

Results Briefing FY2015 3Q

Wednesday, January 27, 2016

ALPS ELECTRIC CO., LTD.

■ FY2015 3Q Consolidated Financial Results	P. 3 - 9
--	----------

■ FY2015 Consolidated Financial Results Forecast	P. 10 - 14
--	------------

■ Dividend Forecast	P. 15
---------------------	-------

FY2015 3Q Consolidated Financial Results

1. Summary of Financial Results

[Consolidated]

[Unit: ¥ billion]

	FY2014		FY2015								Difference		Difference	
	3Q(Cumulative)		1Q Results		2Q Results		3Q Results		3Q Results (Cumulative)		vs. FY2014 3Q(Cumulative)		vs. FY2015 2Q	
		%		%		%		%		%		%		%
Net Sales	553.3	100.0%	194.2	100.0%	201.0	100.0%	191.5	100.0%	586.8	100.0%	33.5	6.1%	-9.5	-4.7%
Electronic Components	287.9	52.0%	104.7	53.9%	118.2	58.8%	108.9	56.9%	332.0	56.6%	44.0	15.3%	-9.3	-7.9%
Automotive market	140.0	25.3%	56.2	29.0%	61.1	30.4%	63.0	32.9%	180.4	30.8%	40.4	28.9%	1.9	3.1%
Consumer market	147.9	26.7%	48.4	24.9%	57.1	28.4%	45.9	24.0%	151.5	25.8%	3.5	2.4%	-11.2	-19.6%
Automotive Infotainment	213.1	38.5%	72.1	37.1%	64.9	32.3%	64.2	33.6%	201.3	34.3%	-11.8	-5.6%	-0.6	-1.0%
Logistics	42.5	7.7%	14.6	7.6%	14.9	7.5%	15.4	8.1%	45.1	7.7%	2.6	6.2%	0.4	3.3%
Others	9.6	1.8%	2.6	1.4%	2.8	1.4%	2.8	1.4%	8.3	1.4%	-1.3	-13.6%	-0.0	-1.7%
Operating Income	40.7	7.4%	13.4	6.9%	18.6	9.3%	12.7	6.6%	44.7	7.6%	4.0	10.0%	-5.8	-31.7%
Electronic Components	28.1	9.8%	10.1	9.7%	15.6	13.2%	10.1	9.3%	35.9	10.8%	7.7	27.4%	-5.5	-35.2%
Automotive Infotainment	8.3	3.9%	1.8	2.6%	1.6	2.6%	0.7	1.2%	4.3	2.1%	-4.0	-48.4%	-0.8	-53.9%
Logistics	3.4	8.1%	1.1	8.0%	1.0	6.7%	1.4	9.5%	3.6	8.1%	0.1	5.8%	0.4	46.6%
Others	0.7	7.4%	0.2	8.5%	0.2	10.3%	0.3	11.4%	0.8	10.1%	0.1	18.0%	0.0	8.3%
Eliminations	-0.0	-	0.0	-	-0.0	-	0.0	-	0.0	-	0.0	-	0.0	-
Ordinary Income	44.4	8.0%	13.4	6.9%	17.5	8.7%	13.0	6.8%	43.9	7.5%	-0.4	-1.1%	-4.5	-25.7%
Profit Attributable to Owners of Parent	28.5	5.2%	8.6	4.4%	20.5	10.2%	8.0	4.2%	37.2	6.3%	8.7	30.6%	-12.4	-60.7%
USD/JPY	106.87		121.36		122.23		121.50		121.70		14.83		-0.73	
EUR/JPY	140.30		134.16		135.98		132.95		134.36		-5.94		-3.03	

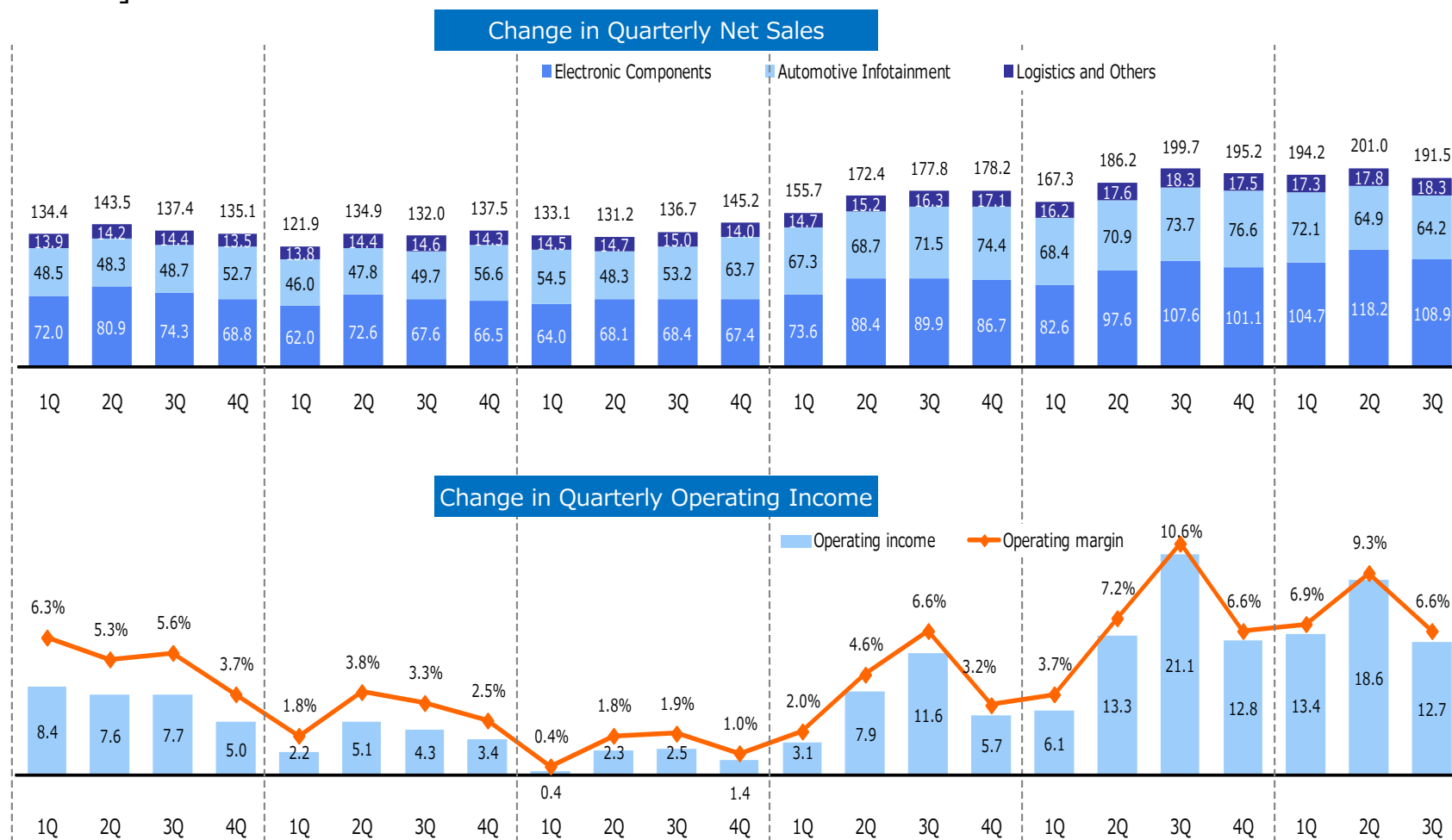
NB: Here and subsequently amounts have been rounded down to the nearest ¥100 million.

NB: Breakdown of sales shows composition, breakdown of operating income shows operating margin.

2. Net Sales and Operating Income: Quarterly Change

[Consolidated]

[Unit: ¥ billion]



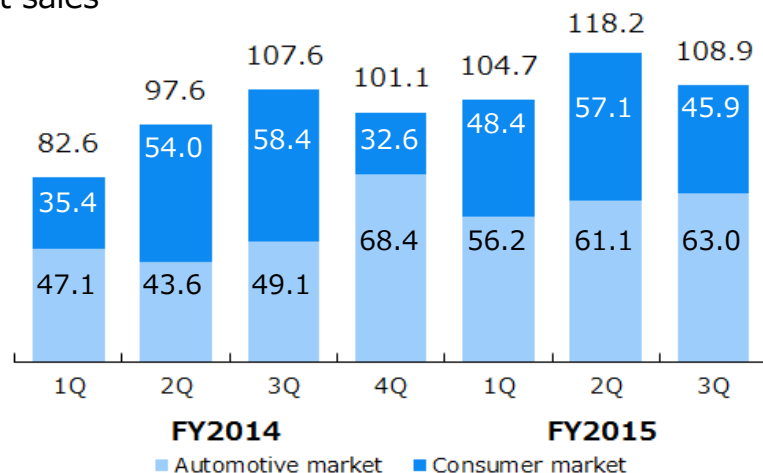
	FY2010				FY2011				FY2012				FY2013				FY2014				FY2015		
USD/JPY	92.01	85.90	82.64	82.34	81.74	77.89	77.41	79.28	80.20	78.62	81.17	92.42	98.76	98.95	100.46	102.78	102.16	103.92	114.54	119.09	121.36	122.23	121.50
EUR/JPY	116.99	110.70	112.23	112.57	117.40	110.19	104.33	103.99	102.91	98.36	105.25	122.04	128.95	131.05	136.69	140.79	140.07	137.76	143.07	134.18	134.16	135.98	132.95

3. Change in Breakdown of Sales by Business Segment

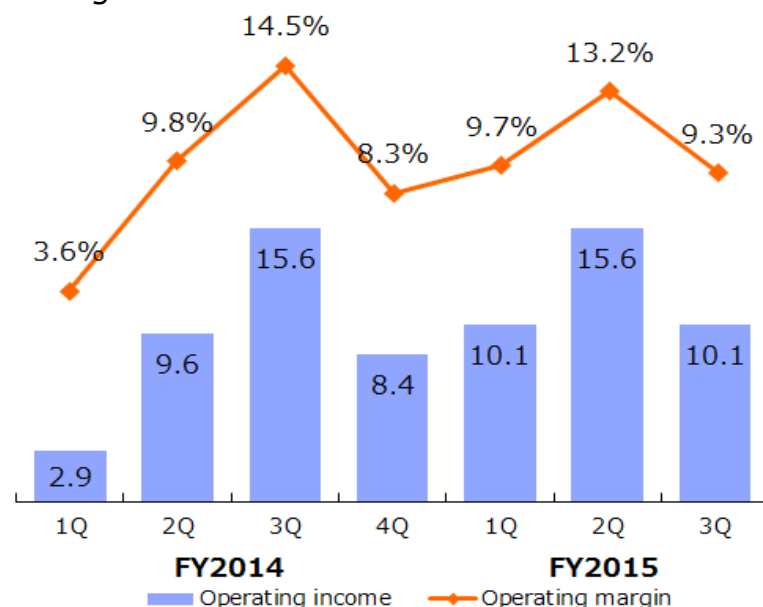
1. Electronic Components Segment

[Unit: ¥ billion]

■ Net sales



■ Operating income



Net sales (3Q accumulated)
¥332.0 billion (up 15.3% year on year)

Automotive market: ¥180.4 billion (up 28.9%)

- Sales of electronic shifters, head-up displays, and commanders expanded.
- Sales of door modules and instrument panels increased.
- Sales of automotive sensors and communication modules increased.

Consumer market: ¥151.5 billion (up 2.4%)

- Sales of camera actuators for smartphones (AF and image stabilization) for leading manufacturers increased with automated production and high-quality. Sales also expanded for Chinese manufacturers, more than smartphone expansion rates in the market.
- Sales of curved touch panel sensors, switches, and geomagnetic sensors increased.

Operating income (3Q accumulated)
¥35.9 billion (up 27.4% year on year)

Operating margin: 10.8%

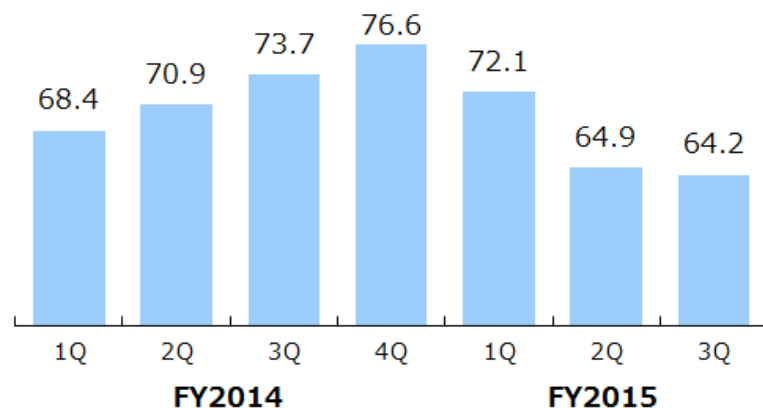
- Sales of in-car devices increased.
- Sales of camera actuators for smartphones, curved touch panel sensors, geomagnetic sensors, and switches increased.

3. Change in Breakdown of Sales by Business Segment

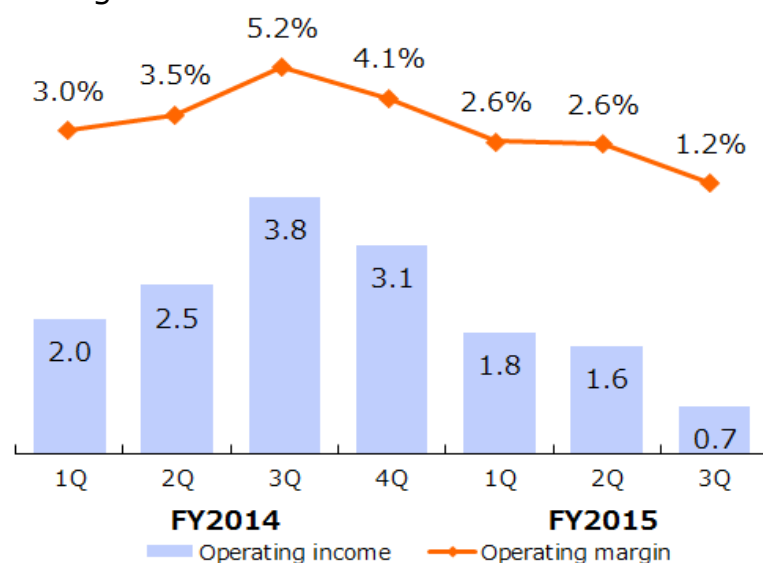
2. Automotive Infotainment Segment (Alpine Electronics, Inc.)

[Unit: ¥ billion]

■ Net sales



■ Operating income



Net sales (3Q accumulated)
¥201.3 billion (down 5.6% year on year)

Commercial products

- Sales of model-specific navigation system and rear vision were favorable in Japan.
- Sales of sound systems such as speakers and amplifiers increased in North America.
- Sales of commercial products declined overall in Europe and Asia.

Genuine products for automakers

- In audio equipment, sales of sound systems increased owing to strong sales of new cars in North America. However, sales declined in Europe and Asia.
- In navigation and display systems, although sales increased for composite parts in Japan and Europe, it was not possible to absorb the downturn in Asia, thus sales decreased overall.

Operating income (3Q accumulated)
¥4.3 billion (down 48.4% year on year)

Operating margin: 2.1%

- Effect from decline in sales
- Decline resulting from changes in the product model mix

4. Amount of Effect from Exchange Rates

[Unit: ¥ billion/month/per ¥1]

		USD	EUR
Consolidated	Net sales	0.31	0.04
	Operating income	0.09	0.01
Electronic components segment	Net sales	0.22	0.02
	Operating income	0.08	0.01

NB: The above amounts for the USD effect include other currencies linked to the USD (eg.: HKD, CNY).

5. Summary of Balance Sheet

[Consolidated]

[Unit: ¥ billion]

	FY2014		FY2015 3Q		Change
		%		%	
Assets					
I. Current Assets	372.7	65.3%	374.2	64.0%	1.4
Cash and time deposits	134.7	23.6%	126.8	21.7%	-7.8
Notes and accounts receivable - trade	127.5	22.4%	121.8	20.8%	-5.7
Inventories	85.3	15.0%	99.3	17.0%	14.0
II. Non-current Assets	197.7	34.7%	210.8	36.0%	13.1
Property, plant and equipment	140.9	24.7%	142.6	24.4%	1.6
Intangible assets	13.0	2.3%	14.2	2.4%	1.1
Investment and other assets	43.7	7.7%	53.9	9.2%	10.2
Total Assets	570.4	100.0%	585.1	100.0%	14.6
Liabilities					
I. Current Liabilities	212.6	37.3%	188.5	32.2%	-24.1
Notes and accounts payable - trade	66.2	11.6%	69.0	11.8%	2.7
Short-term loans payable	71.1	12.5%	44.1	7.6%	-26.9
II. Non-current Liabilities	74.0	13.0%	55.3	9.5%	-18.7
Bonds with stock acquisition rights	30.2	5.3%	5.4	0.9%	-24.7
Long-term debt	14.8	2.6%	22.1	3.8%	7.3
Total Liabilities	286.7	50.3%	243.8	41.7%	-42.9
Net Assets					
Total Net Assets	283.7	49.7%	341.2	58.3%	57.5
Total Liabilities and Net Assets	570.4	100.0%	585.1	100.0%	14.6

Inventories

¥99.3 billion

(up ¥14.0 billion from previous year-end)

Electronic components segment: up ¥10.6 billion
(includes -¥0.8 billion in exchange rate effect)
Increase in inventories due to increased sales

Automotive infotainment segment: up ¥2.6 billion
(includes -¥0.2 billion in exchange rate effect)
Inventory accumulation as a countermeasure for increase
in sales to European automakers

Non-current assets

¥210.8 billion

(up ¥13.1 billion from previous year-end)

Interest-bearing debt

¥71.8 billion

(down ¥44.3 billion from previous year-end)

Electronic components segment

- Long-term debt: down ¥20.4 billion
- Conversion of bonds with stock acquisition rights: down ¥24.7 billion

Net assets

¥341.2 billion

(up ¥57.5 billion from previous year-end)

Electronic components segment

- Conversion of bonds with stock acquisition rights: up ¥24.7 billion

Consolidated retained earnings: up ¥33.5 billion

FY2015 Consolidated Financial Results Forecast

1. FY2015 Financial Results Forecast

[Consolidated]

[Unit: ¥ billion]

		FY2014 Results		FY2015										Difference vs. FY 2014		Difference vs. FY 2015 1H (A-B)	
				1H Results (B)		3Q Results		4Q Forecast		2H Forecast (A)		FY2015 Forecast					
			%		%		%		%		%		%		%		%
Net Sales		748.6	100.0%	395.3	100.0%	191.5	100.0%	188.1	100.0%	379.6	100.0%	775.0	100.0%	26.3	3.5%	-15.6	-4.0%
	Electronic Components	389.1	52.0%	223.0	56.4%	108.9	56.9%	102.9	54.7%	211.9	55.8%	435.0	56.1%	45.8	11.8%	-11.1	-5.0%
	Automotive market	208.4	27.9%	117.4	29.7%	63.0	32.9%	63.4	33.7%	126.4	33.3%	243.9	31.4%	35.4	17.0%	9.0	7.7%
	Consumer market	180.6	24.1%	105.6	26.7%	45.9	24.0%	39.5	21.0%	85.4	22.5%	191.1	24.7%	10.4	5.8%	-20.2	-19.1%
	Automotive Infotainment	289.7	38.7%	137.0	34.7%	64.2	33.6%	68.6	36.5%	132.9	35.0%	270.0	34.8%	-19.7	-6.8%	-4.0	-3.0%
	Logistics	57.0	7.6%	29.6	7.5%	15.4	8.1%	14.8	7.9%	30.3	8.0%	60.0	7.7%	2.9	5.1%	0.6	2.1%
	Others	12.6	1.7%	5.5	1.4%	2.8	1.4%	1.6	0.9%	4.4	1.2%	10.0	1.4%	-2.6	-20.9%	-1.0	-19.3%
Operating Income		53.5	7.2%	32.0	8.1%	12.7	6.6%	7.7	4.1%	20.4	5.4%	52.5	6.8%	-1.0	-1.9%	-11.5	-36.2%
	Electronic Components	36.5	9.4%	25.7	11.6%	10.1	9.3%	7.0	6.9%	17.2	8.1%	43.0	9.9%	6.4	17.5%	-8.5	-33.2%
	Automotive Infotainment	11.5	4.0%	3.5	2.6%	0.7	1.2%	0.1	0.3%	0.9	0.7%	4.5	1.7%	-7.0	-61.0%	-2.6	-73.5%
	Logistics	4.4	7.8%	2.1	7.4%	1.4	9.5%	1.1	7.7%	2.6	8.6%	4.8	8.0%	0.3	7.7%	0.4	19.7%
	Others	0.8	7.1%	0.5	9.4%	0.3	11.4%	-0.4	-27.0%	-0.1	-2.7%	0.4	4.0%	-0.4	-55.5%	-0.6	-123.5%
	Eliminations	0.0	-	0.0	-	0.0	-	-0.2	-	-0.2	-	-0.2	-	-0.2	-	-0.2	-
Ordinary Income		57.5	7.7%	30.9	7.8%	13.0	6.8%	7.5	4.0%	20.5	5.4%	51.5	6.6%	-6.0	-10.6%	-10.3	-33.6%
Profit Attributable to Owners of Parent		34.7	4.6%	29.1	7.4%	8.0	4.2%	2.7	1.5%	10.8	2.9%	40.0	5.2%	5.2	15.1%	-18.3	-62.8%

USD/JPY	109.93	121.80	121.50	117.00	119.25	120.53
EUR/JPY	138.77	135.07	132.95	127.00	129.98	132.52
Capital Expenditure	31.4	19.7	8.3	26.9	35.2	55.0
Depreciation Expenses	28.0	15.4	7.3	7.9	15.3	30.7
R&D Expenses	33.0	17.1	8.0	9.1	17.1	34.2

NB: Here and subsequently amounts have been rounded down to the nearest ¥100 million.

NB: Breakdown of sales shows composition, breakdown of operating income shows operating margin.

1. FY2015 Financial Results Forecast

[Consolidated]

[Unit: ¥ billion]

Revisions to FY2015 financial results forecast

		FY2015				Difference (B-A)	
		Forecast (Oct. 29, 2015) (B)		Forecast (Jan. 27, 2016) (A)			
			%		%		
Net Sales		778.0	100.0%	775.0	100.0%	-3.0	-0.4%
	Electronic Components	433.0	55.7%	435.0	56.1%	2.0	0.5%
	Automotive market	236.0	30.4%	243.9	31.4%	7.9	3.3%
	Consumer market	197.0	25.3%	191.1	24.7%	-5.9	-3.0%
	Automotive Infotainment	275.0	35.3%	270.0	34.8%	-5.0	-1.8%
	Logistics	60.0	7.7%	60.0	7.7%	-	-
	Others	10.0	1.3%	10.0	1.4%	-	-
Operating Income		60.5	7.8%	52.5	6.8%	-8.0	-13.2%
	Electronic Components	48.5	11.2%	43.0	9.9%	-5.5	-11.3%
	Automotive Infotainment	7.0	2.5%	4.5	1.7%	-2.5	-35.7%
	Logistics	4.8	8.0%	4.8	8.0%	-	-
	Others	0.4	4.0%	0.4	4.0%	-	-
	Eliminations	-0.2	-	-0.2	-	-	-
	Ordinary Income		59.5	7.6%	51.5	6.6%	-8.0
Profit Attributable to Owners of Parent		49.5	6.4%	40.0	5.2%	-9.5	-19.2%

NB: Here and subsequently amounts have been rounded down to the nearest ¥100 million.

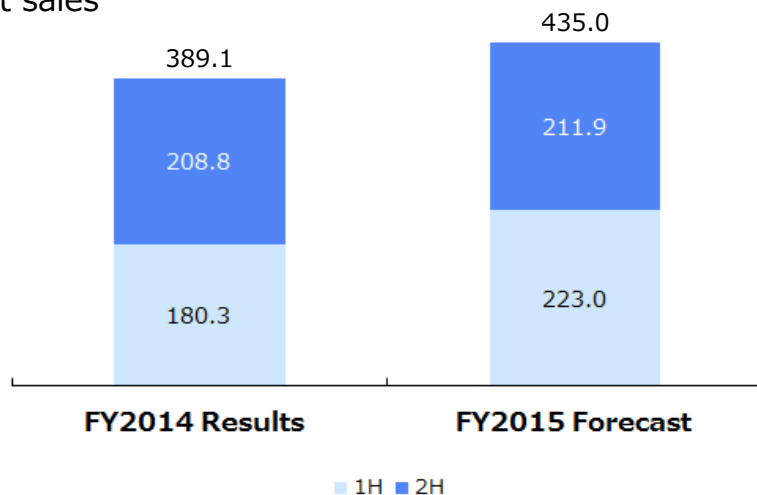
NB: Breakdown of sales shows composition, breakdown of operating income shows operating margin.

2. Net Sales and Operating Income Forecasts by Business

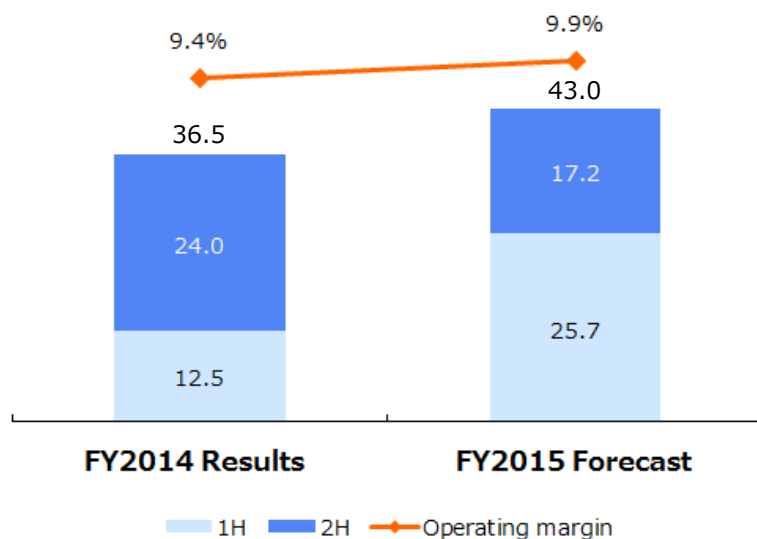
1. Electronic Components Segment

[Unit: ¥ billion]

■ Net sales



■ Operating income



Net sales

¥435.0 billion (up 11.8% year on year)
(1H result: ¥223.0 billion;
2H forecast: ¥211.9 billion)

Automotive market: ¥243.9 billion (up 17.0%)

- Among Japanese, North American, and European manufacturers, an expanded range of models will be equipped with in-car modules such as electronic shifters and door modules, and sales are expected to increase for devices such as switches and sensors and communication modules such as V2X.

Consumer market: ¥191.1 billion (up 5.8%)

- Sales of products such as camera actuators for smartphones, curved touch panel sensors, switches, and geomagnetic sensors are expected to grow.

Operating income

¥43.0 billion (up 17.5% year on year)
(1H result: ¥25.7 billion;
2H forecast: ¥17.2 billion)

Operating margin: 9.9%

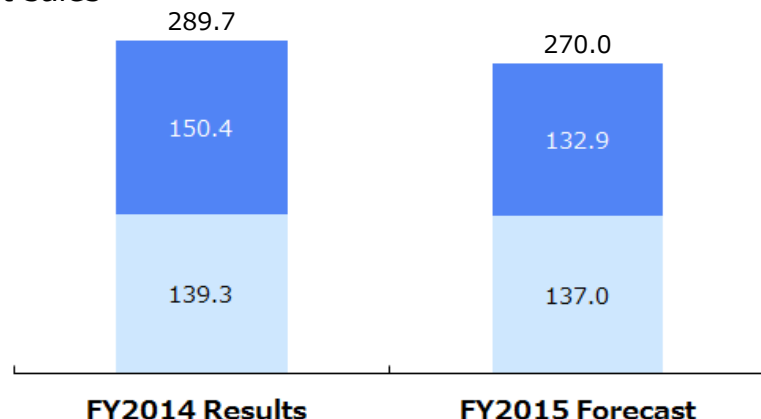
- Sales of in-car modules and devices are expected to grow.
- Sales of products such as camera actuators for smartphones, curved touch panel sensors, and geomagnetic sensors are expected to grow.

2. Net Sales and Operating Income Forecasts by Business

2. Automotive Infotainment Segment (Alpine Electronics, Inc.)

[Unit: ¥ billion]

■ Net sales

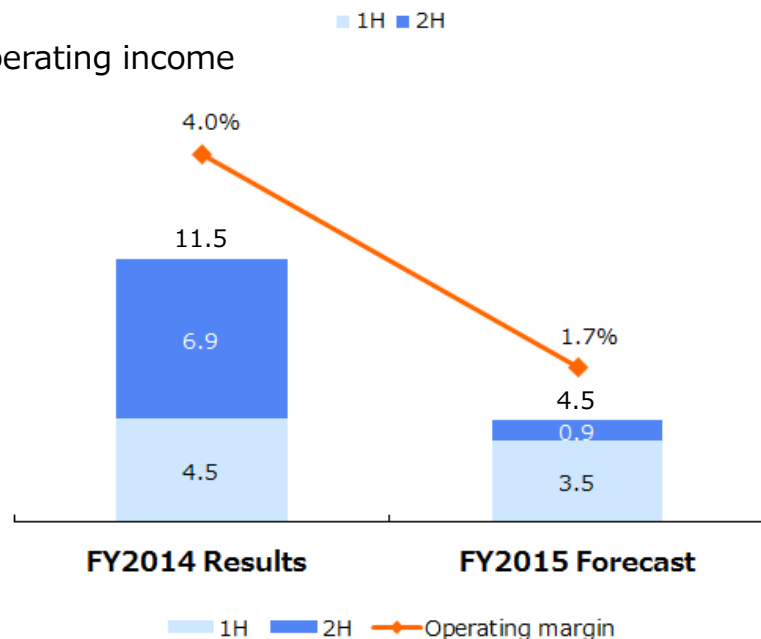


Net sales

¥270.0 billion (down 6.8% year on year)
(1H result: ¥137.0 billion;
2H forecast: ¥132.9 billion)

- Sales of genuine products for automakers and for commercial products in Europe and North America are expected to be weaker than initially forecast.

■ Operating income



Operating income

¥4.5 billion (down 61.0% year on year)
(1H result: ¥3.5 billion;
2H forecast: ¥0.9 billion)

Operating margin: 1.7%

- Effect from decline in sales
- Decline resulting from changes in the product model mix

Revision to Year-end Dividend Forecast **(Year-end Dividends to increase by ¥5.00 per share)**

FY2015

Interim Dividends (November 30, 2015)
¥10.00 per share

Year-end Dividends (scheduled in late June 2016)
¥15.00 per share

The above is planned to be on the agenda for the Ordinary General Meeting of Shareholders scheduled for June 2016.

The business results forecasts and future predictions included in these materials are based on the judgment of the Company at the time of preparation of the materials, and are inherently subject to risks and uncertainties. As a result, actual business results and outcomes may differ significantly due to a variety of factors.

Consolidated Financial Results FY2015 3Q (April 2015 – December 2015)

Basic Data

January 2016

Alps Electric Co., Ltd.

1. Outline

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Net Sales	1,673	1,862	1,997	1,952	7,486	1,942	2,010	1,915	1,881	7,750
Domestic	316	362	360	343	1,383	336	364	361	-	-
Overseas	1,356	1,499	1,637	1,609	6,103	1,605	1,646	1,554	-	-
Operating Income	61	133	211	128	535	134	186	127	77	525
Ordinary Income	58	151	235	131	575	134	175	130	75	515
Profit attributable to owners of parent	18	111	155	62	347	86	205	80	27	400

2. Net Sales (by segments)

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Electronic Components	826	976	1,076	1,011	3,891	1,047	1,182	1,089	1,029	4,350
Automotive market	471	436	491	684	2,084	562	611	630	634	2,439
Consumer market	354	540	584	326	1,806	484	571	459	395	1,911
Automotive Infotainment	684	709	737	766	2,897	721	649	642	686	2,700
Logistics	135	140	148	145	570	146	149	154	148	600
Others	26	35	34	29	126	26	28	28	16	100
Total	1,673	1,862	1,997	1,952	7,486	1,942	2,010	1,915	1,881	7,750

3. Operating Income

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Electronic Components	29	96	156	84	365	101	156	101	70	430
Automotive Infotainment	20	25	38	31	115	18	16	7	1	45
Logistics	9	10	14	9	44	11	10	14	11	48
Others	1	2	3	1	8	2	2	3	-4	4
Eliminations	0	-0	-0	0	0	0	-0	0	-2	-2
Total	61	133	211	128	535	134	186	127	77	525

4. Capital Expenditures

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Electronic Components	63	86	33	38	222	65	63	54	240	423
Automotive Infotainment	21	13	18	21	74	18	23	17	21	81
Logistics	3	3	4	6	16	11	13	10	5	40
Others	0	0	1	0	3	1	1	1	0	4
Eliminations	-1	-0	-2	-0	-3	-0	-0	-0	0	-0
Total	87	103	55	67	314	96	101	83	269	550

(Ref.) Estimate booked on the basis of order forecast including lease.

5. Depreciation Expenses

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Electronic Components	40	45	49	52	188	53	53	49	54	210
Automotive Infotainment	14	15	19	17	66	18	18	18	17	71
Logistics	4	4	4	5	19	4	4	5	6	20
Others	1	1	0	1	5	1	1	1	1	4
Eliminations	0	0	-0	-0	0	0	0	-0	0	0
Total	61	67	75	76	280	76	77	73	79	307

6. R & D Expenses

(Unit : 100 million Yen)

	FY2014					FY2015				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total (Est)
Electronic Components	37	37	35	38	149	38	34	32	38	144
Automotive Infotainment	41	42	47	50	181	49	48	47	52	198
Logistics	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	0	0	0	-	0
Total	78	79	83	88	330	88	83	80	91	342

7. Inventories

(Unit : 100 million Yen)

	2014/6	2014/9	2014/12	2015/3		2015/6	2015/9	2015/12
Electronic Components	451	500	586	532		602	606	639
Automotive Infotainment	304	317	366	306		331	353	333
Logistics	11	12	12	13		13	15	14
Others	1	3	0	0		0	3	6
Eliminations	-0	-0	-0	-0		-0	-0	-0
Total	769	832	964	853		948	978	993

8. Employees

(Unit : Person)

	2014/6	2014/9	2014/12	2015/3		2015/6	2015/9	2015/12
Electronic Components	19,557	20,253	20,218	20,249		20,228	20,350	20,437
Automotive Infotainment	11,604	11,499	11,405	11,343		11,368	11,872	11,920
Logistics	4,930	5,001	5,043	5,134		5,138	5,199	5,234
Others	825	837	846	838		874	944	946
Total	36,916	37,590	37,512	37,564		37,608	38,365	38,537
(Non Consolidated)	5,466	5,417	5,409	5,323		5,435	5,380	5,382

(Ref.) The number of employees represents the number of persons in employment.
(Exclude individuals seconded from the Alps to outside.)