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Company name: Alps Electric Co., Ltd  
President: Masataka Kataoka  
(Code 6770, TSE 1<sup>st</sup> Section)  
Inquiries to: Ichiro Nagata, Senior Manager  
CSR Dept.  
TEL (03)5499-8001(PR Direct)

**Basic Agreement on a Joint Feasibility Study for  
Magnetic Material and Thin-Film Process Technologies Business**

Alps Electric Co., Ltd. (Tokyo, Japan, President Masataka Kataoka, "Alps") has concluded a basic agreement with the Innovation Network Corporation of Japan (Tokyo, Japan, President (CEO) Kimikazu Noumi "INCJ") to begin a joint feasibility study on the promotion of business in magnetic material and thin-film process technologies.

Alps, with INCJ, has started this detailed study utilizing its management resources accumulated and developed in magnetic material and thin-film process technologies as the technical core of business promotion.

This new business encourages an "open-innovation" style with the open involvement of industries and research institutions involved in the creation of environmentally-friendly products that serve to realize a low-carbon society through energy conservation and efficiency ("Green Devices"\*) . In particular, the aim of this business is to improve the competitiveness of the power-electronics industry through the development and commercialization of power conversion and power control devices with small and high-efficient performance, ultimately contributing to the realization of a low-carbon society.

Alps plans to commence this business in April 2010 and is actively pursuing business alliances (including equity investment) with Green-Devices-related industries and research institutions.

\* Green Devices - Alps defines Green Devices as follows:

- Devices contributing to energy-saving products
- Devices contributing to the creation of new energy
- Devices contributing to effective use and conservation of resources
- Devices adhering to relevant laws and regulations, with full disclosure of chemicals substances contained

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