



August 26, 2016

For Immediate Release (Translation only)

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Notice on Merger of a Consolidated Subsidiary (Simplified/Short-Form Merger)

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 Kurikoma Electronics Co.,Ltd. (“Kurikoma Electronics”).

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

Kurikoma Electronics manufactures and sells various types of automotive electrical products in Osaki City, Miyagi Prefecture.

The Company conducted this absorption-type merger with Kurikoma Electronics in order to strengthen its domestic manufacturing function and improve production efficiency as the scale of business expands.

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 Kurikoma Electronics, 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. Kurikoma Electronics will be terminated.

(3) Contents of allocations related to the merger

Because the Company owns all issued shares of Kurikoma Electronics, 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.	Kurikoma Electronics Co., Ltd.
(2) Address	1-7 Yukigaya-Otsukamachi, Ota-ku, Tokyo	6-3-36 Furukawa Nakazato Osaki-shi, Miyagi
(3) Position and Name of Representative	President, Toshihiro Kuriyama	President, Toshimitsu Sakai
(4) Description of Business	Manufacturing and sales, etc. of electronic and electrical machines and equipment	Manufacturing and sales of automotive electrical products
(5) Capital	38.730 billion yen	25 million yen
(6) Date of Establishment	November 1, 1948	September 5, 1972
(7) Number of Issued Shares	198,208,086 shares	50,000 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)	118 million yen (non-consolidated)
(11) Total Assets	562,856 million yen (consolidated)	330 million yen (non-consolidated)
(12) Net Assets Per Share	1,166.41 yen (consolidated)	2,360.93 yen (non-consolidated)
(13) Net Sales	774,038 million yen (consolidated)	1,191 million yen (non-consolidated)
(14) Operating Income	52,327 million yen (consolidated)	25 million yen (non-consolidated)
(15) Ordinary Income	50,038 million yen (consolidated)	35 million yen (non-consolidated)
(16) Profit Attributable to Owners of Parent	39,034 million yen (consolidated)	25 million yen (non-consolidated)
(17) Earnings Per Share	206.64 yen (consolidated)	504.81 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.