

# Annual Report 2014-2015

For the year ended March 31, 2014



***Driving Mobile Media Innovation***

**For the Fiscal Year Ended March 31, 2014**

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**Annual Select<sup>®</sup> 2014**

# **Alpine Electronics, Inc.**

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## **Corporate Profile**

Continuing to grow as a Mobile Media Solution Company creating future value, Alpine creates a safe, comfortable vehicle interior environment that makes driving a pleasure with its cutting-edge in-car equipment and systems. Music and image media and communication tools are diversifying and moving to the next generation, while advances are being made in cloud computing. Speedily embracing ceaseless technological innovation, Alpine also seeks to provide an unprecedented in-car experience as a specialist combining audio, visual, navigation and communication functions with those that assist the driving process. In addition to meeting the needs of society and the market with environmentally friendly manufacturing and by contributing to a society in which cars have a low impact on the environment, Alpine constantly takes up the challenge to explore new business fields.

## I. Summary of Selected Financial Data (Consolidated)

	44 <sup>th</sup> term	45 <sup>th</sup> term	46 <sup>th</sup> term	47 <sup>th</sup> term	48 <sup>th</sup> term
	From April 1, 2009 to March 31, 2010	From April 1, 2010 to March 31, 2011	From April 1, 2011 to March 31, 2012	From April 1, 2012 to March 31, 2013	From April 1, 2013 to March 31, 2014
Net sales (Millions of yen)	168,586	201,257	202,905	222,309	285,884
Ordinary income (Millions of yen)	807	10,771	6,521	4,291	11,763
Net income (loss) (Millions of yen)	(1,249)	6,029	4,572	1,747	9,229
Comprehensive income (Millions of yen)	–	2,382	4,445	9,533	17,399
Net assets (Millions of yen)	97,035	98,759	101,811	109,991	125,218
Total assets (Millions of yen)	153,428	153,783	167,355	168,061	190,694
Net assets per share (Yen)	1,379.61	1,403.69	1,448.63	1,562.62	1,778.00
Net income (loss) per share (Yen)	(17.92)	86.43	65.53	25.05	132.27
Diluted net income per share (Yen)	–	–	–	–	–
Equity ratio (%)	62.7	63.7	60.4	64.9	65.1
Return on equity (%)	(1.3)	6.2	4.6	1.7	7.9
Price earnings ratio (Times)	–	10.8	17.0	36.2	10.2
Cash flows from operating activities (Millions of yen)	9,858	14,371	9,921	1,607	18,021
Cash flows from investing activities (Millions of yen)	(3,962)	(4,349)	(7,710)	(6,023)	(7,206)
Cash flows from financing activities (Millions of yen)	8,150	(5,411)	(1,381)	(6,701)	(1,447)
Cash and cash equivalents at end of period (Millions of yen)	39,844	43,883	43,947	34,052	46,680
Number of employees [Separately, average number of temporary employees] (Persons)	10,913 [456]	10,835 [621]	11,058 [703]	11,107 [919]	11,608 [790]

- Notes: 1. Net sales does not include consumption taxes.  
2. Diluted net income per share is not provided since there are no potential shares.  
3. Price earnings ratio for the 44<sup>th</sup> fiscal year is not provided since there was a net loss per share in that fiscal year.

## Dear Shareholders



Thank you all very much for your kind support.

I offer the following brief greeting to accompany our forty-eighth financial statements.

The domestic business environment during this period showed correction of the high yen and high stock prices, and marked the appearance of positive indications, such as the improvement of business performance centered on exports, all thanks to the Abenomics effect. The business environment surrounding our company improved as, for example, the American economy recovered, new car sales were strong, and in the Chinese market, new car sales set records at the same time as this market's economic growth seems to be slowing.

Under such circumstances, amidst rising orders accompanying strong new car sales by our customers and the continuing computerization of automobiles, sales of our car navigation products, which contribute to the driver safety and comfort, rose as more automobiles are equipped with high-functionality, high-quality products. And in the domestic aftermarket, BIG X contributed to the expansion of the aftermarket, earning high evaluations from the market for the added value of automobile-model specialization, and gained top ranking for the second consecutive year by an authoritative customer satisfaction survey. We have also worked hard to improve our earning capacity by, for example, conducting cost price reduction activities jointly with our business partners.

As a result of the above, we have achieved sharp increases in sales and profits.

Thanks to this business performance, we will increase this term's end of term dividend by 5 yen over the previous term to pay 15 yen per share. Combined with the 10 yen per share paid as the mid-term dividend, our annual dividend will be 25 yen per share. We have also decided to buy our own treasury shares.

In order to clarify the long-term corporate goals we aim to achieve in the midst of great changes in the international politics, economy and environment, we have enacted VISION2020. With our new Corporate Message, "Driving Mobile Media Innovation – to the future value of mobile media," all employees will become "one team" to constantly propose products and services that are revolutionary and filled with originality, and provide our customers with the value of new car life.

"Building the Growth Foundation for VISION2020" is positioned in the Thirteenth Mid-term Business Plan that begins this term, and we will work to create new value and strengthen our management constitution. Also, as an initiative in the area of corporate governance, we will recruit a new director from outside the company to strengthen our management constitution.

The environment surrounding us is changing at an increasing pace, as competition newly focused on the environment, saving energy, and safety appears along with smart phones, etc. By treating this change as an opportunity, we will work to manage our company adapting to changing times and will strive to achieve the goals of VISION2020 as a “global one team.”

We request that all our shareholders continue to give us your support and encouragement in the future, as you always have.

June 2014

A handwritten signature in black ink, appearing to read 'Toru Usami', with a large, stylized flourish at the end.

Toru Usami  
President & CEO

## II. Operational Review

### Audio Products Segment

In the Audio Products segment, Alpine launched a CD player equipped with the high-definition Rich Display onto the North American aftermarket and worked to strengthen sales through sound system sales promotions. In the European aftermarket, Alpine focused on expanding sales of entry-model CD players equipped with Bluetooth function and CD players equipped with high-value-added functions compatible with smartphone applications, which have been well received by the market. As a result, sales for aftermarket increased.

In the OEM market, sales increased in association with the robust sales of audio products adopted for the new cars that Japanese automakers began selling in North America from September 2012 and sound systems for the U.S. automakers.

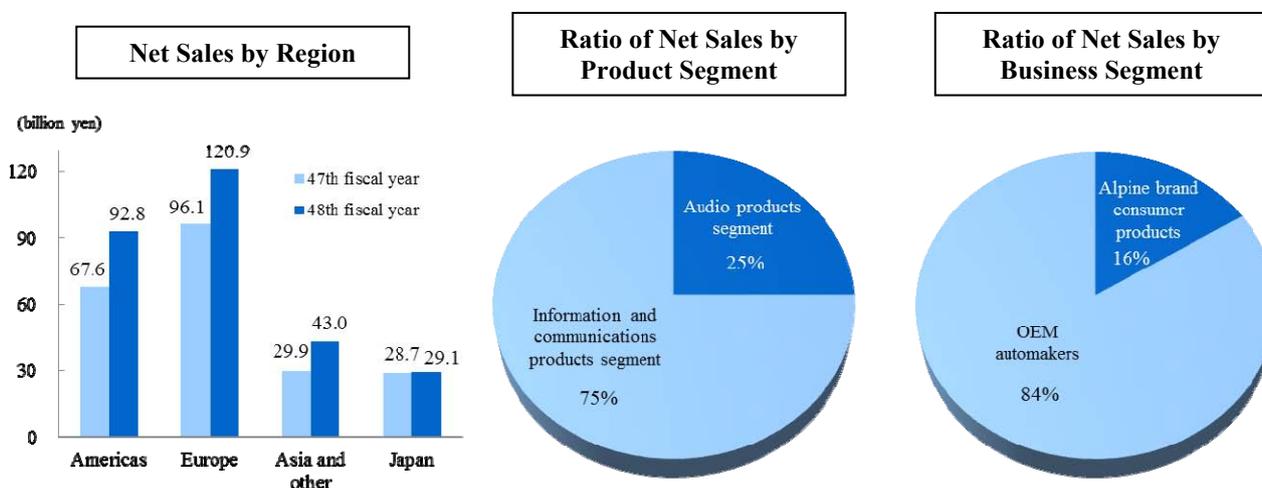
Accordingly, segment sales increased 17.4% compared with the previous fiscal year, to ¥69.3 billion.

### Information and Communications Products Segment

Amid the increasing severity of sales competition with rival companies in the domestic aftermarket, the Information and Communication Products segment promoted business tailored to specific car models and continued to focus on expanding sales of the “BIG X” series of large-screen navigation systems. In particular, Alpine ascertained the needs of families, and launched new products designed to bolster its competitiveness by distinguishing it from competitors. In addition, Alpine continued to promote sales activities to automobile dealers in addition to stores specializing in auto products and worked to expand and upgrade its sales network. As a result, an increase in new cars sold prior to the consumption tax hike provided a boost, resulting in strong sales. However, this was not enough to make up for the lower sales in the first half of the fiscal year, and consequently sales for the year remained at the same level.

In the OEM market, there was a rise in the proportion of new cars built by Japanese automakers in the North American market that are equipped with hybrid products with displays featuring navigation functions at their cores. Furthermore, as in North America and China, sales continued to be robust in European luxury automakers’ new cars equipped with our products, Alpine’s sales increased.

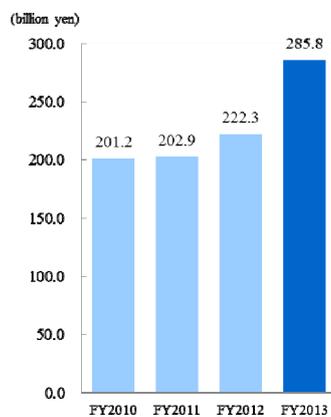
Owing to these factors, sales in this segment grew 32.7% compared with the previous fiscal year, to ¥216.5 billion.



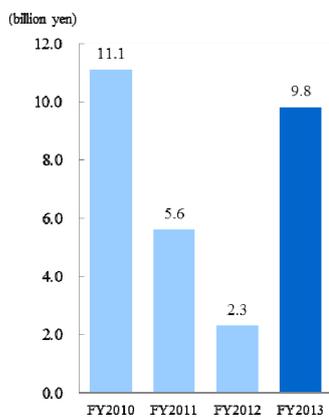
### III. Business Review

#### Changes in Major Management Indices for the Fiscal Year Ended March 31, 2014 (fiscal 2013)

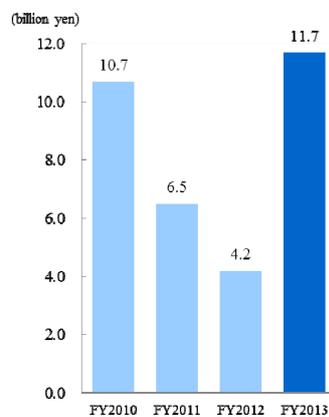
**Net Sales**



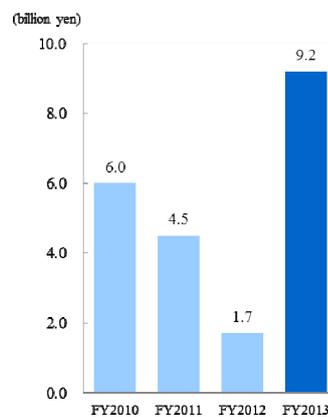
**Operating Income**



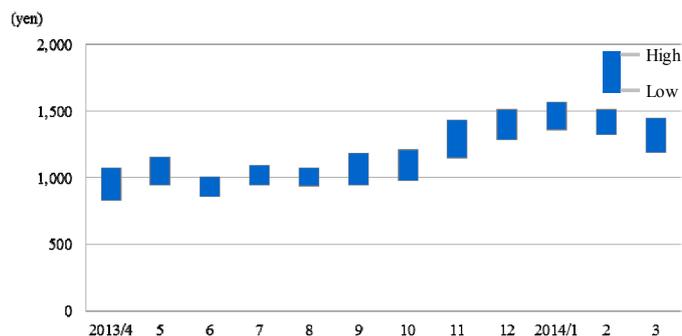
**Ordinary Income**



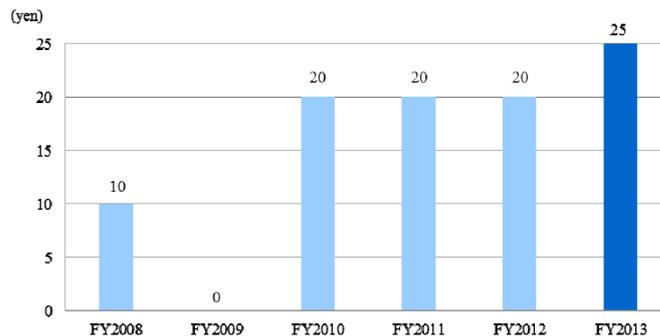
**Net Income**



**Share Price**



**Dividend**



## IV. Topics

### Announcement of New Products Compatible with Apple iPhone's CarPlay



CarPlay-compatible product



MirrorLink-compatible head unit

Responding to growing market expectations for new value-added products that link smartphones with in-vehicle information systems, Alpine announced that it would introduce CarPlay-enabled products in the American and European aftermarkets in autumn 2014. Use of Alpine's CarPlay-compatible products will enable drivers to use their iPhone applications and voice recognition software (Siri) with their in-vehicle infotainment system.

The use of smartphones while driving is considered a dangerous habit that inhibits safe driving in terms of the driver's vehicle operation and visual focus on the road. To eliminate those potential dangers, Alpine's in-vehicle audio/video systems linked to an iPhone will enable drivers to operate their smartphone using the in-vehicle system's controls and be able to see and input data on a larger display. In addition, the use of Apple's Siri voice recognition software enhances the in-vehicle human machine interface (HMI) by playing audio instructions through the car stereo system's speakers, making it easier for the driver to hear and contributing to safer driving.

Alpine is already marketing MirrorLink (a device interoperability standard for use with certain non-Apple smartphones) compatible products in the United States and Europe. The release of CarPlay-compatible systems broadens our response to a wider range of smartphone users and opens up opportunities for business expansion.

*Comment by Hirofumi Morioka, Managing Director in charge of Engineering & Development:*

"Linking the functions of Alpine's in-vehicle infotainment systems with those of mobile devices is an important method for adding value that enhances the quality of life with cars. In particular, linking our products with the Apple products popular with many users around the world is an important step forward for Alpine. I believe our provision of aftermarket products that can be used with CarPlay fulfills the hopes and needs of many iPhone users. As a specialist in in-vehicle systems, we will endeavor to provide customers with products that shape and enhance their in-vehicle environment and experience.

## Alpine Exhibits Products at World's Largest Consumer Electronics Show



SUV with overseas market's first 9-inch AVN screen



Alpine technology exhibition for automakers

Alpine was among the exhibitors at CES 2014, the world's largest consumer electronics show, held in Las Vegas January 7–10. One of the major themes of this year's show was the integration of the automobile and information technologies. Consequently, the show included displays by many leading automakers.

The Alpine exhibition stand was based on our ALPINE RESTYLE marketing concept and featured products appealing especially to truck and SUV owners.

At the show, we introduced the first 9-inch in-vehicle audio/video/navigation (AVN) system available in the overseas' aftermarket. The system won high praise from auto dealers and automaker representatives in attendance at the show.

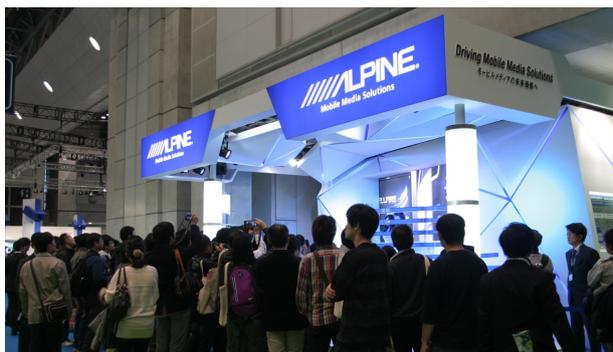
With automakers increasingly participating in the CES in recent years, many key people from our corporate customers attended the show. Our exhibition stand therefore included for the first time a technology exhibition targeted at automakers.

Together with our parent company Alps Electric, we held a by-invitation-only event with an attendance list dominated by automaker VIPs to present the technology exhibition that we usually take on the road to customer offices once every two years.

The technology exhibit presented HMI technologies, including a premium cockpit developed by Alps and Alpine together, and a demonstration of the latest system for linking iPhones with in-vehicle systems, part of the exhibit's presentation of state-of-the-art proposals focused on technologies for linking smartphones with in-vehicle systems. During CES, the Alpine exhibition stand was visited by about 150 customers, many of whom were VIPs from automakers. The face-to-face communications with industry leaders helped us to deepen their understanding of the joint efforts being made by Alps and Alpine.

Following CES 2014, Alps and Alpine are taking the technology exhibition on the road to customer offices in North America, Europe, and Japan in a united group effort to win new orders.

## Exhibit at Tokyo Motor Show Coincides with First Information Meeting for Individual Shareholders



Popular Alpine exhibition stand



Results briefing for individual investors

Alpine exhibited at the 43<sup>rd</sup> Tokyo Motor Show 2013, held at the Tokyo Big Site from November 20 to December 1.

The Alpine exhibition stand highlighted the latest system in the BIG X in-vehicle navigation system series and our Information Management Cockpit.

The BIG-X series display, which featured our latest products to enhance people's enjoyment of automobiles, was especially popular with drivers in their child-rearing years.

The Information Management Cockpit, which is based on the concept of "responding to the driver's feelings," utilizes the latest sensor technologies to observe the driver's sight line and motions to support the driver by displaying the information most appropriate given the driver's gestures and the road conditions. The display enabled many people to get a hands-on experience with the system's innovative operability, strengthening the appeal of the Alpine brand.

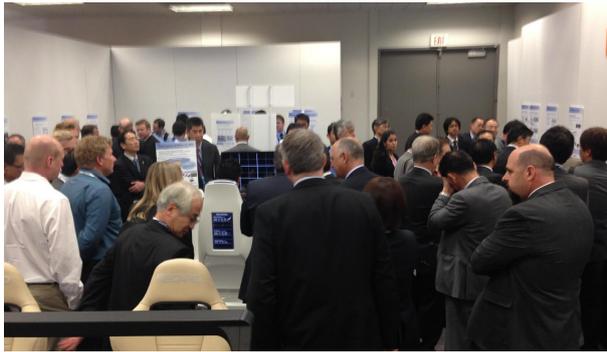
During the motor show, on November 23 we held our first ever information meeting for individual shareholders at a hotel near the Tokyo Big Site, which around 50 shareholders attended.

The information meeting presented an outline of Alpine's business and explained the company's efforts at *monozukuri*, including our commitment to the highest quality standards. Shareholders and Alpine directors engaged in a useful exchange of opinions, with shareholders asking questions and expressing their opinions on future management strategy and shareholder returns.

A survey of attending shareholders provided extremely useful inputs for management consideration, including the opportunity to meet with management in a format different from the ordinary general shareholders' meeting and deepen their understanding of the company's history and philosophy. Many shareholders said they hoped the company would continue to hold such meetings in the future.

We plan to continue such efforts to increase communication with shareholders and build a stronger relation based trust and confidence in the company.

## Technology Exhibitions for Major Customers



Technology explanation for major customers

On January 22–23, Alps Electric and Alpine made a joint presentation of Group technologies to representatives from General Motors and Chrysler. The two-day event was held at Alpine Electronics of America’s Detroit office.

The event followed closely on the heels of our technology exhibition targeted at automaker VIPs attending CES 2014 in early January, but the presentation at our Detroit office, close to customers’ local offices and plants, allowed us to invite key individuals from major departments,

including senior management, engineers, buyers, designers, and product developers, who were not able to attend CES.

Similar to our CES exhibition, the presentation at our Detroit office introduced the Alps Electric/Alpine joint development efforts to enhance HMI and the vehicle cockpit environment, with a favorable reaction from the attendees.

A number of customer representatives were able to attend both our CES and Detroit exhibits, facilitating a deeper exchange of opinions about the business and technologies. We plan to build upon foundations laid at these exhibitions and promote further activities that will lead to sustained business orders.

## BIG-X Series No. 1 in Customer Satisfaction Survey for Second Straight Year



President Usami accepts the award

J.D. Power’s “2013 Japan Navigation Systems Customer Satisfaction Index Study” ranked Alpine’s BIG-X series as No. 1 in customer satisfaction for a second consecutive year.

The study is a comprehensive analysis of customer satisfaction with aftermarket navigation systems. In addition to the standard search and guidance functions, the study measures music and video player functions as well as telematics services in order to provide a comprehensive rating of navigation systems as in-vehicle infotainment systems.

Alpine’s BIG-X series received high evaluations from consumers who appreciated its distinguishing feature from other aftermarket systems, namely the availability of modules designed to fit neatly into the dash of their particular car model, providing an refined appearance similar to OEM in-dash systems.

Surveyed users also gave high marks to the system’s linkage with Alpine’s market-leading rearview monitor system. The BIG-X was the only five-star rated system among surveyed equipment.

Encouraged by winning the top ranking for a second consecutive year, we look forward to continuing efforts to develop products that provide customers with even greater satisfaction.

## V. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	34,070	46,698
Notes and accounts receivable - trade	38,207	41,029
Merchandise and finished goods	21,141	21,115
Work in process	1,013	1,036
Raw materials and supplies	7,161	6,878
Deferred tax assets	2,018	3,008
Other	9,912	9,238
Allowance for doubtful accounts	(214)	(378)
Total current assets	113,311	128,628
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,380	25,306
Accumulated depreciation	(15,817)	(16,664)
Buildings and structures, net	8,562	8,642
Machinery, equipment and vehicles	20,023	22,103
Accumulated depreciation	(14,165)	(15,842)
Machinery, equipment and vehicles, net	5,857	6,260
Tools, furniture, fixtures and dies	51,777	51,347
Accumulated depreciation	(47,646)	(45,933)
Tools, furniture, fixture and dies, net	4,130	5,413
Land	4,896	4,988
Leased assets	146	214
Accumulated depreciation	(54)	(92)
Leased assets, net	92	122
Construction in progress	405	1,482
Total property, plant and equipment	23,944	26,909
Intangible assets	2,438	2,359
Investments and other assets		
Investment securities	25,864	29,493
Net defined benefit asset	-	11
Deferred tax assets	274	485
Other	2,287	2,820
Allowance for doubtful accounts	(58)	(12)
Total investments and other assets	28,367	32,797
Total non-current assets	54,750	62,066
Total assets	168,061	190,694

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	27,629	30,926
Short-term loans payable	239	–
Accrued expenses	9,690	10,386
Income taxes payable	1,064	1,757
Deferred tax liabilities	117	16
Provision for bonuses	1,839	2,107
Provision for directors' bonuses	47	45
Provision for product warranties	4,810	6,132
Other	3,587	4,238
Total current liabilities	49,026	55,610
Non-current liabilities		
Deferred tax liabilities	5,478	5,836
Provision for retirement benefits	1,292	–
Net defined benefit liability	–	1,892
Provision for directors' retirement benefits	677	353
Other	1,597	1,783
Total non-current liabilities	9,044	9,865
Total liabilities	58,070	65,475
<b>Net assets</b>		
Shareholders' equity		
Capital stock	25,920	25,920
Capital surplus	24,905	24,905
Retained earnings	55,320	63,272
Treasury shares	(17)	(13)
Total shareholders' equity	106,129	114,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,434	6,629
Deferred gains or losses on hedges	19	–
Revaluation reserve for land	(1,310)	(1,310)
Foreign currency translation adjustment	(2,245)	5,554
Remeasurements of defined benefit plans	–	(899)
Total accumulated other comprehensive income	2,897	9,974
Minority interests	963	1,158
Total net assets	109,991	125,218
<b>Total liabilities and net assets</b>	<b>168,061</b>	<b>190,694</b>

## (2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	222,309	285,884
Cost of sales	191,433	237,205
Gross profit	30,876	48,679
Selling, general and administrative expenses	28,571	38,865
Operating income	2,305	9,813
Non-operating income		
Interest income	161	202
Dividend income	341	361
Share of profit of entities accounted for using equity method	1,002	1,029
Foreign exchange gains	629	272
Insurance income for inventory extinguishment	–	111
Other	261	411
Total non-operating income	2,395	2,389
Non-operating expenses		
Interest expenses	83	45
Sales discounts	112	153
Commission fee	112	95
Loss on settlement of receivables on tooling	53	–
Loss on inventory extinguishment	–	102
Other	46	41
Total non-operating expenses	408	439
Ordinary income	4,291	11,763
Extraordinary income		
Gain on sales of non-current assets	18	47
Gain on sales of investment securities	0	–
Compensation income	1,181	491
Income of earthquake disaster reconstruction subsidy	84	–
Subsidy income	–	216
Other	99	27
Total extraordinary income	1,383	783
Extraordinary losses		
Loss on sales and retirement of non-current assets	130	171
Loss on valuation of investment securities	0	0
Provision of allowance for doubtful accounts	45	–
Loss on transition of retirement benefit plan	118	–
Loss on disaster	6	–
Other	27	5
Total extraordinary losses	329	176
Income before income taxes and minority interests	5,346	12,371
Income taxes - current	3,085	3,876
Income taxes - deferred	455	(859)
Total income taxes	3,541	3,016
Income before minority interests	1,804	9,354
Minority interests in income	57	125
Net income	1,747	9,229

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Minority interests in income	57	125
Income before minority interests	1,804	9,354
Other comprehensive income		
Valuation difference on available-for-sale securities	1,085	177
Deferred gains or losses on hedges	25	(19)
Foreign currency translation adjustment	5,489	5,134
Share of other comprehensive income of entities accounted for using equity method	1,127	2,751
Total other comprehensive income	7,729	8,044
Comprehensive income	9,533	17,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,351	17,205
Comprehensive income attributable to minority interests	182	194

### (3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	25,920	24,905	54,972	(24)	105,774
Changes of items during period					
Dividends of surplus			(1,395)		(1,395)
Net income			1,747		1,747
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(3)		7	3
Transfer of loss on treasury shares		3	(3)		
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	348	6	355
Balance at end of current period	25,920	24,905	55,320	(17)	106,129

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,355	(6)	(1,310)	(8,745)	–	(4,706)	743	101,811
Changes of items during period								
Dividends of surplus								(1,395)
Net income								1,747
Purchase of treasury shares								(0)
Disposal of treasury shares								3
Transfer of loss on treasury shares								–
Net changes of items other than shareholders' equity	1,078	25	–	6,499	–	7,604	219	7,824
Total changes of items during period	1,078	25	–	6,499	–	7,604	219	8,179
Balance at end of current period	6,434	19	(1,310)	(2,245)	–	2,897	963	109,991

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	25,920	24,905	55,320	(17)	106,129
Changes of items during period					
Dividends of surplus			(1,395)		(1,395)
Net income			9,229		9,229
Change of scope of consolidation			119		119
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(1)		4	2
Transfer of loss on treasury shares		1	(1)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	7,952	3	7,955
Balance at end of current period	25,920	24,905	63,272	(13)	114,085

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	6,434	19	(1,310)	(2,245)	-	2,897	963	109,991
Changes of items during period								
Dividends of surplus								(1,395)
Net income								9,229
Change of scope of consolidation								119
Purchase of treasury shares								(0)
Disposal of treasury shares								2
Transfer of loss on treasury shares								-
Net changes of items other than shareholders' equity	195	(19)	-	7,800	(899)	7,076	195	7,271
Total changes of items during period	195	(19)	-	7,800	(899)	7,076	195	15,227
Balance at end of current period	6,629	-	(1,310)	5,554	(899)	9,974	1,158	125,218

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	5,346	12,371
Depreciation	6,106	6,100
Increase (decrease) in provision for retirement benefits	160	(1,364)
Increase (decrease) in net defined benefit liability	–	1,892
Increase (decrease) in provision for directors' retirement benefits	68	(323)
Interest and dividend income	(502)	(563)
Interest expenses	83	45
Share of (profit) loss of entities accounted for using equity method	(1,002)	(1,029)
Loss (gain) on sales of property, plant and equipment	30	18
Decrease (increase) in notes and accounts receivable - trade	650	1,157
Decrease (increase) in inventories	1,333	3,325
Increase (decrease) in notes and accounts payable - trade	(8,194)	(2,005)
Increase (decrease) in provision for product warranties	(342)	792
Other, net	498	(646)
Subtotal	4,237	19,768
Interest and dividend income received	509	1,032
Interest expenses paid	(109)	(46)
Income taxes paid	(3,274)	(3,288)
Income taxes refund	244	555
Net cash provided by (used in) operating activities	1,607	18,021
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(6,047)	(6,894)
Proceeds from sales of property, plant and equipment	42	92
Purchase of intangible assets	(675)	(775)
Payments of loans receivable	(5,904)	(3,163)
Collection of loans receivable	6,966	4,237
Other, net	(405)	(703)
Net cash provided by (used in) investing activities	(6,023)	(7,206)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	80	–
Repayments of long-term loans payable	(5,400)	–
Cash dividends paid	(1,394)	(1,394)
Proceeds from share issuance to minority shareholders	37	–
Other, net	(25)	(52)
Net cash provided by (used in) financing activities	(6,701)	(1,447)
Effect of exchange rate change on cash and cash equivalents	1,221	3,048
Net increase (decrease) in cash and cash equivalents	(9,895)	12,415
Cash and cash equivalents at beginning of period	43,947	34,052
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	212
Cash and cash equivalents at end of period	34,052	46,680

## VI. Corporate Data

### Corporate Profile (as of March 31, 2014)

Trade name:	Alpine Electronics, Inc.
Date of establishment:	May 10, 1967
Listing date:	March 15, 1988
Business year:	From April 1 to March 31
Paid-in capital:	25,920 million yen
Number of employees:	12,398 (including temporary employees) (Consolidated)
Headquarters:	1-1-8 Nishi-Gotanda, Shinagawa-ku, Tokyo, Japan Contact: 20-1 Yoshima-Kogyodanchi, Iwaki, Fukushima, Japan
Telephone:	+81-246-36-4111
Consolidated subsidiaries:	ALPINE ELECTRONICS OF AMERICA, INC. ALPINE ELECTRONICS RESEARCH OF AMERICA, INC. ALPINE ELECTRONICS OF SILICON VALLEY, INC. ALPINE CUSTOMER SERVICE (USA), INC. ALPINE TECHNOLOGY FUND, LLC ALPINE TECHNOLOGY FUND, L.P. ALCOM AUTOMOTIVE, INC. ALPINE ELECTRONICS OF CANADA, INC. ALCOM ELECTRONICOS DE MEXICO, S.A. DE C.V. ALPINE ELECTRONICS (EUROPE) GmbH ALPINE ELECTRONICS GmbH ALPINE ELECTRONICS R&D EUROPE GmbH ALPINE ELECTRONICS FRANCE S.A.R.L. ALPINE ELECTRONICS OF U.K., LTD. ALPINE ITALIA S.p.A. ALPINE ELECTRONICS DE ESPANA, S.A. ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD. ALPINE ELECTRONICS (CHINA) CO., LTD. DALIAN ALPINE ELECTRONICS CO., LTD. TAICANG ALPINE ELECTRONICS CO., LTD. ALPINE ELECTRONICS HONG KONG, LTD. ALPINE ELECTRONICS OF ASIA PACIFIC CO., LTD. ALPINE TECHNOLOGY MANUFACTURING (THAILAND) CO., LTD. ALPINE ELECTRONICS OF AUSTRALIA PTY. LIMITED ALPINE OF ASIA PACIFIC INDIA PRIVATE LIMITED ALPINE ELECTRONICS OF MIDDLE EAST FZCO ALPINE ELECTRONICS MARKETING, INC. ALPINE TECHNOLOGY MANUFACTURING, INC. ALPINE ELECTRONICS MANUFACTURING, INC. ALPINE PRECISION, INC. ALPINE GIKEN, INC. ALPINE CUSTOMERS SERVICE CO., LTD. ALPINE INFORMATION SYSTEM, INC. ALPINE BUSINESS SERVICE, INC.

**Directors and Audit & Supervisory Board Members** (as of June 19, 2014)

President & CEO	Toru Usami
Managing Director	Hirofumi Morioka
Managing Director	Hitoshi Kajiwara
Managing Director	Seishi Kai
Outside Director	Satoko Hasegawa
Director	Masataka Kataoka
Director	Toshinori Kobayashi
Director	Koichi Endo
Director	Naoki Mizuno
Director	Shuji Taguchi
Director	Yasuhiro Ikeuchi
Standing Audit & Supervisory Board Member	Katsumi Tobita
Outside Audit & Supervisory Board Member	Hideo Kojima
Outside Audit & Supervisory Board Member	Naoki Yanagida

**Stock Status** (as of March 31, 2014)

Total number of authorized shares:	160,000,000 shares
Total number of shares issued:	69,784,501 shares
Number of shareholders:	3,937
Major shareholders (Top 10)	

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
ALPS ELECTRIC CO., LTD.	28,215	40.43
OM04 SSB Client Omnibus (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo branch)	4,290	6.15
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo branch)	2,949	4.23
Japan Trustee Services Bank, Ltd. (Trust Account)	1,518	2.18
State Street Bank and Trust Company 505225 (Standing Proxy: Mizuho Corporate Bank, Ltd.)	1,294	1.85
State Street Bank and Trust Company (Standing Proxy: Mizuho Corporate Bank, Ltd.)	1,210	1.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,176	1.69
NORTHERN TRUST CO. (AVFC) ACCOUNT NON-TREATY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo branch)	1,044	1.50
Japan Trustee Services Bank, Ltd. (Trust Account 9)	803	1.15
NORTHERN TRUST CO. (AVFC) RE NVI01 (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited Tokyo branch)	770	1.10

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