Translation

April 28, 2015

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 <under Japanese GAAP>

Company name: **Alpine Electronics, Inc.**
Listing: First Section of the Tokyo Stock Exchange
Stock code: 6816
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Scheduled date of ordinary general meeting of shareholders: June 18, 2015
Scheduled date to commence dividend payments: June 19, 2015
Scheduled date to file Securities Report: June 18, 2015
Preparation of supplementary material on earnings: Yes
Holding of earnings performance review: Yes (for analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the fiscal year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2015	294,560	3.0	11,523	17.4	15,000	27.5	12,704	37.7
March 31, 2014	285,884	28.6	9,813	325.8	11,763	174.1	9,229	428.1

(Note) Comprehensive income
For the fiscal year ended March 31, 2015: ¥21,641 million [24.4%]
For the fiscal year ended March 31, 2014: ¥17,399 million [82.5%]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2015	183.42	183.38	9.5	7.5	3.9
March 31, 2014	132.27	–	7.9	6.6	3.4

(Reference) Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2015: ¥675 million
For the fiscal year ended March 31, 2014: ¥1,029 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2015	211,309	144,223	67.4	2,058.51
March 31, 2014	190,694	125,218	65.1	1,778.00

(Reference) Equity
As of March 31, 2015: ¥142,460 million
As of March 31, 2014: ¥124,059 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2015	17,380	(7,529)	(2,330)	56,130
March 31, 2014	18,021	(7,206)	(1,447)	46,680

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2014	–	10.00	–	15.00	25.00	1,744	18.9	1.4
Fiscal year ended March 31, 2015	–	10.00	–	20.00	30.00	2,076	16.4	1.6
Fiscal year ending March 31, 2016 (Forecast)	–	15.00	–	15.00	30.00		29.5	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2015	141,000	(0.4)	4,500	(0.6)	4,500	(21.7)	3,000	(28.6)	43.50
Fiscal year ending March 31, 2016	285,000	(3.2)	10,000	(13.2)	10,500	(30.0)	7,000	(44.9)	101.58

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections
  a. Changes in accounting policies due to revisions to accounting standards: Yes
  b. Changes in accounting policies due to other reasons: None
  c. Changes in accounting estimates: None
  d. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common shares)
  a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2015	69,784,501 shares
As of March 31, 2014	69,784,501 shares

  b. Number of shares of treasury shares at the end of the period

As of March 31, 2015	579,145 shares
As of March 31, 2014	9,633 shares

  c. Average number of shares during the period

Fiscal year ended March 31, 2015	69,262,264 shares
Fiscal year ended March 31, 2014	69,773,655 shares

*** Indication regarding execution of audit procedures**

This earnings report is not subject to the audit procedures for financial statements in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this earnings report, the audit procedures for financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

*** Proper use of earnings forecasts and other special matters**

The earnings forecasts are based on information currently available to the Company at the time of the release of these materials. Actual business results may differ from the forecasts due to various factors.

(How to obtain supplementary material on earnings)
Supplemental materials on earnings will be posted on the Company's website on Friday, May 1, 2015.

Analysis of Operating Results and Financial Position

(1) Analysis of operating results

In the global economy during the fiscal year ended March 31, 2015, economic activity continued to recover in the U.S. against a backdrop of solid corporate earnings and consumer sentiment. The outlook remained uncertain in Europe, however, owing to geopolitical factors and political volatility. Meanwhile, emerging countries such as China and Brazil saw their economies stagnate, largely due to slower growth rates and currency instability. In Japan, the economy followed a trend of gradual recovery, in part because a weaker yen and higher stock prices ensuing from monetary easing by the government and BOJ led to improved earnings at exporting companies.

Conditions in the car electronics industry were challenging, due to the impact of a decline since April in domestic sales of new cars, in a pullback from the additional demand generated prior to the consumption tax hike. Outside Japan, on the other hand, the industry benefited from favorable factors including continued strength in sales of new cars in North America and China, and increased demand for in-car IT products integrated with vehicles for improved driving reliability and safety, fueled partially by the enactment of a new law in the U.S. mandating installation of rearview camera systems.

Under these circumstances, the Alpine Group has developed a display audio system that is compatible with Apple’s CarPlay® system, to strengthen connectivity with smartphones. Also, the Group strengthened its efforts to enhance R&D investment efficiency and improve its product development capabilities for the purpose of future profitability. Initiatives in this area include jointly developing an in-car platform with FUJITSU TEN LIMITED, a company in the same industry, and becoming a member of the Open Automotive Alliance (OAA), an alliance committed to developing products compatible with Google’s Android Auto® (Android for use in vehicles). In sales activities, the Group made efforts to restructure its European and U.S. aftermarket business by launching new products including large-screen navigation systems tailored to specific pick-up truck and SUV models for the North American aftermarket, and luxury vehicle models for the European aftermarket. The Group also worked to set itself apart from rival companies through the new launch on the domestic aftermarket of a navigation system with a large, 10-inch screen, the largest of its type in the world. In addition, the Group carried out efforts centered on value engineering (VE) to lower cost prices.

As a result, for the fiscal year ended March 31, 2015, consolidated net sales increased 3.0% compared with the previous fiscal year, to ¥294.5 billion. Operating income increased 17.4% to ¥11.5 billion, ordinary income increased 27.5% to ¥15.0 billion, and net income amounted to ¥12.7 billion, an increase of 37.7%.

(1) Segment information related to overall fiscal 2014 business performance by type of business

a. Audio Products segment

In the Audio Products segment, Alpine worked to strengthen sales in the Japanese, U.S. and European aftermarkets of CD players equipped with high-definition Rich Display and high-value-added functions compatible with smartphone applications, as well as entry-level models with Bluetooth functionality. Nevertheless, sales remained lackluster.

Sales in the OEM market declined, as weakness in Europe and Asia outweighed increased sales of high-quality sound systems built around amplifiers and speakers, accompanying brisk sales of new cars in North America.

Accordingly, segment sales decreased 9.3% compared with the previous fiscal year, to ¥62.9 billion.

b. Information and Communication Products segment

In the Information and Communication Products segment, Alpine launched and strove to increase sales of a new product, large-screen navigation system tailored to specific vehicle models in the European and North American aftermarkets.

In addition, in the domestic aftermarket Alpine launched a navigation system with a large, 10-inch screen, the largest of its type in the world and featuring a wide-area map display and impressive images. Sales growth was buoyed by positive feedback concerning the premium experience and impressive functionality from customers who had installed the system.

In the OEM market, sales of some products decreased owing to the impact of model changeovers. However, there was growth in sales of hybrid displays installed in new cars, accompanying strong sales of European luxury cars in the North American and Chinese markets.

Owing to these factors, sales in this segment grew 7.0% compared with the previous fiscal year, to ¥231.6 billion.

(2) Overall fiscal 2015 business performance and segment forecasts

During the next fiscal year the outlook for the global economy is expected to remain uncertain, with ongoing growth in the U.S. offset by sluggishness in Europe and a slowdown in China. In Japan, there are concerns that yen weakness will drive up prices for imported raw materials. Nonetheless, the economy is expected to continue recovering modestly amid improvement in employment and income conditions.

Meanwhile, the car electronics industry is undergoing dramatic change. Amid advances in creating information terminals in automobiles, and in driver support and vehicle automation technologies, in-car IT products increasingly integrate smartphone and internet functionality while also working in tandem with safety packages that utilize camera systems and sensors.

Against this backdrop, the Alpine Group is committed to offering products and services that better meet the needs of customers, and to developing products with enhanced quality and functionality. Alpine is also engaging in efficiency improvements with an eye to lowering costs while strengthening the Group's business foundations and enhancing corporate value.

Details of activities by segment are as follows:

< Audio Products segment >

In addition to pursuing increased sales of the sound systems that already have been well received in the OEM market, Alpine is targeting higher orders for its speakers by seeking to create added value for its lightweight and slim-line models that aid in reducing the vehicle's fuel consumption and environmental footprint.

< Information and Communication Products segment >

Alpine aims to foster fresh demand through the full-scale rollout in the North American aftermarket of large-screen navigation systems tailored to specific vehicle models.

Taking into account factors that can be assumed at the time of writing, our consolidated earnings forecasts for the fiscal year ending March 31, 2016 are as follows:

< Consolidated earnings forecasts >

Net sales	¥285.0 billion	(down 3.2% year on year)
Operating income	¥10.0 billion	(down 13.2% year on year)
Ordinary income	¥10.5 billion	(down 30.0% year on year)
Net income	¥7.0 billion	(down 44.9% year on year)

* Prerequisite exchange rate assumptions for forward-looking statements: US$1 = ¥115 and €1 = ¥125

(2) Analysis of financial position

(1) Assets, liabilities and net assets

Total assets stood at ¥211.3 billion as of March 31, 2015, an increase of ¥20.6 billion from the end of the previous fiscal year. Principal factors were a ¥9.4 billion increase in cash and deposits, a ¥1.2 billion increase in notes and accounts receivable - trade, a ¥1.6 billion increase in inventories, a ¥2.0 billion increase in property, plant and equipment, a ¥3.4 billion increase in fair value adjustment of investment securities.

Total liabilities increased ¥1.6 billion compared with the end of the previous fiscal year to ¥67.0 billion due to such factors as a ¥2.1 billion decrease in notes and accounts payable - trade, a ¥1.1 billion increase in income taxes payable, a ¥1.4 billion increase in accrued expenses, a ¥1.7 billion increase in other current liabilities.

Compared with the end of the previous fiscal year, net assets increased ¥19.0 billion to ¥144.2 billion due to a ¥10.5 billion increase in retained earnings, a ¥0.7 billion decrease from purchase of treasury shares and a ¥7.1 billion increase in foreign currency translation adjustment.

Consequently, equity ratio increased 2.3 percentage points from March 31, 2014, to 67.4%.

(2) Cash flows

Cash and cash equivalents as of March 31, 2015 were ¥56.1 billion, a ¥9.4 billion increase from the end of the previous fiscal year (a ¥12.6 billion increase in the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥17.3 billion (¥18.0 billion was provided in the previous fiscal year). Major sources of cash were income before income taxes and minority interests amounting to ¥16.2 billion, depreciation totaling ¥6.6 billion, a ¥1.4 billion decrease in notes and accounts receivable - trade and a ¥0.8 billion decrease in inventories. The principal uses of cash were a ¥4.0 billion decrease in notes and accounts payable - trade and income taxes paid of ¥3.7 billion.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7.5 billion (¥7.2 billion was used in the previous fiscal year). Principal uses of cash were a ¥6.8 billion for purchase of property, plant and equipment, a ¥0.9 billion for purchase of intangible assets and a ¥1.7 billion for payments of loans receivable, while a factor increasing cash was ¥1.6 billion in collection of loans receivable.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2.3 billion (¥1.4 billion was used in the previous fiscal year). Principal uses of cash were a ¥0.7 billion of purchase of treasury shares and cash dividends paid of ¥1.7 billion.

Due to these factors, the free cash flows increased by ¥9.8 billion (¥10.8 billion was provided in the previous fiscal year). Free cash flows are the sum of cash flows from operating activities and cash flows from investing activities.

(Reference) Trends in cash flow indicators

Trends in cash flow indicators of the Group are as shown below.

Fiscal year ended:	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
Equity ratio (%)	63.7	60.4	64.9	65.1	67.4
Market value equity ratio (%)	42.3	46.6	37.7	49.5	65.6
Interest-bearing debt to cash flow ratio (times)	0.4	0.6	0.1	0.0	0.0
Interest coverage ratio (times)	70.8	115.9	14.7	390.0	764.2

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / operating cash flow

Interest coverage ratio: operating cash flow / paid interest

* All indicators are calculated using consolidated-based financial indicators.

* Market capitalization is calculated based on the number of issued shares excluding treasury shares.

* The figure used for operating cash flow is “net cash provided by (used in) operating activities” on the consolidated statements of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheets on which we paid interest. Regarding the paid interest, we use “interest expenses paid” on the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the fiscal year ended March 31, 2015 and fiscal year ending March 31, 2016

Alpine regards returning corporate profits to shareholders as an important feature of its business operations. Its basic policy is to determine the distribution of profits on a consolidated basis with consideration given to a proper balance among; returning profits to shareholders, proactive investment on R&D and facilities for enhancing competitiveness, and internal reserves directed toward future business growth.
Based on this policy, the planned year-end dividend for the fiscal year under review is ¥20 per share, a ¥5 increase compared with the previous fiscal year, reflecting a strong performance. As Alpine paid an interim dividend of ¥10 per share at the end of the second quarter, the planned annual dividend is therefore ¥30 per share.
For the fiscal year ending March 31, 2016, the planned annual dividend is unchanged from the fiscal year under review at ¥30 per share, and the interim dividend is planned to be ¥15 per share.
Alpine plans to take a flexible approach to repurchasing its own shares as a means of returning corporate profits to shareholders.

Business Policy

(1) Alpine's fundamental business policy

As a member of the Alps Group, whose business operations center on Alps Electronics, the Company considers the Alps Group's founding spirit (Alps Precepts) to be the point of origin for business operations of the Alps Group, and accordingly makes efforts to maximize corporate value through cooperation within the Alps Group

Alpine's corporate philosophy entails respect for individuality, creating value, and contribution to society, and guided by the vision statement of VISION2020, its corporate vision targeting the year 2020, "Alpine aims to be a Mobile Media Innovation Company that provides you with an enjoyable car lifestyle." Alpine will enhance its corporate value by tackling the challenge of generating value more creatively and innovatively as a craftsmanship-oriented manufacturer.

(2) Target business indicator

Alpine emphasizes consolidated business management including its associates in Japan and overseas, and targeting a consolidated operating income to net sales ratio exceeding 5%, it aims to enhance its consolidated earning power. It will therefore coordinate its development, manufacturing, and sales capabilities to ensure sustainable growth and profitability in its companies.

(3) Mid-term business strategy

The car electronics industry continues to witness growth in demand for audio products linked to the latest digital equipment against a backdrop of price competition between rival companies becoming fiercer than ever.

In information and communication products as well, hybrid products combining audio, video, and information equipment are ever increasingly being included as central features in cars, with the ratio installed as OEM products in new cars becoming ever higher. More than ever, there is a growing call for products that meet new in-car infotainment that coordinates smartphones and cars by "creating information terminals in cars" and meeting "diversification of driver needs."

Moreover, as shown by recent recall problems, quality problems that arise from fiercer global competition among automakers are becoming societal problems, and automakers have become even more demanding with regard to quality, price, and delivery dates.

To address this situation, during the 2014 fiscal year, Alpine formulated its corporate vision VISION2020 that states what to achieve by 2020 and the Mid-Term Business Plan to bring the vision to a reality. Alpine is now putting in group-wide efforts into becoming a company that provides impressions and enjoyment of a premium car lifestyle that exceeds the expectations of its customers. Alpine's business fields are also on the move. While still operating in the AVNCD (Audio, Visual, Navigation, Communication, Drive Assist) field, Alpine is advancing into the new business fields of cloud services that link life inside the car with the outside world and cockpit displays that meet the needs of automakers.

Alpine considers the three year period from 2014 as the period to secure the scaffolding for achieving VISION2020. To achieve the target of its Mid-Term Business Plan, Alpine intends to enhance its corporate value by securely implementing measures to create new value, reinforce its management, and increase earnings according to the following strategy.

a. Invest actively in R&D to further explore core technologies in the Information and Communication Products segment, for which the market is expanding. At the same time, promote development of smartphone-integrated products that can be used safely and comfortably and R&D for the new fields such as the new HMI (human machine interfaces), and establish business platforms.

b. Address heightened price competition and exacting product quality requirements by continuing to involve the whole Group in restructuring product design and pursuing unparalleled quality at installation and on the market. In particular, at its global production sites, carry out capital investment for production management reform aimed at boosting quality and productivity while bolstering the Group's ability to compete on price by expanding and improving the integration of production systems to cover everything from local procurement of parts and parts processing to completion of the final product.
c. Improve customer satisfaction levels and restructure earnings and costs by expanding and improving the Group's capabilities in development, procurement, production, and sales on a global basis (in Japan, the Americas, Europe, China and elsewhere in Asia). Further reduce non-current expenses to further boost profitability and create a strong corporate standing.
d. Use the CSR committee to strengthen risk management, the information management system, and related areas to address the increased importance of risk management and compliance as the risks associated with corporate activities become more diverse.

(4) Issues to address

Looking at the global economy, although the U.S. economy continues to following a firm recovery track, and the economy in Japan is showing a trend of gradual recovery as seen by high stock prices and the weak yen, there nevertheless continues to be factors such as the European economy, geopolitical factors, and political instability that make it impossible to get a clear picture of the future outlook. Moreover, emerging countries such as China and Brazil are experiencing stagnation largely due to slowdowns in economic growth rates and currency instability, which creates even greater uncertainty.

Although the economic environment surrounding the auto industry is affected by these political and economic movements, solid growth is continuing in the North American and Chinese markets. On the other hand, the up-and-coming emerging countries have been significantly affected by worsening economic conditions, political instability, and other challenges; they continue to underachieve compared with the previous fiscal year, and considerable differences from one region to another are still apparent.

In the car electronics industry, business models and product formats, as well as the competitive market have witnessed considerable change: Smartphones are now increasingly integrated with cars, and there are new entrants in the field of automated driving from different industry sectors. As a result, the key management issues now are to pursue technological innovation and bolster the Group's ability to compete on price in order to respond to these changes.

Under these circumstances, Alpine will further cultivate its core technologies through such measures as strengthening development facilities in the company, investing equity in venture companies, and forming alliances. In addition, Alpine will endeavor to develop leading-edge technologies by improving efficiency of R&D investment and boosting product development capability.

Alpine is also taking steps to work more closely with its parent company, ALPS ELECTRIC CO., LTD., with a view to providing total solutions for in-car equipment and redoubling its efforts to develop in-car devices featuring advanced consumer electronics technologies.

Alpine will take the necessary measures to address the high levels of procurement costs by working with its suppliers to lower cost prices and improve productivity, as well as bolstering its resilience to exchange rate fluctuations. At the same time, Alpine will build a profitable foundation for its business by driving forward its indirect-cost restructuring through scrap-and-build strategies.

Basic Concept Regarding Selection of Accounting Standard

Alpine and the Alpine Group have a policy to prepare the consolidated financial statements based on the generally accepted accounting standards in Japan (Japanese GAAP), giving consideration to the possibility of comparing the consolidated financial statements between terms and with other companies.

With respect to application of IFRS, Alpine's policy is to respond appropriately in accordance with the policy of its parent company ALPS ELECTRIC CO., LTD.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	46,698	56,150
Notes and accounts receivable - trade	41,029	42,238
Merchandise and finished goods	21,115	21,830
Work in process	1,036	857
Raw materials and supplies	6,878	7,970
Deferred tax assets	3,008	2,739
Other	9,238	11,447
Allowance for doubtful accounts	(378)	(280)
Total current assets	128,628	142,952
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,306	27,151
Accumulated depreciation	(16,664)	(17,819)
Buildings and structures, net	8,642	9,331
Machinery, equipment and vehicles	22,103	25,337
Accumulated depreciation	(15,842)	(18,339)
Machinery, equipment and vehicles, net	6,260	6,998
Tools, furniture, fixtures and dies	51,347	53,217
Accumulated depreciation	(45,933)	(46,824)
Tools, furniture, fixture and dies, net	5,413	6,393
Land	4,988	5,041
Leased assets	214	199
Accumulated depreciation	(92)	(66)
Leased assets, net	122	132
Construction in progress	1,482	1,054
Total property, plant and equipment	26,909	28,952
Intangible assets	2,359	2,601
Investments and other assets		
Investment securities	29,493	32,950
Net defined benefit asset	11	50
Deferred tax assets	485	732
Other	2,820	3,083
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	32,797	36,803
Total non-current assets	62,066	68,357
Total assets	190,694	211,309

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,926	28,818
Accrued expenses	10,386	11,819
Income taxes payable	1,757	2,919
Deferred tax liabilities	16	–
Provision for bonuses	2,107	2,191
Provision for directors’ bonuses	45	67
Provision for product warranties	6,132	5,942
Other	4,238	6,025
Total current liabilities	55,610	57,784
Non-current liabilities		
Deferred tax liabilities	5,836	4,301
Net defined benefit liability	1,892	2,733
Provision for directors’ retirement benefits	353	60
Other	1,783	2,207
Total non-current liabilities	9,865	9,302
Total liabilities	65,475	67,086
Net assets		
Shareholders’ equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	63,272	73,835
Treasury shares	(13)	(713)
Total shareholders’ equity	114,085	123,949
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,629	7,937
Deferred gains or losses on hedges	–	(3)
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	5,554	12,689
Remeasurements of defined benefit plans	(899)	(801)
Total accumulated other comprehensive income	9,974	18,511
Subscription rights to shares	–	32
Minority interests	1,158	1,731
Total net assets	125,218	144,223
Total liabilities and net assets	190,694	211,309

(2) Consolidated statements of (comprehensive) income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	285,884	294,560
Cost of sales	237,205	242,923
Gross profit	48,679	51,636
Selling, general and administrative expenses	38,865	40,112
Operating income	9,813	11,523
Non-operating income		
Interest income	202	237
Dividend income	361	467
Share of profit of entities accounted for using equity method	1,029	675
Foreign exchange gains	272	1,931
Insurance income for inventory extinguishment	111	–
Other	411	531
Total non-operating income	2,389	3,843
Non-operating expenses		
Interest expenses	45	22
Sales discounts	153	128
Commission fee	95	65
Loss on inventory extinguishment	102	–
Overseas withholding tax	–	53
Other	41	97
Total non-operating expenses	439	367
Ordinary income	11,763	15,000
Extraordinary income		
Gain on sales of non-current assets	47	122
Gain on liquidation of investment securities	–	52
Compensation income	491	435
Subsidy income	216	650
Other	27	14
Total extraordinary income	783	1,275
Extraordinary losses		
Loss on sales and retirement of non-current assets	171	72
Loss on valuation of investment securities	0	–
Other	5	–
Total extraordinary losses	176	72
Income before income taxes and minority interests	12,371	16,202
Income taxes - current	3,876	4,394
Income taxes - deferred	(859)	(1,089)
Total income taxes	3,016	3,304
Income before minority interests	9,354	12,898
Minority interests in income	125	193
Net income	9,229	12,704
Minority interests in income	125	193
Income before minority interests	9,354	12,898

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Other comprehensive income		
Valuation difference on available-for-sale securities	177	1,347
Deferred gains or losses on hedges	(19)	(3)
Foreign currency translation adjustment	5,134	5,724
Remeasurements of defined benefit plans, net of tax	–	95
Share of other comprehensive income of entities accounted for using equity method	2,751	1,579
Total other comprehensive income	8,044	8,743
Comprehensive income	17,399	21,641
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,205	21,241
Comprehensive income attributable to minority interests	194	400

(3) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	12,371	16,202
Depreciation	6,100	6,682
Increase (decrease) in provision for retirement benefits	(1,364)	–
Increase (decrease) in net defined benefit liability	1,892	(53)
Increase (decrease) in provision for directors' retirement benefits	(323)	(293)
Interest and dividend income	(563)	(705)
Interest expenses	45	22
Share of (profit) loss of entities accounted for using equity method	(1,029)	(675)
Loss (gain) on sales of property, plant and equipment	18	(99)
Decrease (increase) in notes and accounts receivable - trade	1,157	1,449
Decrease (increase) in inventories	3,325	869
Increase (decrease) in notes and accounts payable - trade	(2,005)	(4,075)
Increase (decrease) in provision for product warranties	792	(469)
Other, net	(646)	1,090
Subtotal	19,768	19,946
Interest and dividend income received	1,032	1,062
Interest expenses paid	(46)	(22)
Income taxes paid	(3,288)	(3,768)
Income taxes refund	555	163
Net cash provided by (used in) operating activities	18,021	17,380
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,894)	(6,854)
Proceeds from sales of property, plant and equipment	92	273
Purchase of intangible assets	(775)	(911)
Payments of loans receivable	(3,163)	(1,729)
Collection of loans receivable	4,237	1,660
Other, net	(703)	31
Net cash provided by (used in) investing activities	(7,206)	(7,529)
Cash flows from financing activities		
Purchase of treasury shares	(0)	(700)
Cash dividends paid	(1,394)	(1,738)
Proceeds from share issuance to minority shareholders	–	204
Cash dividends paid to minority shareholders	–	(34)
Other, net	(52)	(61)
Net cash provided by (used in) financing activities	(1,447)	(2,330)
Effect of exchange rate change on cash and cash equivalents	3,048	1,930
Net increase (decrease) in cash and cash equivalents	12,415	9,450
Cash and cash equivalents at beginning of period	34,052	46,680
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	212	–
Cash and cash equivalents at end of period	46,680	56,130

(4) Notes to consolidated financial statements

(Notes on assumptions for going concern)

No items to report.

(Significant matters forming the basis of preparing consolidated financial statements)

Scope of consolidation

There are 33 consolidated subsidiaries.

In the first quarter ended June 30, 2014, ALPINE ELECTRONICS OF CANADA INC. was removed from the scope of consolidation because it was liquidated.

Disclosure other than the above has been omitted because there have been no other significant changes from the items stated in the recent Annual Securities Report (filed on June 19, 2014).

(Change in accounting policy)

(Application of the Accounting Standard for Retirement Benefits, etc.)

For the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012), the Company has applied the provisions set forth in the main clauses of paragraph 35 of the Accounting Standard for Retirement Benefits and paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits from the fiscal year under review, and reviewed the calculation method for retirement benefit obligations and service costs. Accordingly, the Company changed the method of attributing expected benefit to periods from the straight-line basis to the benefit formula basis as well as amended the determination method of the discount rate from that based on the remaining working lives to a single weighted average discount rate.

The Accounting Standard for Retirement Benefits and its Guidance were applied in accordance with the transitional measures provided in paragraph 37 of the Accounting Standard for Retirement Benefits. Accordingly, the effect of the change to the calculation method for retirement benefit obligations and service costs has been added to or deducted from retained earnings as of the beginning of the fiscal year under review.

As a result of this change, as of the beginning of the fiscal year under review, net defined benefit liability increased ¥402 million, and retained earnings decreased ¥402 million. The effect of these changes on profit or loss for the fiscal year under review is immaterial.

Disclosure other than the above has been omitted because there have been no other significant changes from the items stated in the recent Annual Securities Report (filed on June 19, 2014).

(Changes in presentations)

(Consolidated statements of cash flows)

"Purchase of treasury shares," which was included in "Other, net" under "Net cash provided by (used in) investing activities" in the previous fiscal year, has been separately presented in the fiscal year under review due to the increased materiality of the amount. The consolidated financial statements of the previous fiscal year have been reclassified to reflect this change in presentation.

As a result of the change, negative ¥52 million presented as "Other, net" under "Net cash provided by (used in) investing activities" in the consolidated statement of cash flows of the previous fiscal year has been reclassified into negative ¥0 million of "Purchase of treasury shares" and negative ¥52 million of "Other, net."

(Additional information)

(Abolition of the system of retirement allowances for Directors)

Effective the conclusion of the Ordinary General Shareholders' Meeting held on June 19, 2014 ("the General Shareholders' Meeting"), the Company abolished the system of retirement allowances for Directors.

In accordance with this action, final retirement allowances will be paid to the Directors who still serve as Directors after the conclusion of the General Shareholders' Meeting according to their respective terms of office until the conclusion of the General Shareholders' Meeting, when each Director retires.

Thus, in response to this, from the first quarter ended June 30, 2014, the balance of the Company's "Provision for directors' retirement benefits" was reversed and an amount payable of ¥269 million for payment of final retirement allowances is included in "Other" under non-current liabilities as long-term accounts payable.

(Omission of disclosure)

Notes regarding the consolidated balance sheets, the consolidated statements of income and comprehensive income, the consolidated statements of changes in net assets, the consolidated statements of cash flows, lease transactions, financial instruments, securities, derivative transactions, retirement benefits, tax effect accounting and transactions with parties concerned are omitted because the necessity to disclose them in this consolidated financial results report is deemed to be slight.

(Segment information)

1. Overview of reportable segments

The reportable segments of Alpine are components of Alpine whose separate financial information is available. These segments are periodically evaluated by the Board of Directors in deciding how to allocate management resources and in assessing the performance.

Alpine's two reportable segments reflect its main businesses: the manufacture and sale of audio products as well as information and communication products for installation in automobiles.

The main products in the "Audio Products segment" include car audio products, such as CD players, amplifiers, and speakers.

The main products in the "Information and Communication Products segment" include car navigation and car communication products.

2. Method of calculating amounts of net sales, income/loss, assets, liabilities and other items by reportable segment

Figures of reportable segment profit are based on operating income. Internal sales and transfers among segments are based on past performance.

3. Information concerning net sales, income/loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2015

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated financial statements
	Audio Products segment	Information and Communication Products segment	Total		
Sales					
Sales to outside customers	62,920	231,640	294,560	–	294,560
Internal sales or transfer among segments	742	205	947	(947)	–
Total	63,662	231,845	295,508	(947)	294,560
Segment profit (operating income)	2,734	13,465	16,199	(4,675)	11,523
Segment assets	30,746	141,880	172,627	38,682	211,309
Other items					
Depreciation and amortization	1,772	4,887	6,660	22	6,682
Increase in property, plant and equipment and intangible assets	1,731	5,764	7,496	0	7,496

Notes: 1. The adjustment of negative ¥947 million to total sales represents elimination of transactions among segments.

2. The adjustment of negative ¥4,675 million to segment profit represents corporate expenses not allocated to reportable segments. The corporate expenses are principally costs related to the administration division and part of the development division that are not attributable to the segments.

3. The adjustment of ¥38,682 million to segment assets represents corporate assets not allocated to reportable segments. The corporate assets mainly include Alpine's funds to manage surplus assets (cash, deposits and securities), long-term investment funds (investment securities) and assets related to the administration division that are not attributable to the segments.

4. The adjustment of ¥22 million to other items represents an increase in corporate assets not allocated to reportable segments and depreciation and amortization. The increase in corporate assets mainly includes Alpine's assets related to the administration division that are not attributable to the segments.