Translation

April 27, 2012

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 <under Japanese GAAP>

Company name:	**Alpine Electronics, Inc.**
Listing:	First Section of the Tokyo Stock Exchange
Stock code:	6816
URL:	http://www.alpine.com/
Representative:	Toru Usami, President and CEO
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Scheduled date of ordinary general meeting of shareholders:	June 21, 2012
Scheduled date to commence dividend payments:	June 22, 2012
Scheduled date to file Securities Report:	June 21, 2012
Preparation of supplementary material on earnings:	Yes
Holding of earnings performance review:	Yes

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

1. Consolidated performance for the fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2012	202,905	0.8	5,649	(49.4)	6,521	(39.5)	4,572	(24.2)
March 31, 2011	201,257	19.4	11,155	–	10,771	–	6,029	–

(Note) Comprehensive income
For the fiscal year ended March 31, 2012: ¥4,445 million [86.6%]
For the fiscal year ended March 31, 2011: ¥2,382 million [–%]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2012	65.53	–	4.6	4.1	2.8
March 31, 2011	86.43	–	6.2	7.0	5.5

(Reference) Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2012: ¥760 million
For the fiscal year ended March 31, 2011: ¥949 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2012	167,355	101,811	60.4	1,448.63
March 31, 2011	153,783	98,759	63.7	1,403.69

(Reference) Equity
As of March 31, 2012 ¥101,067 million
As of March 31, 2011 ¥97,928 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2012	9,921	(7,710)	(1,381)	43,947
March 31, 2011	14,371	(4,349)	(5,411)	43,883

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2011	–	10.00	–	10.00	20.00	1,395	23.1	1.4
Fiscal year ended March 31, 2012	–	10.00	–	10.00	20.00	1,395	30.5	1.4
Fiscal year ending March 31, 2013 (Forecast)	–	10.00	–	10.00	20.00	—	27.9	—

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

1. Operating results

(1) Analysis of operating results

During the fiscal year ended March 31, 2012, the Great East Japan Earthquake caused domestic industrial activity to decline in numerous sectors. Normalization of supply chains progressed and signs of recovery could be seen mid-year. From the latter half of the fiscal year, however, in addition to the appreciation of the yen being at unprecedented levels, production output was affected by the flooding in Thailand, which serves as a base for Japanese manufacturing companies. Consequently, corporate profits continued to suffer.

In contrast, the U.S. economy started to show a gradual recovery, including an improvement in the unemployment rate. However, the exacerbation of the public financing and banking crises in Euro member countries became a big concern, and an economic growth in developing countries such as China and India slowed due to government measures designed to curb inflation. Oil prices remained high, and uncertainty regarding the future of the world economy continued.

In the car electronics industry, the domestic aftermarket suffered from a growing mood of restraint on spending on the part of consumers in the aftermath of the earthquake and from a backlash against the previous fiscal year's special procurement boom of new cars. Despite these events, there was high replacement purchase demand for in-car digital tuners and navigation systems following the transition from analog to fully digital broadcasting of terrestrial television. In overseas markets, sales to high-end European car manufacturers were favorable, resulting in high demand for car electronic products. The market expanded amid particularly heightened needs for display products such as information system displays that help to make drivers feel safer and more secure.

Under these circumstances, although Alpine suffered extreme difficulties in obtaining parts due to the natural disasters, we were committed to stabilizing parts supply and moved ahead with sales of high-value-added products and the development of new products that meet market needs. In addition to proactively participating as an exhibitor at motor shows outside Japan like in Shanghai and in Frankfurt to promote the Alpine brand, we made technical proposals and provided information on new models to automakers and expanded our business. However, amid the yen's ongoing appreciation and intensifying competition on product prices, the Alpine Group's cost improvements were delayed, and conditions in profit terms remained harsh.

As a result, for the fiscal year ended March 31, 2012, consolidated net sales edged up 0.8% compared with the preceding fiscal year to ¥202.9 billion. Operating income plummeted 49.4% to ¥5.6 billion, ordinary income fell 39.5% to ¥6.5 billion, and net income decreased 24.2% to ¥4.5 billion.

(1) Segment information related to overall fiscal 2011 business performance by type of business

a. 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. However, sales of head units, chiefly CD players, were marred in the Japanese, European and U.S. markets by intensified price competition.

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

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

b. Information and communication 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 display and the "Perfect Fit" system. "BIG X" enjoys 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 prioritized cost performance. However, sales decreased due to the 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, sales of new models were strong to high-end European car manufacturers in North America and China. 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.

(2) Overall fiscal 2012 business performance and segment forecasts

With regard to forecasts for the current fiscal year, it is expected that the future course of the global economy will continue to be as uncertain as ever. Despite a sense of expectation that the Japanese economy will recover, it is anticipated that employment conditions and the income situation will remain difficult.

In contrast, the automotive industry is expected to remain on a growth trend, driven by such factors as the recovery in the North American market and the revival of the government subsidy system for purchases of environment-friendly cars and post-earthquake reconstruction demand in the Japanese market.

Under these circumstances the Alpine Group will continue to supply products and services that meet customer needs, while reducing costs, enhancing its business base, and improving its management efficiency.

Details of segment activities are as follows:

< Audio products segment >

In addition to our lightweight, environment-friendly speakers and amplifiers, we will strengthen our car audio lineup in response to personalized Internet radio services such as Pandora, work to set Alpine apart from our competitors, and seek to expand sales.

< Information and communication products segment >

We will make further inroads into the North American market with the "BIG X" car navigation system with an 8-inch display and the "Perfect Fit" system. At the same time we will focus on expanding sales of an in-car infotainment system, based on the new "MirrorLink" smartphone standard, which will enhance connectivity between in-car devices and smartphones. Sales will also be increased by making technical proposals to automaker customers on products designed to help make drivers feel safer and more secure, such as in-car cameras and displays, which are expected to be installed in a higher proportion of vehicles.

Taking into account factors that can be assumed at the time of writing, our consolidated performance forecasts for the fiscal year ending March 31, 2013 are as follows:

< Consolidated earnings forecasts >

Net sales	¥220.0 billion	(up 8.4% year on year)
Operating income	¥6.0 billion	(up 6.2% year on year)
Ordinary income	¥6.0 billion	(down 8.0% year on year)
Net income	¥5.0 billion	(up 9.4% year on year)

* Prerequisite exchange rate assumptions for forward-looking statements: US$1 = ¥80 and €1 = ¥105

(2) Analysis of financial position

(1) Assets, liabilities and net assets

Total assets stood at ¥167.3 billion as of March 31, 2012, up ¥13.5 billion from the end of the previous fiscal year. Net assets grew ¥3.0 billion, to ¥101.8 billion. As a result, the equity ratio was 60.4%. The principal factor was a ¥15.6 billion increase in current assets due to a ¥7.5 billion increase in notes and accounts receivable—trade, a ¥5.5 billion increase in inventories, and a ¥2.5 billion higher short-term loans receivable. Total noncurrent assets were down ¥2.0 billion, stemming from declines of ¥0.4 billion in property, plant and equipment, and ¥1.7 billion in intangible assets.

Total current liabilities were up ¥15.6 billion, attributable to a rise in notes and accounts payable—trade of ¥10.8 billion, an increase of ¥5.4 billion from the transfer of the current portion of long-term loans payable, and a ¥0.7 billion decrease in provision for losses on disaster. Noncurrent liabilities fell ¥5.0 billion, owing to such factors as a ¥5.4 billion decrease from the transfer of long-term loans payable and a ¥0.3 billion increase in provision for retirement benefits.

(2) Cash flows

Cash and cash equivalents at March 31, 2012, were ¥43.9 billion, edging up ¥60 million from the end of the previous fiscal year (but an increase of ¥4.0 billion from the beginning of the previous period).

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥9.9 billion (¥14.3 billion in the previous fiscal year). Major sources of cash were income before income taxes and minority interests amounting to ¥6.9 billion, depreciation and amortization totaling ¥6.7 billion, and an ¥11.7 billion increase in notes and accounts payable-trade. The principal uses of cash were a ¥8.2 billion increase in notes and accounts receivable-trade and a ¥5.6 billion increase in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7.7 billion (¥4.3 billion in the previous fiscal year). Principal uses of cash were ¥4.7 billion for the purchase of property, plant and equipment, and ¥5.5 billion for payments of loans receivable, while a factor increasing cash was ¥3.0 billion in collection of loans receivable.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1.3 billion, compared with ¥5.4 billion used in the preceding term. Cash dividends paid of ¥1.3 billion were the main factor in the decrease.

Owing to these factors, the free cash flows amounted to ¥2.2 billion (¥10.0 billion in the previous fiscal year). Free cash flows are the sum of cash flows from operating activities and cash flows from investing activities.

(Reference) Trends in cash flow indicators

Trends in cash flow indicators of the Group are as shown below.

Fiscal year ended:	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011	March 31, 2012
Equity ratio (%)	68.5	72.4	62.7	63.7	60.4
Market value equity ratio (%)	45.7	33.7	51.7	42.3	46.6
Interest-bearing debt to cash flow ratio (years)	0.0	0.2	1.0	0.4	0.6
Interest coverage ratio (factor)	58.8	90.0	68.3	70.8	115.9

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / paid interest

* All indicators are calculated using consolidated-based financial indicators.
* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares as of the end of the period (excluding treasury stock).
* The figure used for operating cash flow is “net cash provided by (used in) operating activities” on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest. Regarding the paid interest, we use “interest expenses paid” on the consolidated statements of cash flows.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ended March 31, 2012 and Fiscal Year Ending March 31, 2013

Alpine regards returning corporate profits to shareholders as an important feature of its business operations. Its basic policy is to determine the distribution of profits on a consolidated basis with consideration given to a proper balance among: 1) returning profits to shareholders, 2) proactive investment on R&D and facilities for enhancing competitiveness, and 3) internal reserves directed toward future business growth.

The planned year-end dividend for the year under review is ¥10 per share.

For the fiscal year ending March 31, 2013, the mid-term and year-end dividends are both planned to be ¥10 per share.

2. 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
Income taxes payable	1,017	755
Accrued expenses	8,385	8,466
Deferred tax liabilities	196	90
Provision for bonuses	1,642	1,791
Provision for directors’ onuses	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 (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
Income before minority interests	6,093	4,505
Minority interests in income (loss)	63	(66)

(Millions of yen)

	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
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 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 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

(Segment information)

1. Overview of reportable segments

The reportable segments of the Company are components of the Company whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

The Company's two reportable segments reflect its main businesses: the manufacture and sale of audio products as well as information and communication products for installation in automobiles.

The main products in the "Audio products segment" include car audio products, such as CD players, amplifiers, and speakers.

The main products in the "Information and communication products segment" include car navigation and car communication products.

2. Method of calculating amounts of net sales, income/loss, assets, liabilities and other items by reportable segment

Figures of reportable segment profit are based on operating income. Intersegment internal sales and transfers are based on past performance.

3. Information concerning net sales, income/loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2012 (from April 1, 2011 to March 31, 2012)

(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	55,786	147,119	202,905	–	202,905
Internal sales or transfer among segments	791	212	1,004	(1,004)	–
Total	56,578	147,332	203,910	(1,004)	202,905
Segment profit (operating income)	786	9,081	9,868	(4,218)	5,649
Segment assets	34,633	103,099	137,732	29,623	167,355
Other items					
Depreciation cost	2,311	4,389	6,701	38	6,740
Increase in property, plant and equipment and intangible assets	1,378	3,949	5,327	0	5,328

(Notes) 1. The adjustment of negative ¥1,004 million to total sales represents elimination of transactions among segments.

2. The adjustment of negative ¥4,218 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.

3. The adjustment of ¥29,623 million to segment assets represents corporate assets not allocated to reportable segments. The corporate assets mainly include the Company' funds to manage surplus assets (cash, deposits and securities), long-term investment funds (investment securities) and assets related to the administration division that are not attributable to the segments.

4. The adjustment of ¥38 million to other items represents an increase in corporate assets not allocated to reportable segments and the depreciation cost. The increase in corporate assets mainly includes the Company's assets related to the administration division that are not attributable to the segments.