

Results Briefing FY2007 1st Half

ALPS ELECTRIC CO., LTD.

ALPS[®]

ALPS Group

ALPS[®]
ALPS ELECTRIC CO., LTD.

Electronic Parts & Devices

Established in 1948



ALPINE[®]
ALPINE ELECTRONICS, INC.

Mobile (Car) multimedia

Established in 1967



ALPS LOGISTICS CO., LTD.

Logistics Services

Established in 1964



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- 1. Overview of Consolidated Results**
- 2. Overview of Electronic Components Segment**

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1. Overview of Consolidated Results

- **FY2007 1st Half Consolidated Results**
- FY2007 Consolidated Forecast

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FY2007 1st Half Consolidated Results

Summary

(Unit: Billion yen)

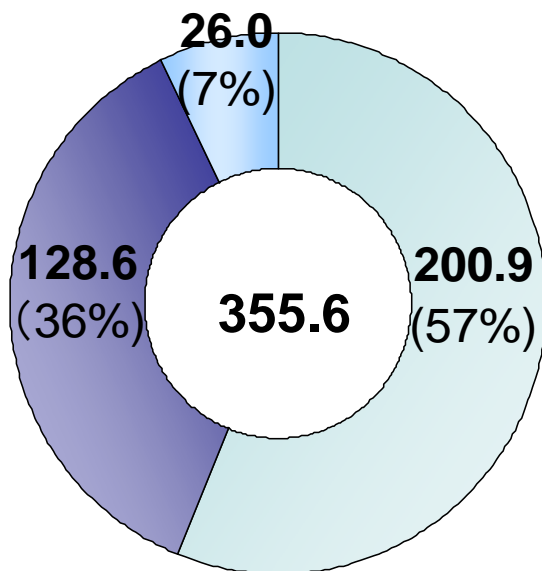
| | FY2006 1H | | FY2007 1H | | |
|---------------------------------------|-----------|----------------|-----------|----------------|----------------------------------|
| | Result | Ratio to Sales | Result | Ratio to Sales | Year on Year Increase / Decrease |
| Net Sales | 343.6 | | 355.6 | | + 3.5% |
| Operating Income | 12.2 | 3.6% | 13.1 | 3.7% | + 7.4% |
| Ordinary Income | 13.7 | 4.0% | 11.2 | 3.2% | △ 18.2% |
| Net Income | 5.4 | 1.6% | △ 9.2 | △ 2.6% | — |
| Free Cash flow | △ 11.9 | — | △ 8.8 | — | — |
| Average exchange rate during the Term | | | | | |
| yen/USD | 115.38 | | 119.33 | | |
| yen/EUR | 145.97 | | 162.30 | | |

Free Cash flow = Cash flow by business activities + Cash flow by investment activities

FY2007 1st Half Consolidated Results

Sales by Business Segment

(Unit: Billion yen)



Electronic Components

ALPS[®]
ALPS ELECTRIC CO., LTD.

Sales 200.9 Billion Yen (+ 3.4% YOY)
Operating Income 4.6 Billion Yen (+ 8.9% YOY)

Audio Equipment

ALPINE[®]
ALPINE ELECTRONICS, INC.

Sales 128.6 Billion Yen (+ 3.3% YOY)
Operating Income 5.3 Billion Yen (+ 18.1% YOY)

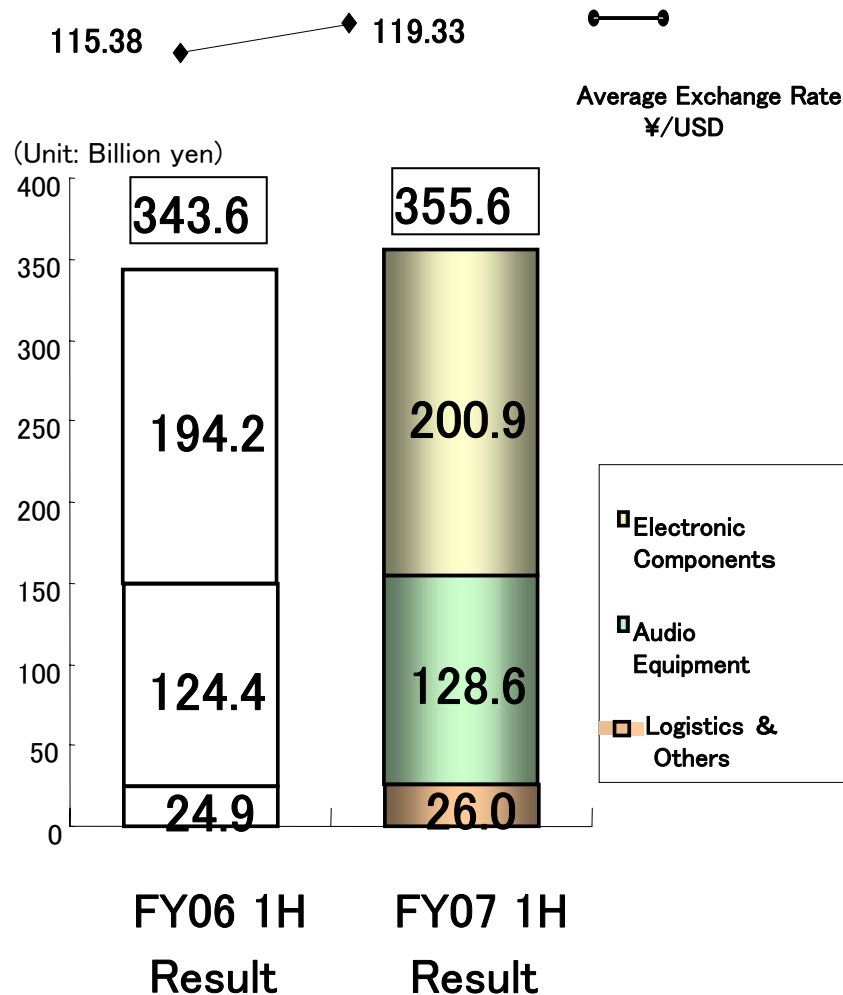
Logistics and Others

ALPS[®]
ALPS LOGISTICS CO., LTD.

Sales 26.0 Billion Yen (+ 4.4% YOY)
Operating Income 3.1 Billion Yen (Δ 6.6% YOY)

FY2007 1st Half Consolidated Results

Change in Consolidated Sales



YOY + 11.9 Billion Yen

◇Effect of Exchange Rate +13.0 Billion Yen

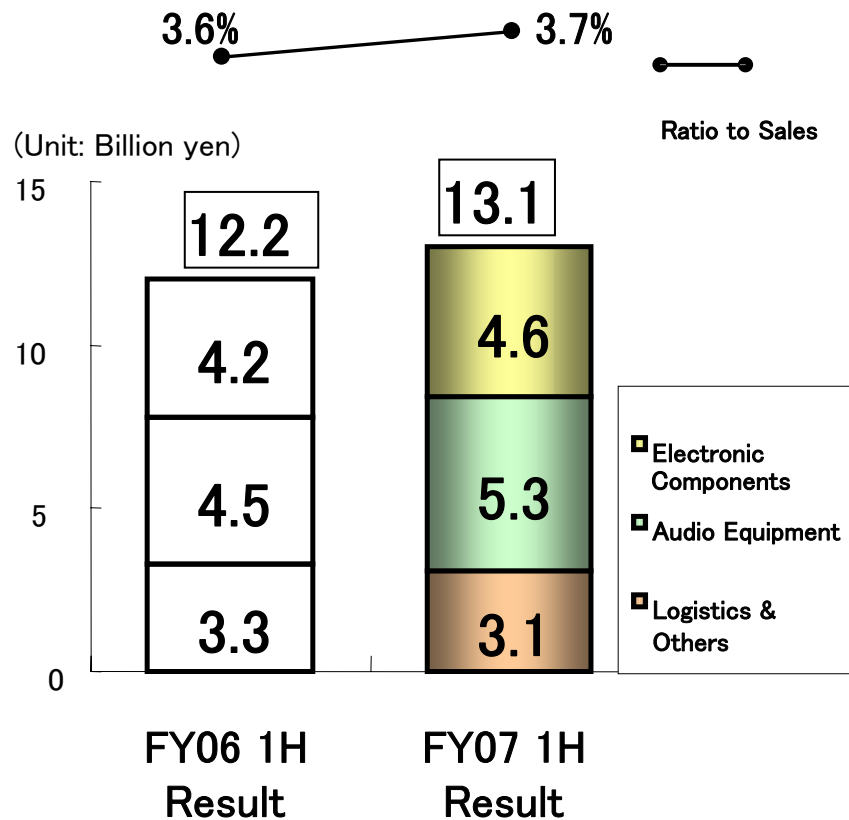
- Depreciation of the yen against USD
+ 3.4 Billion Yen
- Depreciation of the yen against EUR
+ 6.1 Billion Yen

◇Except Exchange rate effect Δ¥1.0 Billion Yen

- Decrease of sales in Electronic components
Δ1.1 Billion Yen
- Decrease of sales in Audio Equipment
Δ1.0 Billion Yen
- Increase of sales in Logistics and Others
+1.1 Billion Yen

FY2007 1st Half Consolidated Results

Change in Consolidated Operating Income



YOY + 0.9 Billion Yen

◇ Effect of Exchange Rate

+2.7 Billion Yen

- Depreciation of the yen against USD
+0.9 Billion Yen
- Depreciation of the yen against EUR
+1.4 Billion Yen

◇ Effect of other than exchange rate

△1.8 Billion Yen

- Increased cost in Electronic Components
△1.3 Billion Yen

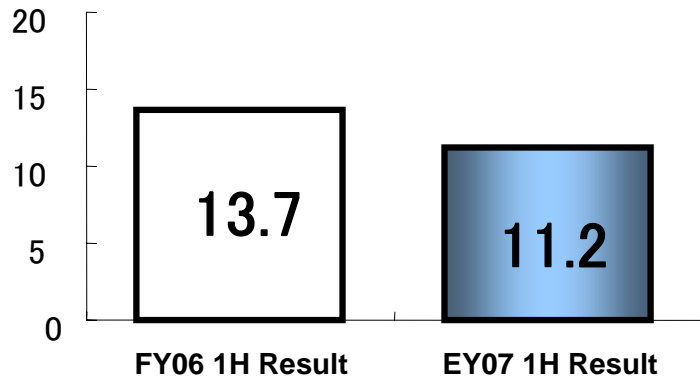
Note: Above figures are not reflected the elimination at the consolidation

FY2007 1st Half Consolidated Results

Change in Consolidated Ordinary Income, Net Income

Ordinary Income

(Unit: Billion yen)



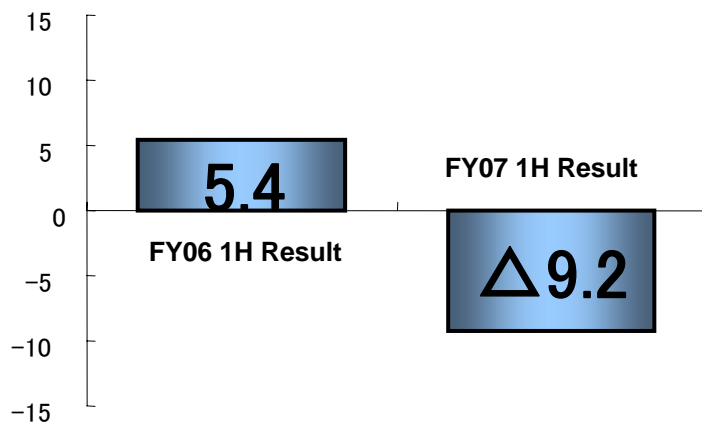
(Ordinary Income) YOY Δ 2.5 Billion Yen

- Increase in Operating Income + 0.9 Billion Yen
- Depreciation cost for MR non-operating asset Δ 0.6 Billion Yen
- Effect of Exchange Rate Δ 2.3 Billion Yen

(Net Income) YOY Δ 14.7 Billion Yen

Net Income

(Unit: Billion yen)

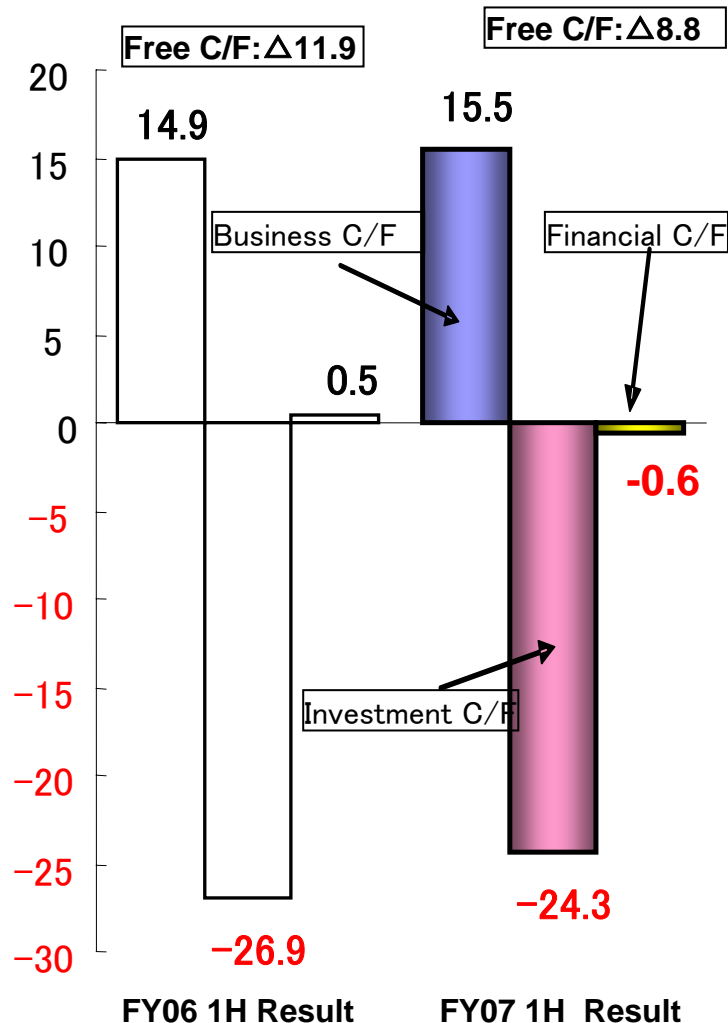


- Decrease of Ordinary Income Δ 2.5 Billion Yen
- Increase of Extraordinary Loss Δ 18.7 Billion Yen
- Increase in Depreciation Loss Δ 18.2 Billion Yen
- Loss related to Termination of Business Δ 0.6 Billion Yen
- Corporate Tax Adjustment and other effects +5.3 Billion Yen

FY2007 1st Half Consolidated Results

Consolidated Cash Flow

(Unit: Billion. yen)



◇ Business C/F **+ 0.6 Billion Yen**

• Impairment loss and increase of depreciation

+19.8 Billion Yen

• Decrease in net profit before tax adjustments

Δ **21.0 Billion Yen**

◇ Investment C/F **+2.5 Billion Yen**

• Decrease in fixed asset costs and others

+4.0 Billion Yen

◇ Financial C/F **Δ 1.2 Billion Yen**

• Short-term loan

+11.8 Billion Yen

• Long-term loan

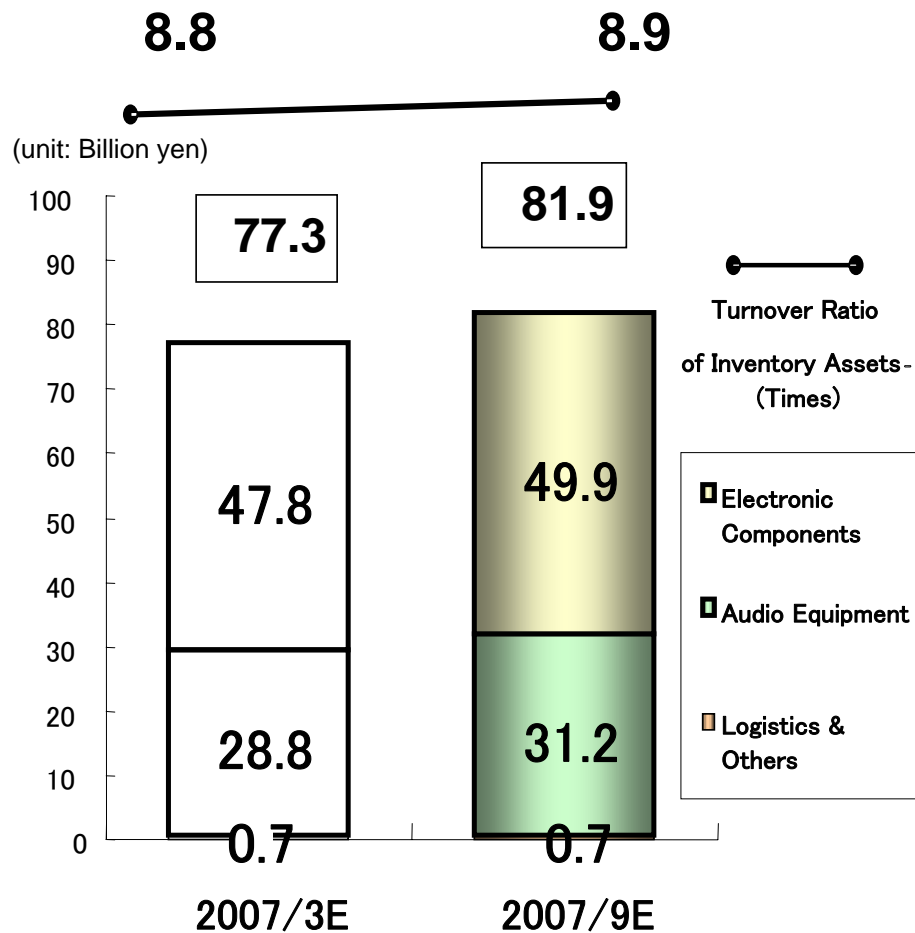
Δ **15.4 Billion Yen**

• Decrease in self-stock acquisition

+3.0 Billion Yen

FY2007 1st Half Consolidated Results

Change in Consolidated Inventory



YOY + 4.5 Billion Yen

◇ Electronic Components +2.1 Billion Yen

◇ Audio Equipment +2.4 Billion Yen

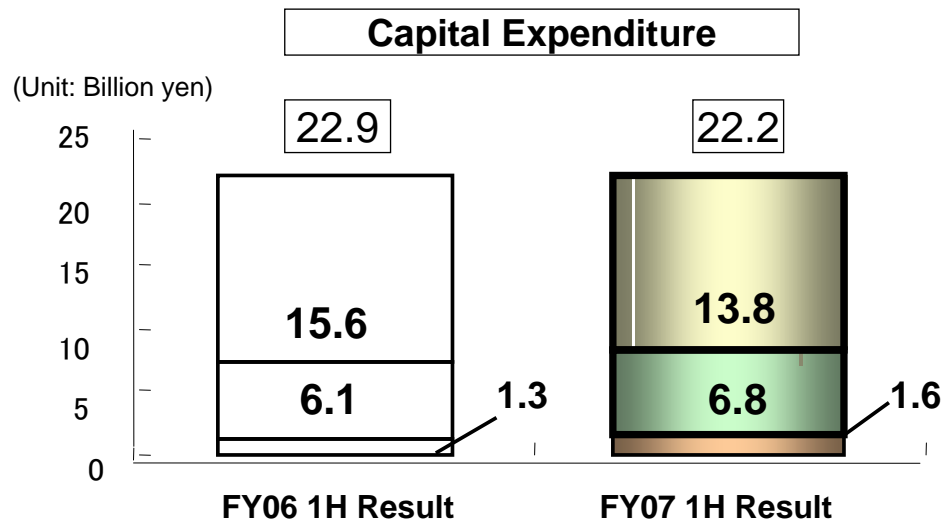
※ Turnover Ratio

| | 2007/3 | 2007/9 |
|--------------------------------|--------|--------|
| ◇ <u>Electronic Components</u> | 7.9 | → 8.2 |

| | | |
|--------------------------|-----|-------|
| ◇ <u>Audio Equipment</u> | 9.2 | → 8.6 |
|--------------------------|-----|-------|

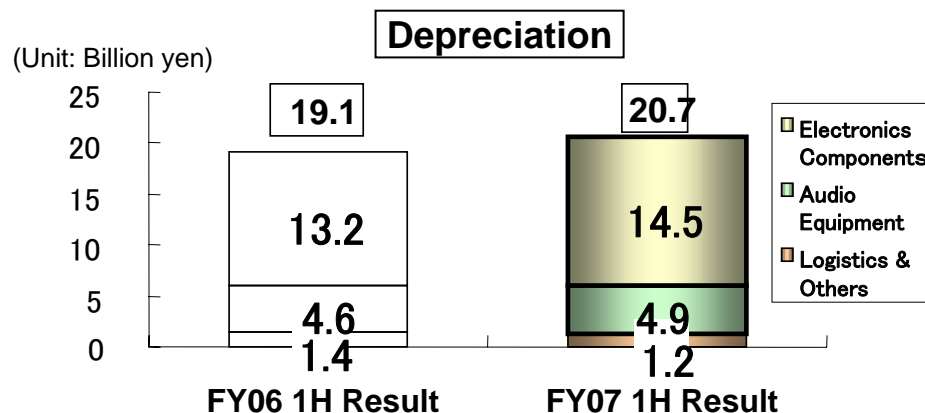
FY2007 1st Half Consolidated Results

Change in Consolidated Capital Expenditure and Depreciation



YOY Δ 0.7 Billion Yen

| | |
|------------------------|--------------------------|
| ◇Electronic Components | Δ 1.8 Billion yen |
| ◇Audio Equipment | +0.7 Billion yen |
| ◇Logistics and Others | + 0.3Billion yen |



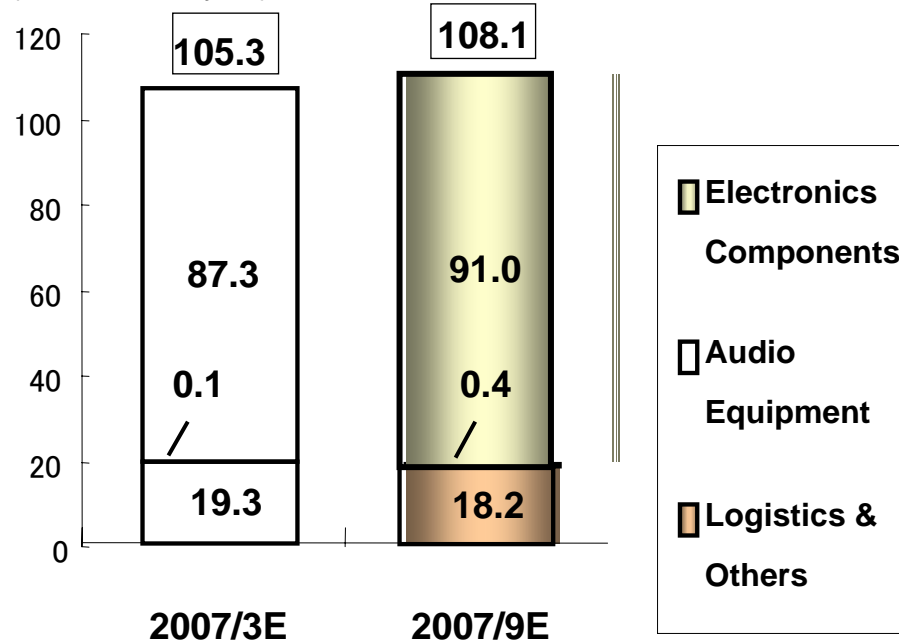
YOY +1.6 Billion Yen

| | |
|------------------------|--------------------------|
| ◇Electronic Components | +1.3 Billion yen |
| ◇Audio Equipment | + 0.3 Billion yen |
| ◇Logistics and Others | Δ 0.2 Billion yen |

FY2007 1st Half Consolidated Results

Change in Balance of Consolidated Interest-Bearing Debts

(Unit: Billion yen)



YOY + 2.8 Billion Yen

◇ Electronics Components +3.7 Billion Yen

◇ Logistics and Others Δ 1.1 Billion Yen

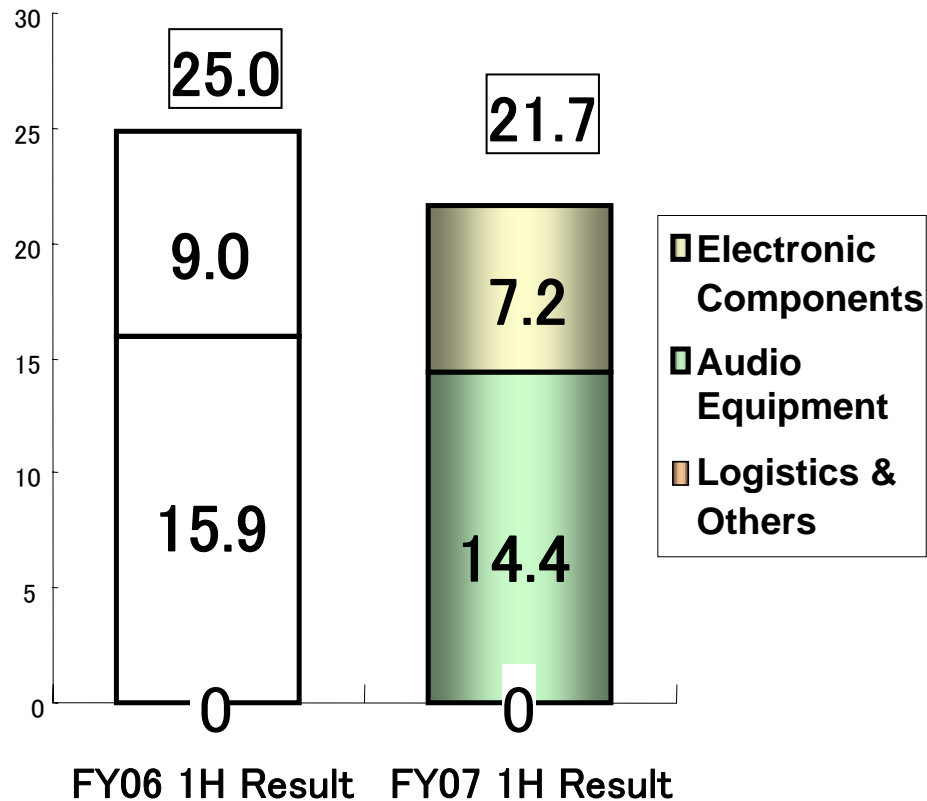
(Note):

Consolidation elimination [Δ1.5] [Δ1.5]

FY2007 1st Half Consolidated Results

Change in Consolidated Research and Development Expenses

(Unit Billion yen)



YOY Δ 3.3 Billion Yen

\diamond Electronics components Δ 1.8 Billion Yen

\diamond Audio Equipment Δ 1.5 Billion Yen

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1. Overview of Consolidated Results

- FY2007 1st Half Consolidated Results
- **FY2007 Consolidated Forecast**

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FY2007 Consolidated Forecast

Summary

(Unit: Billion yen)

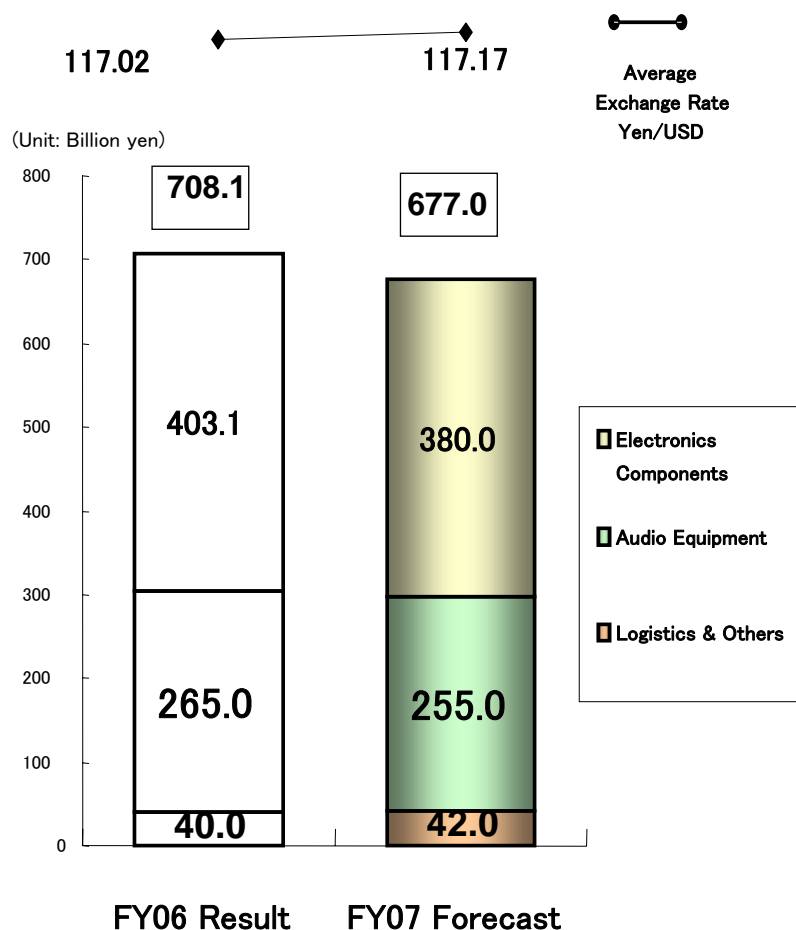
| | FY2006 | | FY2007 | | |
|------------------------------|--------|----------------|--------------|----------------|----------------------------------|
| | Result | Ratio to Sales | Result | Ratio to Sales | Year on Year Increase / Decrease |
| Net Sales | 708.1 | | 677.0 | | $\Delta 4.4\%$ |
| Operating Income | 22.0 | 3.1% | 20.0 | 3.0% | $\Delta 9.4\%$ |
| Ordinary Income | 24.6 | 3.5% | 18.0 | 2.7% | $\Delta 26.9\%$ |
| Net Income | 4.9 | 0.7% | 12.0 | 1.8% | 144.0% |
| Free Cash flow | 5.7 | — | — | — | — |
| Average exchange rate during | | | | | |
| Rate yen/USD | 117.02 | | 117.17 | | |
| Rate yen/EUR | 150.09 | | 161.15 | | |

Free cash flow = cash flow by business activities + cash flow by investment activities

FY2007 Consolidated Forecast

Change in Consolidated Sales

YOY Δ 31.1 Billion Yen



◇ Effect of Exchange Rate + 8.7 Billion Yen

- Depreciation of yen against USD + 0.3 Billion Yen
- Depreciation of yen against EUR + 8.3 Billion Yen

◇ Effect other than Exchange Rate

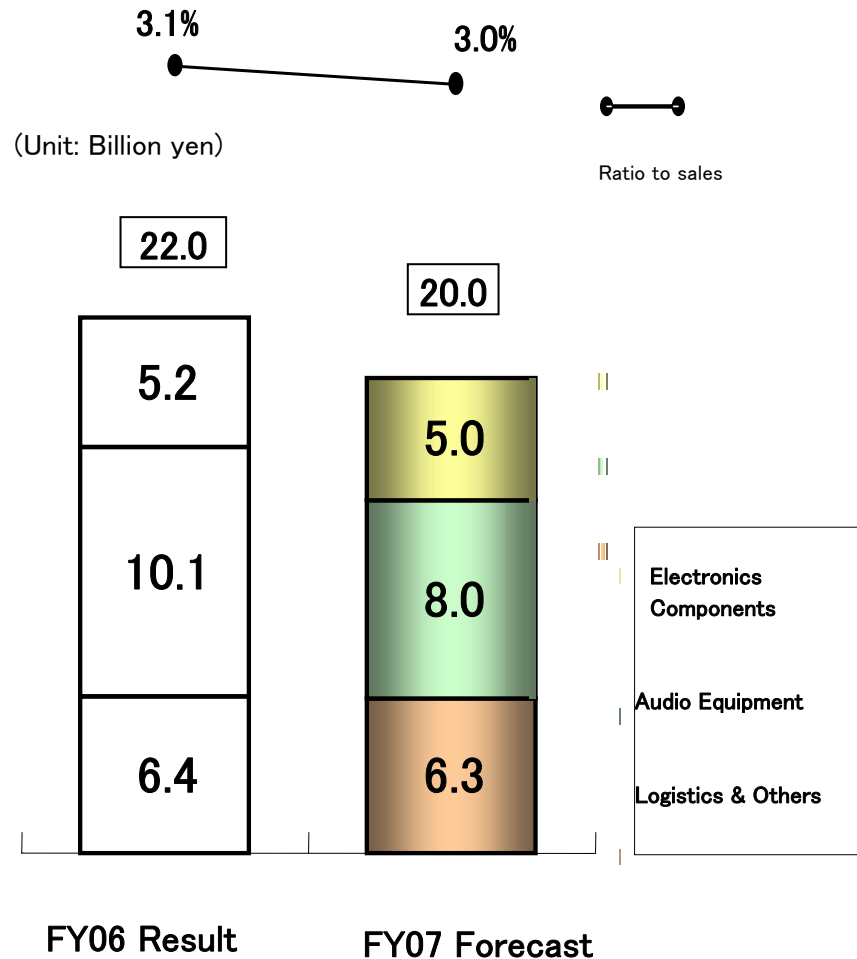
Δ 39.8 Billion Yen

- Decrease of sales in Electronics Components
 Δ 26.7 Billion Yen
- Decrease of sales in Audio Equipment
 Δ 15.2 Billion Yen
- Increase of sales in Logistics and Others
+ 2.1 Billion Yen

※ Elimination between the segments is added to Logistics and Others

FY2007 Consolidated Forecast

Change in Consolidated Operation Profit



YOY Δ 2.0 Billion Yen

◇ Effect of Exchange Rate +2.0 Billion Yen

- Depreciation of yen against USD ± 0
- Depreciation of yen against EUR
+1.9 Billion Yen

◇ Effect other than Exchange Rate

- Δ 4.1 Billion Yen
- Decrease of Profit in Electronics Components
 Δ 1.2 Billion yen
- Decrease of Profit in Audio Equipment
 Δ 3.1 Billion Yen
- Decrease of Profit in Logistics and Others
 Δ 0.1 Billion Yen

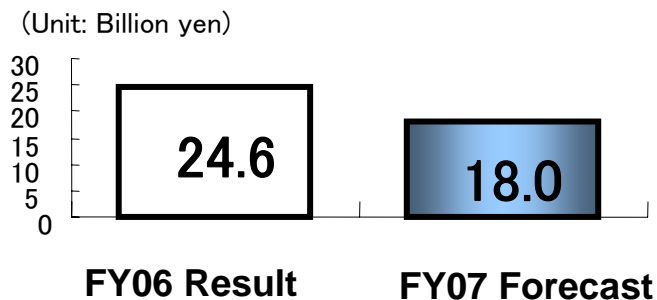
Note: Elimination at the consolidation is not refracted to the above figures

FY2007 Consolidated Forecast

Change in Consolidated Ordinary Income and Net Income

Ordinary Income

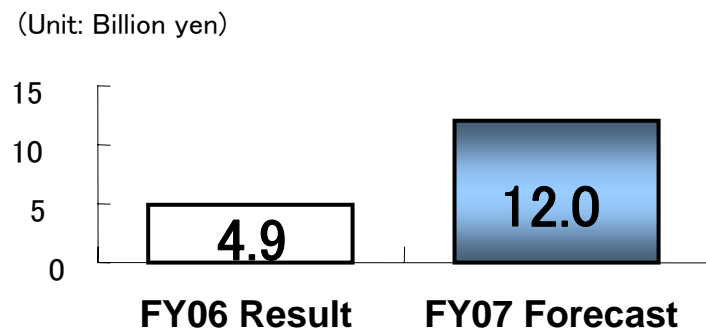
(Ordinary Income) YOY Δ 6.6 Billion Yen



- Decrease in operating income Δ 2.0 Billion Yen
- Exchange loss Δ 2.3 Billion Yen

Net Income

(Net Income) YOY + 7.0 Billion Yen



- Decrease of Current Profit Δ 6.6 Billion Yen
- Increase in Impairment loss and increase in depreciation Δ 15.3 Billion Yen
- Profit on sale of MR asset (projected) + 28.6 Billion Yen

(Reference) FY2007 Consolidated Forecast

(Reference) Effect of Exchange Fluctuations

Effect on Sales and Operating Income per 1 yen

< On consolidated base >

- Sales in USD 0.19 Billion Yen /month
- Operating Income in USD 0.05 Billion Yen /month

< Electronic Components Division >

- Sales in USD 0.13 Billion Yen /month
- Operation Income in USD 0.04 Billion Yen /month

Note: Figures are calculated based on FY2007/09 result.

Other currencies having strong-linkage to the USD in exchange fluctuations are included in the USD.

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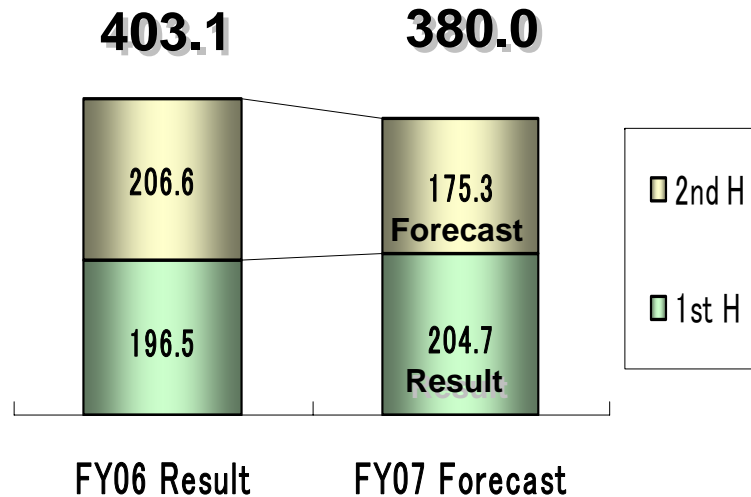
2. Overview of Electronic Components Segment

- **FY2007 1st Half Results
and FY2007 Forecast**
- Overview of Each Segment

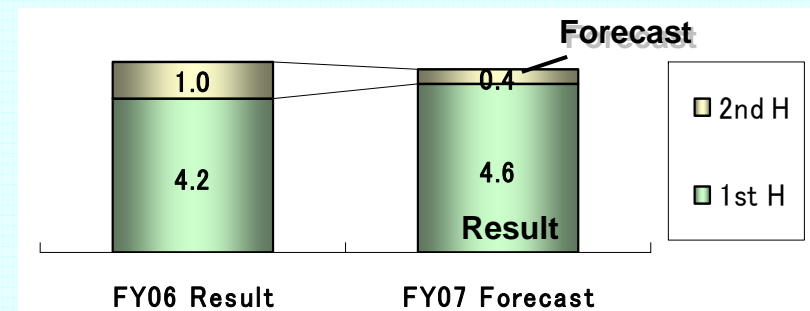
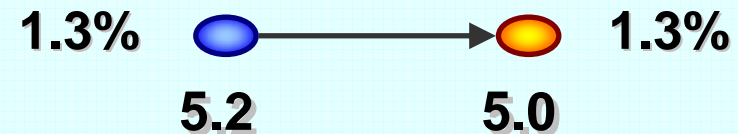
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General Overview

Sales



Operating Income [Billion yen]



(Sales)

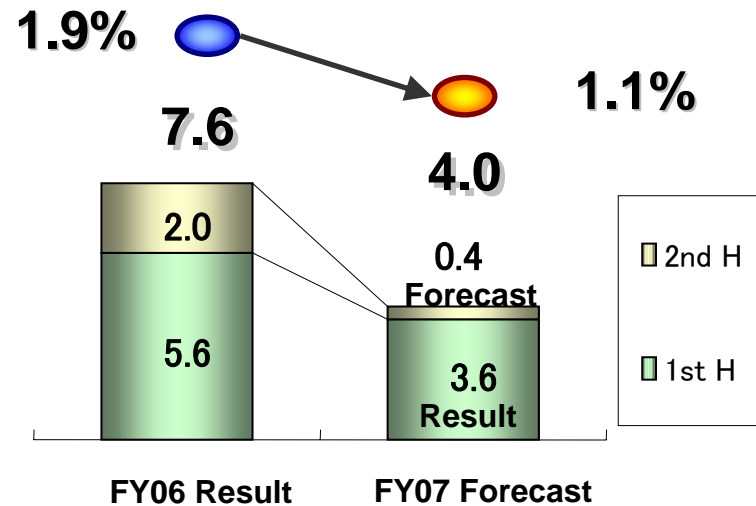
Favorable sales in four segments will off-set the sharp sales decline ($\Delta 40.6$ billion yen) recorded by the Magnetic Devices segment

(Operating Income)

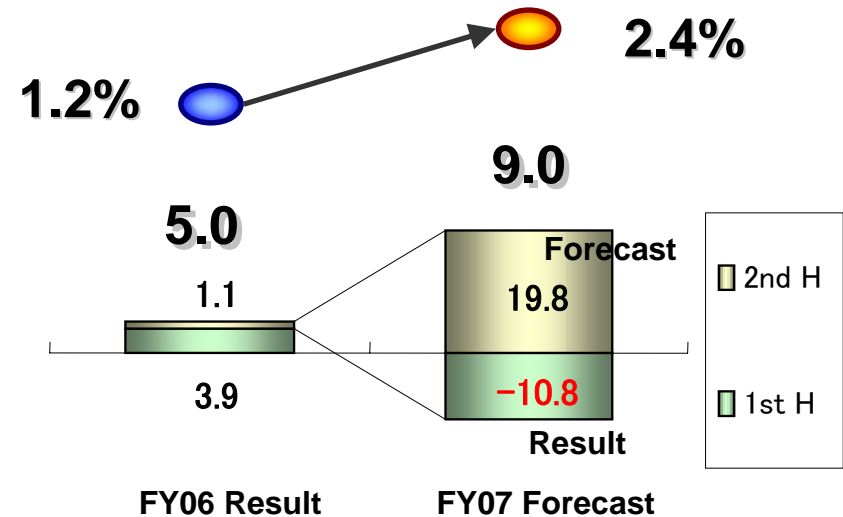
The said segment deficit resulting from the weakening business segment will be covered by four other segments, especially Components segment

General Overview

Ordinary Income



Net Profit [Billion yen]



(Net Profit)

1st half—Posted 18.3(billion Yen) Impairment loss from asset and 0.6(billion Yen) related due to termination of HDD magnetic devices business.

2nd half—Extraordinary Income (28.6 billion yen) on the sale and transfer of the assets relating to MR heads business to TDK Corporation will be booked upon completion of assets transfer.

General Overview

(Details for Impairment Loss)

In this FY07-1st half, the following assets have been written down (depreciated) to collectable levels. This write-down is recorded as an impairment loss in the extraordinary loss.

1. HDD Magnetic Heads

An impairment loss of 16.3 billion yen resulting from the termination of business upon transfer of assets to TDK Corporation was booked as a extraordinary loss for remained assets (buildings & machinery – including in overseas plants).

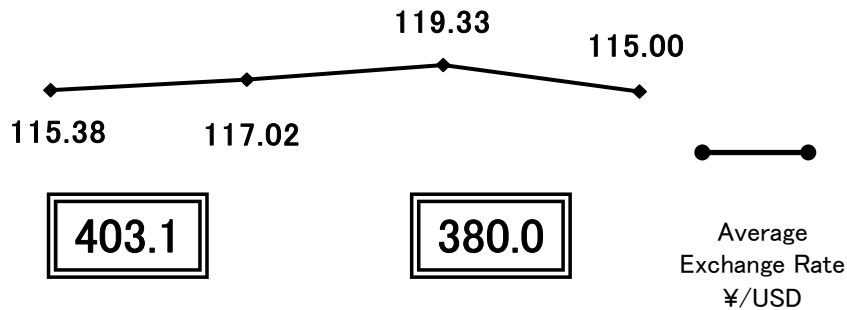
2. Electronic Components for Analog Broadcasting

Mainly due to worsening conditions in the TV tuner business, buildings and machinery (including in overseas plants) for the business segment have been depreciated and an impairment loss of 1.7 billion yen has been booked.

3. Liquid Crystal Display Devices (LCD)

Due to worsening business conditions, LCD related machinery and other assets have been depreciated and the resulting impairment loss (0.1 billion yen) booked.

Sales Result and Forecast (Electronic Components Segment)



YOY Δ 23.1 Billion Yen

Main factors for the change

•Magnetic Devices

Decrease of Magnetic Head for HDD, etc.
 Δ 40.6 Billion Yen

•Communications

Increase of automotive Bluetooth™ module
+0.8 Billion Yen

•Peripheral Products

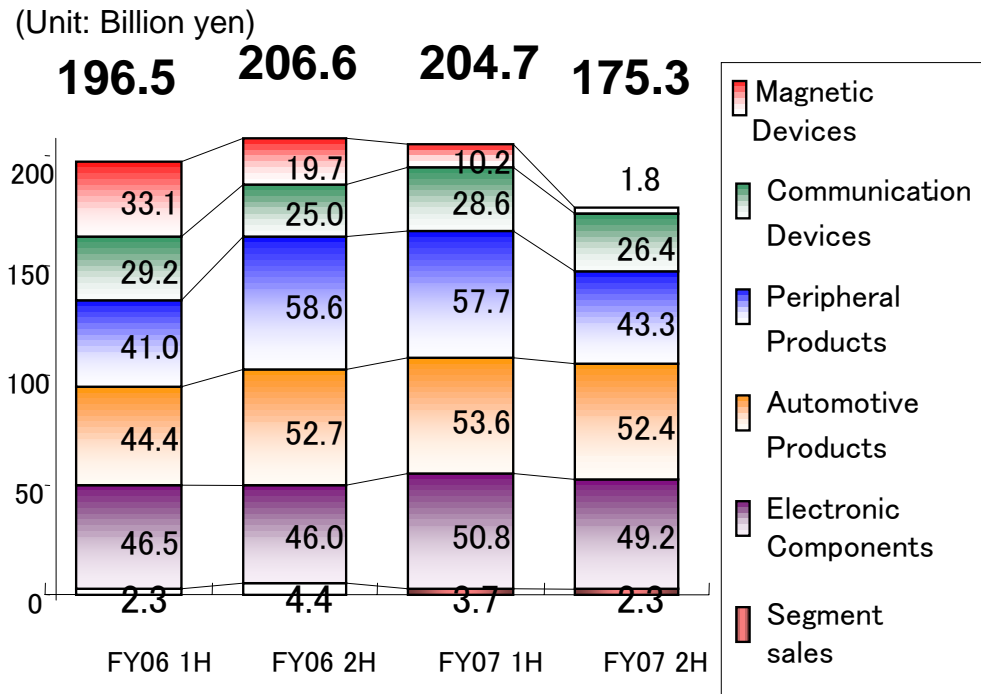
Increase of input device modules, etc.
+1.3 Billion Yen

•Automotive Electronics

Increase of front control panel modules, etc.
+ 8.9 Billion Yen

•Components

Increase of switches, sensors, etc.
+7.4 Billion Yen

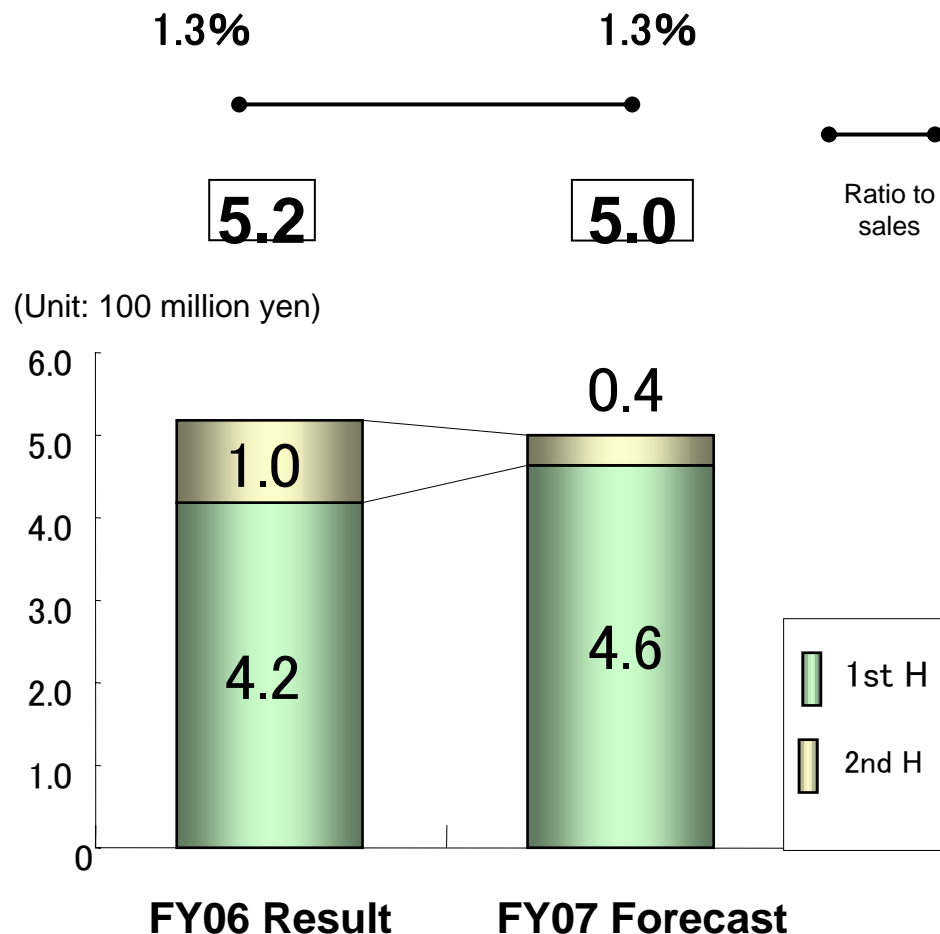


FY06 Result

FY07 Forecast

Note; Figures do not reflect the elimination between the segments

Operating Income Result and Forecast (Electronic Components Seg.)



YOY Δ 0.2 Billion Yen

Main factors for the change

Projected withdrawal from HDD magnetic heads business was delayed from FY07 1H to FY07 2H, thus pushing back the writing off of related costs to FY07 2H.

Accordingly estimated profit figures have been amended.

(Initial estimated profits were:
For FY07 1H ± 0 , for FY07 2H 5 billion yen)

Note: Indicated before consolidation elimination.

FY2007 Sales Forecast (Electronic Components Segment)

【As of November 8, 2007】

Change vs. May 7 Forecast

- Sales 380 Bil. Yen +10 Bil. Yen
- Operating Income(%) 5 Bil. Yen (1.3%) — — —

Estimated Exchange Rate: 115yen/USD, 160yen/EUR

【Investment Plan】

- Capital Expenditure : 26.6 Billion Yen (Δ2.2 Billion Yen vs. May 7 Forecast)
- R&D Expenses : 14.9 Billion Yen (+0.3 Billion Yen vs. May 7 Forecast)

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2. Overview of Electronic Components Segment

- FY2007 1st Half Consolidated Results
FY2007 Forecast
- Overview of Each Segment

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FY2007 Forecast

■ Components

Sales 100 Billion Yen (99% vs. plan)

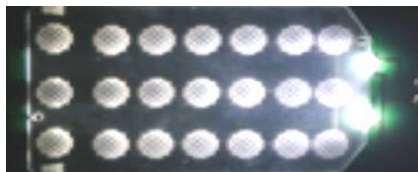
<Main Strategy>

■ Speeding up releasing and commercializing of new products

[Sales] Achieving the sales target by increasing market share and improved products mix

[R&D] Speeding up commercialization of new products and realization of new business by reinforcing DM and further improvement of element technology

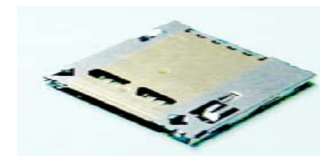
[Production] Achieving incomparable quality by production innovation



Contact sheetTM with light Guide for cellular phones



Water-proof detection Switch for automotive use



Quarter sized card connectors for mobile equipments

■ Magnetic Devices

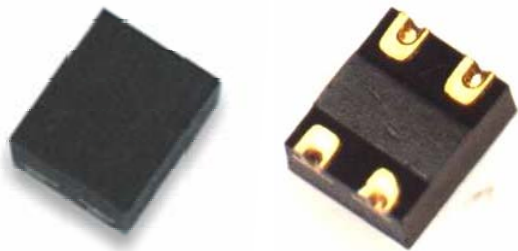
Sales 12 Billion Yen (171% vs. plan)

<Main Strategy>

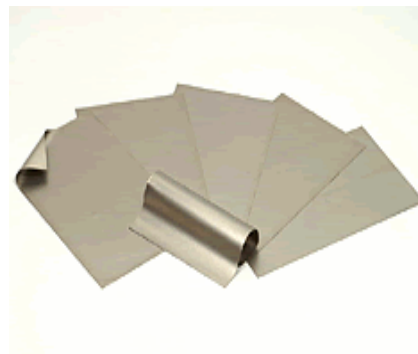
■ Accelerating the renovation of business structures



Magnetic Heads=> sensors, material application products
(Liqualloy™, piezoelectric applied products)



Highly reliable magnetic sensors



Liqualloy™ sheet



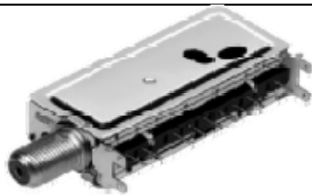
Piezoelectric pump

■ Communications

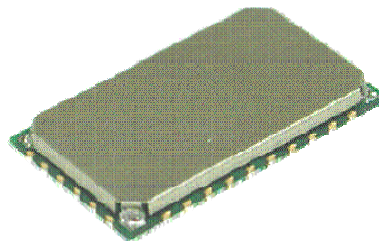
Sales 55 Billion Yen (89% vs. plan)

<Main Strategy>

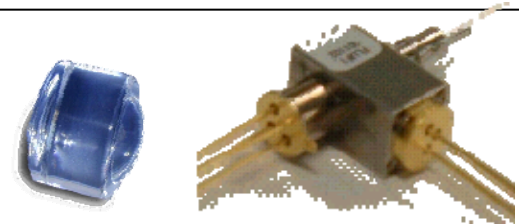
- Increasing market share of digital tuners for TV(FPD, etc.) and automobiles
- Growing to global No.1 supplier of Bluetooth™ modules for automotive use
- Expanding optical business for communication and imaging market



TV tuners for ground digital broadcasting



Bluetooth™ modules for automotive use



Devices and modules for optical communication



Full segment tuner modules for automotive use



Camera modules for cell phones

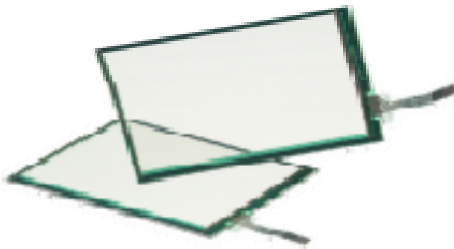
FY2007 Forecast

■ Peripheral Products

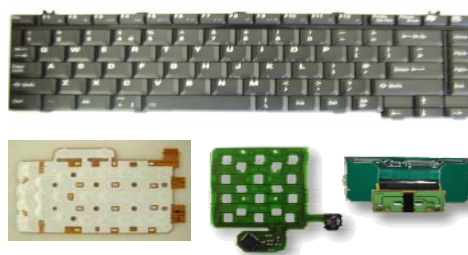
Sales 101 Billion Yen (101% vs. plan)

<Main Strategy>

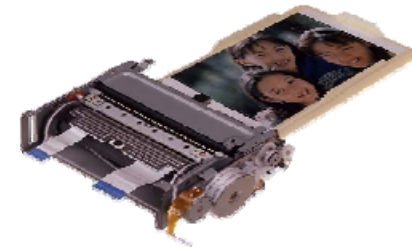
- Supplying products for controller modules of gaming devices
- Focusing on the creation of peripheral products based on our core technologies
- Developing application of touch panel, input devices, printer mechanism, etc.



Touch Panels for
Portable equipments



Input devices for PC &
portable equipments



Small-sized printer
mechanism

FY2007 Forecast

■ Automotive Electronics Sales 106 Billion yen (106% vs. plan)

<Main Strategy>

- Continuous creation of new products and technologies
- Further improvement of product quality by fullest use of DM
- Improvement of global management efficiency (Expansion of production bases as well as enhancement of production at right places)

Automotive SPICE TM Level 3 Certification: In April 2007 we were certified as Level 3 compliant through our R&D project for the Door & Seat Operating Module. And in doing so we became the first (and perhaps only) Japanese company in Automotive SPICE TM Level 3. is the recognized standard process for software R&D in Europe and the U.S.



Haptic commander®
Aircondition operating units
Other operating switch units



Operating modules for door & sheet
Power mirror switch



Passive keyless entry systems
Keyless entry systems

Business Deployment of Sensor

SENSORING™



Magnetic Technology



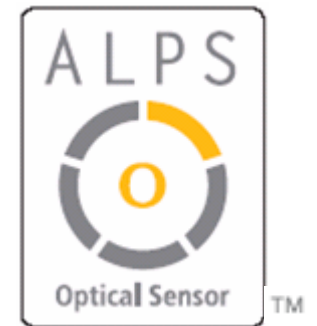
Capacitive Technology



Piezo Technology



Resistive Technology



Optical Technology



Module Capability

Business Deployment of Sensor

SENSORING™



**Magnetic
Technology**



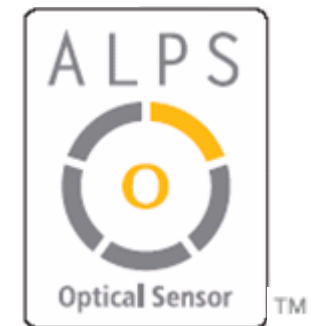
**Capacitive
Technology**



**Piezo
Technology**



**Resistive
Technology**

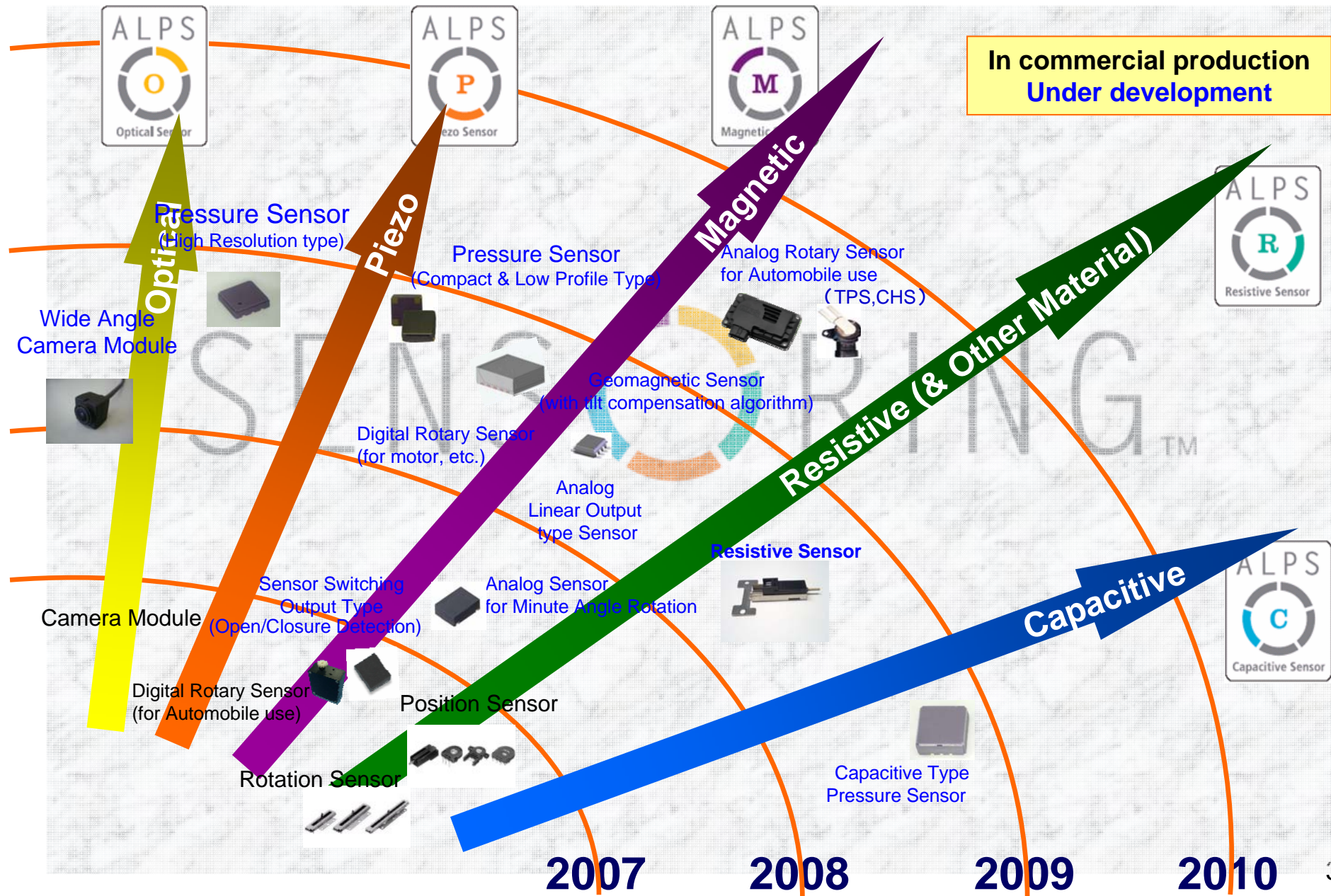


**Optical
Technology**

Deployment of Censoring Devices



Sensor Products Roadmap for the Future



FY2007 Dividend Policy (Electronic Components Segment)

■ Profit Distribution to Shareholders

Interim dividend 10 yen / share

(For reference: Previous term's Interim dividend was 10 yen / share)

Yearly dividend 20 yen / share (plan)

(For reference: Previous term's dividend was 20 yen / share)

Estimations and forecasts herein were prepared based on the information available on the day of the presentation. Other than previously recognized facts, assumptions are used for the calculation of these estimations and forecasts. The materialization of the descriptions herein is neither implied nor guaranteed. This presentation is not subject to an official audit by a certified public accountant. Our Haptic related devices are utilized TouchSense™ Technology of Immersion Corporation and TouchSense™ is a registered trademark of Immersion Corporation. Described in this material as “Bluetooth™” is a trademark of Bluetooth SIG, Inc. in the U.S., “Automotive SPICE™” is a registered trademark of the SPICE User Group in Sweden.

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