

Stock Status (As of September 30, 2023)

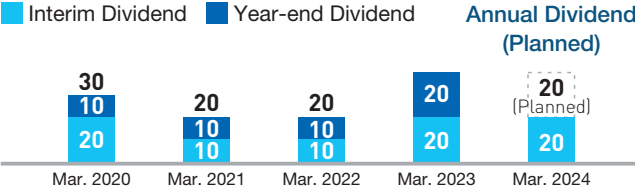
Principal Stockholders (As of September 30, 2023)

Stockholders	Total Shares	Percentage
The Master Trust Bank of Japan, Ltd. (Trust account)	45,218,000	20.62%
Custody Bank of Japan, Ltd. (Trust account)	19,555,900	8.91%
ALPS ALPINE CO., LTD.	13,697,902	6.24%
S-GRANT. CO., LTD.	13,305,000	6.06%
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	4,857,000	2.21%
TAIJU LIFE INSURANCE COMPANY, LTD.	3,591,000	1.63%
AYA NOMURA	3,516,500	1.60%
SSBTC CLIENT OMNIBUS ACCOUNT	3,193,097	1.45%
Nippon Life Insurance Company	2,750,208	1.25%
STATE STREET BANK AND TRUST COMPANY 505103	2,605,320	1.18%

Shares

Authorized	500,000,000 shares
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Dividend Trends (Yen)



Company Profile

Company Name:	ALPS ALPINE CO., LTD.
Established:	November 1, 1948
Capital stock:	38.730 billion yen (As of the end of March 2023)
Employees (Consolidated):	29,926 (As of the end of March 2023)
Business areas:	Research, development, manufacturing, and sales of various electronic components and devices in the areas of automotive parts, mobile devices, energy, the IoT, and industry

Inquiries regarding stock affairs
Contact Information: Stock Transfer Agency Department, Mitsubishi UFJ Trust and Banking Corporation
telephone center

Reception hours: Excluding Saturdays,
Sundays, and holidays
Weekdays from 9:00 to 17:00

ALPSALPINE

1-7 Yukigayaotsukamachi, Ota-ku, Tokyo 145-8501
TEL +81(3)3726-1211
+81-50-3311-0617 (IR Direct)

ALPS ALPINE REPORT



No.180

FY2023 Report

ALPS ALPINE CO., LTD.
Nov 30, 2023

ALPSALPINE

Securities code 6770



We will accelerate our evolution into an innovative T-shaped company by focusing our management resources on the integration of hardware and software.

Hideo Izumi Representative Director, President

Curriculum Vitae

- Apr. 1985 Joined Alps Electric Co., Ltd.
- Jun. 2018 Director, Head of New Automotive Business and Deputy General Manager, Engineering Headquarters
- Jan. 2019 Vice President, Head of ALPS-New Automotive Business
- Apr. 2020 Vice President, Head of New Automotive Business
- Jun. 2020 Vice President, Head of Device Business
- Jun. 2022 Director, Senior Vice President, CTO, Head of Device Business and Deputy General Manager, Engineering Headquarters
- Jun. 2023 Representative Director, President & CEO, CTO (present)

To everyone,

As the leaves fall, we can sense that winter is coming. I would like to take this opportunity to wish you all the best for the coming winter season.

I'm Hideo Izumi, this fiscal year, I assumed the role of President and CEO of Alps Alpine Co., Ltd.

I joined the company, formerly known as Alps Electric, in 1985, and have spent most of my career in the business and engineering fields. As we pursue our T-shaped strategy, we will create valuable businesses and products that will lead the next generation—by moving forward with the integration of hardware and software and the fusion of core technologies, and by optimally allocating and utilizing our management resources—with a renewed focus on the medium- to long-term future.

In the first half of the fiscal year, the environment surrounding our company generally continued to recover gradually. Despite the slowdown in the Chinese economy and lingering instability in Sino-American relations, production in the automotive sector improved, as the impact of cuts to production caused by the semiconductor shortage was mitigated. At the same time, future circumstances remain uncertain due to global inflation, including the protracted situation in Ukraine and rising raw material and energy prices, as well as fears of economic recessions in various countries due to policy rate hikes.

In this business environment, the financial results for the first half of the fiscal year showed that the depreciation of the yen made a significant contribution in our components business, and added to the increased adoption of products for amusement applications and tact switches for automotive applications.

However, overall business declined because of the impact of the continued decline in consumer electronics, such as mobile devices, due to the demand caused by COVID-19 swinging back. In our sensors and communication business, although sales of communication devices and sensors for in-vehicle applications remained strong, overall business declined due to a switch in customer models for sensors for mobile devices.

In the modules and systems segment, the increased demand for automotive components in line with the recovery in global automobile production, as well as the contribution of new infotainment products launched in the fourth quarter of the previous fiscal year, have resulted in several years of increased component procurement difficulties and price hikes, with associated price shifting and cost-cutting restrictions. We are continuing to hold difficult negotiations with customers. It is precisely because we are now in a chaotic business environment, with EVs at the forefront of dizzying changes in society, that we want to remain steadfast in satisfying our customers. In other words, I want to make us into a company that makes people feel as though they want to adopt our products.

To this end, we want to emphasize dialogue, and with "Beyond Expectations" as our motto, we aim to increase our corporate value by creating customer value that exceeds expectations and forecasts.

We will continue to focus on the concept of stable dividends plus performance-linked dividends, and strive to link this to the growth of our business and the return of profits to our shareholders.

I would like to thank you all for your continued support and encouragement.

President's Column



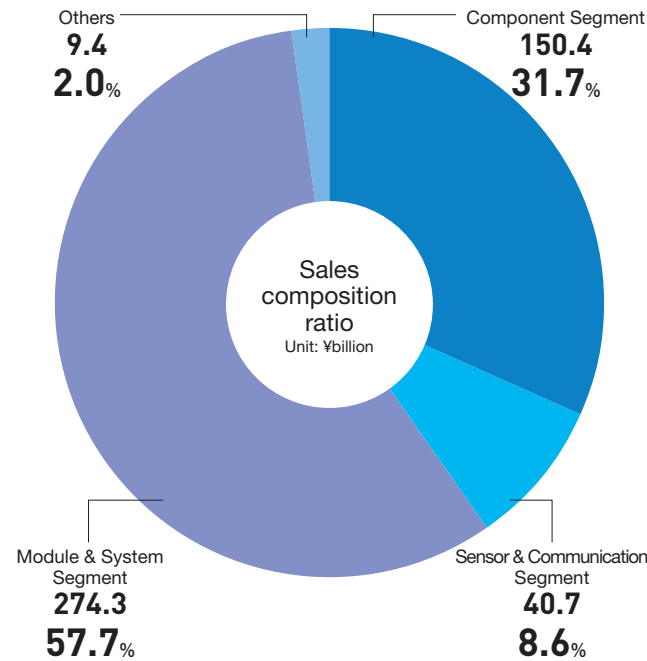
What I was passionate about when I was a student

I was passionate about baseball. I remember times when I was absent from class but I still came to baseball club practice. The reason why was not necessarily because I liked baseball but because I wanted to be with my friends.



Books I have read that influenced me

There is a book that really stuck with me called "The Goal," which Alps Alpine referred me to. Eliyahu Goldratt was an Israeli physicist. He had his own thoughts (the theory of constraints) and his own thoughts on business. Once I read the book, I noticed that it had become my basis for making decisions. It was also very interesting as a novel, which is why I have read it several times.

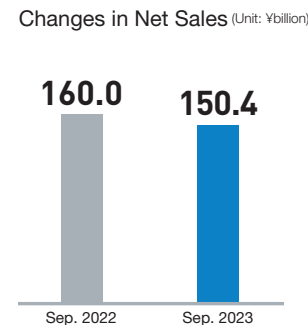


Component Segment

A Decline in Profit Mainly due to Fewer Sales of Products for the Mobile Market

The weak yen has been a positive factor, but net sales and operating income were both lower than in the previous fiscal year due to a decrease in sales of products for the mobile market and a change in the composition of products for smartphones.

Net Sales
150.4
Operating Income
10.7

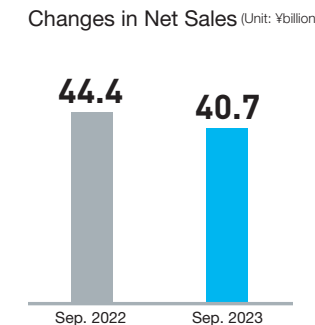


Sensor & Communication Segment

A Decrease in Sales due to a Change in Models of Products for the Mobile Market

Sales of automotive products increased, but there were fewer sales of products for the mobile market due to a change in models. In addition, development costs for new products to be launched in or after the coming fiscal year increased this fiscal year, resulting in decreased profit.

Net Sales
40.7
Operating Income
-1.4

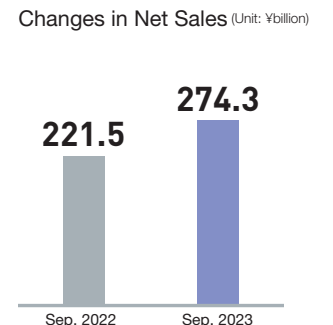


Module & System Segment

Increased Sales due to Greater Demand for Automotive Parts and the Contribution of New Products

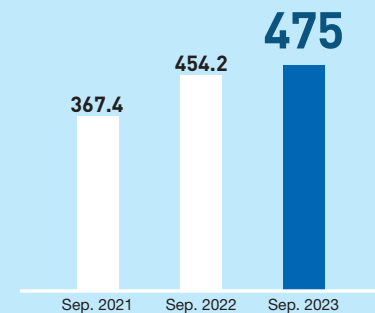
Increased revenue was due to increased volume as a result of the weaker yen and a recovery in automobile production as well as the contribution of new products in our Module & System Business. Costs of starting the production of new modules for Europe increased, but operating income improved from the previous fiscal year due to increased net sales and greater price optimization.

Net Sales
274.3
Operating Income
0.5

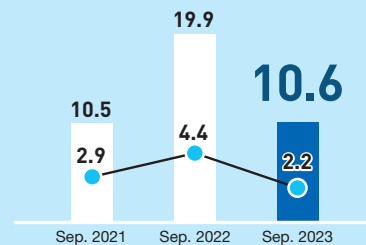


Consolidated Performance Highlights

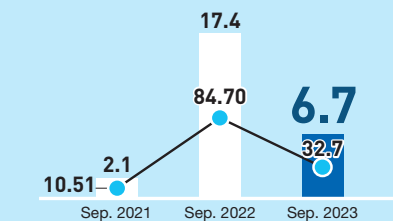
■ Net sales (Unit: ¥billion)



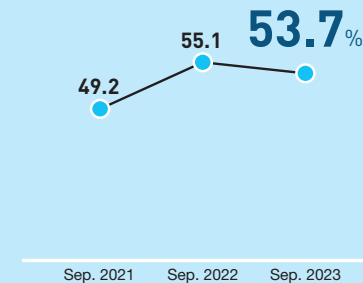
■ Operating income (Unit: ¥billion)
● Operating income margin (%)



■ Quarterly net income attributable to owners of parent (Unit: ¥billion)
● Quarterly net income per share (yen)



● Equity ratio (%)



Outlook for the Entire Fiscal Year (Forecasts for the fiscal year ending March 31, 2024) (Unit: ¥billion)

▶ Net sales	960	(Y on Y +2.9%)
▶ Operating income	32.5	(Y on Y -3.3%)
▶ Ordinary income	33.5	(Y on Y -4.1%)
▶ Net income attributable to owners of parent	20	(Y on Y +74.4%)
▶ Assumed exchange rate	USD/JPY= 140.50 yen, EUR/JPY= 151.70 yen, CNY/JPY= 19.78 yen	
▶ Dividend per share (non-consolidated)	20 yen (Interim dividend)	20 yen (Year-end dividend)



We will further improve our ROE by striking a balance between “investing in growth,” “sound finances,” and “returning profits to shareholders,” and we will continue to increase corporate value throughout Alps Alpine.

Satoshi Kodaira

Director, Executive Vice President
CFO, Administration, Corporate Planning

In FY2023, a new president was appointed, and we began a new management structure. Through the first half of the fiscal year, we have pushed forward with price optimization of parts and materials amidst the uncertain environment for production and sales plans due to the impact of COVID-19. While we have continued these trends this year, the market environment continues to fluctuate, which includes the impact that the economic slowdown in China has had on digital consumer electronics. In this environment, we have decided to strengthen our efforts to improve earnings, especially in the module and system business, while at the same time renewing and reinforcing our company-wide efforts to improve corporate value under this new structure. While our policy of balancing three goals—growth investment, sound finances, and shareholder returns—remains largely unchanged, we will work to further improve ROE indicators with an awareness of the cost of shareholders' equity.

In order to increase profits, we will expand sales in each segment in the areas of emotion, safety, and environmental value, and enhance the aforementioned cost improvement in the module and system business. Next, in terms of investment for

growth and improvement of capital efficiency, we will reorganize our businesses for the third medium-term starting in 2025—redefining them into growth businesses, businesses to be improved, and businesses to be downsized—and will promote the introduction of ROIC in order to transform our business portfolio. In parallel with this growth investment, we will further enhance our investment in people, even more than before, in an effort to improve engagement. Next, in terms of sound finances, we will promote the optimization of cash allocation by optimizing our capital adequacy ratio, etc., in parallel with improving CCC*, to become net cash positive.

In terms of shareholder returns, we will promote flexible shareholder return measures with a target total return ratio of 35%.

By pushing forward with these measures in a well-balanced and swift manner, we will promote the continual improvement of corporate value throughout the company.

* Cash Conversion Cycle

Based on the idea of “betting on people,” we will link investment in human capital to further corporate growth.



Noriko Oki

Director

It is often said that “a company is only as good as its people,” and since Alps Alpine was founded, we have bet on the latent potential of our employees and entrusted them with work, based on the idea of taking chances on people. Our employees have also been striving to continue mutual growth by challenging themselves with high-level work. Although management and business strategies have changed in response to changes in the environment, I believe that our culture of valuing human resources has been passed down from generation to generation, based on the idea that our personnel are the source of our growth.

On the other hand, it is also true that the skills and abilities needed by personnel are rapidly changing as society gets older and digitalization progresses. We need new initiatives for investment in human capital, including reskilling, and for the training and education of the next generation of human resources, rather than just continuing with conventional approaches. From the perspective of human capital management, we have identified the following issues to be addressed: securing and strengthening our ability to recruit human resources; passing down techniques, skills, culture, and

developing human resources; and revitalizing employees. These are inextricably linked to the various management challenges we face, and it is important to address them with haste.

Human capital management for implementing our vision and business strategy is exactly what our company needs now. We have to promote a human resources strategy from a global perspective over the medium- to long-term in order to become an innovative T-shaped company and achieve future growth. To this end, it is essential to respect individuals while actively accepting their viewpoints, even unconventional ones, and accommodating diversity in order to enhance corporate value going forward. As an outside director, I will keep a close eye on future strategic investments to ensure that they lead to further growth of the company, since they are an important factor in determining our future direction.

Description of Alps Alpine's Businesses

What we value most is protecting the Earth and enriching people's lives. In other words, through our business activities, we will continue to create new value for humans and society on a brighter planet. With our actions, we will provide Alps Alpine's unique values of "excitement," "safety," and the "environment" through reliable solutions and technologies.

Component Segment



Masami Aihara
Vice President
Components 2 Business

▼ Segment Strengths

- Creation of new products through integration of core technologies
- Advanced precision equipment design technology
- Global MIM* production system * Made in market

Pursuant to a strategy of maintaining our business' top position in this niche while promoting market expansion and customer growth, we will further optimize our development resources and cope with intensifying price competition due to product commoditization.

Market growth is projected in the virtual entertainment market. We are actively developing a variety of haptic reactors and multifunctional input devices in that market, and the virtual

entertainment market is on its way to becoming the third pillar of our business after cars and smartphones. In the area of actuators for smartphones, we will further accelerate the development and commercial use of SMA technology that can actuate heavy lenses such as large aperture lenses and lenses with apertures and Piezo actuators capable of actuating telephoto lenses to meet future demand for smartphone cameras.

Sensor & Communication Segment



Masaaki Tanaka
Vice President
Device Business

▼ Segment Strengths

- Unique sensor devices by fusion of software and in-house IC
- Industry-leading communications software
- Solution-based business (sensor + cloud)

This business is promoting the creation of devices that will help create safe and secure spaces and a carbon-neutral society through sensing and high-frequency technologies.

Electric vehicles are projected to become the mainstay of the automotive market in around 2030, so we are developing current sensors for EVs that can handle high currents and that are also compact and lightweight, thereby helping to reduce customer unfamiliarity with designs and to improve the ease of assembly.

Capitalizing on communications technology fostered through the development of automotive products, we have begun offering kits to evaluate 5G communications device to provide stable 5G connections in harsh environments such as construction sites, agricultural settings, and smart factories. In the area of the IoT, we will roll out a new logistics cloud service for the market to help reduce energy consumption in transportation.

Module & System Segment



Yoshikatsu Watanabe
Vice President
Infotainment & Sound Business,
ALPINE Brand

▼ Segment Strengths

- A wide variety of HMI-related technologies
- Technologies combining system integration and core devices
- Partnerships with universities, research institutes, and companies

This business is building strong partnerships both with other departments within Alps Alpine and with universities, research institutes, and other companies in order to transform itself into a Digital Cabin Solution business with an eye toward the SDV* era.

Vehicle architecture is changing and innovations in mobility are occurring in an era of connected, autonomous, shared, and electric (CASE) vehicles. Improving the nature of this business

continues to be a top priority. We have focused on improving the completeness of each product in each area, such as modules, displays, sound, and infotainment, but in the future we will further improve the nature of this business by capitalizing on our strengths and core technologies while facilitating a shift to complex, high value-added products through total vehicle solutions and also consolidating development platforms.

* Software Defined Vehicle

Description of Alps Alpine's Businesses

Underpinning our monozukuri* are “Right,” “Unique,” and “Green,” three defining features of the Company that spurred the creation of our three values.

Here are solutions and technologies that embody value.

* A Japanese term meaning “the development and manufacturing of products.”



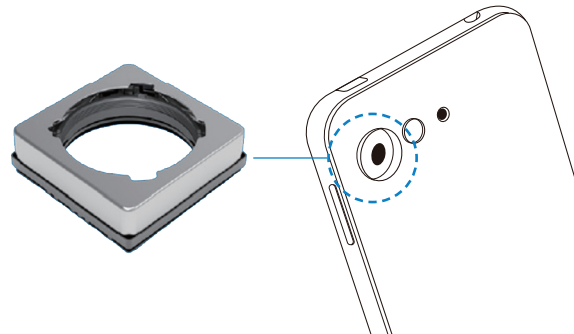
Component Segment

Superior Driving Force and Highly Accurate Multi-axis Compensation Bring Out the Best Performance of the Camera Module

SMA Actuator

This product is an actuator that utilizes the thermal deformation of a shape memory alloy. The fine wire made of SMA shrinks when heated by energizing, stretching to its original length when cooled. This force moves the lens fixed to the drive unit to achieve focusing and optical image stabilization in smartphone cameras. Compared to VCM systems of a similar size, the SMA actuator has stronger operating power and contributes to space saving for larger and more sophisticated cameras in the future.

Another feature is the absence of magnetic interference.

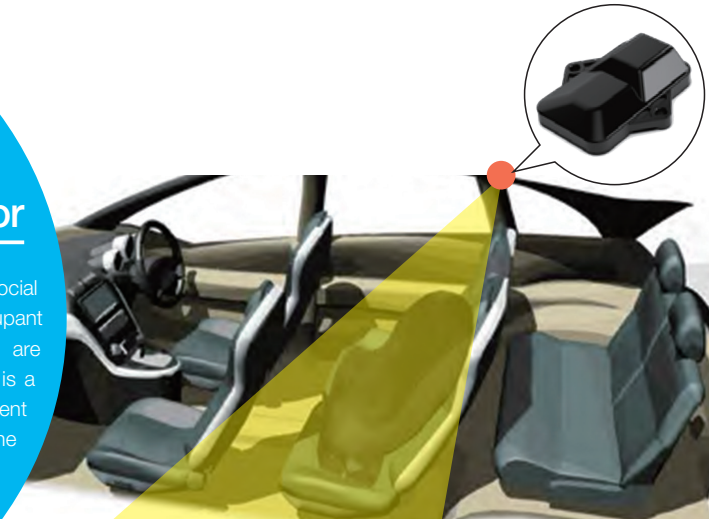


Sensor & Communication Segment

Millimeter-wave Sensors Contribute to People's Safety and Security

Child-left-behind Detection Sensor

As the problem of children being left behind in cars has become a social issue, legislation and guidelines for the standard installation of occupant detection functions to prevent children from being left behind are accelerating in Europe, North America, and Japan. This product is a sensor that detects occupants (people) by employing a pulse coherent radar compliant with Euro NCAP assessment. This sensor has the advantages of low power consumption, and being small and lightweight, and it can be easily installed in limited spaces such as the ceiling of a vehicle.



Module & System Segment

Launching a Demonstration Experiment to Solve Transportation and Community Issues

On-demand Dashcam Video Distribution Platform

We launched a demonstration experiment of a platform that collects images and video from dashcams installed in rental cars in Okinawa Prefecture that provides highly real-time information to rental car users. Users can check pictures and videos of the road and road surroundings from the maps on the website via their device to check traffic congestion or congestion conditions around their destination. This platform contributes by allowing users to avoid congested areas, easing traffic congestion affecting residents.



Alps Alpine's D&I

We have promoted D&I training and we have created a place for employees to “connect” with diverse values. As a result, understanding of the term D&I has greatly improved. We are enhancing support for career self-reliance and taking on challenges, which are the next step.



“Respect the individual” is part of the Alps Alpine Management Approach. This principle is core to the promotion of diversity and inclusion, the goal of which is to ensure all individuals are respected and able to continue to feel motivated in their work, regardless of traits such as their gender, age, or nationality. I am convinced that the pursuit of this goal will create innovation and thereby spur the further growth of the Company.

Creating a Culture

We are undertaking various initiatives to create an open and inclusive organization. D&I news is regularly distributed and mandatory e-courses for all employees and various seminars are continuously conducted as opportunities to understand the concept and importance of D&I and to learn about diverse values within Alps Alpine. In addition, a roundtable discussion is held with the President, the Director in charge of the Administration Headquarters, and female employees to discuss future efforts and to promote female participation. As an initiative for expressing one's “self,” Alps Alpine's Headquarters is conducting a campaign to encourage employees to dress how they like at work.



(Then) President Kuriyama and participants in a roundtable discussion
The theme was expanded to creating a corporate culture in which diverse human resources can play an active role, and many employees participated in the roundtable discussion, regardless of gender, age, or job title.

Promotion of Women's Activities

The percentage of women in management positions is low compared to the percentage of women in positions overall (8.75%), and we have set a goal of increasing the percentage of women in management positions. We are working to recruit and retain female employees and promote career autonomy and development, and we will further clarify career development plans and enhance the mentoring system.



A roundtable discussion between female employees and Executive Vice President, Kodaira

At the Women's Career Design Forum, female employees share concerns about balancing work and childcare



Recruitment of Human Resources with Diverse Backgrounds

To help balance work and family life regardless of gender, we are promoting initiatives such as childcare leave for men. We are implementing various measures and improving systems such as the General Manager of Human Resources holding childcare lectures and roundtable discussions with experienced fathers and mothers in order to encourage male employees to take childcare leave, establishing an in-house daycare center to facilitate both childcare and work, and introducing flexible working hours for employees to work fewer hours to enable every employee to work while also having a private life.



A D&I lecture by Outside Director Gomi



The D&I lecture also incorporated a sign language interpreter



Alps Alpine Continues to Be Selected as a Constituent of All the ESG Indices Used by the GPIF

We have specified 1) realization of a decarbonized and recycling-oriented society, 2) respect for human rights and diversity and inclusion, and 3) supply chain management as material issues for sustainability in its 2nd Mid-Term Business Plan that began in FY2022, and it has accelerated related efforts. The Government Pension Investment Fund (GPIF), one of the world's largest public pension funds, has selected Alps Alpine for the Morningstar Japan ex-REIT Gender Diversity Tilt Index, which was newly adopted by the GPIF in 2023. As a result, Alps Alpine has been selected for inclusion in all six ESG indices (the Morningstar Japan ex-REIT Gender Diversity Tilt Index, the MSCI Japan ESG Select Leaders Index, the MSCI Japan Empowering Women (WIN) Index, the FTSE Blossom Japan Index, the FTSE Blossom Japan Sector Relative Index, and the S&P/JPX Carbon Efficient Index) that the GPIF uses to invest in Japanese equities.

We view this is the result of our efforts to solve social issues being recognized as a potential source of sustained growth, and we will continue to innovate value for humans and society on a brighter planet.



For more information, please scan this QR code. ▶



Use of MonoTra™, a Positioning Solution, is Increasing in the Transportation and Construction Equipment Transportation Industries Streamlining the Management of Materials and Reducing CO₂

We offer positioning solutions such as Logistics Tracker, an inexpensive IoT device that operates for 10 years without recharging by consuming little power and that acquires and transmits the position of logistics assets, and MonoTra™, a cloud service that simplifies system construction and operation by enabling the position of logistics assets to be identified indoors or outdoors with an accuracy of 50 m. Our products are used by companies engaged in the delivery of large furniture and home appliances and companies transporting construction equipment. Our MonoTra™ solution has been touted for its ability to link inventory data at each site with transportation plans to make instructions for logistics asset reallocation far more efficient, to reduce CO₂ emissions from transport vehicles by improving delivery efficiency, and to accurately identify weak points in the supply chain by visually depicting and quantifying how long items are stationary and their use for other than work purposes.

We will continue to help create a carbon-neutral society by improving the efficiency of the management and utilization of logistics assets, extending the service life of logistics assets, and reducing CO₂ emissions from transport vehicles by improving delivery efficiency.



For more information, please scan this QR code. ▶

Holding of the 90th Ordinary General Meeting of Shareholders

The 90th Ordinary General Meeting of Shareholders was held on June 23 at the hall at Headquarters. At this meeting, three proposals were put on the agenda, and all three were approved by a majority vote. Please check our website for details.



For more information on the General Meeting of Shareholders, please scan this QR code. ▶



Notice of Publication of the Integrated Report

The Integrated Report describes Alps Alpine's specific efforts to create value, our management, financial, human resource, environmental, and other strategies, and efforts to address important management issues such as corporate governance in order to further increase our corporate value as an "innovative T-shaped company."



To view the Integrated Report, please scan this QR code. ▶



A Guide to Our Official Social Media Accounts

Alps Alpine's public relations department provides information on our products, events, and various corporate activities.



Twitter => ▶



Facebook ▶



note ▶



YouTube ▶



talentbook ▶