Translation

April 27, 2016

Consolidated Financial Results for the Fiscal Year Ended 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/
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Scheduled date of ordinary general meeting of shareholders: June 22, 2016
Scheduled date to commence dividend payments: June 23, 2016
Scheduled date to file Annual Securities Report: June 22, 2016
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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2016	273,056	(7.3)	5,434	(52.8)	6,170	(58.9)	10,698	(15.8)
March 31, 2015	294,560	3.0	11,523	17.4	15,000	27.5	12,704	37.7

(Note) Comprehensive income
For the fiscal year ended March 31, 2016: ¥2,722 million [(87.4)%]
For the fiscal year ended March 31, 2015: ¥21,641 million [24.4%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2016	155.14	155.07	7.5	3.0	2.0
March 31, 2015	183.42	183.38	9.5	7.5	3.9

(Reference) Equity in earnings (losses) of affiliates
For the fiscal year ended March 31, 2016: ¥1,256 million
For the fiscal year ended March 31, 2015: ¥675 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, 2016	205,182	143,805	69.2	2,059.72
March 31, 2015	211,309	144,223	67.4	2,058.51

(Reference) Equity
As of March 31, 2016: ¥141,983 million
As of March 31, 2015: ¥142,460 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, 2016	2,043	(3,425)	(3,224)	49,282
March 31, 2015	17,380	(7,529)	(2,330)	56,130

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, 2015	–	10.00	–	20.00	30.00	2,076	16.4	1.6
Fiscal year ended March 31, 2016	–	15.00	–	15.00	30.00	2,067	19.3	1.5
Fiscal year ending March 31, 2017 (Forecast)	–	15.00	–	15.00	30.00		137.9	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

(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
First six months ending September 30, 2016	131,400	(6.0)	1,200	(66.2)	1,200	(68.8)	400	(96.5)	5.80
Fiscal year ending March 31, 2017	262,000	(4.0)	4,500	(17.2)	4,500	(27.1)	1,500	(86.0)	21.76

* 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: Yes
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, 2016	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 March 31, 2016	850,808 shares
As of March 31, 2015	579,145shares

c. Average number of shares during the period

Fiscal year ended March 31, 2016	68,964,206 shares
Fiscal year ended March 31, 2015	69,262,264 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. For information regarding the assumptions on which earnings forecasts are based and points to note when using the earnings forecasts, please refer to "(1) Analysis of operating results" under " 1. Analysis of Operating Results and Financial Position" on page 1 of the accompanying materials.

(How to obtain supplementary material on earnings)
Supplemental materials on earnings will be posted on the Company's website on Wednesday, April 27, 2016.

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

In the Japanese economy during the fiscal year ended March 31, 2016, 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. Additionally, in the U.S., while the employment situation and personal consumption progressed firmly, normalization of monetary policy proceeded, and in Europe as well, although there was the burden of various risks including the refugee crisis and terrorism, signs of recovery began to be seen. Meanwhile, in China, Brazil and other emerging countries, there is concern over economic slowdown, and uncertainty in the outlook for the global economy further increased for the latter half of the fiscal year.

In the car electronics industry, the market grew owing to increased demand for infotainment systems centering on 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 rigging 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 fiscal year ended March 31, 2016, consolidated net sales decreased 7.3% compared with the previous fiscal year, to ¥273.0 billion. Operating income decreased 52.8% to ¥5.4 billion, and ordinary income decreased 58.9% to ¥6.1 billion. Profit attributable to owners of parent amounted to ¥10.6 billion, a decrease of 15.8% compared with 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 fiscal year ended March 31, 2016, 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."

(i) Segment information related to overall fiscal 2015 business performance by type of business

a. 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 communications equipment such as navigation systems and display products, the Company tried to expand sales of sound systems such as speakers and amplifiers that offer realistically reproduced high audio quality, and lightweight and slim-line speakers that obtained excellent evaluations due to aiding in reducing vehicle's fuel consumption and environmental footprint. However, sales to the OEM market, the primary driver of the Audio Products segment, declined, and the harsh business environment continued for the segment overall.

Accordingly, segment sales decreased 16.0% compared with the previous fiscal year, to ¥52.8 billion.

b. 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 worked hard to develop overseas business markets and explore new sales outlets. 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-model targets, the Company concentrated on sales of models designed for specific vehicle models that obtained excellent evaluations from EISA (European Imaging and Sound Association) in the European aftermarket. Despite these efforts, however, as sales performance did not keep pace with efforts, the harsh business environment continued.

In the OEM market, thanks to strong sales of new cars by European luxury automakers, sales of display products were robust. However, sales for OEM products overall declined due to the impact of model changeovers for some cars of business partner automakers in North America and China.

Accordingly, segment sales decreased 4.9% compared with the previous fiscal year, to ¥220.2 billion.

(ii) Overall fiscal 2016 business performance and segment forecasts

In the outlook for Japan's economy, during the next fiscal year, impacted by normalization of U.S. monetary policy and meanwhile with some signs of slowing growth in the U.S., which has been the driving force in the global economy, and including such things as yen appreciation and the fall in stock prices, there is a risk of a slump. In addition, there is concern about a further slowdown of economies in emerging countries including China, and the state of instability is increasing due to such things as worldwide deflation and low growth rates.

Against this backdrop, the Alpine Group regards the next fiscal year (fiscal year ending March 31, 2017) as a preparatory period for strengthening the business foundation in preparation for great strides in the fiscal year ending March 31, 2018 and thereafter, aiming at further improvements of R&D investment efficiency, meanwhile is making the following efforts in the business.

< 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 >

While striving to expand sales of large-screen navigation systems tailored to specific vehicle models rolled out in U.S. and Europe aftermarkets with the aim of fostering fresh demand, as for existing product, Alpine will focus on expanding sales for pick-up trucks and SUVs in the U.S., where strong vehicles sales continue. In addition, Alpine will aim at expansion of sales by rolling out large-screen navigation systems, the largest in the industry, in the domestic aftermarket.

Taking into account factors that can be assumed at the time of writing, our consolidated earnings forecasts for the fiscal year ending March 31, 2017 are as follows:

< Consolidated earnings forecasts >

Net sales	¥262.0 billion	(down 4.0% year on year)
Operating income	¥4.5 billion	(down 17.2% year on year)
Ordinary income	¥4.5 billion	(down 27.1% year on year)
Profit attributable to owners of parent	¥1.5 billion	(down 86.0% year on year)

* Prerequisite exchange rate assumptions for forward-looking statements: US$1 = ¥110 and €1 = ¥125

(2) Analysis of financial position

(i) Assets, liabilities and net assets

Total assets stood at ¥205.1 billion as of March 31, 2016, a decrease of ¥6.1 billion compared with the end of the previous fiscal year, due mainly to a ¥6.8 billion decrease in cash and deposits, a ¥5.4 billion decrease in notes and accounts receivable - trade, a ¥0.5 billion decrease in inventories, a ¥1.5 billion decrease in deferred tax assets (short-term), a ¥1.8 billion increase in other current assets, a ¥1.5 billion decrease in property, plant and equipment, a ¥7.6 billion decrease in investment securities and a ¥14.7 billion increase in investments in capital.

Total liabilities decreased ¥5.7 billion compared with the end of the previous fiscal year to ¥61.3 billion due mainly to a ¥1.7 billion decrease in notes and accounts payable - trade, a ¥3.2 billion decrease in accrued expenses, a ¥2.0 billion decrease in income taxes payable and a ¥0.8 billion increase in net defined benefit liability.

Net assets decreased ¥0.4 billion compared with the end of the previous fiscal year to ¥143.8 billion, due mainly to a ¥8.2 billion increase in retained earnings, a ¥0.7 billion decrease from purchase of treasury shares, a ¥6.7 billion decrease in foreign currency translation adjustment and a ¥1.0 billion decrease in remeasurements of defined benefit plans.

Consequently, equity ratio increased 1.8 percentage points from March 31, 2015, to 69.2%.

(ii) Cash flows

Cash and cash equivalents as of March 31, 2016 were ¥49.2 billion, a ¥6.8 billion decrease from the end of the previous fiscal year (a ¥9.4 billion increase in the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥2.0 billion (¥17.3 billion was provided in the previous fiscal year). Contributing factors were profit before income taxes amounting to ¥22.2 billion, depreciation totaling ¥7.2 billion, a ¥4.9 billion decrease in notes and accounts receivable - trade, despite gain on sales of shares of subsidiaries and associates amounting to ¥15.6 billion, a ¥3.0 billion decrease in accrued expenses, a ¥1.2 billion increase in inventories and income taxes paid of ¥10.4 billion.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥3.4 billion (¥7.5 billion was used in the previous fiscal year). Principal uses of cash were ¥6.6 billion for purchase of property, plant and equipment, ¥0.8 billion for purchase of intangible assets, ¥3.7 billion for payments of loans receivable and ¥14.0 billion for payments for investments in capital of subsidiaries and associates, while factors increasing cash were ¥20.5 billion for proceeds from sales of shares of subsidiaries and associates and ¥1.2 billion of collection of loans receivable.

(Cash flows from financing activities)

Net cash used in financing activities was ¥3.2 billion (¥2.3 billion was used in the previous fiscal year). Principal uses of cash were ¥0.7 billion of purchase of treasury shares and ¥2.4 billion of cash dividends paid.

Due to these factors, the free cash flows decreased by ¥1.3 billion (¥9.8 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, 2012	March 31, 2013	March 31, 2014	March 31, 2015	March 31, 2016
Equity ratio (%)	60.4	64.9	65.1	67.4	69.2
Market value equity ratio (%)	46.6	37.7	49.5	65.6	42.4
Interest-bearing debt to cash flow ratio (times)	0.6	0.1	0.0	0.0	0.1
Interest coverage ratio (times)	115.9	14.7	390.0	764.2	5.4

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, 2016 and fiscal year ending March 31, 2017

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 the three; 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 ¥15 per share, reflecting the performance trend and financial strength. As Alpine paid an interim dividend of ¥15 per share, the planned annual dividend is therefore ¥30 per share.
For the fiscal year ending March 31, 2017, 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.

2. 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 continue to 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 continue to coordinate its development, manufacturing, and sales capabilities to ensure sustainable growth and profitability in its companies.

(3) Mid-term business strategy

In the car electronics industry, 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 is becoming ever higher. More than ever, there is a growing call for products that meet high-value-added in-car infotainment that coordinates smartphones and cars, and meanwhile price competition is becoming increasingly fierce. In addition, due to sophistication of car electronics and frequent incidence of quality problems at automakers, demands for quality, price, and delivery dates at the global level have been even more stringent.

To address this situation, Alpine is now exerting group-wide efforts aiming at realizing its corporate vision VISION2020, which was formulated during the 2014 fiscal year, states what is to be achieved by 2020, and the Mid-Term Business Plan.

The Alpine Group 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 continues 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. Continue to 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, continue to promote development of smartphone-integrated products 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, carry out capital investment for production management reform aimed at boosting quality and the Group’s ability to compete on price.

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), and further reduce non-current expenses by scrap-and-build strategies, to create a strong corporate standing.
d. Continue to 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

In the car electronics industry, with the advances in creating information terminals in automobiles and in driver support and vehicle automation technologies, and the like, for infotainment systems the importance of collaboration with safety packages that utilize camera systems and sensors, etc. is increasing. Furthermore, new entrants in the field of automated driving from different industry sectors represented by the IT industry, as well as the evolution of advanced information processing such as big data or AI may have the possibility of completely changing not only the business model of the automobile industry, but also the mobility society and lifestyles of consumers as well.

Under these circumstances, Alpine Group will provide products and services to meet the needs of customers more closely, as well as strive to develop products with improved quality and functionalities. Alpine especially recognizes reinforcement of software development capabilities as a key issue for management, further cultivates development of leading-edge technologies by forming business alliances and investing equity in venture companies, and the like, and works to improve efficiency of R&D investment. In addition, Alpine is also taking steps to work more closely with its parent company, ALPS ELECTRIC CO., LTD., and focus on advanced consumer electronics technologies and fusion of devices that will serve as the core for ADAS (Advanced Driver Assistance System) and in-car equipment, and thus to provide total solutions for in-car information systems for automakers. Moreover, as concern over eco-cars including EV (Electric Vehicle) or HV (Hybrid Vehicle) increases, Alpine will enhance development of next-generation products to conform to demand for lightening and electricity saving in automobiles.

3. 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.

4. Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	56,150	49,282
Notes and accounts receivable - trade	42,238	36,742
Merchandise and finished goods	21,830	20,885
Work in process	857	1,003
Raw materials and supplies	7,970	8,236
Deferred tax assets	2,739	1,168
Other	11,447	13,323
Allowance for doubtful accounts	(280)	(260)
Total current assets	142,952	130,382
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,151	26,863
Accumulated depreciation	(17,819)	(18,106)
Buildings and structures, net	9,331	8,756
Machinery, equipment and vehicles	25,337	24,109
Accumulated depreciation	(18,339)	(17,833)
Machinery, equipment and vehicles, net	6,998	6,275
Tools, furniture, fixtures and dies	53,217	52,954
Accumulated depreciation	(46,824)	(46,793)
Tools, furniture, fixture and dies, net	6,393	6,160
Land	5,041	4,946
Leased assets	199	189
Accumulated depreciation	(66)	(71)
Leased assets, net	132	117
Construction in progress	1,054	1,150
Total property, plant and equipment	28,952	27,408
Intangible assets	2,601	2,668
Investments and other assets		
Investment securities	32,950	25,343
Investments in capital	1,485	16,246
Net defined benefit asset	50	14
Deferred tax assets	732	702
Other	1,597	2,423
Allowance for doubtful accounts	(12)	(6)
Total investments and other assets	36,803	44,724
Total non-current assets	68,357	74,800
Total assets	211,309	205,182

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,818	27,088
Accrued expenses	11,819	8,553
Income taxes payable	2,919	893
Provision for bonuses	2,191	2,027
Provision for directors' bonuses	67	42
Provision for product warranties	5,942	5,617
Other	6,025	6,737
Total current liabilities	57,784	50,961
Non-current liabilities		
Deferred tax liabilities	4,301	4,697
Net defined benefit liability	2,733	3,590
Provision for directors' retirement benefits	60	55
Other	2,207	2,073
Total non-current liabilities	9,302	10,416
Total liabilities	67,086	61,377
Net assets		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	73,835	82,115
Treasury shares	(713)	(1,407)
Total shareholders' equity	123,949	131,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,937	7,653
Deferred gains or losses on hedges	(3)	(5)
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	12,689	5,914
Remeasurements of defined benefit plans	(801)	(1,803)
Total accumulated other comprehensive income	18,511	10,449
Subscription rights to shares	32	54
Non-controlling interests	1,731	1,766
Total net assets	144,223	143,805
Total liabilities and net assets	211,309	205,182

(2) Consolidated statements of (comprehensive) income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	294,560	273,056
Cost of sales	242,923	231,107
Gross profit	51,636	41,949
Selling, general and administrative expenses	40,112	36,515
Operating income	11,523	5,434
Non-operating income		
Interest income	237	276
Dividend income	467	415
Share of profit of entities accounted for using equity method	675	1,256
Foreign exchange gains	1,931	–
Other	531	577
Total non-operating income	3,843	2,525
Non-operating expenses		
Interest expenses	22	379
Foreign exchange losses	–	842
Sales discounts	128	141
Commission fee	65	65
Overseas withholding tax	53	196
Other	97	165
Total non-operating expenses	367	1,789
Ordinary income	15,000	6,170
Extraordinary income		
Gain on sales of non-current assets	122	91
Gain on sales of shares of subsidiaries and associates	–	15,620
Gain on liquidation of investment securities	52	–
Compensation income	435	315
Subsidy income	650	–
Other	14	175
Total extraordinary income	1,275	16,203
Extraordinary losses		
Loss on sales and retirement of non-current assets	72	65
Loss on valuation of investment securities	–	73
Total extraordinary losses	72	138
Profit before income taxes	16,202	22,234
Income taxes - current	4,394	8,666
Income taxes - deferred	(1,089)	2,612
Total income taxes	3,304	11,278
Profit	12,898	10,955
Profit attributable to		
Profit attributable to owners of parent	12,704	10,698
Profit attributable to non-controlling interests	193	256

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Other comprehensive income		
Valuation difference on available-for-sale securities	1,347	(1,912)
Deferred gains or losses on hedges	(3)	(1)
Foreign currency translation adjustment	5,724	(4,233)
Remeasurements of defined benefit plans, net of tax	95	(1,002)
Share of other comprehensive income of entities accounted for using equity method	1,579	(1,082)
Total other comprehensive income	8,743	(8,233)
Comprehensive income	21,641	2,722
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,241	2,637
Comprehensive income attributable to non-controlling interests	400	85

(3) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	16,202	22,234
Depreciation	6,682	7,240
Increase (decrease) in net defined benefit liability	(53)	229
Increase (decrease) in provision for directors' retirement benefits	(293)	(4)
Increase (decrease) in accrued expenses	1,353	(3,009)
Interest and dividend income	(705)	(692)
Interest expenses	22	379
Share of (profit) loss of entities accounted for using equity method	(675)	(1,256)
Loss (gain) on sales of property, plant and equipment	(99)	(64)
Loss (gain) on sales of shares of subsidiaries and associates	–	(15,620)
Decrease (increase) in notes and accounts receivable - trade	1,449	4,956
Decrease (increase) in inventories	869	(1,281)
Increase (decrease) in notes and accounts payable - trade	(4,075)	(39)
Increase (decrease) in provision for product warranties	(469)	(46)
Other, net	(263)	(1,154)
Subtotal	19,946	11,870
Interest and dividend income received	1,062	919
Interest expenses paid	(22)	(379)
Income taxes paid	(3,768)	(10,428)
Income taxes refund	163	60
Net cash provided by (used in) operating activities	17,380	2,043
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,854)	(6,650)
Proceeds from sales of property, plant and equipment	273	203
Purchase of intangible assets	(911)	(843)
Payments of loans receivable	(1,729)	(3,728)
Proceeds from sales of shares of subsidiaries and associates	–	20,569
Payments for investments in capital	–	(14,005)
Collection of loans receivable	1,660	1,258
Other, net	31	(228)
Net cash provided by (used in) investing activities	(7,529)	(3,425)
Cash flows from financing activities		
Purchase of treasury shares	(700)	(700)
Cash dividends paid	(1,738)	(2,417)
Proceeds from share issuance to non-controlling shareholders	204	–
Dividends paid to non-controlling interests	(34)	(50)
Other, net	(61)	(56)
Net cash provided by (used in) financing activities	(2,330)	(3,224)
Effect of exchange rate change on cash and cash equivalents	1,930	(2,367)
Net increase (decrease) in cash and cash equivalents	9,450	(6,973)
Cash and cash equivalents at beginning of period	46,680	56,130
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	125
Cash and cash equivalents at end of period	56,130	49,282

(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)

1. Scope of consolidation

There are 34 consolidated subsidiaries.

In the fiscal year under review, ALPINE SALES OF MEXICO, S.A. DE C.V. was included in the scope of consolidation because it was newly established.

2. Application of the equity method

There are three associates accounted for using the equity method.

In the fiscal year under review, two companies were included in the scope of application of the equity method because the Company newly invested in Dalian Neusoft Holdings Co., Ltd. and Neusoft Reach Automotive Technology (Shanghai) Co., Ltd. was newly established.

The closing date of the three associates accounted for using the equity method that are newly included in the scope of the equity method, including above two associates, is December 31. In preparing the consolidated financial statements, the financial statements as of said closing date are used, and necessary adjustments are made in the consolidated financial statements for significant transactions that occur between these fiscal year-ends and the consolidated closing date.

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 18, 2015).

(Change in accounting policy)

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

Effective from the fiscal year ended March 31, 2016, 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 consolidated financial statements for 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 fiscal year under review.

These changes in accounting policies have no impact on the consolidated financial statements.

(Changes in presentations)

1. (Consolidated balance sheets)

“Investments in capital,” which was included in “other” under “investments and other assets” 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, ¥3,083 million presented as “other” under “investments and other assets” in the consolidated balance sheets of the previous fiscal year has been reclassified into ¥1,485 million of “investments in capital” and ¥1,597 million of “other.”

2. (Consolidated statements of cash flows)

“Increase (decrease) in accrued expenses,” which was included in “other, net” under “cash flows from operating 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, ¥1,090 million presented as “other, net” under “cash flows from operating activities” in the consolidated statements of cash flows of the previous fiscal year has been reclassified into ¥1,353 million of “increase (decrease) in accrued expenses” and negative ¥263 million of “other, net.”

(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 fiscal year under review.

As a result of this change, compared with the figures based on the previous amortization period, operating income, ordinary income and profit before income taxes for the fiscal year under review, each decreased by ¥273 million.

(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

The accounting methods for the reportable segments are generally the same as the methods described in “Significant matters forming the basis of preparing consolidated financial statements.”

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, 2016

(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	52,824	220,232	273,056	–	273,056
Internal sales or transfer among segments	778	202	981	(981)	–
Total	53,603	220,435	274,038	(981)	273,056
Segment profit (operating income)	1,462	8,170	9,632	(4,198)	5,434
Segment assets	29,437	153,891	183,328	21,854	205,182
Other items					
Depreciation and amortization	1,781	5,438	7,219	21	7,240
Increase in property, plant and equipment and intangible assets	1,647	5,841	7,489	4	7,494

Notes: 1. The adjustment of negative ¥4,198 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. The adjustment of ¥21,854 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.

3. The adjustment of ¥25 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.

4. 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 working lives for employees fell below the aforementioned years, the Company changed the amortization period from 16 years to 12 years from the fiscal year under review.
As a result of this change, compared with the figures based on the previous amortization period, segment profit (operating income) decreased; the Audio Products segment profit decreased by ¥55 million and the Information and Communication Products segment profit decreased by ¥218 million.