



December 9, 2016

Company Name: **Alpine Electronics, Inc.**
Representative: Nobuhiko Komeya, President
Code Number: 6816 (First Section of the Tokyo Stock Exchange)
Inquiries: Hitoshi Kajiwara, Managing Director,
Administration
TEL: +81-3-3494-1101 (from overseas)

Parent Company: ALPS ELECTRIC CO., LTD.
Representative: Toshihiro Kuriyama, President
Code Number: 6770 (First Section of the Tokyo Stock Exchange)

Notice of Recognition of Extraordinary Income (Gain on Sales of Shares of Subsidiaries and Associates) and Revisions to Full-Year Earnings Forecasts

Alpine Electronics, Inc. (the “Company”) hereby announces that it expects to recognize extraordinary income (gain on sales of shares of subsidiaries and associates) during the first nine months of the fiscal year ending March 31, 2017, as described below.

In addition, the consolidated full-year earnings forecasts for the fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017), which were announced on October 28, 2016, have been revised as described below.

1. Details on gain on sales of shares of subsidiaries and associates

Due to the partial sale of the shares of the Company’s equity method associate Neusoft Corporation (hereinafter “Neusoft”) owned by the Company’s subsidiary ALPINE ELECTRONICS (CHINA) CO., LTD. to the Company’s equity method associate Dalian Neusoft Holdings Co., Ltd. (hereinafter “NHD”) on December 9, 2016, the Company expects to record extraordinary income (gain on sales of shares of subsidiaries and associates) of ¥6,100 million.

Note that the above amount in Japanese yen is stated based on the exchange rate of RMB1 to ¥15.80. The amount may change due to fluctuations in currency exchange rates.

2. Reasons for sale of shares of subsidiaries and associates

The Company and Neusoft have up until now enjoyed a strategic and business alliance partnership since 1989. Neusoft is continuing the comprehensive reorganization of its corporate group under the corporate umbrella of NHD. The above-mentioned sale of Neusoft shares held by the Company’s subsidiary to NHD is one part of this reorganization.

3. Revisions to consolidated earnings forecasts

Revisions to consolidated full-year earnings forecasts for the fiscal year ending March 31, 2017
(from April 1, 2016 to March 31, 2017)

	Net sales	Operating income	Ordinary income	Profit (loss) attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A) (Announced on October 28, 2016)	236,500	2,300	800	(2,500)	(36.27)
Revised forecasts (B)	236,500	2,300	800	2,100	31.04
Change (B – A)	0	0	0	4,600	–
Change (%)	0.0	0.0	0.0	–	–
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2016)	273,056	5,434	6,170	10,698	155.14

Cautionary Statement:

The above forecasts are calculations on the basis of the information available as of the date of this announcement. Actual results may differ from forecast figures depending on a variety of factors.

4. Other

As a result of the partial sale of the shares of the aforementioned equity method associate, the Company's ownership ratio in the equity method associate has reduced. However, the Company plans to continue to apply the equity method to the company by adopting ASBJ Statement No. 16, paragraph 5-2 (3).