

Background to and Results of the Examination of the Financial Forecasts



February 27, 2018

Alpine Electronics, Inc.

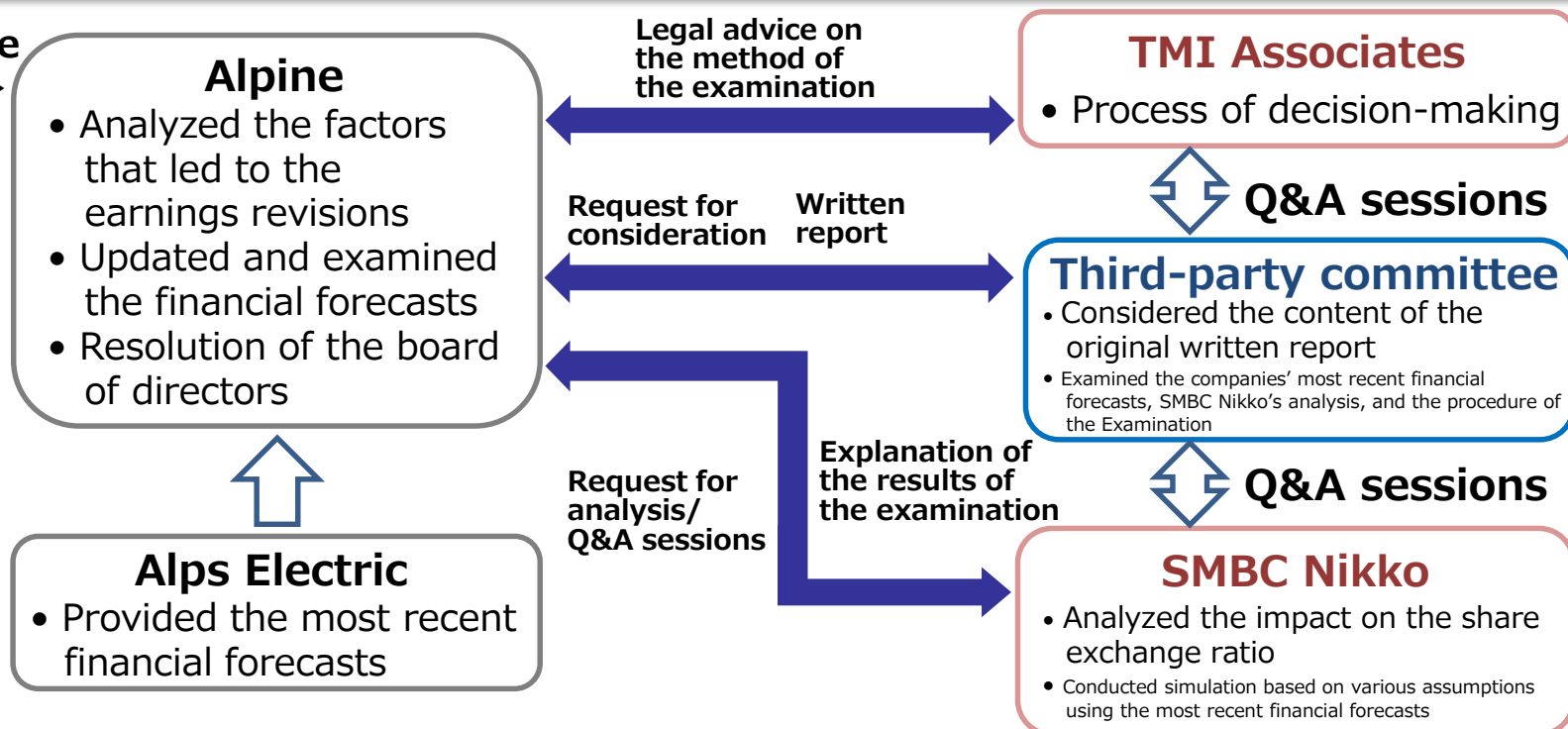
Results of the Examination of the Financial Forecasts

- Conducted an examination based on the most recent financial forecasts of both Alpine and Alps Electric, taking into account the revisions to the full-year consolidated earnings forecasts for fiscal year ending March 31, 2018

<Results of the examination> The Company resolved at its board of directors meeting held today as follows upon the results of the examination.

- The Company judges that the impact of the upward revisions to earnings forecasts on the financial forecasts is not as material as to make it necessary to revise the share exchange ratio, which reflects the comparative assessment of the share value of Alps Electric.
- Therefore, **the Company will not request Alps Electric to revise the share exchange ratio.**

<Process of the Examination>



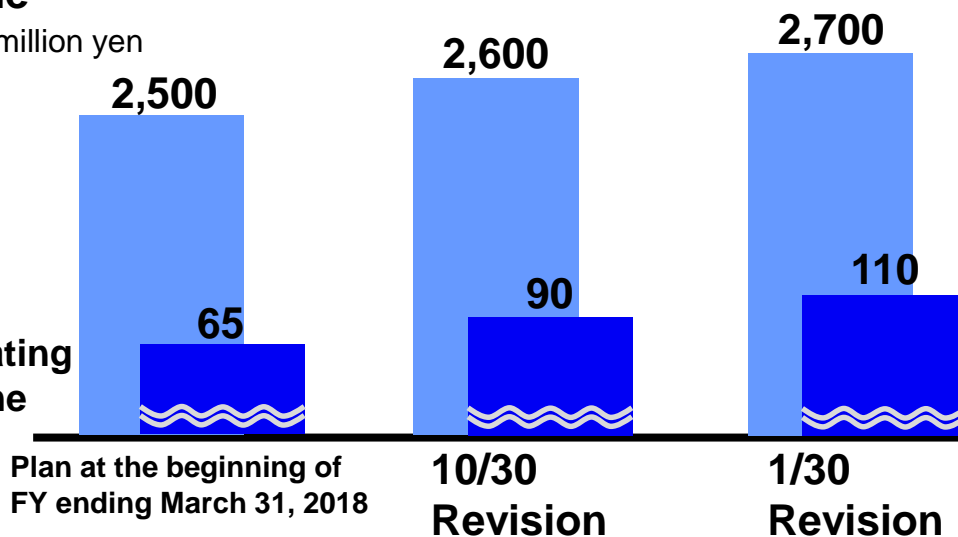
Background to the Revisions to Earnings Forecasts for Fiscal Year ending March 31, 2018

Alpine

In 100 million yen

Net sales

Operating income



① 10/30 Revision

■ **YoY** Net sales +¥5.3bln, Operating income +¥2.4bln (aggregate for six months)

■ **Brand Business (After)** Net sales +1.4, Exchange difference +0.5; due to increase in domestic sales

■ OEM Business

Net sales +5.9, Exchange difference +3.2; due to increase in sales in China for products targeting European cars

② 1/30 Revision

■ **YoY** Net sales +¥16.1bln, Operating income +¥4.6bln (aggregate for nine months)

■ **Brand Business (Aftermarket)** Net sales +1.4, Exchange difference +0.5; due to a launch of new products

■ OEM Business

Net sales +12.6, Exchange difference +6; due to increase in sales in China for products targeting European cars

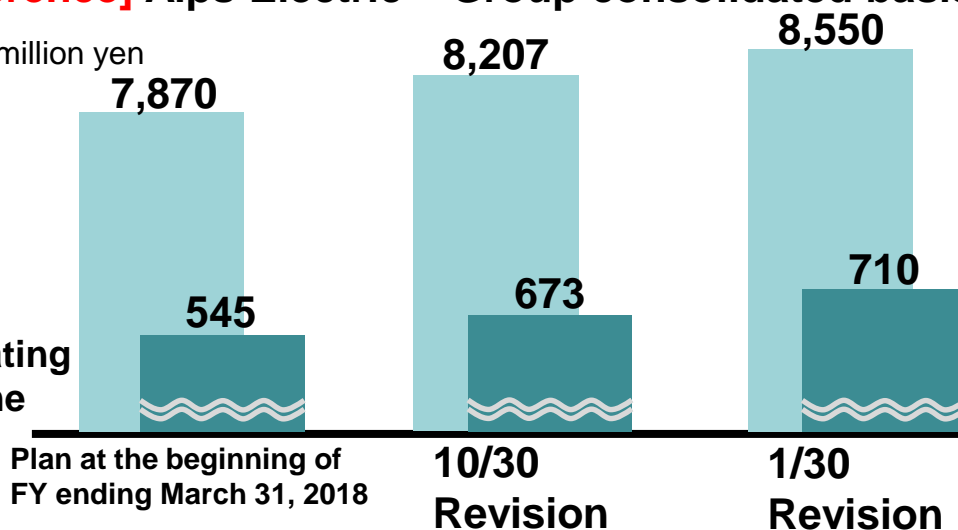
FX sensitivity USD per ¥1 impact: 140 mil/year
EUR per ¥1 impact: 80 mil/year

[Reference] Alps Electric – Group consolidated basis

In 100 million yen

Net sales

Operating income



① 10/30 Revision

■ **YoY** Net sales +¥56.1bln, Operating income +¥16.5bln (aggregate for the six months)

■ **Automotive market:** Switches, sensors, instrument panels, keyless entry systems

■ **Consumer market:** Camera actuators for smartphones, HAPTIC™ for gaming consoles

② 1/30 Revision

■ **YoY** Net sales +¥92.3bln, Operating income +¥26.6bln (aggregate for the nine months)

■ Automotive & Consumer markets

Increases similar to those observed in the six-month period