

# Results Briefing FY2013 3Q

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Friday, January 31, 2014

***ALPS ELECTRIC CO., LTD.***

Perfecting the Art of Electronics  
**ALPS**<sup>®</sup>

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# 1. Summary of Financial Results

[Unit: ¥ billion]

[Consolidated]

	FY2012 3Q (cumulative)		FY2013								Difference vs. FY2012 3Q (cumulative)		Difference vs. FY2013 2Q		
		%	1Q		2Q		3Q		3Q (cumulative)		Effect of exchange rates (YoY)		%		%
				%		%		%		%					
Net Sales	<b>401.1</b>	<b>100.0%</b>	<b>155.7</b>	<b>100.0%</b>	<b>172.4</b>	<b>100.0%</b>	<b>177.8</b>	<b>100.0%</b>	<b>506.0</b>	<b>100.0%</b>		<b>104.9</b>	<b>26.2%</b>	<b>5.3</b>	<b>3.1%</b>
Electronic Components	200.6	50.0%	73.6	47.3%	88.4	51.3%	89.9	50.6%	252.0	49.8%	USD appreciation +32.5 EUR appreciation +4.6 Other currencies +6.7 (Subtotal +43.8)	51.4	25.6%	1.4	1.7%
Automotive market	(101.3)	25.2%	(40.0)	25.8%	(36.6)	21.3%	43.6	24.5%	120.3	23.8%		19.0	18.8%	6.9	18.9%
Consumer market	(99.3)	24.8%	(33.5)	21.5%	(51.8)	30.0%	46.3	26.1%	131.6	26.0%		32.3	32.5%	-5.4	-10.5%
Automotive Infotainment	156.1	38.9%	67.3	43.2%	68.7	39.9%	71.5	40.2%	207.7	41.0%	USD appreciation +18.6 EUR appreciation +5.8 (Subtotal +24.4)	51.5	33.0%	2.7	4.1%
Logistics	36.9	9.2%	12.3	7.9%	12.8	7.4%	13.7	7.8%	38.8	7.7%	-	1.9	5.4%	0.9	7.6%
Others	7.4	1.9%	2.4	1.6%	2.4	1.4%	2.5	1.4%	7.4	1.5%	-	0.0	-0.8%	0.1	6.0%
Operating Income	<b>5.4</b>	<b>1.3%</b>	<b>3.1</b>	<b>2.0%</b>	<b>7.9</b>	<b>4.6%</b>	<b>11.6</b>	<b>6.6%</b>	<b>22.8</b>	<b>4.5%</b>		<b>17.4</b>	<b>321.9%</b>	<b>3.6</b>	<b>46.1%</b>
Electronic Components	0.0	0.0%	0.6	0.9%	4.4	5.0%	6.2	6.9%	11.3	4.5%	USD appreciation +14.2 EUR appreciation +2.6 Other currencies -6.5 (Subtotal +10.3)	11.4	-	1.7	40.2%
Automotive Infotainment	1.7	1.1%	1.4	2.1%	2.3	3.4%	4.0	5.6%	7.8	3.8%	USD appreciation +2.1 EUR appreciation +1.3 (Subtotal +3.4)	6.0	350.8%	1.6	70.1%
Logistics	3.0	8.2%	0.9	7.9%	0.8	6.8%	1.3	10.1%	3.2	8.3%	-	0.2	6.9%	0.5	58.3%
Others	0.5	7.0%	0.0	1.0%	0.1	6.4%	0.2	8.2%	0.3	5.2%	-	-0.1	-25.5%	0.0	35.4%
Eliminations	0.2		0.0	-	0.1	-	-0.1	-	0.0	-	-	-0.1	-	-0.3	-
Ordinary Income	<b>5.1</b>	<b>1.3%</b>	<b>2.9</b>	<b>1.9%</b>	<b>7.8</b>	<b>4.5%</b>	<b>12.4</b>	<b>7.0%</b>	<b>23.2</b>	<b>4.6%</b>		<b>18.1</b>	<b>353.9%</b>	<b>4.6</b>	<b>59.5%</b>
Net Income	<b>-3.9</b>	<b>-1.0%</b>	<b>-0.2</b>	<b>-0.2%</b>	<b>5.5</b>	<b>3.2%</b>	<b>5.7</b>	<b>3.3%</b>	<b>11.1</b>	<b>2.2%</b>		<b>15.0</b>	<b>-</b>	<b>0.2</b>	<b>3.7%</b>
USDJPY	80.00		98.76		98.95		100.46		99.39			19.39		1.51	
EURJPY	102.17		128.95		131.05		136.69		132.23			30.06		5.64	

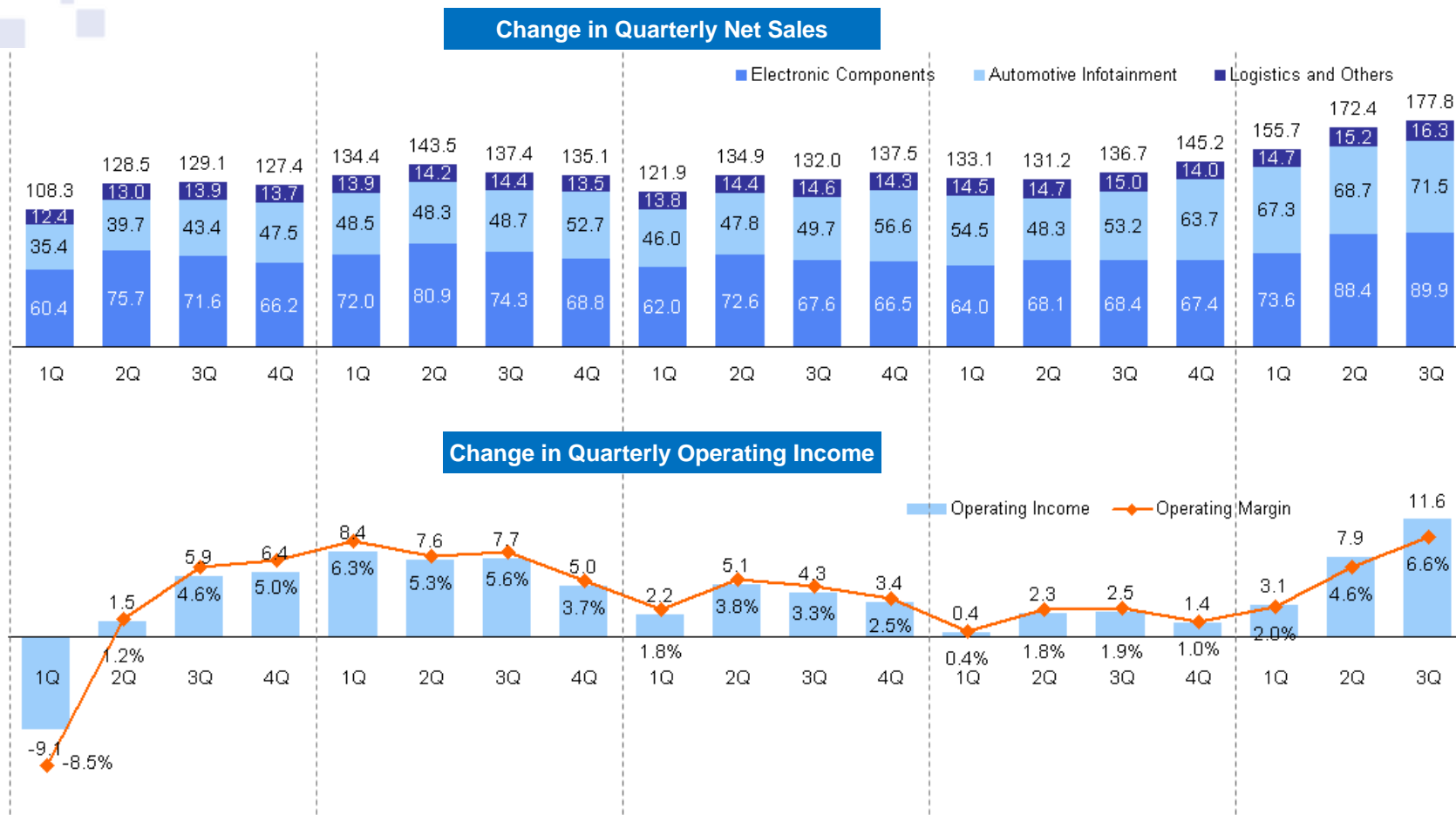
NB: Here and subsequently amounts have been rounded down to the nearest ¥100 million.

NB: Breakdown of sales shows composition, breakdown of operating income shows operating margin, and differences show rates of change.

## 2. Net Sales and Operating Income: Quarterly Change

[Unit: ¥ billion]

[Consolidated]



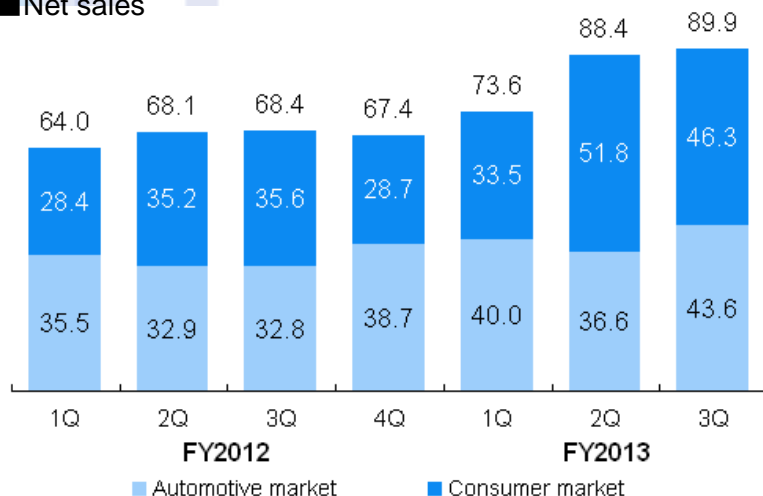
	FY2009				FY2010				FY2011				FY2012				FY2013		
USD/JPY	97.32	93.65	89.72	90.70	92.01	85.90	82.64	82.34	81.74	77.89	77.41	79.28	80.20	78.62	81.17	92.42	98.76	98.95	100.46
EUR/JPY	132.57	133.74	132.68	125.62	116.99	110.70	112.23	112.57	117.40	110.19	104.33	103.99	102.91	98.36	105.25	122.04	128.95	131.05	136.69

# 3. Change in Breakdown of Sales by Business Segment

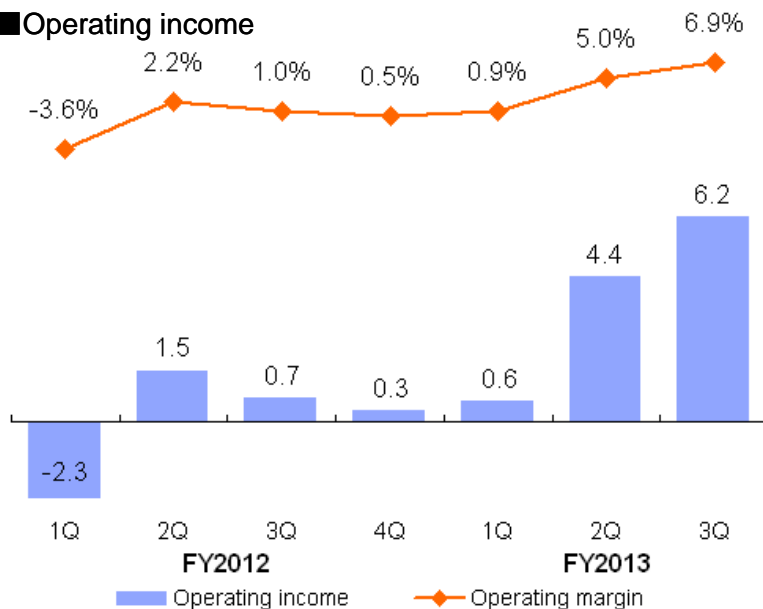
[Unit: ¥ billion]

## 1. Electronic Components Segment

■ Net sales



■ Operating income



Net sales (3Q accumulated)

¥252.0 billion (up 25.6% year on year)

Automotive market: ¥120.3 billion (up 18.8%)

Sales were steady, including factors of effects of foreign exchange rates. In particular, sales of communications modules grew.

Consumer market: ¥131.6 billion (up 32.5%)

Sales of products for smartphones increased steadily. As for the other products, sales in 3Q decreased compared to 2Q due to disposal of old products.

Operating income (3Q accumulated)

¥11.3 billion (up ¥11.4 billion year on year)

Operating margin: 4.5%

● Income from products for automotive market improved.

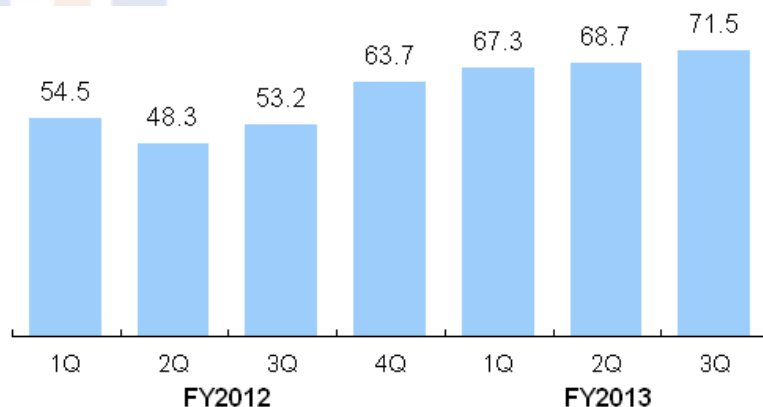
● Income from touch panels improved resulting from their sales increase.

# 3. Change in Breakdown of Sales by Business Segment

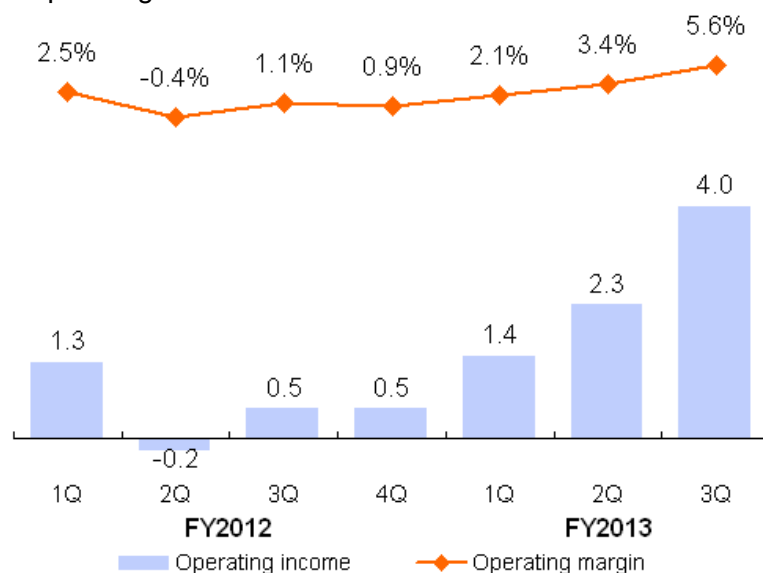
[Unit: ¥ billion]

## 2. Automotive Infotainment Segment

■ Net sales



■ Operating income



Net sales (3Q accumulated)

¥207.7 billion (up 33.0% year on year)

Sales of new cars in the markets of North America and Europe were strong, leading to a sales growth in genuine products for automakers. The installment rate of our products grew for some car models.

Operating income (3Q accumulated)

¥7.8 billion (up 350.8% year on year)

Operating margin: 3.8%

An improvement was achieved due to a change in composition of products and a decrease in cost of sales.

## 4. Amount of Effect from Exchange Rates

[Unit: ¥ billion/month/per ¥1]

		USD	EUR
Consolidated	Net sales	0.30	0.04
	Operating income	0.06	0.01
Electronic components segment	Net sales	0.20	0.02
	Operating income	0.05	0.01

NB: The above amounts for the USD effect include other currencies linked to the USD (eg.: HKD, CNY).

# 5. Summary of Balance Sheet

[Unit: ¥ billion]

[Consolidated]

	FY2013		FY2013 3Q		Change
		%		%	
<b>Assets</b>					
<b>I. Current Assets</b>	273.1	60.5%	313.4	62.5%	40.3
Cash and time deposits	76.6	17.0%	88.8	17.7%	12.1
Notes and accounts receivable - trade	102.2	22.6%	119.0	23.7%	16.8
Inventories	74.3	16.5%	86.1	17.2%	11.8
<b>II. Non-current Assets</b>	178.2	39.5%	188.4	37.5%	10.1
Property, plant and equipment	129.2	28.7%	136.0	27.1%	6.8
Intangible assets	11.8	2.6%	12.1	2.4%	0.3
Investment and other assets	37.1	8.2%	40.2	8.0%	3.0
<b>Total Assets</b>	451.4	100.0%	501.9	100.0%	50.5
<b>Liabilities</b>					
<b>I. Current Liabilities</b>	166.6	36.9%	188.4	37.5%	21.7
Notes and accounts payable - trade	55.8	12.4%	70.0	13.9%	14.2
Short-term loans payable	58.3	12.9%	58.8	11.7%	0.5
<b>II. Non-current Liabilities</b>	85.3	18.9%	78.9	15.7%	-6.4
Long-term debt	66.1	14.6%	57.0	11.4%	-9.0
<b>Total Liabilities</b>	252.0	55.8%	267.3	53.3%	15.3
<b>Net Assets</b>					
<b>Total Net Assets</b>	199.4	44.2%	234.5	46.7%	35.1
<b>Total Liabilities and Net Assets</b>	451.4	100.0%	501.9	100.0%	50.5

## Inventories

¥86.1 billion

(up ¥11.8 billion from previous year-end)

Electronic components segment: up ¥5.7 billion  
(includes ¥4.0 billion in exchange rate effect)Automotive infotainment segment: up ¥6.0 billion  
(includes ¥4.2 billion in exchange rate effect)

## Tangible fixed assets

¥136.0 billion

(up ¥6.8 billion from previous year-end)

Electronic components segment: up ¥4.4 billion  
(includes ¥4.6 billion in exchange rate effect)Automotive infotainment segment: up ¥3.2 billion  
(includes ¥1.8 billion in exchange rate effect)

## Interest-bearing debt

¥115.9 billion

(down ¥8.4 billion from previous year-end)

Electronic components segment: repayment of  
long-term debt



# FY2013 Consolidated Financial Results Forecast

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Perfecting the Art of Electronics

**ALPS**<sup>®</sup>

# 1. FY2013 Financial Results Forecast

[Unit: ¥ billion]

[Consolidated] Changes in financial results forecast announced on October 31, 2013.

	FY2012 Results		FY2013										Difference vs. FY2012	
		%	1H Results		3Q Results		4Q Forecast		1H Forecast		FY2013 Forecast			%
				%		%		%		%		%		
<b>Net Sales</b>	<b>546.4</b>	<b>100.0%</b>	<b>328.2</b>	<b>100.0%</b>	<b>177.8</b>	<b>100.0%</b>	<b>170.0</b>	<b>100.0%</b>	<b>347.8</b>	<b>100.0%</b>	<b>676.0</b>	<b>100.0%</b>	<b>129.6</b>	<b>23.7%</b>
Electronic Components	268.0	49.1%	162.1	49.4%	89.9	50.6%	83.0	48.7%	172.9	49.7%	335.0	49.5%	67.0	25.0%
Automotive market	140.0	25.6%	76.7	23.4%	43.6	24.5%	45.0	26.4%	88.6	25.5%	165.3	24.4%	25.3	18.1%
Consumer market	128.0	23.5%	85.3	26.0%	46.3	26.1%	38.0	22.3%	84.3	24.2%	169.7	25.1%	41.7	32.6%
Automotive Infotainment	219.8	40.2%	136.1	41.5%	71.5	40.2%	71.8	42.2%	143.3	41.2%	279.5	41.3%	59.7	27.2%
Logistics	48.5	8.9%	25.1	7.6%	13.7	7.8%	13.2	7.7%	26.9	7.7%	52.0	7.7%	3.5	7.2%
Others	9.9	1.8%	4.8	1.5%	2.5	1.4%	2.6	1.4%	5.1	1.4%	10.0	1.5%	0.1	1.0%
<b>Operating Income</b>	<b>6.8</b>	<b>1.3%</b>	<b>11.1</b>	<b>3.4%</b>	<b>11.6</b>	<b>6.6%</b>	<b>5.2</b>	<b>3.1%</b>	<b>16.8</b>	<b>4.8%</b>	<b>28.0</b>	<b>4.1%</b>	<b>21.2</b>	<b>308.7%</b>
Electronic Components	0.2	0.1%	5.0	3.1%	6.2	6.9%	2.7	3.3%	8.9	5.1%	14.0	4.2%	13.8	-
Automotive Infotainment	2.3	1.1%	3.7	2.8%	4.0	5.6%	1.7	2.4%	5.7	4.0%	9.5	3.4%	7.2	313.0%
Logistics	3.5	7.4%	1.8	7.4%	1.3	10.1%	0.8	6.1%	2.1	7.8%	4.0	7.7%	0.5	14.3%
Others	0.4	4.2%	0.1	3.7%	0.2	8.2%	0.3	11.5%	0.5	9.8%	0.6	6.0%	0.2	50.0%
Eliminations	0.2		0.2		-0.1		0.0		-0.1		0.0		-0.2	-
<b>Ordinary Income</b>	<b>7.6</b>	<b>1.4%</b>	<b>10.7</b>	<b>3.3%</b>	<b>12.4</b>	<b>7.0%</b>	<b>4.8</b>	<b>2.8%</b>	<b>17.2</b>	<b>4.9%</b>	<b>28.0</b>	<b>4.1%</b>	<b>20.4</b>	<b>265.6%</b>
<b>Net Income</b>	<b>-7.0</b>	<b>-1.3%</b>	<b>5.3</b>	<b>1.6%</b>	<b>5.7</b>	<b>3.3%</b>	<b>1.4</b>	<b>0.8%</b>	<b>7.1</b>	<b>2.0%</b>	<b>12.5</b>	<b>1.8%</b>	<b>19.5</b>	<b>-</b>
USD/JPY	83.10		98.85		100.46		100.00		-		99.54			
EUR/JPY	107.14		130.00		136.69		135.00		-		132.92			

NB: Here and subsequently amounts have been rounded down to the nearest ¥100 million.

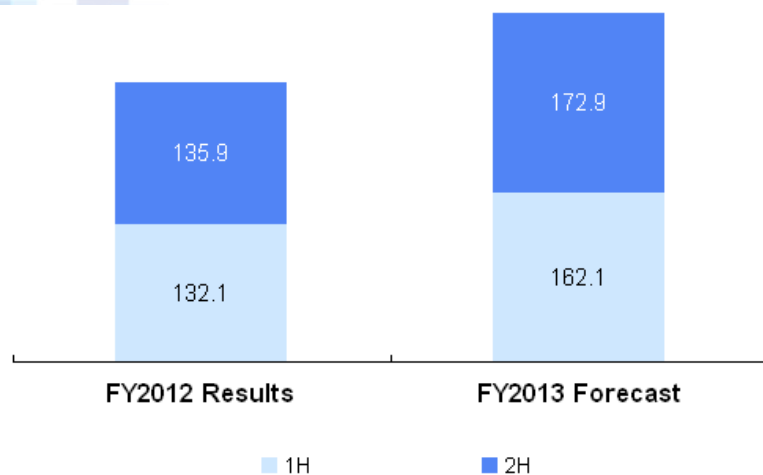
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## 2. Net Sales and Operating Income Forecasts by Business

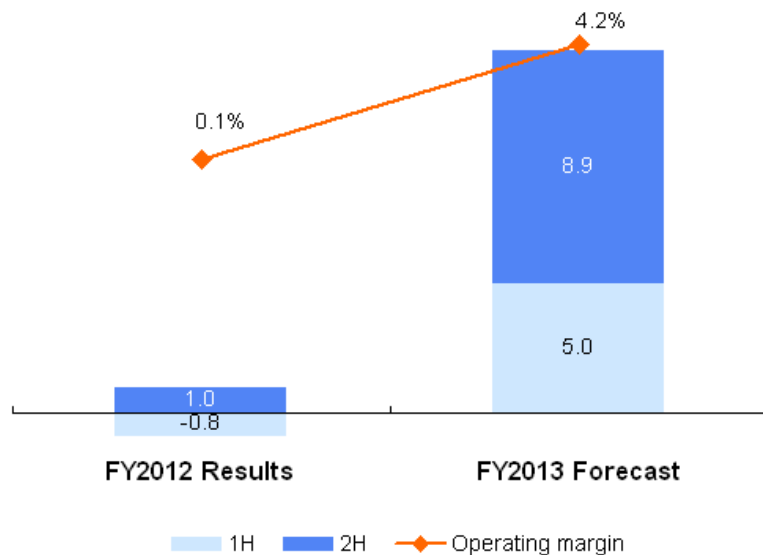
[Unit: ¥ billion]

### 1. Electronic Components Segment

■ Net sales



■ Operating income



Net sales

¥335.0 billion (up 25.0% year on year)  
 (1H result: ¥162.1 billion;  
 2H forecast: ¥172.9 billion)

Automotive market: ¥165.3 billion (up 18.1%)  
 Sales of products such as sensors, in-car module products and communications modules are expected to increase.

Consumer market: ¥169.7 billion (up 32.6%)  
 Sales of various products for smartphones are expected to grow.

Operating income

¥14.0 billion (up ¥13.8 billion year on year)  
 (1H result: ¥5.0 billion;  
 2H forecast: ¥8.9 billion)

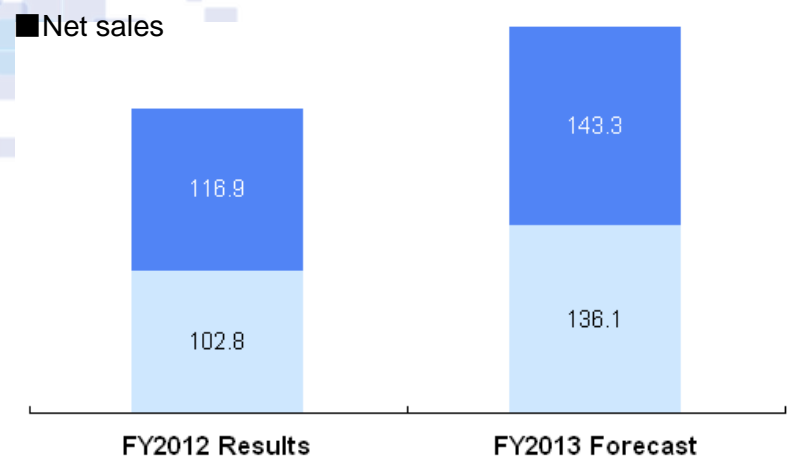
Operating margin: 4.2%

Income from in-car module products is expected to improve, and income from products for smartphones such as camera actuators and switches is also expected to improve due to their sales increase.

# 2. Net Sales and Operating Income Forecasts by Business

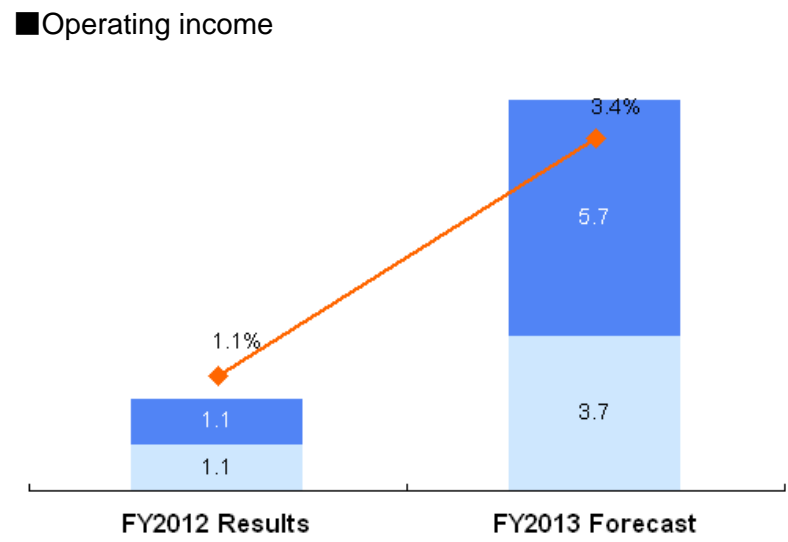
[Unit: ¥ billion]

## 2. Automotive Infotainment Segment



**Net sales**  
 ¥279.5 billion (up 27.2% year on year)  
 (1H result: ¥136.1 billion;  
 2H forecast: ¥143.3 billion)

Sales of new cars in the overseas markets will be strong, leading to a sales growth in genuine products for automakers.



**Operating income**  
 ¥9.5 billion (up 313.0% year on year)  
 (1H result: ¥3.7 billion;  
 2H forecast: ¥5.7 billion)

**Operating margin: 3.4%**  
 An improvement due to a change in composition of products is expected.

The business results forecasts and future predictions included in these materials are based on the judgment of the Company at the time of preparation of the materials, and are inherently subject to risks and uncertainties. As a result, actual business results and outcomes may differ significantly due to a variety of factors.

Consolidated Financial Results FY2013 3Q (April 2013 - December 2013)

# Basic Datas

January 2014

Alps Electric Co., Ltd.

## 1. Outline

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Net Sales	1,331	1,312	1,367	1,452	5,464	1,557	1,724	1,778	1,700	6,760
Domestic	343	315	309	294	1,262	287	332	350	—	—
Overseas	988	997	1,058	1,157	4,202	1,270	1,392	1,428	—	—
Operating Income	4	23	25	14	68	31	79	116	52	280
Ordinary Income	△3	20	34	25	76	29	78	124	48	280
Net Income	△24	△2	△12	△31	△70	△2	55	57	14	125

## 2. Net Sales (by segments)

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Electronic Components	640	681	684	674	2,680	736	884	899	830	3,350
Automotive market	355	329	328	387	1,400	400	366	436	450	1,653
Consumer market	284	352	356	287	1,280	335	518	463	380	1,697
Automotive Infotainment	545	483	532	637	2,198	673	687	715	718	2,795
Logistics	121	122	125	116	485	123	128	137	132	520
Others	24	25	25	24	99	24	24	25	26	100
Total	1,331	1,312	1,367	1,452	5,464	1,557	1,724	1,778	1,700	6,760

## 3. Operating Income

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Electronic Components	△23	15	7	3	2	6	44	62	27	140
Automotive Infotainment	13	△2	5	5	23	14	23	40	17	95
Logistics	11	7	11	5	35	9	8	13	8	40
Others	1	1	2	△1	4	0	1	2	3	6
Eliminations	1	1	-1	0	2	0	1	△1	0	0
Total	4	23	25	14	68	31	79	116	52	280

## 4. Capital Expenditures

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Electronic Components	78	67	50	42	238	41	39	46	45	173
Automotive Infotainment	16	18	13	17	67	15	22	21	16	76
Logistics	3	5	4	2	16	3	4	2	1	11
Others	2	1	1	1	6	1	1	1	1	5
Eliminations	△0	△0	△0	△7	△9	△1	△0	△0	△0	△1
Total	100	92	69	55	318	59	68	70	65	264

(Ref.) Estimate booked on the basis of order forecast including lease.

## 5. Depreciation Expenses

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Electronic Components	30	32	35	30	130	38	39	40	42	161
Automotive Infotainment	14	14	15	16	61	14	14	14	15	59
Logistics	4	4	4	5	19	4	4	5	4	19
Others	1	1	1	1	5	1	1	1	1	5
Eliminations	△0	△0	△0	△0	△0	△0	△0	△0	△0	△0
Total	50	53	57	53	215	58	60	61	63	244

## 6. R &amp; D Expenses

(Unit : 100 million Yen)

	FY2012					FY2013				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q (Est)	Total
Electronic Components	33	27	27	28	117	33	34	32	33	133
Automotive Infotainment	40	45	39	43	168	44	48	44	63	200
Logistics	—	—	—	—	—	—	—	—	—	—
Others	0	0	0	0	0	0	0	—	0	0
Total	73	73	67	72	286	77	83	76	96	334

## 7. Inventories

(Unit : 100 million Yen)

	2012/6	2012/9	2012/12	2013/3		2013/6	2013/9	2013/12
Electronic Components	419	407	437	439		500	456	497
Automotive Infotainment	288	326	346	293		300	309	353
Logistics	12	10	8	10		10	11	10
Others	0	0	1	0		1	0	0
Eliminations	△0	△0	△0	△0		△0	△0	△0
Total	720	745	792	743		811	777	861

## 8. Employees

(Unit : Person)

	2012/6	2012/9	2012/12	2013/3		2013/6	2013/9	2013/12
Electronic Components	20,059	20,060	19,629	19,600		19,797	19,756	19,649
Automotive Infotainment	11,194	11,241	11,141	11,107		11,368	11,400	11,589
Logistics	4,600	4,626	4,714	4,683		4,721	4,751	4,811
Others	809	808	812	809		824	819	813
Total	36,662	36,735	36,296	36,199		36,710	36,726	36,862
(Non Consolidated)	5,615	5,548	5,533	5,471		5,567	5,515	5,499

(Ref.) All figures exclude temporary employees.