from April 1, 2012 to June 30, 2012)**

**(1) Consolidated operating results (Cumulative)**

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months ended								
June 30, 2012	55,185	18.2	1,346	(12.8)	1,202	(21.6)	1,726	53.9
June 30, 2011	46,673	(5.0)	1,543	(61.5)	1,533	(48.7)	1,121	(55.7)

(Note) Comprehensive income

For the first three months ended June 30, 2012: ¥(920) million [ –%]  
 For the first three months ended June 30, 2011: ¥866 million [ –%]

	Net income per share	Diluted net income per share
	Yen	Yen
First three months ended		
June 30, 2012	24.74	–
June 30, 2011	16.07	–

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
June 30, 2012	161,294	100,233	61.7	1,425.77
March 31, 2012	167,355	101,811	60.4	1,448.63

(Reference) Equity

As of June 30, 2012: ¥99,477 million  
 As of March 31, 2011: ¥101,067 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2012	Yen –	Yen 10.00	Yen –	Yen 10.00	Yen 20.00
Fiscal year ending March 31, 2013	–				
Fiscal year ending March 31, 2013 (Forecast)		10.00	–	10.00	20.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2012	108,000	13.6	2,500	(20.2)	2,500	(13.9)	2,500	13.0	35.83
Fiscal year ending March 31, 2013	220,000	8.4	6,000	6.2	6,000	(8.0)	5,000	9.4	71.67

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of a specific accounting procedure for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections
  - a. Changes in accounting policies due to revisions to accounting standards: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: Yes
  - d. Restatement of prior period financial statements after error corrections: None

### (4) Number of issued shares (common stock)

#### a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2012	69,784,501 shares
As of March 31, 2012	69,784,501 shares

#### b. Number of shares of treasury stock at the end of the period

As of June 30, 2012	13,985 shares
As of March 31, 2012	16,834 shares

#### c. Average number of shares during the period

For the first three months ended June 30, 2012	69,768,589 shares
For the first three months ended June 30, 2011	69,765,673 shares

### \* Indication regarding execution of quarterly review procedures

This quarterly earnings report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the quarterly review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

### \* Proper use of earnings forecasts and other special matters

The earnings forecasts are based on information currently available to the Company at the time of the release of these materials. Actual business results may differ from the forecasts due to various factors.

## Qualitative Information Regarding Settlement of Accounts for the First Three Months

### (1) Qualitative Information Regarding Consolidated Business Results

During the first quarter of the fiscal year ending March 31, 2013, the Japanese economy remained in a difficult situation due to such factors as the appreciation of the yen and a slowdown on the stock market. Overseas, growing uncertainty surrounded the economic outlook as a result of the European sovereign debt crisis and concerns of an economic slowdown in China.

In the car electronics industry, there were expectations of sales growth in the Japanese market associated with increased sales of new cars due to a rebound in demand following the Great East Japan Earthquake and the effect of eco-car purchase subsidies. However, sales of aftermarket navigation systems declined as a repercussion of the absence of the previous fiscal year's replacement purchase demand that followed the transition from analog to fully digital broadcasting of terrestrial television. Also buffeted by the global economic slowdown, overseas markets remained in a difficult situation.

Under these circumstances, the Alpine Group sales grew, due to steady domestic aftermarket sales of its car navigation system with an 8-inch display and recovering production and sales at its main automaker customers.

Aiming for business expansion in developing countries, Alpine established a Middle East sales management company in Dubai and devised plans to expand sales channels. In China, we exhibited at the Beijing Motor Show and sought to increase the appeal of the Alpine brand, which possesses high-quality, highly functional products. We planned a structural reform of production costs through value engineering (VE) and aimed to improve its earning power. However, harsh conditions continued as the costs of materials for in-car displays remained as high as ever, and the appreciation of the yen and price wars with competitors placed downward pressure on profit.

As a result, during the first quarter of the fiscal year ending March 31, 2013 (from April 1 to June 30, 2012) consolidated net sales increased 18.2% compared with the corresponding period of the previous fiscal year, to ¥55.1 billion. Operating income decreased 12.8% to ¥1.3 billion, ordinary income fell 21.6% to ¥1.2 billion, and net income amounted to ¥1.7 billion, an increase of 53.9%.

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

#### < Audio products segment >

In the Audio Products segment, new digital audio broadcast (DAB)-related products were launched onto the European aftermarket, but competition on sales with rival companies intensified, and conditions remained harsh. In contrast, sales in the North American aftermarket increased in response to sales promotions for head units, chiefly CD players, and sound systems that combine high-quality speakers and amplifiers. Sales remained at the same level in the Japanese aftermarket, where speaker sales were steady.

In the original equipment manufacture (OEM) market, sales to automakers increased on the back of recovering production and sales at Japanese customers and favorable sales at European and U.S. automakers.

Accordingly, segment sales increased 10.7% compared with the corresponding period of the previous fiscal year, to ¥15.8 billion.

#### < Information and communication products segment >

Sales of this segment's hybrid products suffered a decline as a result of intensifying sales competition in the European and U.S. aftermarkets and conditions that generally remained harsh. In contrast, amid sales of the "BIG X" series and "Perfect Fit" systems that continued to be buoyant on the Japanese aftermarket, strengthening the lineup of new products that meets user needs, such as by launching onto the market the REARVISION in-car monitor fitted with an air-cleaning system, a world first, also resulted in increased sales. Furthermore, while competitors released a series of new products onto the market, we worked to set Alpine products apart from them by, for example, announcing a navigation system with a 9-inch display.

In the OEM market, favorable sales were recorded to high-end car manufacturers in Europe and the "Big Three" automakers in the U.S. Also contributing to increased segment sales were the recovering production and sales at Japanese customer makers and the rising proportion of cars that have navigation or display products installed.

Owing to these factors, sales in this segment grew 21.5% compared with the corresponding period of the previous fiscal year, to ¥39.3 billion.

### (2) Qualitative Information Regarding Consolidated Financial Position

Total assets stood at ¥161.2 billion as of June 30, 2012, a decrease of ¥6.0 billion compared with the end of the previous fiscal year (March 31, 2012). Primary factors behind this change were a ¥7.4 billion decrease in cash and deposits, a ¥2.5 billion decrease in notes and accounts receivable-trade, an ¥0.8 billion decrease in

investment securities, and increases in inventories and short-term loans receivable of ¥1.8 billion and ¥2.6 billion, respectively.

Total current liabilities decreased ¥4.4 billion from March 31, 2012, to ¥61.0 billion due to a ¥1.3 billion decrease in notes and accounts payable-trade, a ¥0.8 billion decrease in provision for bonuses, a ¥0.5 billion decrease in accrued expenses, a ¥0.4 billion decrease in deferred tax liabilities and a ¥0.3 billion decrease in provision for product warranties.

Net assets decreased ¥1.5 billion to ¥100.2 billion due to a ¥1.7 billion decrease in foreign currency translation adjustment, a ¥0.9 billion decrease in valuation difference on available-for-sale securities and a ¥1.0 billion increase in retained earnings.

Consequently, equity ratio increased 1.3 percentage points from March 31, 2012, to 61.7%.

### **(3) Qualitative Information Regarding Performance Forecasts**

There are no changes to the first six months and full-year consolidated forecasts announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2012,” dated April 27, 2012.

## Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of June 30, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	44,209	36,764
Notes and accounts receivable-trade	35,695	33,147
Merchandise and finished goods	20,092	21,126
Work in process	992	1,154
Raw materials and supplies	5,927	6,537
Deferred tax assets	1,999	1,955
Other	9,946	13,538
Allowance for doubtful accounts	(262)	(282)
Total current assets	118,602	113,942
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	22,984	22,699
Accumulated depreciation	(14,704)	(14,706)
Buildings and structures, net	8,280	7,993
Machinery, equipment and vehicles	16,552	16,352
Accumulated depreciation	(12,335)	(11,968)
Machinery, equipment and vehicles, net	4,216	4,383
Tools, furniture, fixtures and dies	50,073	49,572
Accumulated depreciation	(46,450)	(45,988)
Tools, furniture, fixtures and dies, net	3,622	3,583
Land	4,810	4,767
Lease assets	123	116
Accumulated depreciation	(36)	(37)
Lease assets, net	86	78
Construction in progress	575	420
Total property, plant and equipment	21,592	21,226
Intangible assets	2,814	2,616
Investments and other assets		
Investment securities	22,032	21,221
Deferred tax assets	268	265
Other	2,059	2,034
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	24,346	23,509
Total noncurrent assets	48,753	47,351
Total assets	167,355	161,294

(Millions of yen)

	As of March 31, 2011	As of June 30, 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	32,116	30,731
Short-term loans payable	132	121
Current portion of long-term loans payable	5,400	5,400
Accrued expenses	8,466	7,959
Income taxes payable	755	542
Deferred tax liabilities	90	111
Provision for bonuses	1,791	990
Provision for directors' bonuses	52	11
Provision for product warranties	4,725	4,423
Provision for loss on disaster	38	8
Other	4,225	3,510
Total current liabilities	57,795	53,811
Noncurrent liabilities		
Deferred tax liabilities	4,600	4,132
Provision for retirement benefits	1,080	1,077
Provision for directors' retirement benefits	608	625
Other	1,459	1,413
Total noncurrent liabilities	7,749	7,249
Total liabilities	65,544	61,061
<b>Net assets</b>		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	54,972	55,998
Treasury stock	(24)	(20)
Total shareholders' equity	105,774	106,804
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,355	4,407
Deferred gains or losses on hedges	(6)	50
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	(8,745)	(10,475)
Total accumulated other comprehensive income	(4,706)	(7,327)
Minority interests	743	756
Total net assets	101,811	100,233
Total liabilities and net assets	167,355	161,294

**(2) Consolidated statements of (comprehensive) income**

(Millions of yen)

	First three months ended June 30, 2011	First three months ended June 30, 2012
Net sales	46,673	55,185
Cost of sales	37,848	46,605
Gross profit	8,824	8,580
Selling, general and administrative expenses	7,281	7,234
Operating income	1,543	1,346
Non-operating income		
Interest income	57	46
Dividends income	96	98
Equity in earnings of affiliates	67	203
Other	105	42
Total non-operating income	326	391
Non-operating expenses		
Interest expenses	26	25
Foreign exchange losses	197	433
Sales discounts	23	34
Commission fee	30	30
Other	58	11
Total non-operating expenses	336	535
Ordinary income	1,533	1,202
Extraordinary income		
Gain on sales of noncurrent assets	16	10
Disaster relief money	17	–
Compensation income	–	1,178
Other	0	6
Total extraordinary income	34	1,194
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	6	11
Loss on disaster	79	0
Total extraordinary losses	85	12
Income before income taxes and minority interests	1,483	2,384
Income taxes-current	581	609
Income taxes-deferred	(205)	38
Total income taxes	375	648
Income before minority interests	1,107	1,736
Minority interests in income (loss)	(13)	10
Net income	1,121	1,726
Minority interests in income (loss)	(13)	10
Income before minority interests	1,107	1,736

(Millions of yen)

	First three months ended June 30, 2011	First three months ended June 30, 2012
Other comprehensive income		
Valuation difference on available-for-sale securities	(87)	(951)
Deferred gains or losses on hedges	10	57
Foreign currency translation adjustment	(350)	(2,219)
Share of other comprehensive income of associates accounted for using equity method	186	457
Total other comprehensive income	(241)	(2,656)
Comprehensive income	866	(920)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	908	(895)
Comprehensive income attributable to minority interests	(42)	(25)



**(3) Notes on premise of going concern**

No items to report

**(4) Notes on significant changes in the amount of shareholders' equity**

No items to report

**(5) Segment Information**

- 1) The first three months of the fiscal year ended March 31, 2012 (from April 1, 2011, to June 30, 2011)  
Information concerning net sales, income/loss, assets, liabilities and other items by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated financial statements
	Audio products segment	Information and communication products segment	Total		
Sales					
Sales to outside customers	14,291	32,381	46,673	–	46,673
Internal sales or transfer among segments	185	35	221	(221)	–
Total	14,477	32,417	46,894	(221)	46,673
Segment profit (operating income)	139	2,414	2,554	(1,011)	1,543

Note: The adjustment of negative ¥1,011 million to segment profit represents corporate expenses not allocated to reportable segments. The corporate expenses are principally costs related to the administration division and part of the development division that are not attributable to the segments.

- 2) The first three months of the fiscal year ending March 31, 2013 (from April 1, 2012, to June 30, 2012)  
Information concerning net sales, income/loss, assets, liabilities and other items by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated financial statements
	Audio products segment	Information and communication products segment	Total		
Sales					
Sales to outside customers	15,819	39,366	55,185	–	55,185
Internal sales or transfer among segments	189	64	254	(254)	–
Total	16,008	39,431	55,440	(254)	55,185
Segment profit (operating income)	208	2,357	2,566	(1,220)	1,346

Note: The adjustment of negative ¥1,220 million to segment profit represents corporate expenses not allocated to reportable segments. The corporate expenses are principally costs related to the administration division and part of the development division that are not attributable to the segments.