

Consolidated Financial Results
for the First Six Months of the Fiscal Year Ending March 31, 2019
<under Japanese GAAP>

Company name: **Alpine Electronics, Inc.**
 Listing: First Section of the Tokyo Stock Exchange
 Code number: 6816
 URL: <http://www.alpine.com/e/investor/>
 Representative: Nobuhiko Komeya, President
 Inquiries: Toshinori Kobayashi, Director, Administration
 TEL: +81-3-5499-8111 (from overseas)

Scheduled date to file Quarterly Securities Report: November 8, 2018
 Scheduled date to commence dividend payments: November 30, 2018
 Preparation of supplementary material on quarterly earnings: Yes
 Holding of quarterly earnings performance review: Yes (For analysts and institutional investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first six months of the fiscal year ending March 31, 2019
(from April 1, 2018 to September 30, 2018)

(1) Consolidated operating results (Cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ended								
September 30, 2018	147,157	16.5	7,623	101.4	6,855	77.8	4,976	107.0
September 30, 2017	126,262	4.5	3,785	192.8	3,856	—	2,404	—

(Note) Comprehensive income

For the first six months ended September 30, 2018: ¥5,071 million [7.2%]
 For the first six months ended September 30, 2017: ¥4,732 million [— %]

	Basic earnings per share	Diluted earnings per share
First six months ended	Yen	Yen
September 30, 2018	72.16	72.08
September 30, 2017	34.87	34.84

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2018	224,420	160,077	70.3	2,287.02
March 31, 2018	218,126	156,104	70.5	2,231.76

(Reference) Equity

As of September 30, 2018: ¥157,732 million
 As of March 31, 2018: ¥153,883 million

(Note) The Alpine Group (the “Group”) has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. The results for the fiscal year ended March 31, 2018 are those after retrospective application.

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	–	15.00	–	15.00	30.00
Fiscal year ending March 31, 2019	–	15.00			
Fiscal year ending March 31, 2019 (Forecast)			–	15.00	130.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

The breakdown of dividends: special dividends of 100.00 yen per share

As announced in “Notice Regarding Setting of the Record Date for Convening the Extraordinary General Meeting of Shareholders Relating to Approval of the Share Exchange with Alps Electric Co., Ltd., Dividends of Surplus and the Final Examination for the Share Exchange” released on September 27, 2018, Alpine Electronics, Inc. (the “Company”) plans to pay special dividends of 100.00 yen per share, which is included in the Total in the above table. The record date is October 15, 2018 for this dividends. For the details on the special dividends, please refer to “3. Supplementary Information” on page 9 of the attached materials.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2019	295,000	7.2	13,000	(5.4)	12,000	(12.2)	10,000	7.2	145.03

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of a specific accounting procedure for preparing consolidated quarterly financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None

- (4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2018	69,784,501 shares
As of March 31, 2018	69,784,501 shares

- b. Number of shares of treasury shares at the end of the period

As of September 30, 2018	814,917 shares
As of March 31, 2018	832,241 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the first six months ended September 30, 2018	68,963,009 shares
For the first six months ended September 30, 2017	68,946,611 shares

* **Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

* **Proper use of earnings forecasts and other special matters**

The earnings forecasts are based on information currently available to the Company at the time of the release of

these materials. Actual business results may differ from the forecasts due to various factors.

(Method of accessing supplementary material on quarterly earnings)

Effective from Tuesday, October 30, 2018, supplementary material on earnings is available on the Company's website.

○ Supplementary Materials – Contents

1. Qualitative Information Regarding Settlement of Accounts for the First Six Months	2
(1) Information regarding operating results	2
(2) Information regarding financial position.....	3
(3) Information regarding consolidated earnings forecasts and other forward-looking statements.....	3
2. Consolidated Quarterly Financial Statements and Significant Notes Thereto.....	4
(1) Consolidated quarterly balance sheets	4
(2) Consolidated quarterly statements of (comprehensive) income	6
(3) Consolidated quarterly statements of cash flows	7
(4) Notes to consolidated quarterly financial statements	8
(Notes on premise of going concern)	8
(Notes on significant changes in the amount of shareholders' equity)	8
(Additional Information)	8
(Segment information)	8
3. Supplementary Information	9
(Regarding setting of the record date for convening the extraordinary general meeting of shareholders relating to approval of the share exchange with Alps Electric Co., Ltd., dividends of surplus and the final examination for the share exchange).....	9

1. Qualitative Information Regarding Settlement of Accounts for the First Six Months

(1) Information regarding operating results

In the global economy during the first six months ended September 30, 2018, the U.S. economy has held firm against a backdrop of an improving jobs environment and robust consumer spending, and Europe has also held to a moderate trend of recovery. The Japanese economy has also maintained a path of moderate recovery. However, there were growing concerns regarding trade friction stemming from protectionist trade policies in the U.S., which has cast uncertainties over the outlook for the global economy.

The automobile industry has entered an era of great change, which some people say occurs once a century. Particularly, in four areas called CASE (Connected, Autonomous, Shared & Services, Electric Vehicle), significant changes that are unseen in other industries are taking place, including a constant connection to the Internet (Connected), autonomous driving (Autonomous), car-sharing services (Shared & Services) and the shift to electrically driven vehicles owing to the widespread use of hybrid cars and electric vehicles (Electric Vehicle). Amid the accelerating use of electronics in cars, in the car electronics industry, collaboration between the in-car IT field which centers on infotainment systems, and new fields such as autonomous driving and AI (artificial intelligence) is expanding, leading to intensified competition among companies regardless of business area or type.

Under these circumstances, the Group plans the business integration with Alps Electric Co., Ltd. (scheduled to be completed by the end of December 2018) in order to respond to CASE, a new trend within the automobile industry. The Group will work on fusing the Company's software technology with Alps Electric's sensing device and communication device technologies, for further enhancing the development of HMI (human machine interface), which offers both driver and passenger a richer space and experience, through business integration. Furthermore, the Company has been working to strengthen its approach to the Chinese automotive market amid likely expansion in the markets for electric vehicles and car-sharing services. To that end, the Company has been promoting efforts geared to achieving growth with our sights set on becoming an enterprise offering total solutions for in-car information systems, in part by carrying out a capital increase in equity method associate Neusoft Reach Automotive Technology (Shanghai) Co., Ltd.

In terms of business performance, both net sales and income exceeded those achieved in the corresponding period of the previous fiscal year. The increases are a result of having promoted reductions in production costs as well as increases in efficiencies, in addition to having maintained strong sales of navigation systems and display products to European luxury automotive manufacturers continuing from the previous fiscal year.

As a result, during the first six months ended September 30, 2018, consolidated net sales increased 16.5% compared with the corresponding period of the previous fiscal year, to ¥147.1 billion. Operating income increased 101.4% to ¥7.6 billion, ordinary income increased 77.8% to ¥6.8 billion, and net income attributable to owners of parent increased 107.0% to ¥4.9 billion.

Segment information is summarized below. Sales figures indicate sales to outside customers.

< Audio Products segment >

In the Audio Products segment, a trend of contraction continued in the existing audio market as a result of audio functions being combined with information and communication equipment such as navigation systems and display products in the aftermarket as well as in the OEM market. Amid that challenging environment, the Company has been aiming to increase sales in the Chinese aftermarket, the world's largest automobile market. To that end, it has been aggressively promoting the Alpine brand in part by exhibiting demonstration cars fitted with sound systems at the "15th Beijing International Automotive Exhibition." The Company also took steps to gain new users by exhibiting at "OTOTEN - AUDIO VISUAL FESTIVAL 2018 -," the largest domestic exhibition dedicated to audiovisual equipment, and providing high-quality premium sound systems.

Furthermore, in the OEM market, the Company focused on increasing orders for slim-line and lightweight speakers that aid in reducing the vehicle's fuel consumption and environmental footprint, and its lightweight and compact "free layout speakers" that improve freedom of placement in order to adapt to changes in the vehicle's interior design, in addition to speakers and amplifiers that offer realistically reproduced high-quality audio tailored to luxury vehicle models with exceptionally quiet cabins.

Accordingly, segment sales increased 6.7% compared with the corresponding period of the previous fiscal year, to ¥27.5 billion.

< Information and Communication Products segment >

In the Information and Communication Products segment, the Company worked to increase sales in the domestic aftermarket which has involved launching floating-type large-screen navigation systems, new products developed for vehicle models that are hard to equip with large-screen navigation systems and exhibiting those navigation systems at "Tokyo Camping Car Show 2018" jointly with camper specialty stores. The Company also worked on expansion of sales for "Alpine Style Customized Cars," which are equipped with system products built around navigation systems, as well as high-quality vehicle interiors. In addition, the Group has been taking steps to reach new user demographics by launching new floating-type products that are compatible with Apple CarPlay and Android Auto for the U.S. aftermarket.

In the OEM market, sales of navigation systems to European luxury automotive manufacturers and display products were favorable.

Accordingly, segment sales increased 19.1% compared with the corresponding period of the previous fiscal year, to ¥119.6 billion.

* Apple CarPlay is a trademark of Apple Inc., registered in the U.S. and other countries. Android Auto is a trademark of Google Inc., registered in the U.S. and other countries.

(2) Information regarding financial position

1) Assets, liabilities and net assets

Total assets stood at ¥224.4 billion as of September 30, 2018, an increase of ¥6.2 billion compared with the end of the previous fiscal year (March 31, 2018) due mainly to a ¥2.9 billion decrease in cash and deposits, a ¥2.6 billion increase in trade notes and accounts receivable, a ¥2.9 billion increase in inventories, a ¥0.3 billion increase in other current assets, a ¥1.4 billion increase in property, plant and equipment, a ¥1.1 billion increase in intangible assets and a ¥0.6 billion increase in investments and other assets.

Total liabilities increased ¥2.3 billion compared with the end of the previous fiscal year to ¥64.3 billion due mainly to a ¥3.0 billion increase in trade notes and accounts payable, a ¥0.5 billion decrease in accrued expenses, a ¥0.3 billion increase in accrued income taxes, a ¥0.8 billion increase in provision for product warranties, a ¥0.6 billion decrease in deferred tax liabilities, and a ¥0.6 billion decrease in defined benefit liabilities.

Net assets increased ¥3.9 billion compared with the end of the previous fiscal year to ¥160.0 billion due mainly to a ¥3.9 billion increase in retained earnings.

Consequently, equity ratio decreased 0.2 percentage points from March 31, 2018, to 70.3%.

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. The Group retrospectively applies the aforementioned accounting changes to perform comparative analysis of the financial position.

2) Cash flows

Cash and cash equivalents as of September 30, 2018 were ¥48.7 billion, a ¥4.9 billion decrease from the end of the previous fiscal year (a ¥7.4 billion decrease in the corresponding period of the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥6.7 billion (¥0.1 billion was provided in the corresponding period of the previous fiscal year). Contributing factors were income before income taxes amounting to ¥6.8 billion, depreciation and amortization totaling ¥3.6 billion, a ¥2.6 billion increase in trade and other payables, despite a ¥3.1 billion increase in trade and other receivables, a ¥2.3 billion increase in inventories and income taxes paid of ¥2.5 billion.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥10.8 billion (¥8.3 billion was used in the corresponding period of the previous fiscal year). Principal uses of cash were ¥4.0 billion for acquisition of property, plant and equipment, ¥3.3 billion for payments for investments and ¥2.0 billion for payments into time deposits.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1.1 billion (¥1.1 billion was used in the corresponding period of the previous fiscal year). Principal use of cash was ¥1.0 billion of cash dividends paid.

Due to these factors, the free cash flows decreased by ¥4.1 billion (¥8.1 billion was used in the corresponding period of the previous fiscal year). Free cash flows are the sum of cash flows from operating activities and cash flows from investing activities.

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

There are no changes to the full-year consolidated forecasts announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2018,” dated April 26, 2018.

The Company plans to pay annual dividends of 130.00 yen including the special dividends of 100.00 yen per share. For the details on the special dividends, please refer to “3. Supplementary Information” on page 9.

2. Consolidated Quarterly Financial Statements and Significant Notes Thereto

(1) Consolidated quarterly balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	53,789	50,830
Trade notes and accounts receivable	44,759	47,380
Merchandise and finished goods	18,423	19,914
Work in process	1,369	1,435
Raw materials and supplies	8,009	9,361
Others	14,537	14,900
Allowance for doubtful accounts	(263)	(149)
Total current assets	140,626	143,674
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,029	26,706
Accumulated depreciation	(19,151)	(18,815)
Buildings and structures, net	7,877	7,891
Machinery, equipment and vehicles	25,106	27,084
Accumulated depreciation	(18,985)	(19,697)
Machinery, equipment and vehicles, net	6,121	7,387
Tools, furniture, fixtures and molds	54,808	53,664
Accumulated depreciation	(48,629)	(47,507)
Tools, furniture, fixtures and molds, net	6,178	6,157
Land	4,623	4,626
Leased assets	221	224
Accumulated depreciation	(94)	(87)
Leased assets, net	126	136
Construction in progress	1,775	1,906
Total property, plant and equipment	26,703	28,106
Intangible assets, net	5,288	6,450
Investments and other assets		
Investment securities	28,545	27,630
Investments in capital	11,810	13,590
Net defined benefit asset	31	40
Deferred tax assets	1,226	1,746
Others	3,899	3,188
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	45,506	46,189
Total non-current assets	77,499	80,746
Total assets	218,126	224,420

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Trade notes and accounts payable	26,778	29,817
Accrued expenses	10,641	10,120
Accrued income taxes	1,528	1,829
Provision for bonuses	2,641	2,510
Provision for directors' bonuses	90	41
Provision for product warranties	5,429	6,244
Others	6,659	6,929
Total current liabilities	53,768	57,492
Non-current liabilities		
Deferred tax liabilities	2,877	2,243
Defined benefit liabilities	3,681	3,066
Provision for directors' retirement benefits	53	52
Others	1,640	1,487
Total non-current liabilities	8,252	6,849
Total liabilities	62,021	64,342
Net assets		
Shareholders' equity		
Common stock	25,920	25,920
Capital surplus	24,903	24,903
Retained earnings	95,011	98,924
Treasury stock	(1,377)	(1,348)
Total shareholders' equity	144,458	148,399
Accumulated other comprehensive income		
Unrealized gains on securities	7,681	7,038
Deferred gains or losses on hedges	(2)	–
Revaluation reserve for land	(1,261)	(1,239)
Foreign currency translation adjustments	3,862	3,826
Remeasurements of defined benefit plans	(854)	(292)
Total accumulated other comprehensive income	9,424	9,333
Subscription rights to shares	97	92
Non-controlling interests	2,124	2,252
Total net assets	156,104	160,077
Total liabilities and net assets	218,126	224,420

(2) Consolidated quarterly statements of (comprehensive) income

(Millions of yen)

	First six months ended September 30, 2017	First six months ended September 30, 2018
Net sales	126,262	147,157
Cost of sales	103,543	117,502
Gross profit	22,719	29,654
Selling, general and administrative expenses	18,934	22,030
Operating income	3,785	7,623
Non-operating income		
Interest income	144	169
Dividend income	202	217
Foreign exchange gains	417	58
Gain on settlement of molds	323	–
Other	117	110
Total non-operating income	1,205	556
Non-operating expenses		
Interest expense	9	19
Sales discounts	49	49
Commission fee	459	424
Overseas withholding tax	117	–
Share of loss of entities accounted for using equity method	422	641
Loss on settlement of molds	–	163
Other	74	26
Total non-operating expenses	1,134	1,324
Ordinary income	3,856	6,855
Extraordinary income		
Gain on sale of non-current assets	32	53
Gain on step acquisitions	42	–
Gain on change in equity	–	9
Total extraordinary income	75	62
Extraordinary losses		
Loss on disposal of non-current assets	15	63
Business structure improvement expenses	1,233	50
Total extraordinary losses	1,249	114
Income before income taxes	2,682	6,804
Current income taxes	1,173	2,652
Deferred income taxes	(1,036)	(939)
Total income taxes	136	1,712
Net income	2,545	5,091
Net income attributable to:		
Owners of parent	2,404	4,976
Non-controlling interests	141	115
Other comprehensive income (loss)		
Unrealized gains (losses) on securities	229	(423)
Deferred gains (losses) on hedges	(13)	2
Foreign currency translation adjustments	2,848	912
Remeasurements of defined benefit plans	76	561
Share of other comprehensive income of investments accounted for using the equity method	(953)	(1,073)
Total other comprehensive income	2,186	(19)
Comprehensive income	4,732	5,071
Comprehensive income attributable to:		
Owners of parent	4,559	4,862
Non-controlling interests	172	209

(3) Consolidated quarterly statements of cash flows

(Millions of yen)

	First six months ended September 30, 2017	First six months ended September 30, 2018
Cash flows from operating activities		
Income before income taxes	2,682	6,804
Depreciation and amortization	3,396	3,648
Increase (decrease) in accrued expenses	637	(630)
Increase in trade and other receivables	(2,817)	(3,157)
Increase in inventories	(1,231)	(2,385)
Increase (decrease) in trade and other payables	(1,150)	2,685
Business structure improvement expenses	1,233	50
Others	(1,300)	1,636
Subtotal	1,450	8,651
Interest and dividend received	624	663
Interest paid	(9)	(19)
Income taxes paid	(1,909)	(2,551)
Income taxes refund	6	2
Net cash provided by operating activities	164	6,746
Cash flows from investing activities		
Increase in time deposits	–	(2,004)
Acquisition of property, plant and equipment	(3,434)	(4,074)
Proceeds from sales of property, plant and equipment	46	108
Acquisition of intangible assets	(874)	(1,876)
Payments for investments	–	(3,303)
Payments for loans receivable	(4,149)	(1,088)
Proceeds from loans receivable	16	1,398
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	16	–
Others	36	(18)
Net cash used in investing activities	(8,342)	(10,859)
Cash flows from financing activities		
Cash dividends paid	(1,034)	(1,034)
Cash dividends paid to non-controlling interests	(74)	(56)
Others	(33)	(62)
Net cash used in financing activities	(1,142)	(1,153)
Effect of exchange rate changes on cash and cash equivalents	1,886	286
Net decrease in cash and cash equivalents	(7,435)	(4,979)
Cash and cash equivalents at the beginning of the period	53,309	53,759
Cash and cash equivalents at the end of the period	45,874	48,780

(4) Notes to consolidated quarterly financial statements

(Notes on premise of going concern)

No items to report

(Notes on significant changes in the amount of shareholders' equity)

No items to report

(Additional Information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" and relevant Guidances)

The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, deferred tax assets were presented under "Investments and other assets" and deferred tax liabilities were presented under "Non-current liabilities."

(Segment information)

1) First six months ended September 30, 2017

Information concerning sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated quarterly financial statements
	Audio Products segment	Information and Communication Products segment	Total		
Sales					
Sales to outside customers	25,825	100,437	126,262	–	126,262
Internal sales or transfer among segments	378	88	466	(466)	–
Total	26,203	100,526	126,729	(466)	126,262
Segment profit	1,076	5,572	6,649	(2,864)	3,785

Note: The adjustment of negative ¥2,864 million to segment profit represents corporate expenses not allocated to reportable segments. The corporate expenses are principally costs related to the administration division and part of the development division that are not attributable to the segments.

2) First six months ended September 30, 2018

Information concerning sales and profit/loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note)	Amount on consolidated quarterly financial statements
	Audio Products segment	Information and Communication Products segment	Total		
Sales					
Sales to outside customers	27,553	119,603	147,157	–	147,157
Internal sales or transfer among segments	318	79	398	(398)	–
Total	27,872	119,682	147,555	(398)	147,157
Segment profit	2,333	8,122	10,456	(2,832)	7,623

Note: The adjustment of negative ¥2,832 million to segment profit represents corporate expenses not allocated to reportable segments. The corporate expenses are principally costs related to the administration division and part of the development division that are not attributable to the segments.

3. Supplementary Information

(Regarding setting of the record date for convening the extraordinary general meeting of shareholders relating to approval of the share exchange with Alps Electric Co., Ltd., dividends of surplus and the final examination for the share exchange)

The Company has resolved at its board of directors meeting held on September 27, 2018 to set the record date for convening an extraordinary general meeting of shareholders (the “Extraordinary General Meeting of Shareholders”) at which the Company will submit a proposal for the approval of a share exchange agreement (the “Share Exchange Agreement”) concerning a share exchange through which Alps Electric Co., Ltd. will become a wholly owning parent company of the Company and the Company will become a wholly owned subsidiary.

The Company has also resolved to submit a proposal regarding the distribution of surplus (the “Special Dividends”) to the Extraordinary General Meeting of Shareholders, subject to the condition that the proposal of the Share Exchange Agreement will be approved at the Extraordinary General Meeting of Shareholders. The terms of the Special Dividends are as outlined below. The Company will disclose the effective date of the Special Dividends as soon as it is determined at a board of directors meeting to be held in the future.

- (1) Record date: October 15, 2018
- (2) Dividend per share: ¥100.00
- (3) Total amount of dividends: ¥6,896 million
- (4) Effective date: To be determined
- (5) Source of dividends: Retained earnings

Moreover, in advance of these resolutions, as the means to take a cautious approach to protect the interests of its minority shareholders, the Company conducted the final examination on the share exchange ratio and resolved not to revise the share exchange ratio.

For the procedures and results of the examination based on which such resolution was made, please refer to “Notice Regarding Setting of the Record Date for Convening the Extraordinary General Meeting of Shareholders Relating to Approval of the Share Exchange with Alps Electric Co., Ltd., Dividends of Surplus and the Final Examination for the Share Exchange” released on September 27, 2018.