Translation

January 27, 2016

Consolidated Financial Results
for the First Nine Months of the Fiscal Year Ending March 31, 2016
<under Japanese GAAP>

Company name:	**Alpine Electronics, Inc.**
Listing:	First Section of the Tokyo Stock Exchange
Code number:	6816
URL:	http://www.alpine.com/e/investor/
Representative:	Toru Usami, President and CEO
Inquiries:	Nobuhiko Komeya, Senior Managing Director, Administration TEL: +81-3-3494-1101 (from overseas)

Scheduled date to file Quarterly Securities Report:	February 10, 2016
Scheduled date to commence dividend payments:	–
Preparation of supplementary material on quarterly earnings:	Yes
Holding of quarterly earnings performance review:	None

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

1. Consolidated performance for the first nine months of the fiscal year ending March 31, 2016 (from April 1, 2015 to December 31, 2015)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
First nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2015	205,446	(5.2)	4,317	(48.3)	4,847	(58.8)	11,164	29.4
December 31, 2014	216,667	2.9	8,357	7.2	11,777	21.0	8,629	27.1

(Note) Comprehensive income
For the first nine months ended December 31, 2015: ¥9,385 million [(43.8)%]
For the first nine months ended December 31, 2014: ¥16,691 million [(4.1)%]

	Basic earnings per share	Diluted earnings per share
First nine months ended	Yen	Yen
December 31, 2015	161.87	161.80
December 31, 2014	124.55	124.52

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2015	208,750	150,466	71.2	2,155.87
March 31, 2015	211,309	144,223	67.4	2,058.51

(Reference) Equity
As of December 31, 2015: ¥148,610 million
As of March 31, 2015: ¥142,460 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	–	10.00	–	20.00	30.00
Fiscal year ending March 31, 2016	–	15.00	–		
Fiscal year ending March 31, 2016 (Forecast)				15.00	30.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2016	275,000	(6.6)	4,500	(61.0)	5,000	(66.7)	9,000	(29.2)	130.50

(Note) Revisions to the consolidated earnings forecasts most recently announced: Yes

For details on revisions to the consolidated earnings forecasts, please refer to the news release “Notice of Revisions to Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2016,” announced today (January 27, 2016).

* Notes

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

(2) Application of a specific accounting procedure for preparing consolidated quarterly financial statements: None

(3) 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: Yes
d. Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common shares)

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

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

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

As of December 31, 2015	851,753 shares
As of March 31, 2015	579,145 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the first nine months ended December 31, 2015	68,974,375 shares
For the first nine months ended December 31, 2014	69,281,228 shares

*** Indication regarding execution of quarterly review procedures**

This quarterly earnings report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the review procedures for quarterly 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. For information regarding the assumptions on which earnings forecasts are based and points to note when using the earnings forecasts, please refer to "(3) Information regarding consolidated earnings forecasts and other forward-looking statements" under "1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months" on page 2 of the accompanying materials.

(Method of accessing supplementary material on quarterly earnings)

Supplementary material on quarterly earnings will be available on the Company's website, on Wednesday, January 27, 2016.

1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months

(1) Information regarding operating results

In the Japanese economy during the first nine months ended December 31, 2015, economic activity continued to expand at a moderate pace, supported by improved earnings of the export-related companies due to yen depreciation, recovery in personal consumption, and the purchasing demand of foreigners visiting Japan. Also in the U.S., the employment situation and personal consumption proceeded firmly. On the other hand, Europe was burdened by the Middle-East refugee crisis, while China, Brazil and other emerging countries were facing increasing risks of downturn, which introduced a new level of uncertainty to the outlook for the global economy.

In the car electronics industry, the market grew owing to increased demand for infotainment systems such as navigation systems and display products, reflecting not only brisk sales of new cars in the U.S. automobile market attributable to lower crude oil prices, but also the accelerating use of electronics in cars accompanying the enhanced functionalization in cars and the fusion of functions between in-car equipment and smartphones. However, various factors that may adversely affect the industry were causing concern, such as the slowdown observed in the Chinese automobile market, one of the world's largest, and the emergence of further problems concerning diesel-vehicle exhaust emission regulations for large European automakers.

Under these circumstances, aiming to capture business growth, the Alpine Group worked to strengthen efforts to propose new technologies to automakers and secure orders while accelerating product development for business aimed at automakers from which new orders have been received. Alpine Electronics, Inc. (the "Company") exhibited at motor shows held in Thailand, China, and Indonesia where it presented its solutions tailored to specific vehicle models, revolving around navigation systems. Moreover, at the Tokyo Motor Show, the Company exhibited a near-future cockpit concept model for next-generation in-car systems compatible with ADAS (Advanced Driver Assistance System), proposed high-function and high-added-value products, and gave a presentation on the expanding role and growing importance of car electronics technology in the automobile industry. Nevertheless, the Company's income fell, owing to a decline in net sales and deterioration in the product model mix.

As a result, during the first nine months ended December 31, 2015, consolidated net sales decreased 5.2% compared with the corresponding period of the previous fiscal year, to ¥205.4 billion. Operating income decreased 48.3% to ¥4.3 billion, and ordinary income decreased 58.8% to ¥4.8 billion. Profit attributable to owners of parent amounted to ¥11.1 billion, an increase of 29.4% compared with the corresponding period of the previous fiscal year, owing to the recognition of a gain from the sale of shares of an equity method associate in China in association with business restructuring under extraordinary income.

Effective from the first quarter ended June 30, 2015, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ (Accounting Standards Board of Japan) Statement No. 21, September 13, 2013), etc. and former "net income" is now presented as "profit attributable to owners of parent."

Segment information is summarized below. Sales figures indicate sales to outside customers.

< Audio Products segment >

In the Audio Products segment, facing an environment where sales to the aftermarket as well as to the OEM market are declining as a result of audio functions being combined with information and communication equipment such as navigation systems and display products, the Company focused on the market expansion of sound systems such as speakers and amplifiers that offer realistically reproduced high audio quality. In particular, in the OEM market, the Company has received high appraisal for its lightweight and slim-line speakers that aid in reducing the vehicle's fuel consumption and environmental footprint, and sales to U.S. automakers progressed firmly. However, sales to the aftermarket and the OEM market declined in Europe and the Asia region, and a harsh business environment continued for the segment overall.

Accordingly, segment sales decreased 15.9% compared with the corresponding period of the previous fiscal year, to ¥40.6 billion.

< Information and Communication Products segment >

In the Information and Communication Products segment, the Company worked to expand sales in the domestic aftermarket by launching new products tailored to specific vehicle models, an area in which the Company is an industry forerunner, including 10-inch large screen navigation systems with high-definition LCD display and large-screen rear vision systems, and proposing to customers, high value added systems optimally designed for the cabin space of specific vehicle models. In addition, the Company strived to develop overseas business markets. While working to switch the marketing policy for large-screen navigation systems tailored to pick-up trucks and SUVs in the U.S. aftermarket to one that focuses on specific vehicle-models targets, the Company concentrated on sales of models designed for specific vehicle models that obtained excellent evaluation from EISA (European Imaging and Sound Association) in the European aftermarket. Despite these efforts, however, the business environment remained difficult.

In the OEM market, although sales of display products for new vehicles increased, accompanying strong sales of American and European luxury cars in North America, sales for OEM products overall declined due to the impact of some model changeovers.

Accordingly, segment sales decreased 2.1% compared with the corresponding period of the previous fiscal year, to ¥164.7 billion.

(2) Information regarding financial position

Total assets stood at ¥208.7 billion as of December 31, 2015, a decrease of ¥2.5 billion compared with the end of the previous fiscal year (March 31, 2015) due mainly to a ¥5.3 billion decrease in cash and deposits, an ¥8.9 billion decrease in notes and accounts receivable - trade, a ¥2.6 billion increase in inventories, a ¥1.5 billion decrease in deferred tax assets, a ¥5.0 billion decrease in investment securities, and a ¥14.9 billion increase in other under investments and other assets.

Total liabilities decreased ¥8.8 billion compared with the end of the previous fiscal year to ¥58.2 billion due mainly to a ¥3.6 billion decrease in notes and accounts payable - trade, a ¥3.9 billion decrease in accrued expenses, a ¥0.8 billion decrease in income taxes payable, and a ¥0.8 billion decrease in provision for bonuses.

Net assets increased ¥6.2 billion compared with the end of the previous fiscal year to ¥150.4 billion due mainly to a ¥8.7 billion increase in retained earnings, a ¥0.7 billion decrease from purchase of treasury shares, a ¥2.3 billion decrease in foreign currency translation adjustment, and a ¥0.2 billion increase in remeasurements of defined benefit plans.

Consequently, equity ratio increased 3.8 percentage points from March 31, 2015, to 71.2%.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

For consolidated earnings forecasts, please refer to the news release "Notice of Revisions to Full-Year Earnings Forecasts for the Fiscal Year Ending March 31, 2016" announced today (January 27, 2016).

The exchange rates assumed for the last three months ending March 31, 2016, are US$1 = ¥117 and €1 = ¥127.

< Consolidated full-year earnings forecasts for the fiscal year ending March 31, 2016 >

Net sales	¥275.0 billion	(down 6.6% year on year)
Operating income	¥4.5 billion	(down 61.0% year on year)
Ordinary income	¥5.0 billion	(down 66.7% year on year)
Profit attributable to owners of parent	¥9.0 billion	(down 29.2% year on year)

2. Matters Regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

No items to report

(2) Application of a specific accounting procedure for preparing consolidated quarterly financial statements

No items to report

(3) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections

(Changes in accounting policies)

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter ended June 30, 2015, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. As a result, the method of recording the amount of difference caused by changes in the Company's ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus. Furthermore, the presentation method for "net income" and other related items was changed, and "minority interests" was changed to "non-controlling interests." To reflect these changes, the Company has reclassified its quarterly and full-year consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standards, etc. prospectively from the beginning of the first quarter ended June 30, 2015.

These changes in accounting policies have no impact on the consolidated quarterly financial statements for the first nine months ended December 31, 2015.

(Changes in accounting estimates)

(Change in amortization period for actuarial differences in accounting for retirement benefit obligations)

Actuarial differences in accounting for retirement benefit obligations were previously amortized over a period within the average remaining working lives for employees (16 years). However, because the average remaining working lives for employees fell below the aforementioned years, the Company changed the amortization period from 16 years to 12 years from the first quarter ended June 30, 2015.

As a result of this change, compared with the figures based on the previous amortization period, operating income, ordinary income and income before income taxes for the first nine months ended December 31, 2015, each decreased by ¥205 million.

3. Consolidated Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	56,150	50,834
Notes and accounts receivable - trade	42,238	33,248
Merchandise and finished goods	21,830	23,615
Work in process	857	1,000
Raw materials and supplies	7,970	8,709
Deferred tax assets	2,739	1,236
Other	11,447	12,098
Allowance for doubtful accounts	(280)	(158)
Total current assets	142,952	130,585
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,151	27,356
Accumulated depreciation	(17,819)	(18,235)
Buildings and structures, net	9,331	9,121
Machinery, equipment and vehicles	25,337	25,291
Accumulated depreciation	(18,339)	(18,510)
Machinery, equipment and vehicles, net	6,998	6,780
Tools, furniture, fixtures and dies	53,217	54,595
Accumulated depreciation	(46,824)	(48,311)
Tools, furniture, fixtures and dies, net	6,393	6,284
Land	5,041	4,993
Leased assets	199	210
Accumulated depreciation	(66)	(82)
Leased assets, net	132	128
Construction in progress	1,054	1,075
Total property, plant and equipment	28,952	28,383
Intangible assets	2,601	3,024
Investments and other assets		
Investment securities	32,950	27,901
Net defined benefit asset	50	43
Deferred tax assets	732	759
Other	3,083	18,065
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	36,803	46,757
Total non-current assets	68,357	78,165
Total assets	211,309	208,750

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,818	25,182
Accrued expenses	11,819	7,855
Income taxes payable	2,919	2,103
Provision for bonuses	2,191	1,340
Provision for directors' bonuses	67	49
Provision for product warranties	5,942	6,247
Other	6,025	6,094
Total current liabilities	57,784	48,873
Non-current liabilities		
Deferred tax liabilities	4,301	4,753
Net defined benefit liability	2,733	2,511
Provision for directors' retirement benefits	60	52
Other	2,207	2,092
Total non-current liabilities	9,302	9,410
Total liabilities	67,086	58,284
Net assets		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	73,835	82,582
Treasury shares	(713)	(1,409)
Total shareholders' equity	123,949	131,999
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,937	8,132
Deferred gains or losses on hedges	(3)	(1)
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	12,689	10,331
Remeasurements of defined benefit plans	(801)	(541)
Total accumulated other comprehensive income	18,511	16,610
Subscription rights to shares	32	54
Non-controlling interests	1,731	1,802
Total net assets	144,223	150,466
Total liabilities and net assets	211,309	208,750

(2) Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	First nine months ended December 31, 2014	First nine months ended December 31, 2015
Net sales	216,667	205,446
Cost of sales	178,770	173,943
Gross profit	37,896	31,503
Selling, general and administrative expenses	29,538	27,185
Operating income	8,357	4,317
Non-operating income		
Interest income	176	237
Dividend income	387	316
Foreign exchange gains	2,296	–
Share of profit of entities accounted for using equity method	555	395
Other	317	448
Total non-operating income	3,734	1,398
Non-operating expenses		
Interest expenses	10	355
Foreign exchange losses	–	291
Commission fee	49	49
Sales discounts	109	112
Other	145	59
Total non-operating expenses	314	868
Ordinary income	11,777	4,847
Extraordinary income		
Gain on sales of non-current assets	61	38
Gain on liquidation of investment securities	52	–
Gain on sales of shares of subsidiaries and associates	–	15,620
Other	12	10
Total extraordinary income	126	15,669
Extraordinary losses		
Loss on sales and retirement of non-current assets	47	39
Total extraordinary losses	47	39
Income before income taxes	11,856	20,477
Income taxes - current	3,443	7,389
Income taxes - deferred	(362)	1,737
Total income taxes	3,080	9,127
Profit	8,775	11,350
Profit attributable to		
Profit attributable to owners of parent	8,629	11,164
Profit attributable to non-controlling interests	146	185

(Millions of yen)

	First nine months ended December 31, 2014	First nine months ended December 31, 2015
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	162
Deferred gains or losses on hedges	(11)	1
Foreign currency translation adjustment	7,507	(784)
Remeasurements of defined benefit plans, net of tax	148	260
Share of other comprehensive income of entities accounted for using equity method	287	(1,604)
Total other comprehensive income	7,915	(1,964)
Comprehensive income	16,691	9,385
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,338	9,264
Comprehensive income attributable to non-controlling interests	352	121

(3) Notes to consolidated quarterly financial statements

(Notes on premise of going concern)

No items to report

(Notes on significant changes in the amount of shareholders' equity)

The Company purchased 274,900 treasury shares (¥699 million) in accordance with a resolution at a meeting of the Board of Directors on April 27, 2015. As a result, treasury shares increased by ¥696 million during the first nine months ended December 31, 2015, bringing the amount of treasury shares to ¥1,409 million as of December 31, 2015.

(Segment information)

Segment information

1) First nine months ended December 31, 2014

Information concerning sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated quarterly financial statements
	Audio Products segment	Information and Communication Products segment	Total		
Sales					
Sales to outside customers	48,354	168,312	216,667	–	216,667
Internal sales or transfer among segments	544	149	693	(693)	–
Total	48,898	168,461	217,360	(693)	216,667
Segment profit (operating income)	2,377	9,645	12,023	(3,665)	8,357

Note: The adjustment of negative ¥3,665 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.

2) First nine months ended December 31, 2015

Information concerning sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated quarterly financial statements
	Audio Products segment	Information and Communication Products segment	Total		
Sales					
Sales to outside customers	40,674	164,772	205,446	–	205,446
Internal sales or transfer among segments	586	156	742	(742)	–
Total	41,260	164,928	206,189	(742)	205,446
Segment profit (operating income)	2,202	5,766	7,968	(3,651)	4,317

Notes: 1. The adjustment of negative ¥3,651 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.

2. As described in "Changes in accounting estimates," actuarial differences in accounting for retirement benefit obligations were previously amortized over a period within the average remaining working lives for employees (16 years). However, because the average remaining service years for employees fell below the aforementioned years, the Company changed the amortization period from 16 years to 12 years from the first quarter ended June 30, 2015.

As a result of this change, compared with the figures based on the previous amortization period, segment profit (operating income) for the first nine months ended December 31, 2015 decreased; the Audio Products segment profit decreased by ¥41 million and the Information and Communication Products segment profit decreased by ¥163 million.