

November 24, 2016

Company Name: **Alpine Electronics, Inc.**  
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## **Notice of Absorption-Type Merger of Consolidated Subsidiary and Merger between Consolidated Subsidiaries**

Alpine Electronics, Inc. (the “Company”) hereby announces that at a meeting of the Board of Directors held on November 22, 2016 a resolution was made to execute an absorption-type merger whereby, effective April 1, 2017, the Company’s wholly owned consolidated subsidiary ALPINE GIKEN INC. (hereinafter “ALPINE GIKEN”) will be merged into the Company and to execute an absorption-type merger between the Company’s wholly owned consolidated subsidiaries ALPINE TECHNOLOGY MANUFACTURING, INC. (hereinafter “ALPINE TECHNO”), ALPINE PRECISION, INC. (hereinafter “ALPINE PRECISION”), and ALPINE MANUFACTURING, INC. (hereinafter “ALPINE MANUFACTURING”) whereby, effective the same date, ALPINE TECHNO and ALPINE PRECISION will be merged into ALPINE MANUFACTURING. The details are as follows.

The absorption-type merger of ALPINE GIKEN is a simplified merger with a wholly owned subsidiary while the merger of ALPINE MANUFACTURING, ALPINE TECHNO and ALPINE PRECISION is a merger between wholly owned subsidiaries of the Company. Therefore, the disclosure information is stated with certain omissions.

### 1. Purpose of business reorganization

#### (1) Absorption-type merger of consolidated subsidiary

ALPINE GIKEN designs in-vehicle electronic components and develops software for the Company’s brands and domestic automakers. Through this merger, ALPINE GIKEN will be merged into the Company to consolidate these functions with those of the Company in order to strengthen development functions and improve development efficiency.

#### (2) Merger between consolidated subsidiaries

ALPINE TECHNO performs the processes of mounting and assembling printed circuit boards, the process of assembling FA equipment, and the sale of these projects. ALPINE PRECISION performs the manufacture and sale of the mechanical unit and nose (exterior part) of the Company’s products. Through this merger, ALPINE PRECISION and ALPINE TECHNO will be merged with ALPINE MANUFACTURING to consolidate these functions with those of ALPINE MANUFACTURING in order to strengthen the manufacturing functions and improve production efficiency as a domestic seamless production plant for component processes and finished product assembly.

## 2. Absorption-type merger of ALPINE GIKEN

### (1) Overview of the merger

#### (i) Merger schedule

Resolution of merger at a meeting of the Board of Directors	November 22, 2016
Signing of merger agreement	November 22, 2016
Date of merger (effective date)	April 1, 2017 (planned)

\* This merger is a simplified merger with respect to the Company, in accordance with Article 796, paragraph 2 of the Companies Act, and a short-form merger with respect to ALPINE GIKEN, in accordance with Article 784, paragraph 1 of the Companies Act. Neither of the mentioned types of merger requires approval by a General Meeting of Shareholders. Therefore, the mentioned companies will execute the merger without such approval.

#### (ii) Merger method

The planned method of merger is an absorption-type merger, whereby the Company will be the surviving company and ALPINE GIKEN will be dissolving.

#### (iii) Details concerning allotments related to the merger

The Company holds all of the issued shares for ALPINE GIKEN. Therefore, upon the merger, the Company will not deliver shares or any other cash, etc. as consideration for the merger.

#### (iv) Handling of the disappearing company's subscription rights to shares and bonds with subscription rights to shares

No items to report.

### (2) Outline of the parties to the merger

	Surviving company in absorption-type merger	Disappearing company in absorption-type merger
(i) Name	Alpine Electronics, Inc.	ALPINE GIKEN, INC.
(ii) Address	1-1-8 Nishi-Gotanda, Shinagawa-ku, Tokyo	1-58 Yoshima-Kogyodanchi, Iwaki City, Fukushima
(iii) Title or name of representative	Nobuhiko Komeya, President	Yoshiyuki Nakatomi, President
(iv) Business activities	Manufacture and sale of audio products and information and communication products	Development and design of audio products and information and communication products
(v) Capital	¥25,920 million	¥265 million
(vi) Date of establishment	May 10, 1967	October 1, 1993
(vii) Total number of issued shares	69,784,501 shares	4,300 shares
(viii) Fiscal year-end	March 31	March 31
(ix) Major shareholders and shareholding ratios	ALPS ELECTRIC CO., LTD. 40.43% STATE STREET BANK CLIENT OMNIBUS OM04 3.67% Japan Trustee Services Bank, Ltd. (Trust Account) 3.51% NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15PCT TREATY ACCOUNT 3.10%	The Company 100%

	Surviving company in absorption-type merger	Disappearing company in absorption-type merger
(x) Financial position and operating results for the previous fiscal year		
Fiscal year	Ended March 31, 2016 (consolidated)	Ended March 31, 2016 (non-consolidated)
Net assets	¥143,805 million	¥849 million
Total assets	¥205,182 million	¥1,529 million
Net assets per share	¥2,059.72	¥197,448.34
Net sales	¥273,056 million	¥3,062 million
Ordinary income	¥6,170 million	¥56 million
Profit attributable to owners of parent	¥10,698 million	¥31 million
Basic earnings per share	¥155.14	¥7,391.49

(3) Post-merger status

There will be no change to the Company's name, address, title or name of representative, business activities, stated capital, or fiscal year-end.

3. Merger between ALPINE MANUFACTURING, ALPINE TECHNO and ALPINE PRECISION

(1) Overview of the merger

(i) Merger schedule

Resolution of merger at a meeting of the Board of Directors November 18, 2016  
(at three parties to merger)

Signing of merger agreement (by three parties to merger) November 22, 2016

Approval of merger at a General Meeting of Shareholders December 27, 2016 (planned)  
(at ALPINE TECHNO, ALPINE PRECISION)

Date of merger (effective date) April 1, 2017 (planned)

\* This merger is a simplified merger with respect to ALPINE MANUFACTURING, in accordance with Article 796, paragraph 2 of the Companies Act. This type of merger does not require approval by a General Meeting of Shareholders. Therefore, the mentioned company will execute the merger without such approval.

(ii) Merger method

The planned method of merger is an absorption-type merger, whereby ALPINE MANUFACTURING will be the surviving company and ALPINE TECHNO and ALPINE PRECISION will be dissolving.

(iii) Details concerning allotments related to the merger

All parties of the merger are wholly owned subsidiaries of the Company. Therefore, upon the merger, the Company will not deliver shares or any other cash, etc. as consideration for the merger.

(iv) Handling of the disappearing company's subscription rights to shares and bonds with subscription rights to shares.

No items to report.

(2) Outline of the parties to the merger

	Surviving company in absorption-type merger	Disappearing company in absorption-type merger	Disappearing company in absorption-type merger
(i) Name	ALPINE MANUFACTURING, INC.	ALPINE TECHNOLOGY MANUFACTURING, INC.	ALPINE PRECISION, INC.
(ii) Address	3-10 Yoshima- Kogyodanchi, Iwaki City, Fukushima	61-1 Ohara Aza Shinbori, Onahama, Iwaki City, Fukushima	48-1 Akai Aza Sorimachi, Taira, Iwaki City, Fukushima
(iii) Title or name of representative	Yoshiaki Furukawa, President	Yoshio Chitose, President	Minoru Daikuhara, President
(iv) Business activities	Manufacture and sale of audio products and information and communication products	Manufacture and sale of electronic components and electronic equipment	Manufacture and sale of audio products and information and communication products
(v) Capital	¥275 million	¥200 million	¥90 million
(vi) Date of establishment	January 25, 1974	September 22, 1973	November 24, 1983
(vii) Total number of issued shares	400,000 shares	400,000 shares	1,800 shares
(viii) Fiscal year-end	March 31	March 31	March 31
(ix) Major shareholders and shareholding ratios	The Company 100%	The Company 100%	The Company 100%
(x) Financial position and operating results for the previous fiscal year			
Fiscal year	Ended March 31, 2016 (non-consolidated)	Ended March 31, 2016 (non-consolidated)	Ended March 31, 2016 (non-consolidated)
Net assets	¥1,376 million	¥1,033 million	¥1,023 million
Total assets	¥1,866 million	¥1,388 million	¥1,655 million
Net assets per share	¥3,440.49	¥2,584.10	¥568,852.24
Net sales	¥2,250 million	¥976 million	¥4,059 million
Ordinary income	¥94 million	¥2 million	¥144 million
Profit	¥61 million	¥233 million	¥95 million
Basic earnings per share	¥153.00	¥584.41	¥52,937.70

(3) Post-merger status

There will be no change to the ALPINE MANUFACTURING's name, address, title or name of representative, business activities, stated capital, or fiscal year-end.

4. Future outlook

The impact of this merger on the Company and its consolidated operating results will be immaterial.