

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: +81-3-5499-8111 (from overseas)

Notice of Capital Increase of Equity Method Associate

Alpine Electronics, Inc. (the “Company”) hereby announces that at a meeting of its Board of Directors held on May 23, 2018, it passed a resolution for the Company’s subsidiary ALPINE ELECTRONICS (CHINA) CO., LTD. to underwrite 29% (RMB195 million) of the capital increase that the Company’s equity method associate Neusoft Reach Automotive Technology (Shanghai) Co., Ltd. plans to implement.

1. Outline of equity method associate implementing capital increase

- | | | |
|------------------------------|---|--------|
| (i) Name: | Neusoft Reach Automotive Technology (Shanghai) Co., Ltd. | |
| (ii) Address of head office: | Room 1703, No. 888, Moyu South Road, Anting Town, Jiading District, Shanghai, China | |
| (iii) Representative: | Yongfeng Wang | |
| (iv) Business activities: | Development and sales of automotive technologies | |
| (v) Capital: | RMB545,740,000 (¥9,277 million*) | |
| (vi) Date of establishment: | November 16, 2015 | |
| (vii) Equity stakes: | Neusoft Corporation: | 48.05% |
| | ALPINE ELECTRONICS (CHINA) CO., LTD.: | 45.71% |
| | Shenyang FullRich Enterprise Management Center: | 6.24% |

2. Details concerning capital increase

- | | | |
|---|---|--------|
| (i) Date of capital increase: | June 2018 (planned) | |
| (ii) Amount of capital increase: | RMB662,810,000 (¥11,267 million*) | |
| (iii) Amount of underwriting: | RMB195,000,000 (¥3,315 million*) | |
| (iv) Stated capital after capital increase: | RMB1,208,550,000 (¥20,545 million*) | |
| (v) Equity stakes after capital increase: | Neusoft Corporation: | 38.66% |
| | ALPINE ELECTRONICS (CHINA) CO., LTD.: | 36.78% |
| | Shenyang FullRich Enterprise Management Center: | 24.56% |

*Calculated based on the exchange rate of RMB1 to ¥17.00.

3. Purpose of capital increase

Neusoft Reach Automotive Technology (Shanghai) Co., Ltd. has been aiming to carry out significant technological development for the future automobile industry, using the more than 20 years of research and development achievements of the Company and Neusoft Corporation as a base, and expand its business in the Chinese market. It will utilize the increase in capital to meet the increased upfront investment needed to support the expanding orders.

4. Impact on operating results

The impact of this capital increase of equity method associate on the Company’s consolidated operating results will be immaterial.