



August 26, 2016

For Immediate Release (Translation only)

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Notice on Merger of a Consolidated Subsidiary (Simplified/Short-Form Merger) and Relinquishment of Our Receivables

Alps Electric Co., Ltd. (the “Company”) hereby announces that during the Board of Directors meeting held on August 26, 2016, a resolution was passed to conduct an absorption-type merger with the consolidated subsidiary Alps Green Devices Co., Ltd. (“Alps Green Devices”), and to relinquish the Company’s receivables toward Alps Green Devices.

Note that because this merger is a simplified/short-form merger of a wholly owned consolidated subsidiary, a portion of the disclosure items and contents have been omitted.

1. Purpose of absorption-type merger

Since its foundation, Alps Green Devices has developed and sold power inductors adapting its proprietary materials, electric current sensors merging magnetic materials technologies with thin film process technologies, and other devices. It has achieved considerable results in the market through means such as contributions to smartphone and PC energy savings and the visualization of PDU, etc. In addition, the Company has defined the energy market as a priority, and it is making full-fledged efforts to develop this business through means such as pursuing development of various sensors and communication modules while developing power conversion modules equipped with the products developed by Alps Green Devices into new products.

It was decided to conduct an absorption-type merger with Alps Green Devices because the Company is working to further promote the strengthening of synergies between its power electronics business and open innovation and strengthen business foundations through the efficient and flexible use of management resources.

2. Summary of the merger

(1) Merger schedule

Board of Directors of the merger resolution: August 26, 2016

Entered merger agreement: August 26, 2016

Merger data (effective date): October 1, 2016 (scheduled)

(Note) Because this merger constitutes a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for Alps Green Devices, in both cases it is not necessary to acquire approval of the General Meeting of Shareholders for the merger agreement.

(2) Merger method

An absorption-type merger will be conducted, with the Company as the surviving entity. Alps Green Devices will be terminated.

Note that while Alps Green Devices is insolvent, the Company plans to relinquish its receivables toward Alps Green Devices before the merger and conduct the merger after this insolvent position has been resolved.

Types of relinquished receivables: Loans and accounts receivable

Amount of the above receivables: 1.31 billion yen (expected)

Implementation date: September 30, 2016 (scheduled)

(3) Contents of allocations related to the merger

Because the Company owns all issued shares of Alps Green Devices, shares or other money, etc. will not be delivered with this merger.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares of non-surviving entity

There is no relevant information.

3. Overview of the companies involved in the merger

	Surviving Entity (As of March 31, 2016)	Non-surviving Entity (As of March 31, 2016)
(1) Company Name	Alps Electric Co., Ltd.	Alps Green Devices Co., Ltd.
(2) Address	1-7 Yukigaya-Otsukamachi, Ota-ku, Tokyo	1-7 Yukigaya-Otsukamachi, Ota-ku, Tokyo
(3) Position and Name of Representative	President, Toshihiro Kuriyama	President & CEO, Motohiro Shimaoka
(4) Description of Business	Manufacturing and sales, etc. of electronic and electrical machines and equipment	Development, manufacturing, and sales of parts, semi-manufactured goods, and raw materials used in power conversion products, power control equipment, and power measurement equipment
(5) Capital	38.730 billion yen	4,329 million yen
(6) Date of Establishment	November 1, 1948	May 17, 2010
(7) Number of Issued Shares	198,208,086 shares	22,285 shares
(8) Fiscal Year End	March 31	March 31
(9) Major Shareholders and Shareholding Ratios	The Master Trust Bank of Japan, Ltd. (Trust account): 10.60% Japan Trustee Service Bank, Ltd. (Trust account): 8.64% Trust & Custody Services Bank, Ltd. (Securities investment trust account): 2.01% CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW: 1.97% Mitsui Life Insurance Company Limited: 1.81%	Alps Electric Co., Ltd.: 100%
(10) Net Assets	331,764 million yen (consolidated)	(111,777) thousand yen (non-consolidated)
(11) Total Assets	562,856 million yen (consolidated)	585,631 thousand yen (non-consolidated)
(12) Net Assets Per Share	1,166.41 yen (consolidated)	5,015.80 yen (non-consolidated)

	Surviving Entity (As of March 31, 2016)	Non-surviving Entity (As of March 31, 2016)
(13) Net Sales	774,038 million yen (consolidated)	909,961 thousand yen (non-consolidated)
(14) Operating Income	52,327 million yen (consolidated)	(1,098,058) thousand yen (non-consolidated)
(15) Ordinary Income	50,038 million yen (consolidated)	(1,114,524) thousand yen (non-consolidated)
(16) Profit Attributable to Owners of Parent	39,034 million yen (consolidated)	(1,681,487) thousand yen (non-consolidated)
(17) Earnings Per Share	206.64 yen (consolidated)	(75,453.80) yen (non-consolidated)

4. Status after the merger

There will be no changes in the Company's company name, address, position and name of representative, description of business, capital, or fiscal year end as a result of the merger.

5. Future outlook

This merger will have a minor impact on the Company's consolidated business results.