Consolidated Financial Statements
for the Six Months Ended September 30, 2008

November 4, 2008

Listed Company Name:	Alpine Electronics, Inc.	
Security Code:	6816 (First Section, Tokyo Stock Exchange)	URL: http://www.alpine.com/
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Expected Date for Submission of Semiannual Report: November 7, 2008
Expected Date for Commencement of Dividend Payout: December 5, 2008

1. Financial Results for the First Half of the Fiscal Year Ending March 31, 2009

(April 1, 2008, to September 30, 2008)

(1) Consolidated Operating Results

Amounts less than one million yen have been omitted;
percentages represent increases from the corresponding period of the previous year.
(Millions of yen unless otherwise stated; amounts less than one million yen have been omitted.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Six Months Ended September 30, 2008	123,999	—	1,018	—	3,189	—	2,298	—
Six Months Ended September 30, 2007	130,867	3.8%	5,385	18.1%	5,519	0.1%	2,987	(7.8%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months Ended September 30, 2008	32.94	—
Six Months Ended September 30, 2007	42.83	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
September 30, 2008	176,022	118,522	66.6	1,679.63
March 31, 2008	167,785	116,264	68.5	1,646.38

[Reference] Stockholders' equity
Six months ended September 30, 2008: ¥117,177 million
Fiscal year ended March 31, 2008 ¥114,857 million

2. Dividends

	Dividends per Share (Yen)				
Date of Record	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Fiscal Year	Full Year
Fiscal Year Ended March 31, 2008	—	10.00	—	15.00	25.00
Fiscal Year Ending March 31, 2009	—	10.00	——	——	——
Fiscal Year Ending March 31, 2009 (Forecast)	——	——	—	15.00	25.00

(Note) Changes in dividend forecasts during the quarter under review: None

3. Projections for Fiscal Year Ending March 31, 2009 (April 1, 2008, to March 31, 2009)

Percentages represent increases from the corresponding period of the previous year.
(Millions of yen, unless otherwise stated)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share (Yen)
Fiscal Year Ending March 31, 2009	235,000	(6.8%)	0	(100.0%)	4,500	(29.7%)	3,000	(15.6%)	43.00

(Note) Changes in projections during the quarter under review: None

4. Others

(1) Changes in material subsidiaries during the period (changes in specific subsidiaries affecting the scope of consolidation): No

(2) Application of simplified methods of accounting and accounting methods specific to the preparation of quarterly financial statements: Yes
For details, please refer to section 4. (3) of the "Consolidated Business Results" on page 5.

(3) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements (recorded in changes to important items that form the basis for preparation of quarterly consolidated financial statements)
1) Changes due to revisions to accounting standards, etc.: Yes
2) Changes other than 1): No
For details, please refer to section 4. (3) of the "Consolidated Business Results" on page 5.

(4) Average number of outstanding shares (ordinary shares)
1) Number of shares outstanding as of the end of period (including treasury shares)
First half ended September 30, 2008: 69,784,501
Fiscal year ended March 31, 2008: 69,784,501
2) Number of treasury shares as of the end of period
First half ended September 30, 2008: 20,922
Fiscal year ended March 31, 2008: 20,464
3) Average number of shares during the period (cumulative figure for consolidated quarterly accounting period)
First half ended September 30, 2008: 69,763,829
First half ended September 30, 2007: 69,764,426

Notes: Cautionary Statement Regarding Performance Forecasts

(1) We have revised the performance forecasts for the full fiscal year ending March 31, 2009, that were announced on August 6, 2008.

2. The forecasts and future projections stated above have been prepared on the basis of the information available as of the date of announcement of this summary information, and the actual results could differ significantly from forecast figures depending on a variety of factors.

3. In the current consolidated fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14). The quarterly consolidated financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements."

1. Consolidated Business Results

1. Qualitative Information Regarding Consolidated Business Results

During the first half of the fiscal year ending March 31, 2009, the world economy was impacted by disruption to the financial markets arising from the sub-prime loan crisis and escalating oil and food prices, which heightened the slowdown of the European and U.S. markets. The path ahead for the Japanese economy, with its high dependency on exports, became increasingly unclear, with concerns that deteriorating corporate performance would prompt cutbacks in capital investment and deterioration of the employment situation. The automobile industry featured an accelerating shift in demand from larger models toward more fuel-efficient compact vehicles as a consequence of higher gasoline prices. However, the reality of worsening economic conditions led to decreased unit sales of new vehicles in Japan, the United States and Europe, exacerbated by a downtrend in China and other developing nations, which had been propping up demand.

The car electronics market, in which the Alpine Group primarily operates, benefited from growth in the after-market for portable navigation systems led by Europe and the United States and supported by the domestic market.

In this environment, the Alpine Group focused on expanding its business targeting automakers and on cutting production costs and other business improvements aimed at raising earnings. However, affected by yen appreciation consolidated net sales during the six-month period ended September 30, 2008, decreased 5.2% compared with the corresponding period of the previous fiscal year, to ¥123.9 billion. Operating income slumped 81.1%, to ¥1.0 billion, and ordinary income fell 42.2%, to ¥3.1 billion. Net income for the period was ¥2.2 billion, down 23.1% from the first half of the previous year.

Segment information by type of business is summarized as follows. Sales figures indicate sales to external customers.

Audio Products Segment

In the Audio Products segment, sales of Alpine's iPod-LINK automotive CD player and digital media head unit were steady in the Japanese, U.S. and European after-markets, benefiting from successful promotion of their innovative image. In recognition, this product was selected for the Fiscal 2008 Good Design Awards (G-Mark).

Effective promotion resulted in expanded sales of high-quality audio speakers for minivans in the domestic after-market. However, such core products as CD players suffered reduced after-market sales as a consequence of price cuts instigated in the face of intensified price competition.

Business with automobile manufacturers was aided by favorable of sales of smaller vehicles, and orders were robust for our CD audio systems, which were acclaimed for top quality in North America in the Multimedia Quality and Satisfaction Survey. Model changes to some vehicle types led to reduced orders for CD players, resulting in an overall decrease in sales of products for automobile manufacturers.

Audio products for the after-market and automobile manufacturers are undergoing structural changes in the wake of the development of products integrating visual and navigation systems. Accordingly, sales for such integrated products are now accounted for under Information and Communication Equipment, to the detriment of sales in the Audio Products segment.

As a result of the above factors, sales by the Audio Products Segment during the term decreased 13.1% compared to the corresponding period of the previous year, to ¥54.9 billion.

Information and Communication Equipment Segment

In the Information and Communication Equipment segment, our wide-screen, high-quality monitor Rear Vision TMX-R1500/R1100 was awarded the Product Grand Prize, sponsored by the *Nikkan Jidosha Shimbun* (a national automotive newspaper) for superior product planning and development. Attuned to user needs and facilitating rear-seat viewing of terrestrial digital broadcasts and DVDs, sales of this product grew during the term.

However, after-market sales of portable navigation systems declined, affected by severe market conditions arising from price competition in the face of the spread of low-price models.

Sales to automobile manufacturers in the critical U.S. market were negatively impacted by declining sales of luxury and larger vehicles, which have a high factory installation rate for navigation systems and visual products, as a result of the momentum of the demand shift toward more fuel-efficient compact vehicles. This situation was offset by gains in orders of large system products to European luxury car manufacturers, resulting in an overall rise in sales to automobile manufacturers.

Accordingly, sales in this segment advanced 2.1%, compared with the first half of the previous year, to ¥69.0 billion.

The above year-on-year comparisons are given for reference.

2. Qualitative Information Regarding Consolidated Financial Position

(1) Assets, liabilities and net assets

Total assets stood at ¥176.0 billion as of September 30, 2008, up ¥8.2 billion from the end of the previous fiscal year. Net assets grew ¥2.2 billion, to ¥118.5 billion. As a result, the equity ratio was 66.6%. Current assets were up ¥6.3 billion, principally attributable to increases of ¥2.2 billion in cash and cash equivalents, ¥2.9 billion in notes and accounts receivable and ¥1.0 billion in merchandise. Fixed assets were ¥1.9 billion higher, prompted by a gain of ¥0.8 billion in investments in securities and ¥0.6 billion in other investments.

Current liabilities advanced ¥5.1 billion, owing mainly to growth in notes and accounts payable of ¥5.8 billion and a fall of ¥0.6 billion in provision for product warranties.

Long-term liabilities increased ¥0.7 billion as a result of a rise of ¥0.7 billion in deferred tax liabilities and other factors.

(2) Cash flows

Cash and cash equivalents at September 30, 2008, were ¥31.3 billion, up ¥1.2 billion, or 4.0%, from the end of the previous fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities came to ¥9.0 billion. Major cash inflows were appropriation of income before income taxes of ¥3.3 billion, depreciation and amortization of ¥5.2 billion and an increase in notes and accounts payable of ¥6.7 billion. Major cash outflows included an increase in notes and accounts receivable of ¥4.1 billion and a ¥1.8 billion rise in inventories.

(Cash flows from investing activities)

Net cash used in investing activities was ¥6.7 billion. This figure was mainly attributable to the purchase of tangible fixed assets of ¥4.1 billion, the purchase of intangible fixed assets of ¥1.7 billion and investments in securities of ¥0.2 billion.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1.1 billion. The principal component was cash dividends paid of ¥1.0 billion.

As a result of these factors, the net increase in free cash flow was ¥2.3 billion. Free cash flow is the sum of cash flows from operating activities and investing activities.

3. Qualitative Information Regarding Consolidated Performance Forecasts

In light of recent performance trends, we have revised our consolidated performance forecasts announced on August 6, 2008, for the fiscal year ending March 31, 2009, as follows. Furthermore, assumed exchange rates for the second half are taken as US$1= ¥100 and €1= ¥140.

(Full year)

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Previously Announced Forecasts (A)	260,000	5,000	6,000	3,500	50.17
Revised Forecasts (B)	235,000	0	4,500	3,000	43.00
Difference (B-A)	(25,000)	(5,000)	(1,500)	(500)	—
Change (%)	(9.6)	(100.0)	(25.0)	(14.3)	—
Performance for the Year Ended March 31, 2008	252,071	7,011	6,403	3,554	50.95

4. Others

(1) Changes in material subsidiaries during the period (changes in specific subsidiaries affecting the scope of consolidation)

Nothing to report

(2) Application of simplified methods of accounting and accounting methods specific to the preparation of quarterly financial statements

1) In calculating tax expenses for the Company and certain of its consolidated subsidiaries during the current fiscal year, including the first half under review, income taxes were estimated rationally, using the effective tax rate after applying tax effect accounting multiplied by income before income taxes to estimate the appropriate effective tax rate.

   The adjustment of corporate taxes is included within "income taxes, additional corporate tax and others."

2) The method of calculating the amount of corporate tax payments for certain other consolidated subsidiaries was limited to calculating significant increases or decreases and tax deductions.

   In determining the recoverability of deferred tax assets, the operating performance forecasts and tax planning methods used during and prior to the fiscal year ended March 31, 2008, were applied to the period under review, as no significant changes in the operating environment or sudden and significant changes in conditions were recognized.

(3) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements

1) In the current fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14). The interim consolidated financial statements were also prepared in accordance with the "Regulations on Quarterly Consolidated Financial Statements."

2) In the past, the Company and its domestic consolidated subsidiaries typically valued wholesale assets held for the purpose of sale mainly on a cost basis using the gross average method. However, the "Accounting Standard for Valuing Inventory Assets" (Financial Accounting Standard No. 9, July 5, 2006) was applied from the first quarter of the current fiscal year. As a result, the method of valuing these assets was changed from principally the gross average method on a cost basis to a cost basis (marking down the book value in line with profitability decreases).

   The impact of this change was to raise operating income and ordinary income ¥739 million and reduce income before income taxes ¥351 million, compared with the previous method.

   The effects of this change on segment information are noted in the corresponding section.

3) From the first quarter of the current fiscal year, the Company began applying the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006), making the necessary adjustments to the consolidated financial statements.

   This change raised operating income ¥96 million, and ordinary income and income before income taxes ¥49 million, compared with the previous method.

   The effects of this change on segment information are noted in the corresponding section.

5. Interim Consolidated Financial Statements (Summary)

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	September 30, 2008	March 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	32,440	30,172
Notes and accounts receivable	34,792	31,825
Merchandise	21,303	20,252
Raw materials	6,035	5,977
Goods in process	1,844	1,738
Supplies	496	497
Deferred tax assets	3,351	3,338
Other current assets	10,407	10,740
Allowance for doubtful accounts	(606)	(788)
Total current assets	110,067	103,756
Fixed Assets:		
Tangible Fixed Assets:		
Buildings and structures	23,481	23,020
Less accumulated depreciation	(13,260)	(12,960)
Buildings and structures (net)	10,221	10,060
Machinery and equipment	20,331	19,331
Less accumulated depreciation	(11,321)	(10,269)
Machinery and equipment (net)	9,009	9,061
Fixtures and fittings	50,542	50,080
Less accumulated depreciation	(44,085)	(42,846)
Fixtures and fittings (net)	6,456	7,233
Land	5,141	5,136
Construction in progress	2,280	1,359
Total tangible fixed assets	33,109	32,851
Intangible Fixed Assets:	7,211	7,004
Investments and Other Assets:		
Investments in securities	20,750	19,908
Deferred tax assets	323	350
Other investments	4,584	3,937
Allowance for doubtful receivables	(24)	(22)
Total investments and other assets	25,633	24,173
Total fixed assets	65,955	64,029
Total Assets	176,022	167,785

(Millions of yen)

	September 30, 2008	March 31, 2008
LIABILITIES		
Current liabilities:		
Notes and accounts payable	32,212	26,360
Bank loans	119	215
Income taxes payable	1,224	810
Accrued expenses	10,149	10,055
Deferred tax liabilities	103	129
Allowance for employee bonuses	1,928	1,817
Allowance for directors' bonuses	23	53
Provision for product warranties	4,177	4,822
Other current liabilities	3,517	4,000
Total current liabilities	53,455	48,265
Long-term liabilities:		
Deferred tax liabilities	2,016	1,283
Accrued retirement benefits	663	669
Directors' severance and retirement benefits	701	704
Other long-term liabilities	663	598
Total long-term liabilities	4,044	3,255
Total liabilities	57,500	51,520
NET ASSETS		
Stockholders' equity		
Common stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	60,125	58,592
Treasury stock	(31)	(30)
Total stockholders' capital	110,921	109,388
Valuation and currency translation adjustments		
Valuation adjustment, other marketable securities	4,880	4,753
Deferred hedge gain	1,311	—
Land revaluation adjustment	(1,394)	(1,394)
Foreign currency translation	1,459	2,111
Total valuation and conversion adjustments	6,256	5,469
Minority interests	1,345	1,406
Total net assets	118,522	116,264
Total liabilities and net assets	176,022	167,785

(2) Interim Consolidated Statements of Income

(Millions of yen)

	Six Months Ended September 30, 2008 (April 1, 2008, to September 30, 2008)
Net sales	123,999
Cost of sales	103,721
Gross profit	20,278
Selling, general and administrative expenses	19,260
Operating income	1,018
Other income	
Interest income	130
Dividend income	378
Foreign exchange gain	1,035
Equity in gain from affiliated companies	403
Other	477
Total other income	2,426
Other expenses	
Interest expense	49
Sales discounts	108
Other	97
Total other expenses	254
Ordinary income	3,189
Extraordinary income	
Gain on sales of fixed assets	9
Gain on sales of investments in securities	124
Gain on reversal of allowance for doubtful accounts	48
Gain on valuation of options	1,520
Total extraordinary income	1,702
Extraordinary losses	
Loss on sales of fixed assets	233
Loss on valuation of investments in securities	55
Loss on valuation of inventories	1,090
Other	146
Total extraordinary losses	1,526
Income before income taxes	3,366
Income taxes, additional corporate tax and others	1,135
Income tax adjustments	(125)
Total income taxes	1,010
Minority interests in net income	57
Net income	2,298

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2008 (April 1, 2008, to September 30, 2008)
Cash Flows from Operating Activities	
Income before tax and other adjustments	3,366
Depreciation and amortization	5,283
Increase in notes and accounts receivable	(4,191)
Increase in inventories	(1,839)
Increase in accounts receivable	6,736
Other	(815)
Total	8,539
Interest and dividends received	469
Interest paid	(48)
Income taxes paid	(719)
Income taxes refunded	857
Net cash provided by operating activities	9,098
Cash Flows from Investing Activities:	
Payments for acquisition of property, plant and equipment	(4,115)
Proceeds from sale of property, plant and equipment	84
Payments for acquisition of intangible fixed assets	(1,793)
Payments for acquisition of investments in securities	(251)
Proceeds from sale of investments in securities	137
Payments for loans	(56)
Collections of loans receivable	22
Other	(732)
Net cash used in investing activities	(6,705)
Cash Flows from Financing Activities:	
Increase in short-term borrowings	(91)
Cash dividends paid	(1,046)
Cash dividends paid to minority interests	(16)
Other	(0)
Net cash used in financing activities	(1,155)
Effect of exchange rate changes on cash and cash equivalents	(24)
Net decrease in cash and cash equivalents	1,213
Cash and cash equivalents at beginning of period	30,159
Cash and cash equivalents at end of period	31,372

In the current consolidated fiscal year, the Company began applying the "Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (Financial Accounting Standard Implementation Guidance No. 14).

(4) Notes related to the assumption of an ongoing concern

Nothing to report.

(5) Segment Information

a) Information by Business Segment

First Six Months of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to September 30, 2008)

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net Sales					
(1) Outside Customers	54,906	69,093	123,999	—	123,999
(2) Within Consolidated Group	375	171	546	(546)	—
Total	55,282	69,264	124,546	(546)	123,999
Operating Income	1,243	3,039	4,283	(3,264)	1,018

Notes:

1. Business segments are based on internal administrative segmentation.
2. The Company's primary business activities include:
   (1) The audio products business, which includes car audio systems and accessories.
   (2) The information and communication equipment business, which includes car communications, electronic components and imaging unit components.
3. Changes in accounting method
   (Accounting Standard for Valuing Inventory Assets)
   As stated in section 4. (3) of the "Consolidated Business Results," from the first quarter of the current fiscal year the Company adopted the "Accounting Standard for Valuing Inventory Assets" (Financial Accounting Standard No. 9, July 5, 2006). Owing to this change, operating income was ¥331 million higher in the Audio Products Segment and ¥428 million higher in the Information and Communication Equipment Segment than it would have been under the previous method.
   (Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
   As stated in section 4. (3) of the "Consolidated Business Results," from the first quarter of the current fiscal year the Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006). As a result, operating income was ¥58 million higher in the Audio Products Segment and ¥38 million higher in the Information and Communication Equipment Segment than it would have been under the previous method.

b) Geographic Area Information

First Half of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to September 30, 2008)

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net Sales								
(1) Outside Customers	18,060	36,455	60,306	8,295	881	123,999	—	123,999
(2) Within Consolidated Group	80,149	636	13,959	21,556	0	116,302	(116,302)	—
Total	98,210	37,092	74,266	29,852	881	240,302	(116,302)	123,999
Operating Income	3,594	323	(1,129)	741	61	3,592	(2,574)	1,018

Notes:

1. Differentiation between countries and regions is based on geographic proximity.
2. Major countries and regions are:
   (1) North America: The United States of America and Canada
   (2) Europe: Germany, France, the United Kingdom, Italy, Spain and Hungary
   (3) Asia: Singapore, China and Thailand
   (4) Other Areas: Australia
3. Changes in accounting method

(Accounting Standard for Valuing Inventory Assets)

As stated in section 4. (3) of the “Consolidated Business Results,” from the first quarter of the current fiscal year the Company adopted the “Accounting Standard for Valuing Inventory Assets” (Financial Accounting Standard No. 9, July 5, 2006). Owing to this change, operating income was ¥739 million higher in Japan than it would have been under the previous method.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

As stated in section 4. (3) of the “Consolidated Business Results,” from the first quarter of the current fiscal year the Company adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006). As a result, operating loss was ¥61 million lower in Europe and operating income was ¥34 million higher in Asia than it would have been under the previous method.

c) Overseas Sales

First Half of the Fiscal Year Ending March 31, 2009 (April 1, 2008, to September 30, 2008)

(Millions of yen)

	North America	Europe	Asia	Other Areas	Total
I. Overseas Sales	35,999	60,318	10,100	1,345	107,762
II. Consolidated Sales					123,999
III. Ratio of Overseas Sales (%)	29.0	48.6	8.1	1.1	86.9

Notes:

1. Differentiation between countries and regions is based on geographic proximity.
2. Major countries and regions are:
   (1) North America: The United States of America and Canada
   (2) Europe: Germany, France, the United Kingdom, Italy, Spain and Sweden
   (3) Asia: Singapore, China and Thailand
   (4) Other Areas: Australia
3. Overseas sales are sales of the Company and its consolidated subsidiaries outside Japan.

(6) Notes Concerning Significant Changes in Stockholders’ Equity

Nothing to report.

Reference

Interim Consolidated Financial Statements for the First Six Months of the Previous Year

(1) Interim Consolidated Statements of Income

(Millions of yen, % of total)

	Six Months Ended September 30, 2007 (April 1, 2007, to September 30, 2007)		
I Net sales		130,867	100.0%
II Cost of sales		104,782	80.1%
Gross profit		26,085	19.9%
III Selling, general and administrative expenses		20,699	15.8%
Operating income		5,385	4.1%
IV Other income			
1. Interest income	199		
2. Dividend income	375		
3. Equity in gain from affiliated companies	424		
4. Other	255	1,255	1.0%
V Other expenses			
1. Interest expense	87		
2. Foreign exchange loss	570		
3. Sales discounts	130		
4. Loss on adjustment of customer molds	154		
5. Other	178	1,121	0.9%
Ordinary income		5,519	4.2%
VI Extraordinary income			
1. Gain on sales of fixed assets	5	5	0.0%
VII **Extraordinary losses**			
1. Loss on sales of fixed assets	232		
2. Loss on valuation of investments in securities	27	260	0.2%
Income before income taxes		5,264	4.0%
Income taxes, additional corporate tax and others	2,029		
Additional corporate tax and others	100		
Income tax adjustments	(100)	2,209	1.7%
Minority interests in net income		67	0.0%
Net income		2,987	2.3%

(2) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six Months Ended September 30, 2007 (April 1, 2007, to September 30, 2007)
I Cash Flows from Operating Activities	
Income before tax and other adjustments	5,264
Depreciation and amortization	4,974
Increase in accrued retirement benefits	14
Decrease in directors' severance and retirement benefits	(68)
Increase in provision for product warranties	195
Interest and dividend income	(575)
Interest expense	87
Equity in income from affiliated companies	(424)
Purchase of tangible fixed assets	0
Increase in notes and accounts receivable	4,260
Increase in inventories	(2,020)
Decrease in notes and accounts payable	(4,350)
Other	(114)
Total	7,243
Interest and dividends received	576
Income paid	(87)
Income taxes paid	(2,934)
Net cash provided by operating activities	4,798
II Cash Flows from Investing Activities	
Payments for acquisition of property, plant and equipment	(5,370)
Proceeds from sale of property, plant and equipment	8
Payments for acquisition of intangible fixed assets	(1,448)
Payments for loans	(18)
Collections of loans receivable	16
Other	(204)
Net cash used in investing activities	(7,015)
III Cash Flows from Financing Activities	
Increase in short-term borrowings	243
Cash dividends paid	(1,046)
Cash dividends paid to minority interests	(167)
Other	(0)
Net cash used in financing activities	(970)
IV Effect of exchange rate changes on cash and cash equivalents	440
V Net decrease in cash and cash equivalents	(2,747)
VI Cash and cash equivalents at beginning of period	37,507
VII Cash and cash equivalents at end of period	34,759

(3) Segment Information

a) Information by Business Segment

First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007, to September 30, 2007)

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net Sales					
(1) Outside Customers	63,167	67,700	130,867	—	130,867
(2) Within Consolidated Group	317	212	529	(529)	—
Total	63,484	67,912	131,397	(529)	130,867
Costs and expenses	59,548	62,082	121,631	3,850	125,482
Operating Income	3,935	5,830	9,766	(4,380)	5,385

b) Geographic Area Information

First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007, to September 30, 2007)

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net sales								
(1) Outside Customers	21,071	48,361	51,175	9,458	801	130,867	—	130,867
(2) Within Consolidated Group	79,920	959	18,631	24,066	0	123,578	(123,578)	—
Total	100,992	49,320	69,806	33,525	801	254,446	(123,578)	130,867
Costs and Expenses	94,434	47,790	69,048	32,136	752	244,162	(118,680)	125,482
Operating Income	6,557	1,530	757	1,388	49	10,283	(4,898)	5,385

c) Overseas Sales

First Half of the Fiscal Year Ended March 31, 2008 (April 1, 2007, to September 30, 2007)

(Millions of yen, unless otherwise stated)

	North America	Europe	Asia	Other Areas	Total
III. Overseas Sales	47,771	51,184	13,912	1,428	114,296
IV. Consolidated Sales	—	—	—	—	130,867
III. Ratio of Overseas Sales (%)	36.5	39.1	10.6	1.1	87.3

6. Production, Orders Received and Sales

(1) Production

Production for the first half of the fiscal year ending March 31, 2009, by business segment was as follows.

(Millions of yen)

Business Segment	Production
Audio Products	43,537
Information and Communication Equipment	55,113
Total	98,650

Notes:

1. Stated amounts are calculated based on sales prices.
2. Consumption tax is not included in the above-stated amounts.

(2) Orders Received

Orders received for the first half of the fiscal year ending March 31, 2009, by business segment were as follows.

(Millions of yen)

Business Segment	Orders Received	Order Balance
Audio Products	53,742	11,572
Information and Communication Equipment	65,986	14,651
Total	119,729	26,224

Note: Consumption tax is not included in the above-stated amounts.

(3) Sales

Sales for the first half of the fiscal year ending March 31, 2009, by business segment were as follows.

(Millions of yen)

Business Segment	Sales
Audio Products	54,906
Information and Communication Equipment	69,093
Total	123,999

Note: Consumption tax is not included in the above-stated amounts.