

July 29, 2015

Company Name: **Alpine Electronics, Inc.**
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 Representative: Toshihiro Kuriyama, President
 Code Number: 6770 (First Section of the Tokyo Stock Exchange)

Notice of Partial Sale of Shares of Equity Method Associate Held by Subsidiary and Investment in Neusoft Holdings

Alpine Electronics, Inc. (the “Company”) hereby announces that at a meeting of its Board of Directors held on July 29, 2015, it passed the resolution to sell a portion of shares of Neusoft Corporation (its equity method associate, that is, associate accounted for using the equity method; hereinafter “Neusoft”) held by a subsidiary of the Company, and to use the proceeds of the sale to invest in Neusoft Holdings (“NHD”).

1. Partial sale of shares of equity method associate

(1) Outline of equity method associate whose shares are to be sold

- (i) Name: Neusoft Corporation
- (ii) Address of head office: No. 2 Xinxiu Street, Hunnan New District, Shenyang City, Liaoning Province, China
- (iii) Representative: Jiren Liu, Chairman & CEO
- (iv) Business activities: Development and sales of software and training of IT human resources
- (v) Capital: RMB1,227 million
- (vi) Date of establishment: June 1991
- (vii) Major shareholders and shareholding ratios:

Neu Science & Technology Industry Group Co., Ltd.	15.66%
ALPINE ELECTRONICS (CHINA) CO., LTD.	13.95%
Alpine Electronics, Inc.	1.63%

(viii) Date of execution of transfer agreement:

July 29, 2015

(2) Details concerning shares

- (i) Shares owned before sale: 191,320,691 shares (Ownership ratio: 15.59%)
- (ii) Number of shares to be sold: 61,500,000 shares (Ownership ratio: 5.01%)
- (iii) Shares to be owned after sale: 129,820,691 shares (Ownership ratio: 10.58%)
- (iv) Sale value: RMB1,066 million (approx. ¥21,107 million*)
- (v) Purchaser: Neusoft Holdings (Details on this company are provided below.)

(3) Reasons for sale of shares

The Company and Neusoft have up until now enjoyed a strategic and business alliance partnership for 26 years since 1989.

Neusoft has begun a comprehensive reorganization of its corporate group under the corporate umbrella of NHD to completely renew its business structure. As part of this reorganization, the Company will enter into a strategic alliance framework memorandum of agreement with NHD. In accordance with this memorandum of agreement, the Company will sell part of the Neusoft shares that are held by the Alpine Group.

(4) Impact on operating results

In the consolidated financial statements for the first six months of the fiscal year ending March 31, 2016, the Company expects to recognize a gain on sales of shares of subsidiaries and associates of approximately ¥16,500 million in extraordinary income.

(5) Significant special arrangements, etc.

The Alpine Group plans to continue to account for Neusoft using the equity method because the company falls under the definition of an associate as provided for by ASBJ Statement No. 16, paragraph 5-2 (3); namely, (i) including the percentage of shares held by “persons whose consents are obtained” as provided for by ASBJ Guidance No. 22, paragraph 10, the ownership ratio of the company held by the Alpine Group is not less than 20%, and (ii) the requirement of ASBJ Statement No. 16, paragraph 5-2 (2)-1, is met, which requires that “a person who is or was an officer or employee of the Company or its subsidiary and who is able to exert an influence on the financial and operational or business policy decisions of the non-subsiary entity has been appointed to the position of representative director, director or any other position equivalent thereto at the non-subsiary entity.”

2. Concerning investment in Neusoft Holdings

(1) Outline of Neusoft Holdings

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|------------------------------|--|
| (i) Name: | Neusoft Holdings |
| (ii) Address of head office: | No. 901-7, Huangpu Road, Ganjingzi District, Dalian City, Liaoning Province, China |
| (iii) Representative: | Jiren Liu |
| (vi) Business activities: | Education, medical treatment, IT solutions business |
| (v) Total assets: | RMB2,433 million (approx. ¥48,173 million*) |
| (vi) Date of establishment: | August 2015 (planned) |

(2) Status before and after investment

- | | | | | |
|--|--|---|---|----------------------|
| (i) Investment amount before change: | - | (| - |) [Equity stake: -] |
| (ii) Amount of planned investment by the Company: | RMB577 million (approx. ¥11,424 million*) [Equity stake: 10.35%] | | | |
| (iii) Amount invested by the Company after change: | RMB577 million (approx. ¥11,424 million*) [Equity stake: 10.35%] | | | |
| (iv) Schedule | | | | |
| Date of execution of investment agreement: | July 29, 2015 | | | |
| Date of investment: | August 2015 (planned) | | | |

(3) Purpose of investment

The Company has decided to reinvest in NHD, using the funds of the shares to be sold for the purpose of the comprehensive reorganization of the group under the corporate umbrella of NHD, the target of this investment.

(4) Impact on operating results

The impact of this investment on the Company's consolidated operating results will be immaterial.

(5) Significant special arrangements, etc.

The Company plans for the investee to become an associate accounted for using the equity method under the same details as Neusoft.

Cautionary Statement:

The above forecasts are calculations on the basis of the information available as of the date of this announcement. Actual results may differ from forecast figures depending on a variety of factors.

*Calculated based on the exchange rate of RMB1 to ¥19.80.