



Results Briefing FY2008

ALPS ELECTRIC CO., LTD.

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1. Report of Business Results for FY2008

1-1. Overview of Consolidated Results

1-2. Overview of Electronic Components Segment

2. Forecast of FY2009

2-1. Forecast of Consolidated Results

2-2. Forecast of Electronic Components Segment



1. Report of Business Results for FY2008

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Report of Business Results for FY2008

Overview of Consolidated Results



Summary

(Unit: Billion Yen)

		FY2007	FY2008							
			Results	Results				Diff.	'09/3/17 Forecast	Diff.
				1H	3Q	4Q	Total			
	Electronic Components	391.4	181.5	66.8	43.5	291.9	-99.4	290.0	1.9	
	Audio Equipment	247.5	122.2	39.4	31.6	193.2	-54.3	191.0	2.2	
	Logistics and Others	53.6	28.0	14.0	11.7	53.7	0.0	55.0	-1.3	
	Net Sales	692.6	331.7	120.3	86.8	538.9	-153.6	536.0	2.9	
	Electronic Components	6.3	1.1	-9.3	-11.8	-20.0	-26.3	-21.5	1.5	
	Audio Equipment	7.0	1.0	-3.9	-7.2	-10.1	-17.1	-11.5	1.4	
	Logistics and Others	6.4	2.5	1.2	0.2	3.9	-2.4	4.0	-0.1	
	Eliminations	0.1	0.1	0.0	0.0	0.2	0.0	0.0	0.2	
	Operating Income	19.8 2.9%	4.7	-11.9	-18.8	-26.0 -4.8%	-45.9	-29.0 -5.4%	3.0	
	Ordinary Income	13.1 1.9%	7.4	-14.6	-15.5	-22.8 -4.2%	-35.9	-26.0 -4.9%	3.2	
	Net Income	4.4 0.6%	0.8	-38.0	-32.1	-69.3 -12.9%	-73.8	-67.0 -12.5%	-2.3	
F	JPY/USD	114.28	106.11	96.32	93.60	100.54	-13.74	99.71	0.83	
X	JPY/EUR	161.53	162.68	126.74	121.81	143.48	-18.05	143.03	0.45	

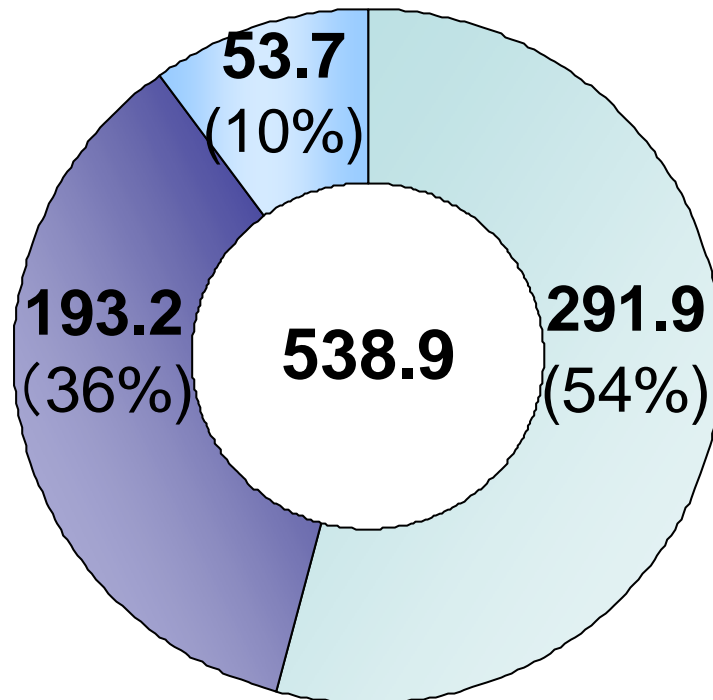
Report of Business Results for FY2008

Overview of Consolidated Results



■ Sales by Business Segment

(Unit: Billion Yen)



Electronic
Components

ALPS[®]
ALPS ELECTRIC CO., LTD.

Sales ¥291.9 Billion (-25.4% YOY)
Operating Income ¥-20.0 Billion (¥6.3 Bil.' 07)

Audio
Equipment

ALPINE
ALPINE ELECTRONICS, INC.

Sales ¥193.2 Billion (-21.9% YOY)
Operating Income ¥-10.1 Billion (¥7.0 Bil.' 07)

Logistics and
others



ALPS LOGISTICS CO., LTD.

Sales ¥53.7 Billion (+0.2% YOY)
Operating Income ¥3.9 Billion (-38.2% YOY)

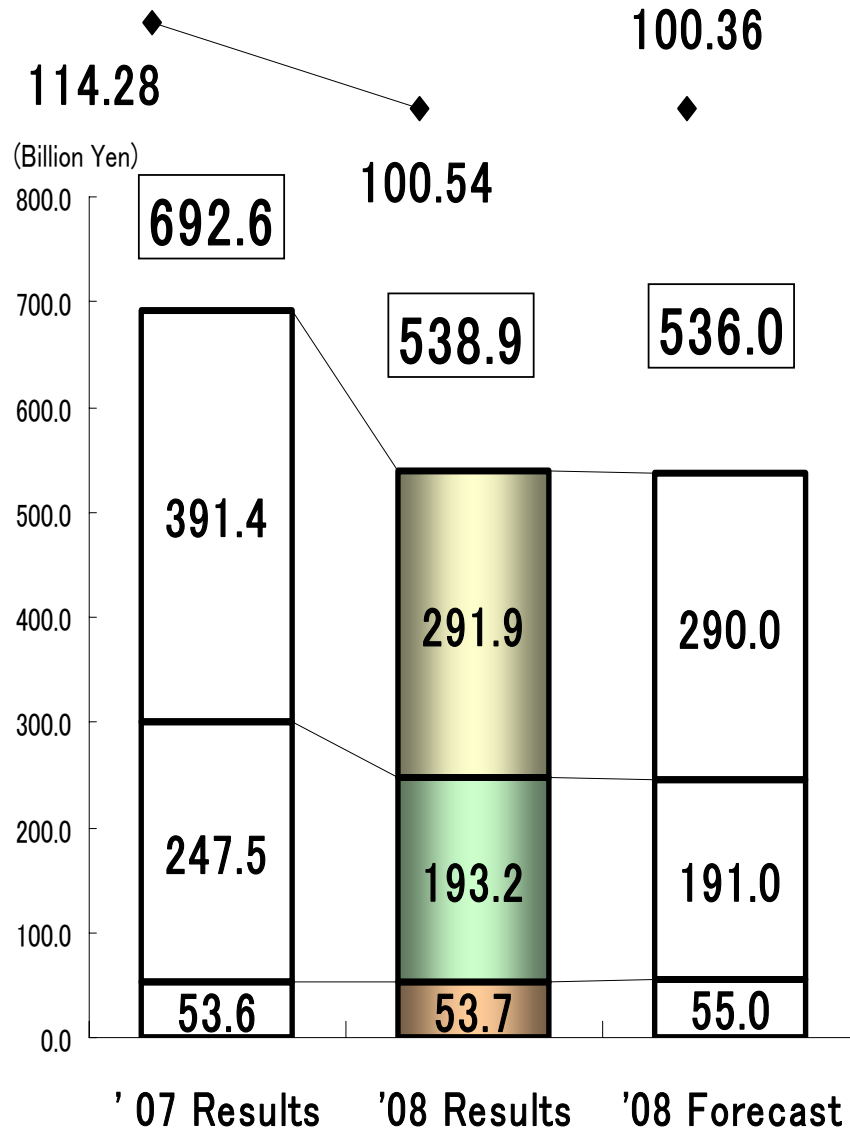
Report of Business Results for FY2008

Overview of Consolidated Results



Change in Consolidated Sales

YOY – 153.7 Billion Yen



Average EX rate
JPY/USD

◇ Effect of exchange rate

– 44.8 Billion Yen

- Depreciation of USD against JPY – 23.4 Billion Yen
- Depreciation of EUR against JPY – 11.0 Billion Yen
- Other currencies (Asia, etc.) – 10.4 Billion Yen

◇ Excluding exchange rate effect

– 108.9 Billion Yen

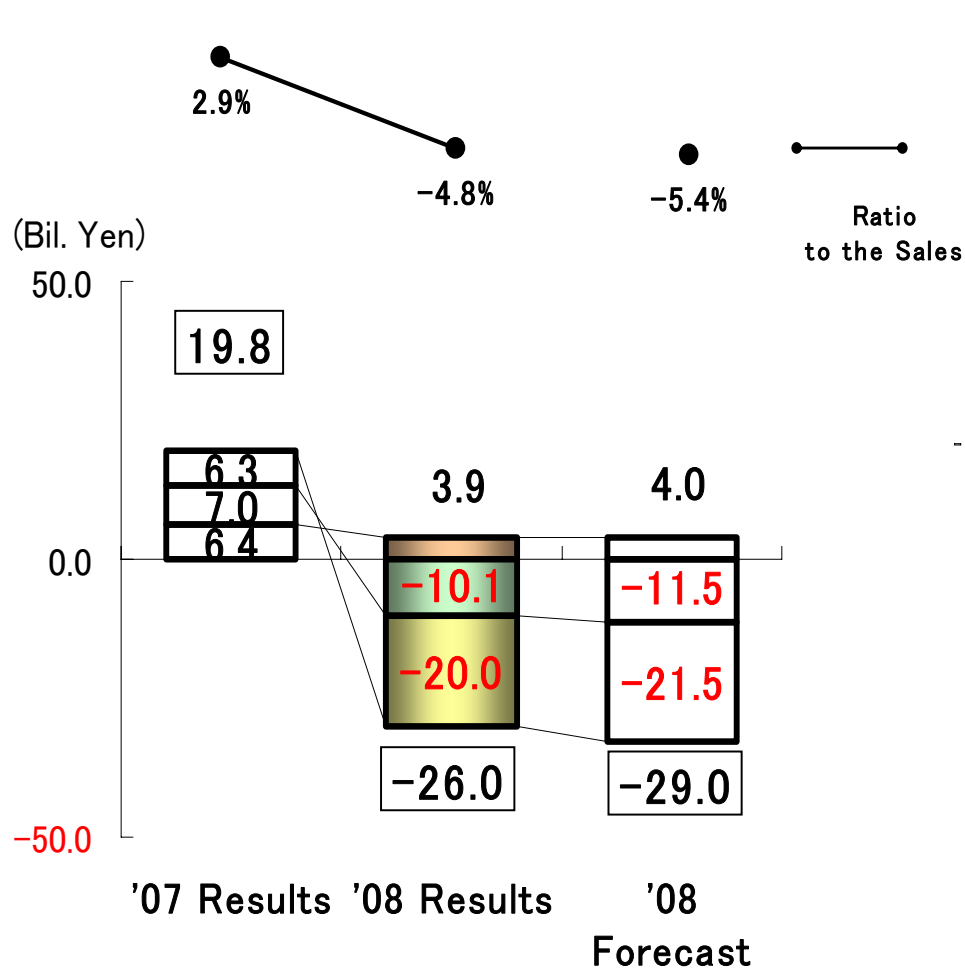
- Decrease in sales of Electronic Components – 69.6 Billion Yen
- Decrease in sales of Audio Equipment – 39.4 Billion Yen
- Increase in Sales of Logistics/Other + 0.1 Billion Yen

Report of Business Results for FY2008

Overview of Consolidated Results



Change in Consolidated Operating Income



YOY 45.9 Billion Yen

◇ Effect of exchange rate

- 10.0 Billion Yen

- Depreciation of USD against JPY

- 5.3 Billion Yen

- Depreciation of EUR against JPY

- 4.5 Billion Yen

◇ Excluding exchange rate effect

- 35.9 Billion Yen

- Decrease in Electronic Components

- 21.6 Billion Yen

- Decrease in Audio Equipment

- 11.9 Billion Yen

- Decrease in Logistics/Other

- 2.4 Billion Yen

■ Logistics & Others ■ Audio Equipment ■ Electronic Components

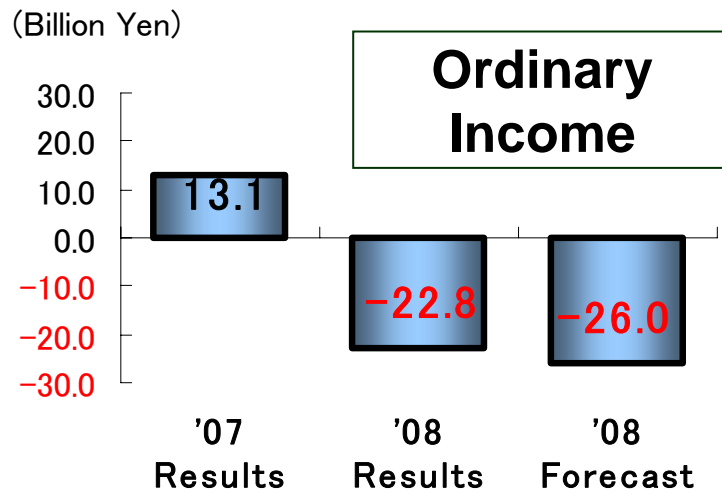
(Note) Data shown is before elimination of consolidated accounts.

Report of Business Results for FY2008

Overview of Consolidated Results



Change in Consolidated Ordinary Income, Net Income



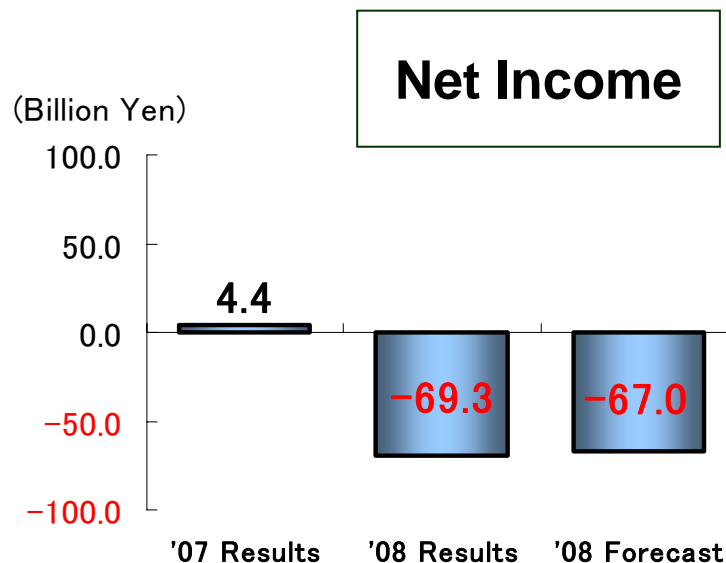
YOY -35.9 Billion Yen

▪ Decrease in operating income

- 45.9 Billion Yen

▪ Decrease in FX loss, etc. + 10.0 Billion Yen

YOY - 73.8 Billion Yen



▪ Decrease in gross income - 35.9 Billion Yen

▪ Decrease in extraordinary income

- 24.5 Billion Yen

▪ Increase in extraordinary loss -14.7 Billion Yen

▪ Decrease in corporate tax +10.7 Billion Yen

▪ Increase in impairment losses on fixed assets

- 17.3 Billion Yen

▪ Decrease in minority interests in net income of

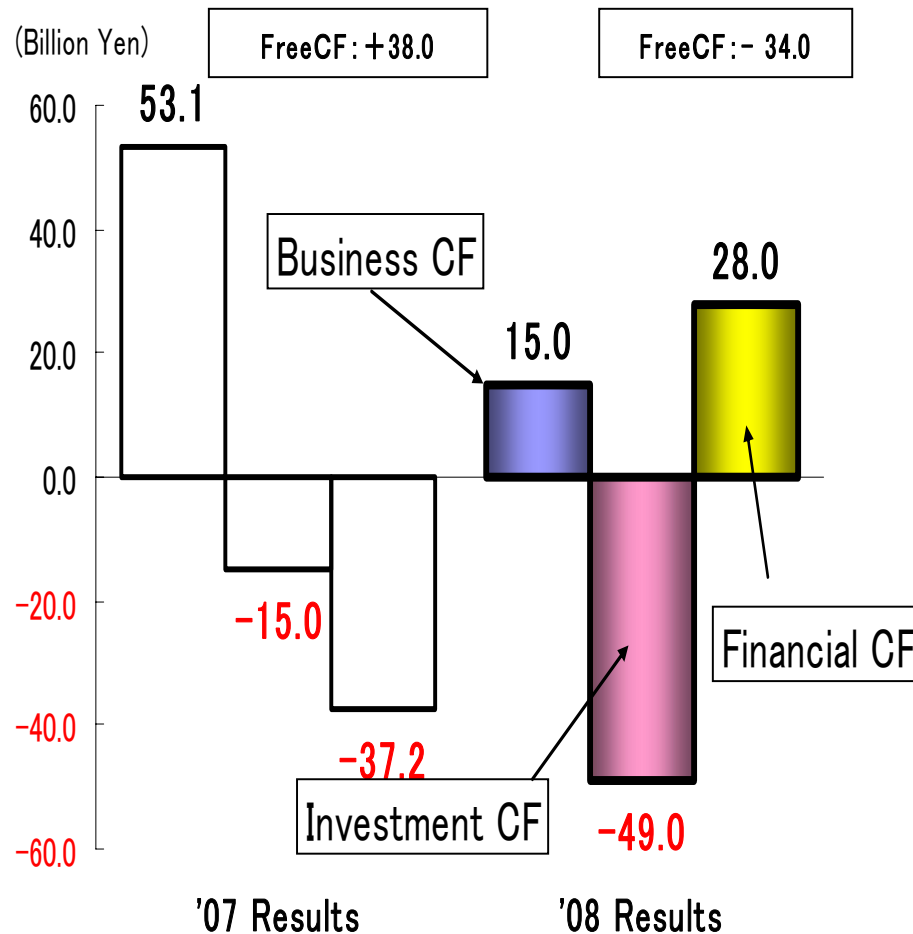
consolidated subsidiaries + 8.2 Billion Yen

Report of Business Results for FY2008

Overview of Consolidated Results



Consolidated Cash flow



Main Reasons for Change

◇ Change in Business CF +15.0 Billion Yen

- Decrease in accounts receivable +32.2 Billion Yen
- Depreciation expenses +29.8 Billion Yen
- Increase in impairment loss +27.1 Billion Yen
- Losses before income tax - 56.6 Billion Yen
- Decrease in accounts payable - 22.7 Billion Yen

◇ Change in Investment CF -49.0 Bil.Yen

- Decrease in fixed assets - 46.2 Billion Yen

◇ Change in Financial +28.0 Billion Yen

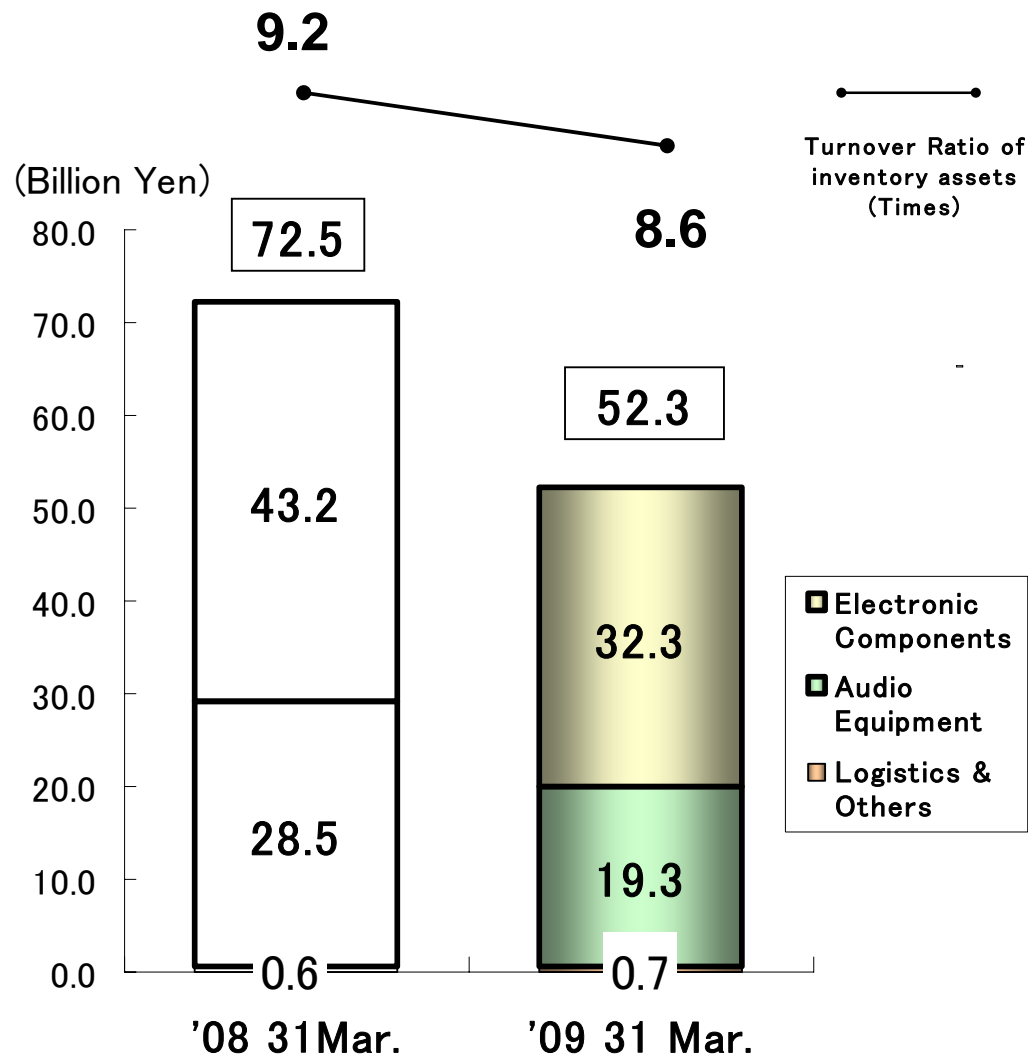
- Increase in short-term borrowings + 30.6 Billion Yen

Report of Business Results for FY2008 Overview of Consolidated Results



Change in Consolidated Inventory Assets

YOY -20.2 Billion Yen



- ◇ Electronic Components - 10.9 Billion Yen
- ◇ Audio Equipment - 9.2 Billion Yen

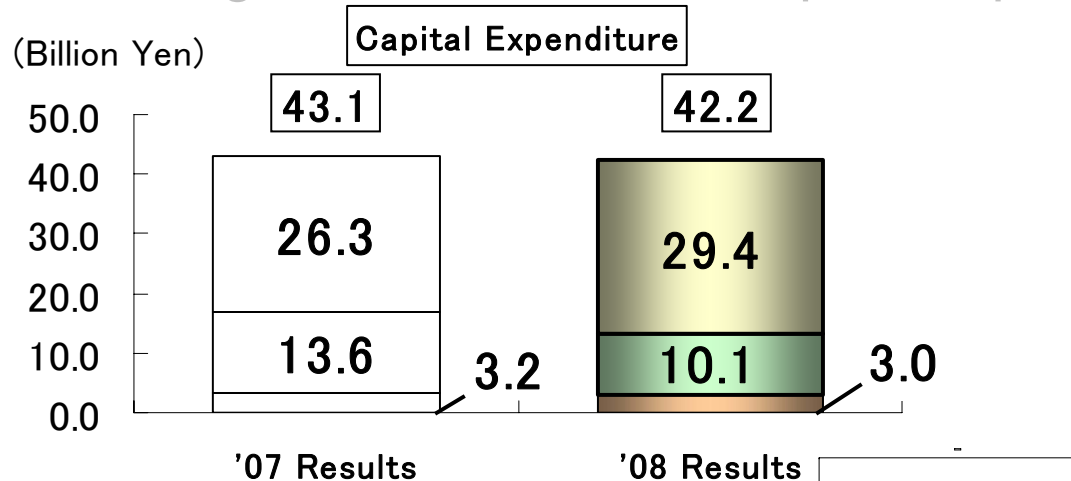
※ Turnover Ratio	08/3	09/3
◇ Electronic Components	8.8	→ 7.8
◇ Audio Equipment	8.8	→ 8.2

Report of Business Results for FY2008

Overview of Consolidated Results



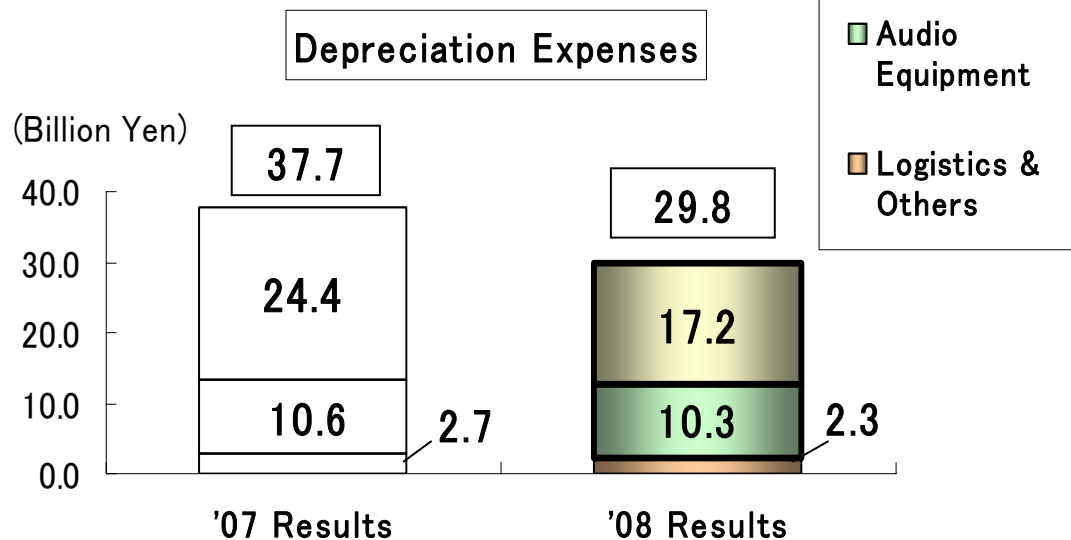
Change in Consolidated Capital Expenditure & Depreciation Expenses



YOY – 0.9 Billion Yen

◇ Electronic Components
+ 3.1 Billion Yen

◇ Audio Equipment
– 3.5 Billion Yen



YOY – 7.9 Billion Yen

◇ Electronic Components
– 7.2 Billion Yen

◇ Audio Equipment
– 0.3 Billion Yen

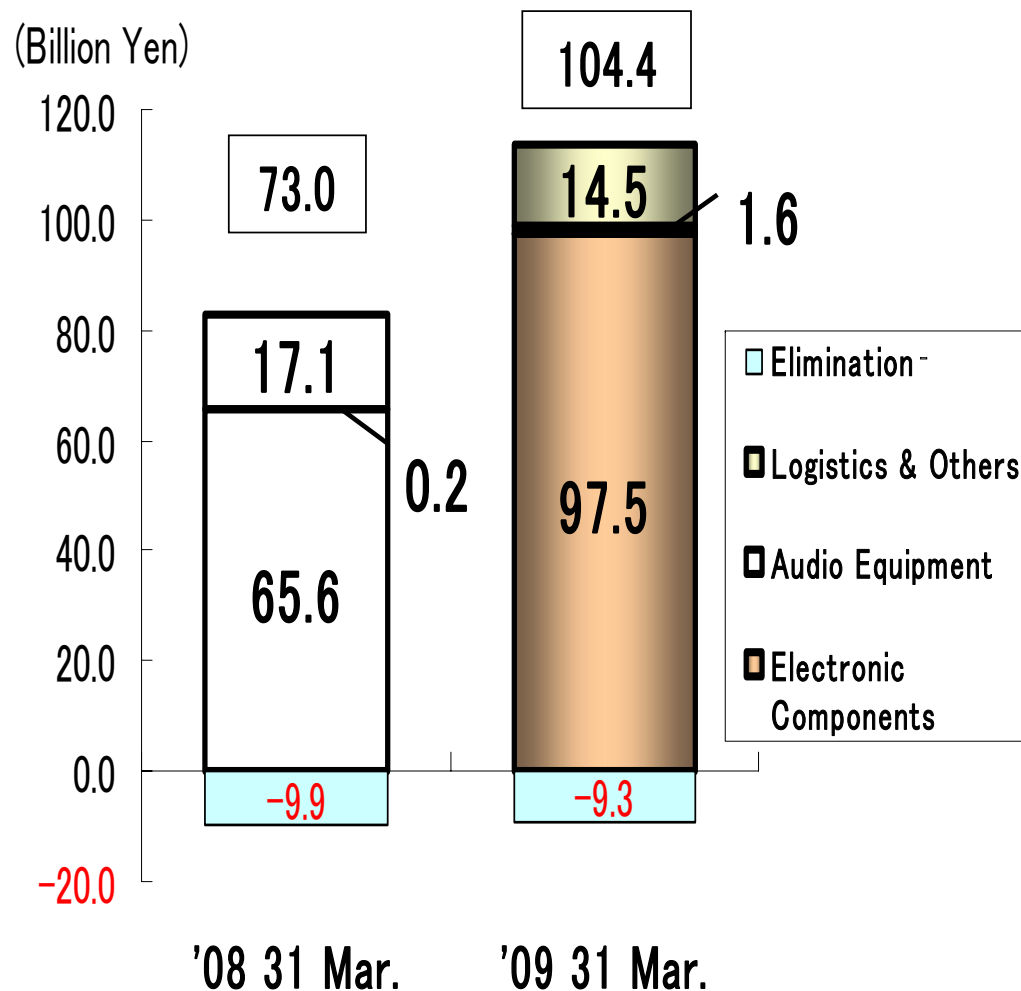
◇ Logistics & Others
– 0.4 Billion Yen

Report of Business Results for FY2008

Overview of Consolidated Results



Change in Balance of Consolidated Loans



YOY + 31.4 Billion Yen

◇ Electronic Components

+31.9 Billion Yen

◇ Audio Equipment

+ 1.4 Billion Yen

◇ Logistics/Other

- 2.0 Billion Yen

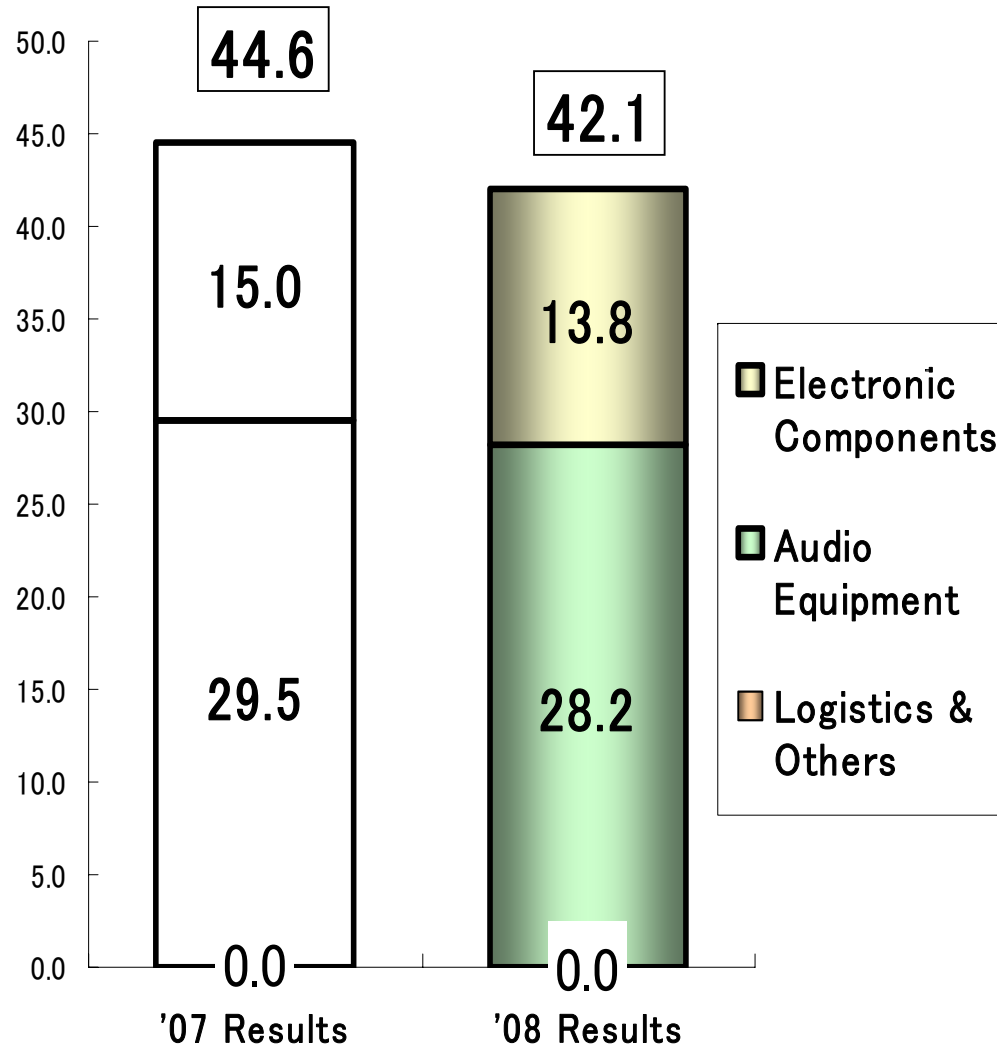
Report of Business Results for FY2008

Overview of Consolidated Results



Change in Consolidated Research & Development Expenses

(Billion Yen)



YOY – 2.5 Billion Yen

◇ Electronic Components

– 1.2 Billion Yen

◇ Audio Equipment

– 1.3 Billion Yen



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1-2. Overview of Electronic Components Segment

2. Forecast of FY2009

2-1. Forecast of Consolidated

2-2. Forecast of Electronic Components Segment

Report of Business Results for FY2008

Overview of Electronic Components Segment



(Unit: Billion Yen)

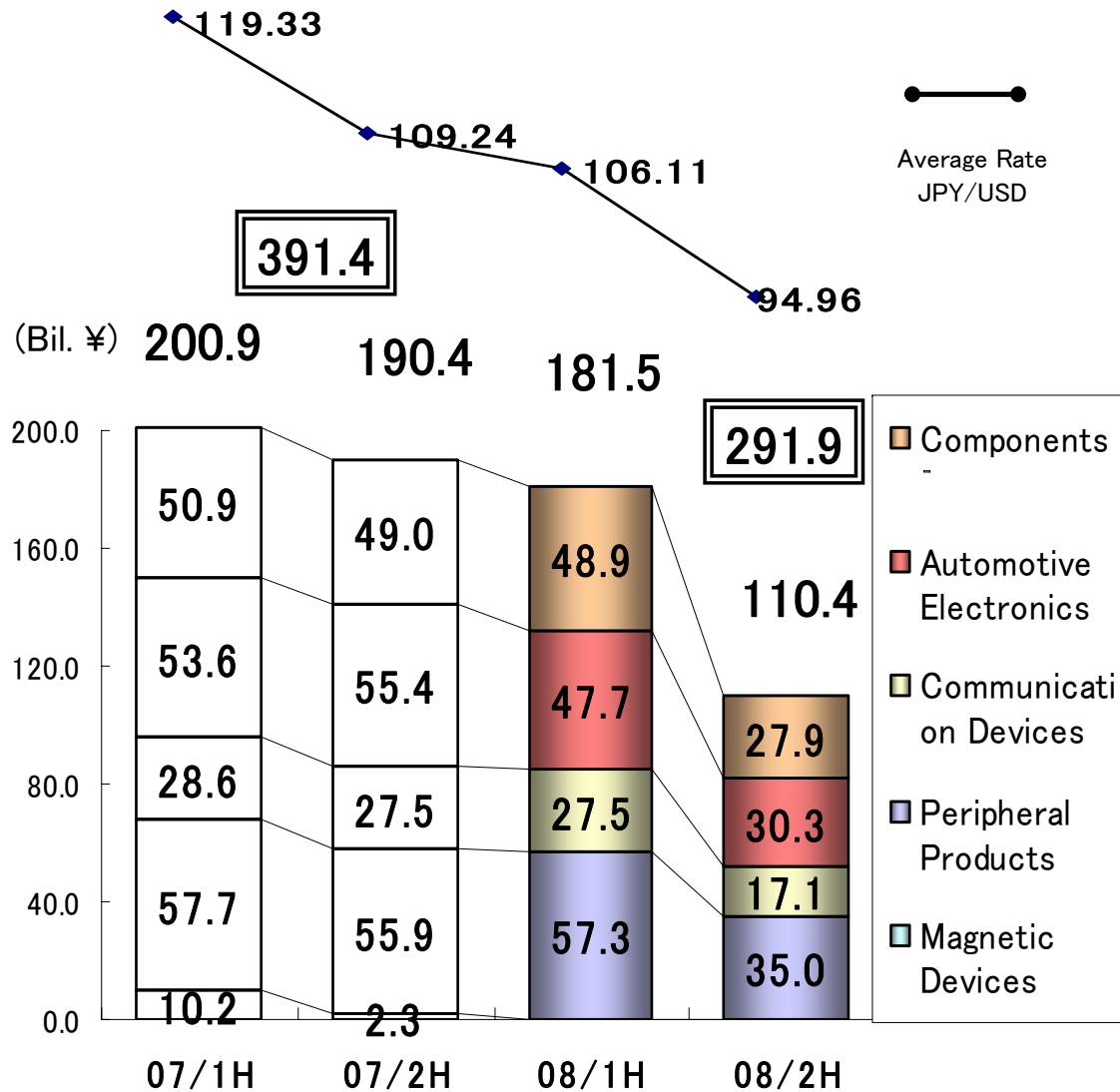
		FY2007	FY2008							
			Results	Results				Diff.	'09/3/17 Forecast	Diff.
				1H	3Q	4Q	Total			
	Components	99.9	48.9	16.4	11.5	76.8	-23.1	76.0	0.8	
	Magnetic Devices	12.6	---	---	---	---	-12.6	---	---	
	Communications	56.1	27.5	10.3	6.7	44.6	-11.5	43.0	1.6	
	Peripheral Products	113.6	57.3	23.2	11.7	92.3	-21.3	90.0	2.3	
	Automotive electronics	109.0	47.7	16.7	13.6	78.1	-30.9	81.0	-2.9	
	Net Sales	391.4	181.5	66.8	43.5	291.9	-99.4	290.0	1.9	
	Operating Income	6.3 1.6%	1.1	-9.3	-11.8	-20.0 -6.9%	-26.3	-21.5 -7.4%	1.5	
F	JPY/USD	114.28	106.11	96.32	93.60	100.54	-13.74	99.71	0.83	
X	JPY/EUR	161.53	162.68	126.74	121.81	143.48	-18.05	143.03	0.45	

Report of Business Results for FY2008

Overview of Electronic Components Segment



Change in Sales



YOY – 99.4 Billion Yen

Main Reasons for Change

- **Components**
Decrease in switches for mobile devices, connectors, and automotive sensors, etc. – 23.1 Billion Yen
- **Automotive Electronics**
Decrease due to worldwide reduction in auto manufacturing – 30.9 Billion Yen
- **Communication Devices**
Decrease in broadcasting/communication modules, etc. – 11.5 Billion Yen
- **Peripheral Products**
Decrease of game controller modules, etc. – 21.3 Billion Yen
- **Magnetic Devices**
Decrease due to termination of HDD head business – 12.6 Billion Yen

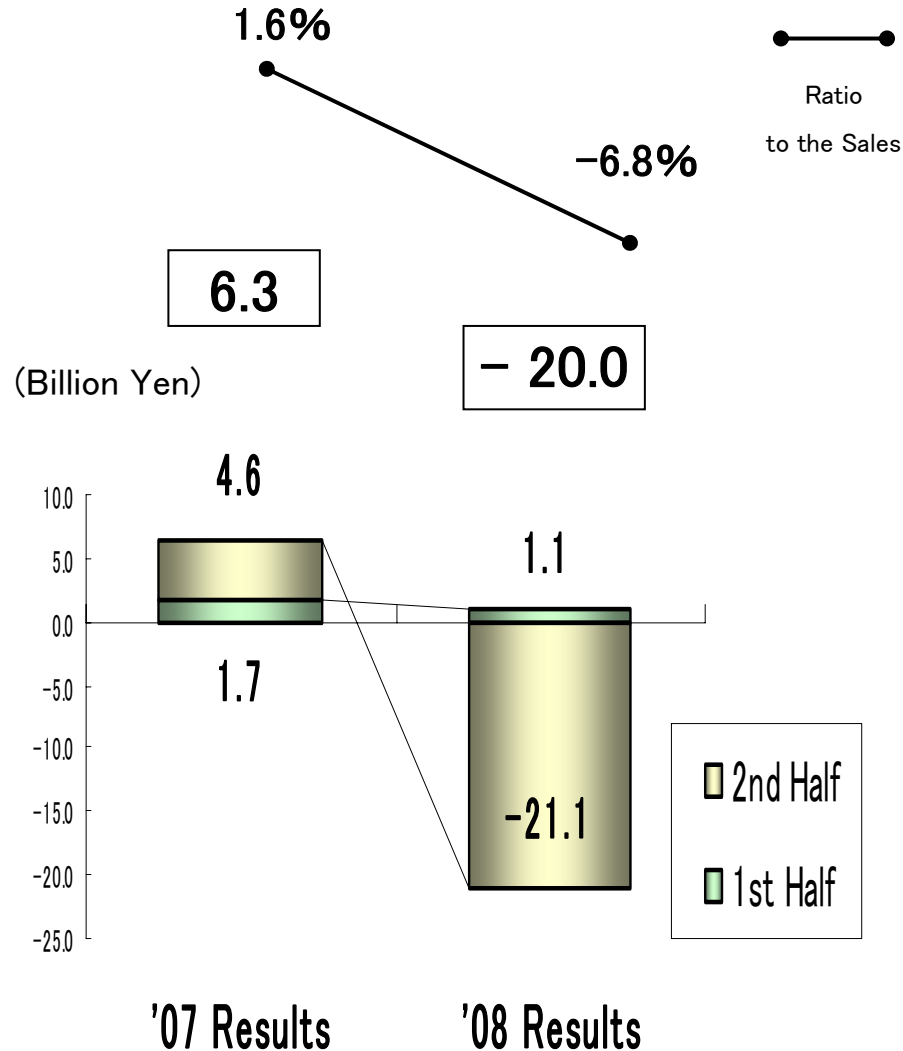
(Note) All figures are indicated as before elimination between segments.

Report of Business Results for FY2008 Overview of Electronic Components Segment



Change in Operating Income

YOY – 26.3 Billion Yen



Main Reasons for Change

◇ Effect of exchange rate

– 4.7 Billion Yen

- Depreciation of USD against JPY

– 3.3 Billion Yen

- Depreciation of EUR against JPY

– 1.3 Billion Yen

◇ Excluding effect of exchange rate

– 21.6 Billion Yen

- Decrease from reduced sales

– 35.0 Billion Yen

- Decrease in depreciation from impairment, etc.

+ 7.2 Billion Yen

- Reduction in fixed costs from cutbacks, etc.

+ 6.0 Billion Yen

■ Amount Affected to Sales and Operating Income Per ¥1

< Consolidation Base >

- Sales:

 - 0.14 Billion Yen/month against USD

 - 0.05 Billion Yen/month against EUR

- Operating Income:

 - 0.03 Billion Yen/month against USD

 - 0.02 Billion Yen/month against EUR

< Electronic Components Segment >

- Sales:

 - 0.09 Billion Yen/month against USD

 - 0.02 Billion Yen/month against EUR

- Operating Income:

 - 0.02 Billion Yen/month against USD

 - 0.00 Billion Yen/month against EUR

(Note) Based on the results of FY2008



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2. Forecast of FY2009

2-1. Forecast of Consolidated Results

2-2. Forecast of Electronic Components Segment

Forecast of FY 2009

Overview of Electronic Components Segment

(Unit: Billion Yen)

		FY2008		FY2009				
		Results		Forecast			Diff.	
				1H	2H	Total		
	Electronic Components	291.9		120.0	130.0	250.0	-41.9	
	Audio Equipment	193.2		79.0	91.0	170.0	-23.2	
	Logistics and Others	53.7		21.0	22.0	43.0	-10.7	
	Net Sales	538.9		220.0	243.0	463.0	-75.9	
	Electronic Components	-20.0		-7.0	2.0	-5.0	15.0	
	Audio Equipment	-10.1		-7.0	4.0	-3.0	7.1	
	Logistics and Others	3.9		0.6	1.7	2.3	-1.6	
	Eliminations	0.2		-0.6	1.7	1.1	0.9	
	Operating Income	-26.0	-4.8%	-14.0	9.5	-4.5	-1.0%	21.5
	Ordinary Income	-22.8	-4.2%	-16.0	8.0	-8.0	-1.7%	14.8
	Net Income	-69.3	-12.9%	-14.0	1.5	-12.5	-2.7%	56.8
F	JPY/USD	100.54		100.00			-0.54	
X	JPY/EUR	143.48		130.00			-13.48	

Investment Forecast (parentheses indicate past fiscal year)

<Consolidated accounts>

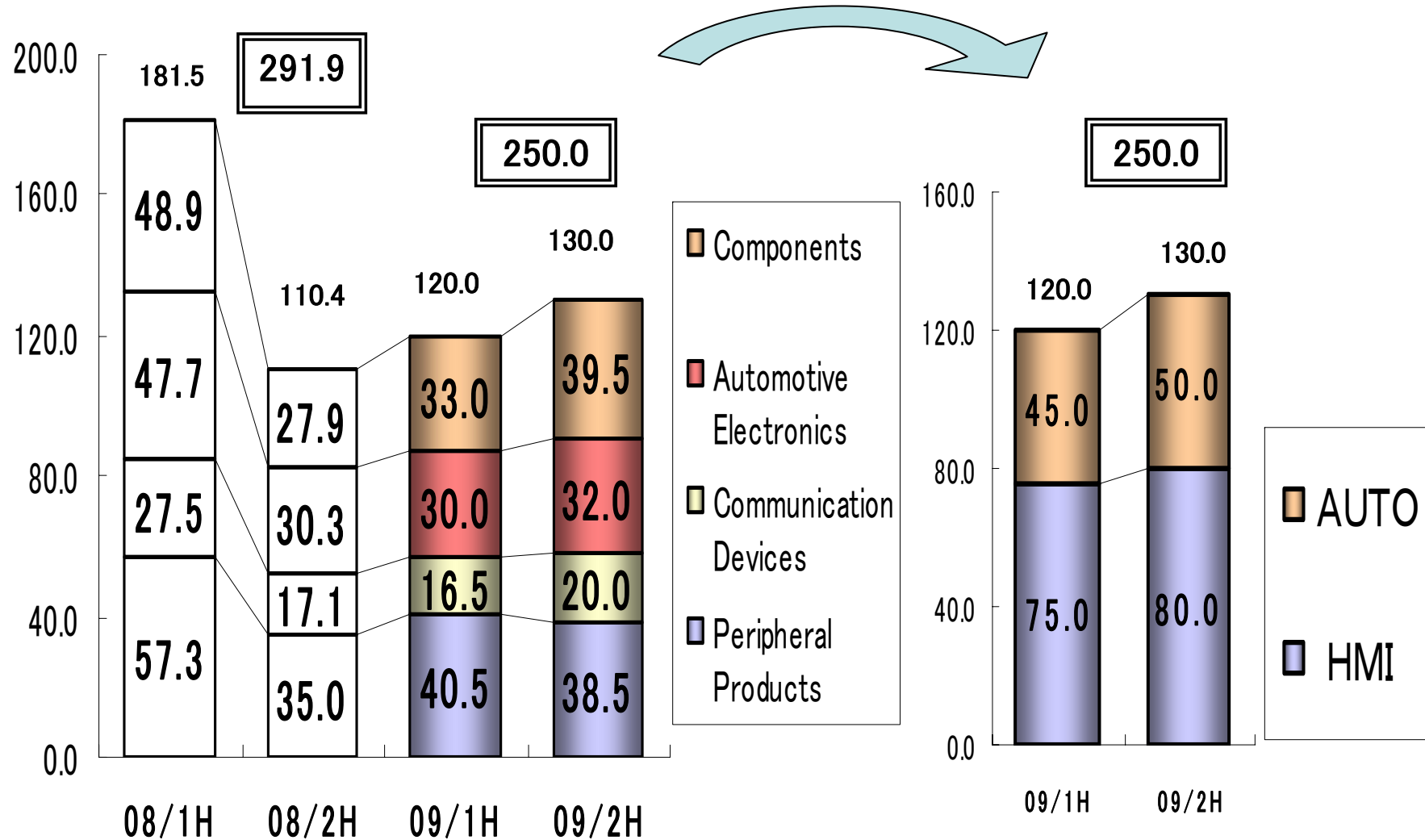
Capital Expenditure 22.0 Billion Yen (42.2)

R%D Expenses 33.0 (42.1)

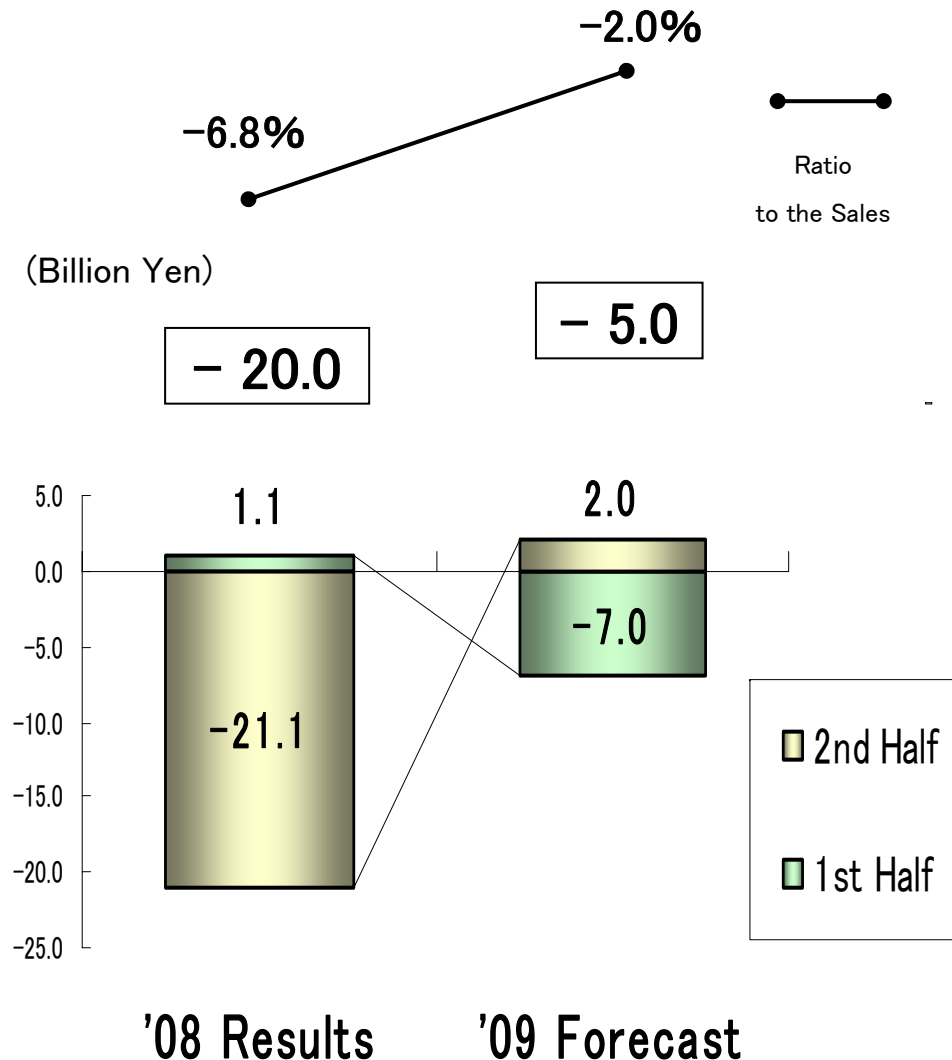
<Electronic Components Segment> Capital Expenditure 15.0 Billion Yen (29.4)

R%D Expenses 10.0 (13.8)

Breakdown of Sales



Forecast of Operating Income

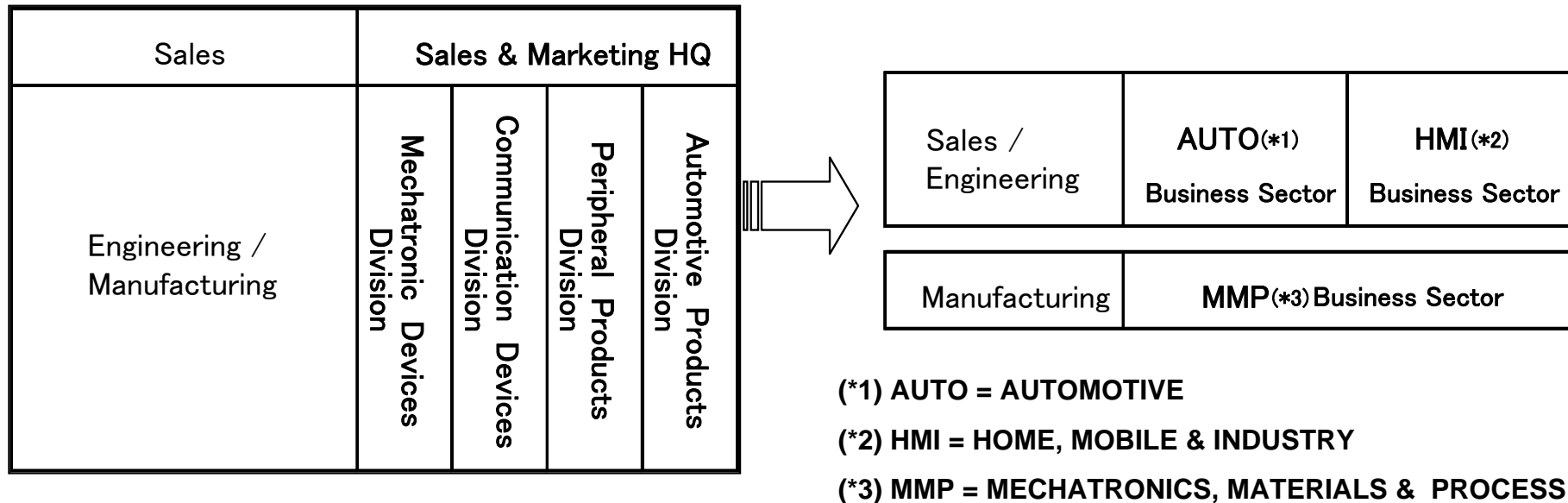


YOY +15.0 Billion Yen

Main Reasons for Change

- Decrease from depreciation of EUR (@143→@130)
 - 1.0 Billion Yen
- Decrease from reduced sales
 - 14.0 Billion Yen
- Cost reform due to implementation of emergency profit measures and structural reforms, etc.
 - + 30.0 Billion Yen

Overview of Structural Reform



【Strengthen Sales Ability】

⇒ Integrate sales and engineering within two Business Units (AUTO、HMI)

【Enhance Cost Reduction Ability and Create Strong Key Products】

⇒ Focus global Monozukuri philosophy with production abilities and establish the MMP Business Unit

■ AUTO Business Unit

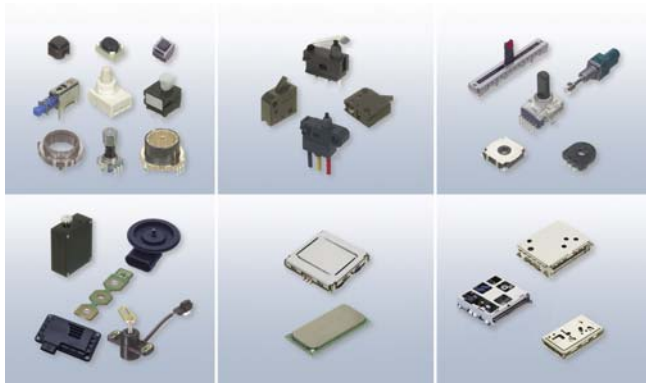
Sales (Forecast) 95 Billion Yen

<Business Overview>

Through integrated sales and engineering, the AUTO Business Unit conducts product development and sales operations for the automobile market.

<Basic Policy>

- Work with the customer to develop technology and offer products
- Advance the creation of new products from core technology developed in the consumer market (household goods/portable devices)
- Promote sales and boost competitive power of key products by means of quality support system development accumulated through the auto parts business
- Optimize and reconstruct the global enterprise (production/sales) system



Key Products for Tier 1,2



Modules for Car Manufacturers



■ HMI Business Unit

Sales (Forecast) 155 Billion Yen

<Business Overview>

Through integrated sales and engineering, the HMI Business Unit conducts product development and sales operations to meet customer needs in the home, mobile and industrial markets.

<Basic Policy>

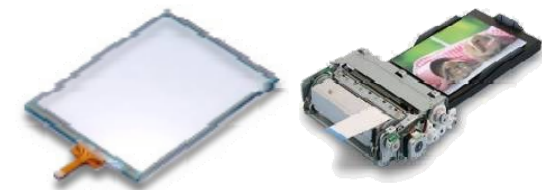
- Respond quickly to market and customer needs
- Expand sales of products for the industrial market
- Strengthen support capability of modules based from strong products
- Improve and increase already strong global predominance in response to global customers



Radio Frequency Products



Components



Input/Output Devices

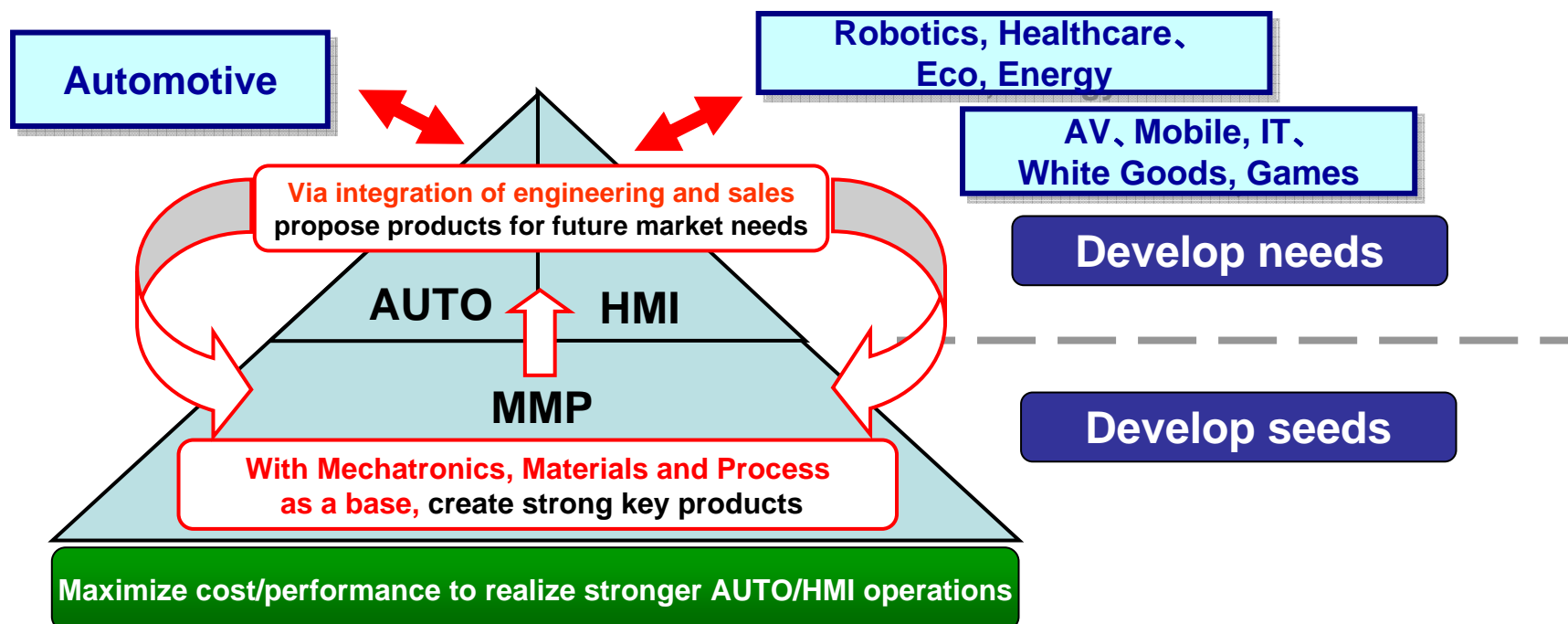
■ MMP Business Unit

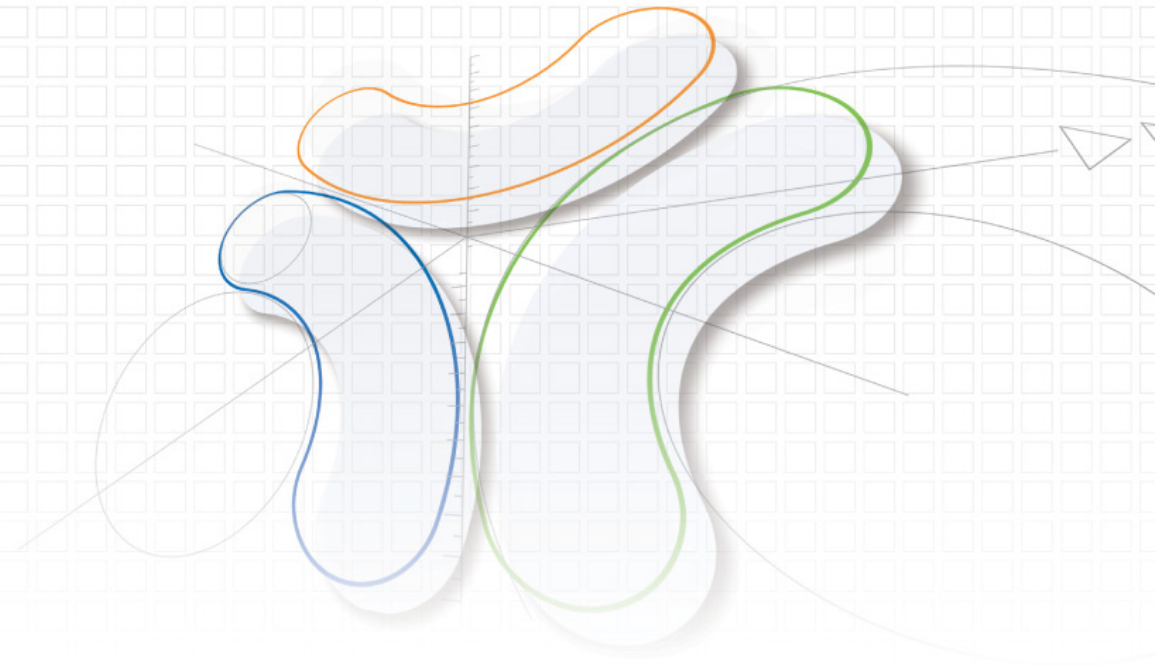
<Business Overview>

By realizing cost performance and creating strong key products, the MMP Business Unit supports both AUTO and HMI.

<Basic Policy>

- Strengthen “Mechatronics, Materials and Process” – based Monozukuri
- Further the creation of strong key products by discovering seeds for innovation (among proprietary core technology, materials, and ideas)





Anticipation of this slide is prepared based on the information which can be obtained in the announcement day present of these data.
Therefore, in order to calculate a prospect and anticipation, the assumption for performing a prospect and anticipation in addition to the fact recognized in the past etc. is used.
About these description, there is no guarantee of realizing just like that in the future.
Moreover, the data included is not the object of audits by CPAs.