



Consolidated Financial Statements for the Nine-Month Period Ended December 31, 2007

February 4, 2008

Listed Company Name: Alpine Electronics, Inc. Securities Code: 6816 (First Section, Tokyo Stock Exchange)

URL: <http://www.alpine.com/>

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1. Performance for the Nine Months Ended December 31, 2007 (April 1, 2007, to December 31, 2007)

(1) Operating Results (Consolidated)

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, followed by percentage increase.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended December 31, 2007	191,882	(1.3%)	6,384	(31.3%)	7,285	(33.0%)	3,604	(35.7%)
Nine Months Ended December 31, 2006	194,451	3.8%	9,297	15.2%	10,873	28.9%	5,603	17.3%
Fiscal Year Ended March 31, 2007	265,054		10,110		12,015		5,729	

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months Ended December 31, 2007	51.66	—
Nine Months Ended December 31, 2006	80.32	—
Fiscal Year Ended March 31, 2007	82.12	—

(2) Financial Position (Consolidated)

(Millions of yen unless otherwise stated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
December 31, 2007	179,680	122,701	67.3	1,732.67
December 31, 2006	185,608	121,578	64.6	1,717.48
March 31, 2007	181,185	120,908	65.7	1,706.54

(3) Consolidated Cash Flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents, End of Period
Nine Months Ended December 31, 2007	6,438	(11,192)	(674)	32,319
Nine Months Ended December 31, 2006	9,953	(9,506)	(959)	33,870
Fiscal Year Ended March 31, 2007	16,398	(11,887)	(1,540)	37,507

2. Dividend

Date of record	Dividends per Share (Yen)		
	End of Interim period	End of Fiscal Year	Full Year
Fiscal Year Ended March 31, 2007	10.00	15.00	25.00
Fiscal Year Ending March 31, 2008	10.00	15.00 (Forecast)	25.00 (Forecast)

3. Projections for Fiscal Year Ending March 31, 2008 (April 1, 2007, to March 31, 2008)

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Fiscal Year Ending March 31, 2008	252,000 (4.9%)	7,000 (30.8%)	7,000 (41.7%)	3,500 (38.9%)	50.17

4. Others

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

No

(2) Application of simplified accounting methods:

Yes

(3) Changes in accounting procedures from recent consolidated fiscal years:

No

Note: For details, see "4. Others," in "Qualitative Information, Financial Statements and Others," on page 6.

[Reference] Non-Consolidated Financial Results

1. Performance for the Nine Months Ended December 31, 2007 (April 1, 2007, to December 31, 2007)

(1) Operating Results (Non-Consolidated)

(Millions of yen unless otherwise stated, followed by percentage increase.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
Nine Months Ended December 31, 2007	141,836	(3.4%)	2,220	(23.4%)	3,697	(37.5%)	2,467	(24.2%)
Nine Months Ended December 31, 2006	146,777	2.6%	2,899	4.5%	5,919	28.4%	3,257	3.7%
Fiscal Year Ended March 31, 2007	195,056		2,492		5,583		3,201	

	Net Income per Share (Yen)
Nine Months Ended December 31, 2007	35.37
Nine Months Ended December 31, 2006	46.69
Fiscal Year Ended March 31, 2007	45.89

(2) Financial Position (Non-Consolidated)

(Millions of yen unless otherwise stated)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
December 31, 2007	122,804	92,268	75.1	1,322.58
December 31, 2006	134,318	94,147	70.1	1,349.49
March 31, 2007	131,292	92,719	70.6	1,329.03

2. Non-Consolidated Projections for Fiscal Year Ending March 31, 2008 (April 1, 2007, to March 31, 2008)

(Millions of yen unless otherwise stated, followed by percentage increase.)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Fiscal Year Ending March 31, 2008	187,000 (4.1%)	3,100 24.4%	3,700 (33.7%)	2,400 (25.0%)	34.40

Cautionary Statement Regarding Performance Forecasts

1. Consolidated and non-consolidated projections for the fiscal year ending March 31, 2008 have been revised from those disclosed on November 7, 2007 in conjunction with the announcement of the Company's interim operating results.
2. The projections are based on information available and rational assumptions at the time of publication. Actual results may vary due to many indeterminate factors. For details on cautionary items relating to assumptions and business forecasts that form the basis of these projections, see "Qualitative Information Regarding Consolidated Projections," in "Qualitative Information, Financial Statements and Others," on page 5.

Qualitative Information, Financial Statements and Others

1. Qualitative Information Regarding Consolidated Business Results

During the third quarter of the fiscal year ending March 31, 2008, the car electronics industry saw growth in the after-market for portable navigation systems.

Demand from automobile manufacturers was stimulated by expansion of the market for car navigation and audio-visual equipment, partially offsetting reductions in new vehicle sales and a demand shift toward smaller models arising from escalating oil prices.

In this environment, consolidated net sales during the three-month period ended December 31, 2007, decreased 10.8%, to ¥61.0 billion, while operating income dropped 78.9%, to ¥0.9 billion.

As a result of this performance, consolidated net sales for the nine-month period from April 1 to December 31, 2007, eased 1.3% compared to the corresponding period of the previous fiscal year, to ¥191.8 billion. Operating income declined 31.3%, to ¥6.3 billion and ordinary income fell 33.3%, to ¥7.2 billion. Net income for the period was down 35.7%, at ¥3.6 billion.

Segment information by type of business is summarized as follows.

Audio Products Segment

Performance by audio products was supported by continued healthy sales of iPod-compatible CD players and iDA-X001 digital media head units. However, sales for the segment eased overall, impacted by a diminishing market and intensified price competition.

Sales of audio systems for automobile manufacturers fell off as the European market entered a period of model change implementations, despite robust sales of models with installed DVD audio products and CD audio systems.

As a result, sales for the segment during the third quarter were ¥29.7 billion, a decrease of 4.9% from the previous year.

Information and Communication Systems Segment

In the after-market, Alpine focused on expanding sales of the next-generation car navigation system Mobile Media Station X075 in Japan, and on high-quality, high-definition rear-seat entertainment systems compatible with DVD and terrestrial digital broadcasting. However, in the Company's core markets of Japan, the United States and Europe, sales slipped as a result of heightened price competition.

Sales also declined in the market for information and communication equipment for automobile manufacturers, despite advances in factory installation car navigation systems and integrated information and communication equipment. This was attributable to a shift toward fuel-efficient smaller vehicles by our customers.

As a result of these factors, consolidated sales in this segment for the period under review fell 15.9%, to ¥31.2 billion.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets stood at ¥179.6 billion as of December 31, 2007, a decline of ¥1.5 billion from the end of the previous fiscal year. Net assets rose ¥1.7 billion during the same period, to ¥122.7 billion. As a result, the equity ratio stood at 63.7%.

The principal movements in balance sheet items included a falloff in current assets of ¥3.8 billion, chiefly arising from declines of ¥5.2 billion in cash and time deposits and ¥6.5 billion in notes and accounts receivable, and an increase of ¥3.3 billion in merchandise. Fixed assets grew ¥2.3 billion as a result of a ¥2.6 billion rise in tangible fixed assets and a ¥1.8 contraction in investments in securities.

Current liabilities as of December 31, 2007, were down ¥2.3 billion from the previous fiscal year-end. This was mainly

attributable to decreases of ¥1.6 billion in notes and accounts payable and ¥1.1 billion in accrued expenses. A ¥0.6 billion contraction in deferred tax liabilities and other factors led to a ¥0.9 billion cut in long-term liabilities.

Consolidated Cash Flows

Net cash provided by operating activities totaled ¥6.4 billion. Major cash inflows were net income before tax and other adjustments of ¥6.9 billion, depreciation and amortization of ¥7.6 billion and a ¥7.5 billion decrease in notes and accounts receivable. Cash outflows derived from an increase in inventories of ¥5.1 billion, a decrease in notes and accounts payable of ¥3.3 billion and ¥6.4 billion for the payment of income taxes.

Net cash used in investing activities was ¥11.1 billion, due mainly to payments for the purchase of fixed assets.

Net cash used in financing activities amounted to ¥0.6 billion, led by cash dividends paid.

As a result of these activities, cash and cash equivalents as of December 31, 2007, stood at ¥32.3 billion, down ¥5.1 billion.

3. Qualitative Information Regarding Consolidated Projections

During the period under review, consolidated financial results fell below Company forecasts as a result of escalating concerns over the U.S. economy triggered by the sub-prime mortgage issue, the effects of oil price hikes on demand for new vehicles, the impact of a stronger yen and other factors.

As a result, consolidated projections for fiscal year ending March 31, 2008, have been revised.

Differences between the new projections and those disclosed on November 7, 2007, in conjunction with the announcement of the Company's interim operating results are as follows.

Consolidated Projections for Fiscal Year Ending March 31, 2008

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Original projection (A)	255,000	8,000	9,000	5,000	71.67
Revised projection (B)	252,000	7,000	7,000	3,500	50.17
Difference (B-A)	-3,000	-1,000	-2,000	-1,500	-21.05
Percentage change	-1.2%	-12.5%	-22.2%	-30.0%	-30.0%
Fiscal Year Ended March 31, 2007	265,054	10,110	12,015	5,729	82.12

[Reference] Non-Consolidated Projections for Fiscal Year Ending March 31, 2008

(Millions of yen unless otherwise stated)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Original projection (A)	190,000	3,300	4,500	3,000	43.00
Revised projection (B)	187,000	3,100	3,700	2,400	34.40
Difference (B-A)	-3,000	-200	-800	-600	-8.60
Percentage change	-1.6%	-6.1%	-17.8%	-20.0%	-20.0%
Fiscal Year Ended March 31, 2007	195,056	2,492	5,583	3,201	45.89

4. Others

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

No

(2) Application of simplified accounting methods:

- Calculation for depreciation of fixed assets is made using three-quarters of the forecast full-year amount.
- Tax-effect accounting has been applied based on the simplified method.

(3) Changes in accounting procedures from the most recent consolidated fiscal year:

No

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen, followed by percentage increase.)

	December 31, 2006		December 31, 2007		March 31, 2007		Change
		%		%		%	
ASSETS							
Current Assets:							
Cash and time deposits	34,016		32,336		37,553		(5,216)
Notes and accounts receivable*2	37,685		32,057		38,605		(6,548)
Merchandise	25,676		24,260		20,936		3,323
Raw materials	7,511		7,203		6,004		1,198
Goods in process	2,555		2,387		1,425		962
Inventories	631		419		466		(46)
Deferred tax assets	3,698		4,338		4,121		216
Other current assets	7,658		9,025		6,808		2,217
Allowance for doubtful receivables	(1,009)		(966)		(984)		17
Total Current Assets	118,424	63.8	111,061	61.8	114,937	63.4	(3,876)
Fixed Assets:							
Tangible Fixed Assets:							
Buildings and structures	9,095		9,542		9,134		407
Machinery and equipment	8,195		9,117		8,512		605
Fixtures and fittings	6,402		7,691		6,571		1,119
Land	4,974		5,181		5,179		1
Construction in progress	283		1,219		692		527
Total Tangible Fixed Assets	28,950	15.6	32,751	18.2	30,090	16.6	2,661
Intangible Fixed Assets:	6,780	3.7	6,732	3.8	6,923	3.8	(190)
Investments and Other Assets:							
Investments in securities	20,636		16,488		18,335		(1,846)
Deferred tax assets	231		224		228		(3)
Other investments	10,640		12,459		10,727		1,731
Allowance for doubtful receivables	(55)		(38)		(57)		18
Total Investments and Other Assets	31,452	16.9	29,134	16.2	29,234	16.2	(99)
Total Fixed Assets	67,183	36.2	68,618	38.2	66,247	36.6	2,371
Total Assets	185,608	100.0	179,680	100.0	181,185	100.0	(1,505)

(Millions of yen, followed by percentage increase.)

	December 31, 2006		December 31, 2007		March 31, 2007		Change
		%		%		%	
LIABILITIES							
Current Liabilities:							
Notes and accounts payable* ²	30,825		27,324		28,971		(1,646)
Bank loans* ¹	793		1,412		174		1,237
Income taxes payable	2,539		1,091		1,946		(855)
Accrued expenses	9,801		9,527		10,678		(1,150)
Deferred tax liabilities	54		154		52		102
Allowance for employee bonuses	1,069		1,156		1,849		(693)
Allowance for directors' bonuses	46		44		62		(17)
Provision for product warranties	5,573		6,062		5,775		287
Other current liabilities	6,005		4,668		4,252		415
Total Current Liabilities	56,709	30.6	51,443	28.6	53,763	29.7	(2,320)
Long-term Liabilities:							
Deferred tax liabilities	4,915		3,552		4,219		(666)
Accrued retirement benefits	662		696		619		76
Directors' severance and retirement benefits	690		677		718		(41)
Other long-term liabilities	1,051		608		955		(347)
Total Long-term Liabilities	7,321	3.9	5,535	3.1	6,513	3.6	(978)
Total Liabilities	64,030	34.5	56,978	31.7	60,276	33.3	(3,298)
NET ASSETS							
Stockholders' Capital							
Capital Stock	25,920	14.0	25,920	14.4	25,920	14.3	—
Additional Paid-in Capital	24,905	13.4	24,905	13.9	24,905	13.8	0
Retained Earnings	57,346	30.9	59,252	33.0	57,344	31.6	1,908
Treasury Stock	(28)	(0.0)	(30)	(0.0)	(29)	(0.0)	(1)
Total Stockholders' Capital	108,144	58.3	110,048	61.3	108,141	59.7	1,907
Evaluation and Conversions							
Valuation Adjustment, Other Marketable Securities	9,160	5.0	7,051	3.9	7,789	4.3	(737)
Land Revaluation Adjustment	(1,394)	(0.8)	(1,394)	(0.8)	(1,394)	(0.8)	—
Foreign Currency Translation	3,910	2.1	5,172	2.9	4,520	2.5	652
Total Evaluation and Conversions	11,676	6.3	10,829	6.0	10,914	6.0	(85)
Minority Interests	1,757	0.9	1,823	1.0	1,852	1.0	(28)
Total Net Assets	121,578	65.5	122,701	68.3	120,908	66.7	1,793
Total Liabilities and Net Assets	185,608	100.0	179,680	100.0	181,185	100.0	(1,505)

(2) Quarterly Consolidated Statements of Income

(Millions of yen, followed by percentage increase.)

	Nine Months Ended December 31, 2006		Nine Months Ended December 31, 2007		Change	Fiscal Year Ended March 31, 2007	
		%		%			%
Net sales	194,451	100.0	191,882	100.0	(2,569)	265,054	100.0
Cost of sales	154,200	79.3	154,960	80.8	760	210,442	79.4
Gross Profit	40,250	20.7	36,921	19.2	(3,329)	54,612	20.6
Selling, general and administrative expenses* ¹	30,953	15.9	30,536	15.9	(416)	44,502	16.8
Operating Income	9,297	4.8	6,384	3.3	(2,913)	10,110	3.8
Other income							
Interest income	189		288		99	297	
Dividend Income	375		463		87	437	
Equity in income from affiliated companies	357		670		312	676	
Foreign exchange gain	833		—		(833)	788	
Other	313		586		273	506	
Total Other Income	2,069	1.1	2,009	1.1	(60)	2,706	1.0
Other expenses							
Interest expense	77		110		32	125	
Foreign exchange loss	—		444		444	—	
Sales discounts	306		226		(79)	334	
Loss on adjustment of customer molds	12		148		136	9	
Other	97		178		81	331	
Total Other Expenses	494	0.3	1,108	0.6	614	801	0.3
Ordinary Income	10,873	5.6	7,285	3.8	(3,588)	12,015	4.5
Extraordinary income							
Gain on sales of fixed assets	22		12		(9)	31	
Other	—		—		—	1	
Total Extraordinary Income	22	0.0	12	0.0	(9)	32	0.0
Extraordinary losses							
Loss on sales of fixed assets	71		314		242	261	
Loss on valuation of investments insecurities	119		27		(92)	119	
Previous period's product indemnification	1,276		—		(1,276)	934	
Previous period's royalty payments	117		—		(117)	117	
Other	15		—		(15)	312	
Total Extraordinary Losses	1,599	0.8	341	0.2	(1,257)	1,745	0.6
Income Before Income Taxes	9,296	4.8	6,956	3.6	(2,340)	10,302	3.9
Income taxes	3,752	1.9	3,280	1.7	(472)	4,738	1.7
Income tax adjustments	(215)	(0.1)	(24)	(0.0)	190	(372)	(0.1)
Minority Interests in Net Income	155	0.1	96	0.0	(59)	207	0.1
Net Income	5,603	2.9	3,604	1.9	(1,999)	5,729	2.2

(3) Interim Consolidated Statements of Changes in Stockholders' Capital

Nine Months Ended December 31, 2006

(Millions of yen)

	Stockholders' Capital					Valuation and Conversions				Minority Interests	Total Net Assets
	Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Capital	Valuation Adjustment, Other Marketable Securities	Land Revaluation Adjustment	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of March 31, 2006	25,920	24,905	52,213	(27)	103,012	7,124	(1,394)	2,039	7,769	1,594	112,376
Increase (decrease) during the period											
Cash dividends			(1,395)		(1,395)						(1,395)
Directors' bonuses			(60)		(60)						(60)
Interim net income			5,603		5,603						5,603
Increase attributed to the increase in consolidated subsidiaries			227		227						227
Increase attributed to the merger of consolidated and non-consolidated subsidiaries			134		134						134
Increase attributed to the increase in the ratio of owned share of equity-method affiliates			634		634						634
Acquisition of treasury stock				(1)	(1)						(1)
Disposition of treasury stock		0		0	0						0
Other (Employee Welfare Benefit Fund)			(11)		(11)						(11)
Net change in items excluding stockholders' capital during the period						2,035		1,870	3,906	163	4,069
Total increase (decrease) during the period	—	0	5,133	(1)	5,131	2,035	—	1,870	3,906	163	9,201
Balance as of December 31, 2006	25,920	24,905	57,346	(28)	108,144	9,160	(1,394)	3,910	11,676	1,757	121,578

	Stockholders' Capital					Valuation and Conversions				Minority Interests	Total Net Assets
	Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Capital	Valuation Adjustment, Other Marketable Securities	Land Revaluation Adjustment	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of March 31, 2007	25,920	24,905	57,344	(29)	108,141	7,789	(1,394)	4,520	10,914	1,852	120,908
Increase (decrease) during the period											
Cash dividends			(1,744)		(1,744)						(1,744)
Interim net income			3,604		3,604						3,604
Increase attributed to the merger of consolidated and non-consolidated subsidiaries			50		50						50
Acquisition of treasury stock				(1)	(1)						(1)
Disposition of treasury stock		0		0	0						0
Other (Employee Welfare Benefit Fund)			(2)		(2)						(2)
Net change in items excluding stockholders' capital during the period						(737)		652	(85)	(28)	(114)
Total increase (decrease) during the period	—	0	1,908	(1)	1,907	(737)	—	652	(85)	(28)	1,793
Balance as of December 31, 2007	25,920	24,905	59,252	(30)	110,048	7,051	(1,394)	5,172	10,829	1,823	122,701

	Stockholders' Capital					Valuation and Conversions				Minority Interests	Total Net Assets
	Capital	Capital Surplus	Retained Earnings	Treasury Stock	Total Stockholders' Capital	Valuation Adjustment, Other Marketable Securities	Land Revaluation Adjustment	Foreign Currency Translation Adjustment	Total Valuation and Conversions		
Balance as of March 31, 2006	25,920	24,905	52,213	(27)	103,012	7,124	(1,394)	2,039	7,769	1,594	112,376
Increase (decrease) during the year											
Cash dividends*			(697)		(697)						(697)
Cash dividends			(697)		(697)						(697)
Directors' bonuses*			(60)		(60)						(60)
Net income			5,729		5,729						5,729
Increase attributed to the increase in consolidated subsidiaries			227		227						227
Increase attributed to the merger of consolidated and non-consolidated subsidiaries			134		134						134
Increase attributed to the increase in the ratio of owned share of equity-method affiliates			513		513						513
Acquisition of treasury stock				(2)	(2)						(2)
Disposition of treasury stock		0		0	0						0
Employee Welfare Benefit Fund			(17)		(17)						(17)
Net change in items excluding stockholders' capital during the period						664		2,480	3,145	257	3,402
Total increase (decrease) during the period	—	0	5,131	(2)	5,128	664	—	2,480	3,145	257	8,531
Balance as of March 31, 2007	25,920	24,905	57,344	(29)	108,141	7,789	(1,394)	4,520	10,914	1,852	120,908

* The appropriation of retained earnings was approved at the Annual General Meeting of Stockholders held in June 2006.

(4) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2007	Fiscal Year Ended March 31, 2007
Cash Flows from Operating Activities			
Income before tax and other adjustments	9,296	6,956	10,302
Depreciation and amortization	7,153	7,676	9,326
Decrease in notes and accounts receivable	4,192	7,509	3,503
Decrease (Increase) in inventories	(6,307)	(5,160)	1,129
Decrease in notes and accounts payable	(384)	(3,317)	(2,307)
Other—net	(1,130)	(3,733)	(1,537)
Total	12,819	9,931	20,417
Income taxes paid	(2,075)	(4,133)	(3,692)
Other—net	(789)	640	(325)
Net cash provided by operating activities	9,953	6,438	16,398
Cash Flows from Investing Activities:			
Payments for acquisition of property, plant and equipment	(9,347)	(10,432)	(12,166)
Other—net	(158)	(759)	278
Net cash used in investing activities	(9,506)	(11,192)	(11,887)
Cash Flows from Financing Activities:			
Increase (Decrease) in bank loans	459	1,227	(120)
Cash dividends paid	(1,395)	(1,734)	(1,395)
Other—net	(23)	(167)	(24)
Net cash used in financing activities	(959)	(674)	(1,540)
Effect of exchange rate changes on cash and cash equivalents	985	144	1,139
Net increase (decrease) in cash and cash equivalents	473	(5,284)	4,110
Cash and cash equivalents at beginning of the period	33,206	37,507	33,206
Increase in cash and cash equivalents due to inclusion of additional subsidiaries in the consolidation	162	—	162
Increase in cash and cash equivalents acquired due to merger of consolidated and non-consolidated subsidiaries	26	97	26
Cash and cash equivalents at end of period	33,870	32,319	37,507

6. Segment Information

(1) Information by Business Segment

Nine Months Ended December 31, 2006

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net sales					
(1) Outside customers	94,206	100,245	194,451	—	194,451
(2) Within consolidated group	594	279	873	(873)	—
Total	94,800	100,524	195,324	(873)	194,451
Costs and expenses	87,038	92,831	179,870	5,283	185,153
Operating income	7,761	7,692	15,454	(6,156)	9,297

Nine Months Ended December 31, 2007

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net sales					
(1) Outside customers	92,944	98,937	191,882	—	191,882
(2) Within consolidated group	472	319	791	(791)	—
Total	93,416	99,256	192,673	(791)	191,882
Costs and expenses	88,741	91,517	180,258	5,239	185,497
Operating income	4,675	7,739	12,415	(6,030)	6,384

Fiscal Year Ended March 31, 2007

(Millions of yen)

	Audio Products	Information and Communication Equipment	Total	Elimination and/or Corporate	Consolidated
Net sales					
(1) Outside customers	129,337	135,717	265,054	—	265,054
(2) Within consolidated group	753	391	1,145	(1,145)	—
Total	130,090	136,108	266,199	(1,145)	265,054
Costs and expenses	120,129	127,252	247,381	7,562	254,944
Operating income	9,961	8,856	18,818	(8,708)	10,110

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. Unallocated costs and expenses included in elimination and/or corporate under other expenses comprise mainly corporate administrative and research and development costs. Such costs were:
 - (1) ¥6,030 million in the nine-month period ended December 31, 2007
 - (2) ¥6,156 million in the nine-month period ended December 31, 2006
 - (3) ¥8,708 million in the fiscal year ended March 31, 2007

(2) Geographic Area Information

Nine Months Ended December 31, 2006

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net sales	37,189	72,222	74,914	8,985	1,140	194,451	—	194,451
(1) Outside customers	115,979	1,336	23,793	35,319	1	176,431	(176,431)	—
(2) Within consolidated group	153,169	73,559	98,707	44,305	1,141	370,883	(176,431)	194,451
Total	143,483	71,269	96,784	41,705	1,113	354,357	(169,203)	185,153
Costs and expenses	9,685	2,289	1,923	2,599	28	16,525	(7,228)	9,297
Operating income	37,189	72,222	74,914	8,985	1,140	194,451	—	194,451

Nine Months Ended December 31, 2007

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net sales	31,283	70,532	73,544	15,298	1,223	191,882	—	191,882
(1) Outside customers	115,960	1,331	25,984	36,214	—	179,491	(179,491)	—
(2) Within consolidated group	147,244	71,863	99,529	51,512	1,223	371,374	(179,491)	191,882
Total	139,036	69,643	99,091	49,409	1,153	358,334	(172,836)	185,497
Costs and expenses	8,207	2,220	438	2,102	70	13,039	(6,655)	6,384
Operating income	31,283	70,532	73,544	15,298	1,223	191,882	—	191,882

Fiscal Year Ended March 31, 2007

(Millions of yen)

	Japan	North America	Europe	Asia	Other Areas	Total	Elimination and/or Corporate	Consolidated
Net sales	47,777	99,330	103,519	12,962	1,464	265,054	—	265,054
(1) Outside customers	154,896	1,759	31,704	46,575	1	234,937	(234,937)	—
(2) Within consolidated group	202,674	101,089	135,224	59,538	1,466	499,992	(234,937)	265,054
Total	190,821	97,726	134,051	56,603	1,430	480,632	(225,687)	254,944
Costs and expenses	11,852	3,363	1,173	2,934	35	19,360	(9,250)	10,110
Operating income	47,777	99,330	103,519	12,962	1,464	265,054	—	265,054

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 and Spain

3) Asia: Singapore, the People's Republic of China and Thailand

4) Other Areas: Australia

3. Unallocated costs and expenses included in elimination and/or corporate under other expenses comprise mainly corporate administrative and research and development costs. Such costs were:

(1) ¥6,030 million in the nine-month period ended December 31, 2007

(2) ¥6,156 million in the nine-month period ended December 31, 2006

(3) ¥8,708 million in the fiscal year ended March 31, 2007

(3) Overseas Sales

Nine Months Ended December 31, 2006

(Millions of yen unless otherwise stated)

	North America	Europe	Other Areas	Total
I. Overseas sales	71,483	74,954	19,115	165,553
II. Consolidated sales				194,451
III. Ratio of overseas sales (%)	36.8	38.5	9.8	85.1

Nine Months Ended December 31, 2007

(Millions of yen unless otherwise stated)

	North America	Europe	Asia	Other Areas	Total
I. Overseas sales	69,726	73,557	21,086	2,094	166,463
II. Consolidated sales					
III. Ratio of overseas sales (%)	36.3	38.3	11.0	1.1	86.8

Fiscal Year Ended March 31, 2007

(Millions of yen unless otherwise stated)

	North America	Europe	Other Areas	Total
I. Overseas sales	98,249	103,574	26,555	228,379
II. Consolidated sales				265,054
III. Ratio of overseas sales (%)	37.1	39.1	10.0	86.2

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) Other Areas: Australia, China and Thailand

3. Overseas sales refer to sales by Alpine and its consolidated subsidiaries in countries or regions outside Japan.

4. Changes in overseas sales categories

Consolidated accounts for the nine months ended December 31, 2007, as well as for the fiscal year ended March 31, 2007, included "Asia" within "Other Areas." However, from the period under review, Asia was designated as a separate category within overseas sales, as this region now accounts for more than 10% of overseas sales. Consolidated overseas sales for the nine months ended December 31, 2006, and the full fiscal year ended March 31, 2007, restated to show Asia as a separate region, were as follows.

Nine Months Ended December 31, 2006

(Millions of yen unless otherwise stated)

	North America	Europe	Asia	Other Areas	Total
I. Overseas sales	71,483	74,954	16,942	2,172	165,553
II. Consolidated sales					194,451
III. Ratio of overseas sales (%)	36.8	38.5	8.7	1.1	85.1

Fiscal Year Ended March 31, 2007

(Millions of yen unless otherwise stated)

	North America	Europe	Asia	Other Areas	Total
I. Overseas sales	98,249	103,574	23,703	2,852	228,379
II. Consolidated sales					265,054
III. Ratio of overseas sales (%)	37.1	39.1	8.9	1.1	86.2

7. Production, Orders and Sales

(1) Production

Production for the nine-month period ended December 31, 2007, stated in line with the revised product classification, was as follows:

(Millions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2007	Change (%)	Fiscal Year Ended March 31, 2007
Audio Products	82,750	85,948	3.9	113,777
Information and Communication Equipment	83,203	80,355	(3.4)	109,028
Total	165,953	166,304	0.2	222,805

Notes:

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

(2) Orders

Orders for the nine-month period ended December 31, 2007, stated in line with the revised product classification, was as follows:

(i) Orders received

(Millions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2007	Change (%)	Fiscal Year Ended March 31, 2007
Audio Products	95,156	92,024	(3.3)	129,336
Information and Communication Equipment	97,672	98,044	0.4	133,308
Total	192,828	190,069	(1.4)	262,644

(ii) Orders backlog

(Millions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2007	Change (%)	Fiscal Year Ended March 31, 2007
Audio Products	16,919	15,047	(11.1)	15,968
Information and Communication Equipment	15,179	14,449	(4.8)	15,342
Total	32,098	29,497	(8.1)	31,311

Note: Consumption tax is not included in stated amounts.

(3) Sales

Orders for the nine-month period ended December 31, 2007, stated in line with the revised product classification, was as follows:

(Millions of yen)

	Nine Months Ended December 31, 2006	Nine Months Ended December 31, 2007	Change (%)	Fiscal Year Ended March 31, 2007
Audio Products	94,206	92,944	(1.3)	129,337
Information and Communication Equipment	100,245	98,937	(1.3)	135,717
Total	194,451	191,882	(1.3)	265,054

Note: Consumption tax is not included in stated amounts.