

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Under Japanese GAAP]

Company name:	ALPS ALPINE CO., LTD.
Listing:	Prime market of the Tokyo Stock Exchange
Code number:	6770
URL:	<a href="https://www.alpsalpine.com/e/ir/index.html">https://www.alpsalpine.com/e/ir/index.html</a>
Representative:	Hideo Izumi Representative Director, President & CEO, CTO
Inquiries to:	Satoshi Kodaira Director, Executive Vice President, CFO, Corporate Planning (TEL: +81-50-3311-0617)
Scheduled date of ordinary general meeting of shareholders	June 26, 2024
Scheduled date to file Annual Securities Report:	June 26, 2024
Scheduled date to commence dividend payments:	June 27, 2024
Preparation of supplementary materials on annual earnings:	Yes
Holding of annual earnings performance review:	Yes (Conference call for analysts and institutional investors)

(Amounts are rounded down to the nearest million yen, unless otherwise noted)

### 1. Consolidated performance for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate changes from the previous fiscal year)

	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	%
Fiscal year ended								
March 31, 2024	964,090	3.3	19,711	(41.3)	24,809	(29.0)	(29,814)	—
March 31, 2023	933,114	16.2	33,595	(4.6)	34,940	(13.3)	11,470	(50.0)

#### (Note) Comprehensive income

For the Fiscal year ended March 31, 2024:	¥1,485 million	[(92.5) %]
For the Fiscal year ended March 31, 2023:	¥19,805 million	[(62.1) %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to Total Assets	Operating income margin
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	(145.04)	—	(7.6)	3.3	2.0
March 31, 2023	55.77	55.76	2.9	4.7	3.6

#### (Reference) Share of gain/(loss) of entities accounted for using equity method

For the Fiscal year ended March 31, 2024:	¥1,840 million
For the Fiscal year ended March 31, 2023:	¥1,879 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2024	753,989	392,824	51.9	1,902.43
March 31, 2023	736,997	399,782	54.0	1,937.47

#### (Reference) Equity

As of March 31, 2024:	¥391,108 million
As of March 31, 2023:	¥398,111 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	89,173	(55,095)	(1,808)	122,298
March 31, 2023	15,413	(54,205)	(742)	82,893

### 2. Cash dividends

	Annual dividends					Total amount of dividend	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	June 30	September 30	December 31	March 31	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	20.00	—	20.00	40.00	8,219	71.7	2.1
Fiscal year ended March 31, 2024	—	20.00	—	10.00	30.00	6,167	—	1.6
Fiscal year ending March 31, 2025 (Forecast)	—	30.00	—	30.00	60.00		41.1	

### 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales		Operating income		Ordinary income		Net income attribute to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending September 30, 2024	450,000	(5.3)	2,500	(76.5)	2,000	(88.2)	500	(92.5)	2.43
Fiscal year ending March 31, 2025	913,000	(5.3)	23,000	16.7	22,000	(11.3)	30,000	—	145.93

#### \* Notes

(1) Changes in significant subsidiaries during the year (changes in specific subsidiaries resulting in the change in scope of consolidation): None

Included: None

Excluded: None

(2) Changes in accounting policies, changes in accounting estimates and restatement:

- Changes in accounting policies due to revisions to accounting standards: None
- Changes in accounting policies due to other reasons: None
- Changes in accounting estimates: None
- Restatements: None

(3) Number of issued shares (common stock)

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

Fiscal year ended March 31, 2024	219,281,450 shares
Fiscal year ended March 31, 2023	219,281,450 shares

- Number of shares of treasury stock at the end of the period

Fiscal year ended March 31, 2024	13,698,507 shares
Fiscal year ended March 31, 2023	13,802,000 shares

- Average number of shares during the period

Fiscal year ended March 31, 2024	205,558,375 shares
Fiscal year ended March 31, 2023	205,674,681 shares

(Reference) Standalone performance

Standalone performance for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Standalone operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	596,779	2.8	(30,875)	—	23,473	—	13,646	—
Fiscal year ended March 31, 2023	580,801	16.8	(13,311)	—	(8,113)	—	(11,120)	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2024	66.39	66.38
Fiscal year ended March 31, 2023	(54.07)	—

(2) Standalone financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	423,208	158,406	37.4	770.19
March 31, 2023	409,262	151,368	37.0	736.15

(Reference) Equity

As of March 31, 2024: ¥158,338 million

As of March 31, 2023: ¥151,263 million

\* Earnings reports are not subject to audit by external auditors.

\* Explanation and other special notes concerning the appropriate use of earnings forecasts

(Notes on forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to ALPS ALPINE CO., LTD. (the “Company”) and certain assumptions deemed to be reasonable, and are not intended to guarantee the achievement of these forecasts. Actual results may differ materially from the forecasts due to various factors. Please refer to “(4) Forecast” under “1. Overview of Financial Results” on page 4 of the attached materials for the assumptions used in the forecasts and notes regarding the use of the forecasts.

(Access to supplementary material on annual earnings)

Supplementary material on annual earnings is available on the Company’s website on Thursday, May 9, 2024.

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## 1. Overview of Financial Results

### (1) Overview of financial results for the fiscal year ended March 31, 2024

In terms of the global economy during the fiscal year ended March 31, 2024, in North America, personal consumption was relatively stable against a background of favorable employment conditions and increases in real wages. In Europe, although inflation has declined from its peak, the economy remains at a standstill due to continued monetary tightening. In China, although many economic policies to stimulate the economy have been launched, the economy is still in a downturn due to sluggish personal consumption against the backdrop of a stagnant real estate market. In Japan, although personal consumption is sluggish due to continued price increases, the economy is on a moderate path to recovery, driven by a recovery of inbound demand.

Amidst this business environment, global automotive production is moderately recovering, and, in addition, sales and each type of income are rising due to the depreciation of the yen. There are also business opportunities due to changes in powertrain configurations and the share of automobile OEM manufacturers in the automobile industry. However, with rising wages, surges in material and energy prices, the entry of other companies and intensifying price competition in the smartphone components market, the Company needs to flexibly respond to changes, in addition to optimizing existing prices and containing costs.

Operating results for the fiscal year ended March 31, 2024, are summarized below. Net sales shown below represent net sales to third parties, after elimination of inter-segment sales.

#### **Segment information**

##### **<Component Segment>**

Although sales of products for the automotive market increased due to a solid recovery in automotive production, sales of products in the mobile market declined due to the changes in the product mix and intensifying price competition and sales of products in the consumer market were also lower compared to the same period of the previous fiscal year due to the continued market slump. Operating income decreased year-on-year due to the decrease of sales and changes in the model mix of products sold for smartphones.

As a result, total net sales in this segment for the fiscal year ended March 31, 2024, decreased by 7.2% to ¥305.2 billion, and operating income decreased by 46.6% to ¥20.4 billion, compared to the previous fiscal year.

##### **<Sensor and Communication Segment>**

Although sales of products for the automotive market as well as component product due to a recovery in automotive production, sales of products for the consumer market and mobile market were sluggish, resulting in a decline in overall sales. Operating income was lower than in the same period of the previous fiscal year due to a decrease of sales and an increase in development costs associated with winning orders.

As a result, total net sales in this segment for the fiscal year ended March 31, 2024, decreased by 1.7% to ¥84.0 billion, compared to the previous fiscal year, with an operating loss of ¥1.4 billion (compared to a net operating loss in the previous year of ¥1.5 billion).

##### **<Module and System Segment>**

Although sales were affected by a slump in foreign brands in China, overall, sales increased due to growth in demand for automotive components in line with the recovery in global automotive production and contributions from new system-related products that began to be sold in the previous fourth quarter. Operating income improved year-on-year due to an increase of sales and price optimization measures taken, despite an increase in costs resulting from the launch of production for new module products for Europe.

As a result, total net sales in this segment for the fiscal year ended March 31, 2024, increased by 15.2% to ¥554.3 billion, compared to the previous fiscal year, with an operating loss of ¥1.1 billion (compared to a net operating loss in the previous year of ¥6.6 billion).

#### **Extraordinary loss (impairment loss)**

We recorded an extraordinary loss on impairment of ¥39.2 billion for the fiscal year ended March 31, 2024. This is primarily due to the present value of future cash flows for non-current business assets. The assets are related to the module products comprising the Module and System Segment and for a portion of products for the automotive market included in the Sensor and Communication Segment. The present value has fallen below the book value of the non-current business assets held by the Company. This decrease is the result of reflecting the latest

circumstances in the estimates of future cash flows. These circumstances include the expectation that improving the profit structure of these products will take time. Additionally, the costs associated with the start of production of new products are expected to continue rising more than previously anticipated.

As a result, for the Group consisting of three operating segments noted above and others for the fiscal year ended March 31, 2024, net sales increased by 3.3% to ¥964.0 billion, operating income decreased by 41.3% to ¥19.7 billion, ordinary income decreased by 29.0% to ¥24.8 billion and net loss attributable to owners of parent was ¥29.8 billion. (net income attributable to owners of parent in the same period of the previous year was ¥11.4 billion).

(2) Overview of financial position for the fiscal year ended March 31, 2024

(Assets, Liabilities and Net Assets)

Total assets as of March 31, 2024, increased by ¥16.9 billion to ¥753.9 billion, from the end of the previous fiscal year. Equity decreased by ¥7.0 billion to ¥391.1 billion, and equity ratio was 51.9%. The decrease in equity was mainly due to a decrease in retained earnings and an increase in foreign currency translation adjustments.

Current assets as of March 31, 2024, increased by ¥24.9 billion to ¥491.4 billion, from the end of the previous fiscal year. The increase in current assets was mainly due to an increase in cash and deposits and partially offset by a decrease in trade notes and accounts receivable.

Non-current assets as of March 31, 2024, decreased by ¥7.9 billion to ¥262.5 billion, from the end of the previous fiscal year. The decrease in non-current assets was mainly due to a decrease in construction in progress, machinery and equipment, and vehicles, partially offset by an increase in deferred tax assets.

Current liabilities as of March 31, 2024, decreased by ¥16.8 billion to ¥247.7 billion from the end of the previous fiscal year. The decrease in current liabilities was mainly due to a decrease in short-term borrowings, partially offset by an increase in other current liabilities.

Non-current liabilities as of March 31, 2024, increased by ¥40.8 billion to ¥113.4 billion, from the end of the previous fiscal year. The increase in non-current liabilities was mainly due to an increase in long-term borrowings.

(3) Overview of cash flows for the fiscal year ended March 31, 2024

The balance of cash and cash equivalents (the “cash”) as of March 31, 2024, was ¥122.2 billion, an increase of ¥39.4 billion from the end of the previous fiscal year.

(Cash flows from operating activities)

The increase in cash from operating activities for the fiscal year ended March 31, 2024, was ¥89.1 billion, compared to an increase of ¥15.4 billion for the previous fiscal year.

The increase was mainly related to an increase in cash due to ¥41.4 billion of depreciation and amortization, ¥39.2 billion of impairment loss, a decrease of ¥33.2 billion in trade and receivables and ¥14.1 billion in inventories, as well as a decrease in cash due to ¥14.4 billion of loss before income taxes, ¥14.0 billion of income taxes paid and a decrease of ¥10.7 billion in trade and other payables.

(Cash flows from investing activities)

The decrease in cash from investing activities for the fiscal year ended March 31, 2024, was ¥55.0 billion, compared to a decrease of ¥54.2 billion for previous fiscal year. The decrease was mainly related to a decrease in cash due to ¥56.0 billion used for acquisition of property, plant and equipment and intangible assets.

(Cash flows from financing activities)

The decrease in cash from financing activities for the fiscal year ended March 31, 2024, was ¥1.8 billion, compared to a decrease of ¥0.7 billion for the previous fiscal year. The decrease was mainly related to a decrease in cash due to a decrease of ¥33.2 billion in long-term borrowings, ¥8.2 billion in payment of dividends and ¥3.7 billion of short-term borrowings, as well as an increase by the 43.8 billion proceeds from long-term borrowings.

Movement of the Company's management indicators related to financial position are as follows

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Equity ratio (%)	51.9	49.7	52.4	54.0	51.9
Equity ratio based on market value (%)	34.3	43.6	33.7	35.4	32.7
Debt redemption period (years)	1.2	2.8	3.3	7.9	1.5
Interest coverage ratio	66.4	56.2	46.9	12.6	78.1

Equity ratio :  $\text{Equity} / \text{Total assets}$   
Equity ratio based on market value :  $\text{Market capitalization} / \text{Total assets}$   
Debt redemption period :  $\text{Interest-bearing liabilities} / \text{Operating cash flows}$   
Interest coverage ratio :  $\text{Operating cash flows} / \text{Interest expenses paid}$

\* Each indicator is calculated using financial figures on a consolidated basis.

\* Market capitalization is calculated by multiplying the closing price of the stock at the end of the fiscal year by the number of shares issued and outstanding at the end of the year.

\* Operating cash flows are derived from cash flows from operating activities on the consolidated statement of cash flows. Interest-bearing liabilities are an aggregate of corporate bonds, convertible bonds, bonds with subscription rights to shares, and borrowings on the consolidated balance sheet. Interest expenses paid are derived from interest paid on the consolidated statement of cash flows.

#### (4) Forecast

In the fiscal year ending March 2025, the outlook for the global economy remains uncertain due to a number of factors, including ongoing geopolitical risks and inflation, the risk of an economic recession due to monetary tightening in the United States and Europe, the downturn in the China market, and the impact of natural disasters happening around the world. In the automotive market, supply is expected to increase as supply constraints are resolved due to parts shortages, but pent-up demand is expected to remain. As a result, we expect new automobile production to increase by approximately 2% from the fiscal year ended March 2024 to 91 million units. Demand will likely remain sluggish in the consumer market, and we expect the recovery in the mobile market to be moderate due to a prolonged smartphone replacement cycle and slowdown in demand.

In the third quarter financial results reported in January 2024, we announced that we will suspend the 2nd Mid-Term Business Plan, the final year of which was the fiscal year ending March 2025, and allocate the period to business structural reforms. We will focus all our efforts on the structural reforms, and aim to realize a V-shaped recovery toward the three-year period under the 3rd Mid-Term Business Plan starting from the fiscal year ending March 2026. As part of our achievements in business structural reforms, we are committed to realizing a PBR of more than 1x. Our goal is to reach this milestone in the early stage of the 3rd Mid-Term Business Plan.

##### Outline of business structural reform

###### 1. Business portfolio reform

Reorganize and discontinue non-focused, non-core and unprofitable businesses,

Sale of a portion of shares of Alps Logistics Co., Ltd.

Sell-off or withdraw from non-core businesses (Airbag related products / Touch panel film / Other non-core businesses)

Component Segment: Expand automobile electronic components and amusement market

Sensor and Communication Segment: Launch new products and enter markets related to the environment and industrial equipment

Module and System Segment: Shift to high-value-added products related to "Digital Cabin"

## 2. Cost structural reform

Generate the profit of ¥30 billion (fixed cost ¥15.0 billion / variable cost ¥15.0 billion) for the period ending March 2025

Reduce fixed costs: Consolidate businesses and plants, streamline number of personnel, other

Reduce variable costs, other: Reduce cost losses of new products, streamline number of temporary and contract workers, improve procurement methods (increase local procurement), other

## 3. Management structural reform

Establish Chief Operating Officer (COO) and Chief Strategy Officer (CStO) to strengthen management systems

Introduce return on invested capital (ROIC) management (implement systems for accelerating business portfolio management (optimize allocation of management resources))

By implementing these reforms, we aim to overhaul our management structure by moving away from the traditional policy of scale expansion, while focusing on shifting to a profit structure that surpassed the cost of capital.

### (i) Component Segment

Based on unique technologies cultivated since our inception, we have contributed to the technological evolution of consumer devices such as mobile devices including smartphones and game devices by leveraging a variety of products such as actuators, switches, and haptics®. In addition to these technological advances, we will also contribute to next-generation mobility and safety and environmental protection in a new normal society. We will strive to improve the quality of our business through production and investment strategies that emphasize efficiency and profitability. At the same time, we will leverage manufacturing quality to enter new markets and expand our businesses.

In the fiscal year ending March 2025, while sales in the automotive market and products for consumer devices, mainly game consoles, are expected to grow, we expect net sales and operating income in the mobile market to decline due to intensified competition and changes in the product mix.

We forecast net sales of ¥252.0 billion and operating income of ¥13.0 billion in the Component Segment for the fiscal year ending March 31, 2025.

### (ii) Sensor and Communication Segment

We will develop device-related products such as sensors and communication modules. We offer products that bring comfort and excitement in a wide range of markets, from next-generation mobility to industrial equipment and IoT-related products, and that further contribute to safety and environmental protection. In the future, we will focus on expanding our lineup of new products and secure mobility such as digital keys based on a variety of sensing and communication technologies using millimeter waves and other technologies.

In the fiscal year ending March 2025, although sales of automotive communication device products are expected to grow, we expect overall segment sales to decline due to the shift in automotive keyless entry system products from conventional models to digital key products.

We forecast net sales of ¥80.0 billion and operating income of ¥0.0 billion in the Sensor and Communication Segment for the fiscal year ending March 31, 2025.

### (iii) Module and System Segment

By taking advantage of our unique strengths in both hardware and software technologies to provide safety and excitement throughout the cabin of the vehicle, we are accelerating the development of the module and system products comprising the "Digital Cabin" concept, making automobiles a high-quality travel space.

To improve the quality of this business, we will reduce unprofitable products, which currently account for 15% of net sales, to 2% by the fiscal year ending March 2027. At the same time, we will increase the proportion of sales accounted for by high-value-added Digital Cabin-related products and services by as much as 40%. We are also working to improve the quality of our business swiftly resolving the deterioration in the production yield rate of automotive module products for Europe as well as by consolidating and reducing fixed costs related to production bases that have increased in conjunction with our growth track.



In the fiscal year ending March 2025, we expect net sales of existing and new products to increase as a result of a recovery in new-car production, despite the end of production of a portion of products for Europe. We also expect operating to increase due to an improvement in the production yield of automotive module products for the European market and reduced depreciation expenses due to the recording of an impairment loss in the fiscal year ending March 2024.

We forecast net sales of ¥558.0 billion and operating income of ¥8.5 billion in the Module and System Segment for the fiscal year ending March 31, 2025.

The forecast below includes operating income of ¥30.0 billion as a result of cost structural reform, and gain on sales of shares of Alps Logistics Co., Ltd. is included in net income attribute to owners of parent.

<Consolidation Financial Forecast>

Net sales will amount to ¥913.0 billion for the fiscal year ending March 31, 2025, a decrease of 5.3%, and will amount to ¥450.0 billion for the six-month ending September 30, 2024.

Operating income will amount to ¥23.0 billion for the fiscal year ending March 31, 2025, an increase of 16.7%, and will amount to ¥2.5 billion for the six-month ending September 30, 2024.

Ordinary income will amount ¥22.0 billion for the fiscal year ending March 31, 2025, a decrease of 11.3%, and will amount to ¥2.0 billion for the six-month ending September 30, 2024.

Net income attribute to owners of parent will amount to ¥30.0 billion for the fiscal year ending March 31, 2025 (Net loss attribute to owners of parent amounted to ¥29.8 billion for the previous fiscal year), and will amount to ¥0.5 billion for the six-month ending September 30, 2024.

\* Exchange rates are 1 USD = ¥140.00, 1 EUR = ¥150.00, 1 CNY = ¥20.00

(5) Basic policy for distribution of earnings and dividends for the fiscal year ended March 31, 2024, and for the fiscal year ending March 31, 2025

The Company's capital policy is to balance three areas: investing in business growth, maintaining a sound financial position, and providing returns to our shareholders. We promote business structural reforms announced in our full-year results for the fiscal year ended March 2024 this time and implementing measures aimed at achieving a PBR of more than 1x as early as possible under the 3rd Mid-Term Management Plan period. Simultaneously, the Company considers it to be an important issue for management to deliver returns on improvements of corporate value to shareholders in a more steadily and continuously manner for medium to long term and changed its shareholder return policy.

Under the new shareholder return policy, we will adopt a Dividend on Equity (DOE) payout ratio with the aim of steadily and continuously expanding dividends over the medium to long term and aim for a DOE of 3%. In principle, this policy is being implemented for the four years starting from the fiscal year ended March 2024, and will be revised as necessary in line with the 4th Mid-Term Business Plan starting from the fiscal year ending March 2028. During the relevant period, the Company may review the plan if unexpected events such as a major economic crisis occur. We will also implement a policy to comprehensively make decisions on share buybacks while taking into account other investment considerations, capital efficiency, and financial conditions.

In accordance with this policy, we will make a proposal at the 91st Ordinary General Meeting of Shareholders to pay a year-end dividend of ¥10 per share for the fiscal year ended March 31, 2024.

In the next fiscal year, the Company plans to pay a second quarter-end dividend (interim dividend) of ¥30 per share and a year-end dividend ¥30 per share in consideration of the revised policy and earnings forecasts.

(Supplemental information) Approach to capital policy

The Company's basic policy is to strike a balance between investing in business growth, maintaining a sound financial position, and providing returns to our shareholders.

#### Investing in business growth

We aim to maximize corporate value through investments focused on launching new businesses and products, expanding production capacity to meet increased production, and automating operations to address labor shortages, as well as by investing in DX to enhance productivity and in growth by pursuing M&As to achieve discontinuous growth. We will carefully select investments that align with our business portfolio and capital efficiency.

#### Maintaining a sound financial position

We are responsible for ensuring a long-term stable supply of products to our customers in the automotive, consumer, and industrial equipment markets. Our customers rely on us to maintain a sound financial position, which is crucial for securing and sustaining business relationships. In addition, it is essential to maintain a sound financial position to enable responses to unexpected situations, such as sudden economic crises that occur once every few decades or large-scale natural disasters. The Company's sound financial position relies on maintaining a domestic credit rating of A, a capital adequacy ratio of 50%, and a positive net cash position.

#### Providing returns to our shareholders

As mentioned above.

#### (6) Business risk

In addition to the risks associated with customer production plans described in the securities report submitted on June 23, 2023, the Group arranges components for its business counterparties based on these production plans, taking into consideration market trends, lead time for procurement of components, and stable supplies. However, the Group may be affected by fluctuations in customer production plans due to factors, including market conditions and geopolitical factors, resulting in production adjustments and excess inventory.

As a countermeasure, our sales, production and purchase divisions work closely to quickly, share information on market and customers trends, and optimize production scale and inventory.

In addition, the Group will undertake business structural reforms including business portfolio reforms, cost structural reforms, and strengthening management systems and management controls, in order to achieve growth in core businesses and shift to a profitable structure.

While these structural reforms entail certain expenses, changes in the economic and business environment and future uncertainties may make it difficult to implement them, or benefits that were initially planned may not be realized. In addition, actual expenses may exceed initial forecasts.

As a result, the Group's operating results and financial position may be affected.

#### (Note)

Forward looking statements such as forecasts, plans, policies, strategies contained in this report that are not conclusive, are derived from the Company's forecasts based on information that was available at the time of announcement and on certain assumptions deemed to be reasonable. Accordingly, actual results may differ from forecasts due to various risk factors and uncertainties.

#### 2. Information Regarding the Group

Disclosure is omitted because since there are no significant changes from descriptions in "Overview of business" and "Affiliated companies" in the most recent Annual Securities Report filed on June 23, 2023.

#### 3. Management Policy, Business Environment and Challenges to be Addressed

##### (1) The Company's basic management policy

Our Group's corporate philosophy states that "Alps Alpine innovates value for humans and society on a brighter planet" and we have instituted five management approaches "Strive for Value," "Love the Planet," "Contribute to Society," "Respect the Individual," and "Act with Integrity," as shared values based on the corporate motto established at its founding, which forms the foundation for our current ESG and SDGs. In accordance with this, Group companies work together to promote management plans, expand business the scope of business, and maximize corporate value.

Under our corporate vision of "Perfecting the Art of Electronics," we pursue unique values that we promise to all people and society and foster our three values "Right (correct, optimal, appropriate), Unique (uniqueness, differentiation), and Green (environmentally friendly)."

(2) The Company's medium to long-term business strategy and target management indicators

The Company is pursuing further initiatives with the aim of becoming an "innovative T-shaped company" that combines a "vertical I-shaped" approach of enhancing product capabilities by cultivating core devices and a "horizontal I-shaped" approach of developing software and system integration technologies.

In order to achieve these goals, we will strive to improve the quality of our existing businesses and, shift resources to new businesses; strengthen marketing capabilities; pursue T-shape strategies that combine the uniqueness and strengths of our products to further increase value-added; pursue product development by leveraging synergies to generate new technologies and products through the deep cultivation of core technologies; promote cost reforms such as business and cost reforms using DX; and improve customer satisfaction by further refining manufacturing qualities.

We are currently in the final year of the 2nd Mid-Term Business Plan which covers the three-year period from April 2022 to March 2025. However, not only is it currently difficult to achieve the targets of the 2nd Mid-Term Management Plan, but it is also expected to be difficult to achieve an operating margin of 10% and return on equity (ROE) of 10% in the fiscal year ending March 2027, under the 3rd Mid-Term Management Plan. Based on this outlook, the Company has suspended the 2nd Mid-Term Management Plan and positioned the fiscal year ending March 2025 as a period for implementing business structural reforms. During this period for the structural reforms, we will select core businesses through business portfolio reforms and reorganize non-core businesses. At the same time, we will promote cost structural reforms. This includes reducing fixed costs through the consolidation of production bases and streamlining personnel on a global scale. By swiftly realizing a V-shaped recovery and shifting to a profitable structure through these measures, we aim to reach our ROE target of 10% in the fiscal year ending March 2027 under the 3rd Mid-Term Management Plan and achieve a PBR of 1x at an early stage during the same period.

(3) The Company's business environment and challenges to be addressed

For the fiscal year ended March 2024, the Company has been working to resolve three key issues: (i) profitability of the Module and System Segment; (ii) dependence on the smartphone business; and (iii) improvement of the accuracy of financial forecasts. However, in the fiscal year ended March 31, 2024, we experienced a deterioration in the production yield of new module products for the European market, an impairment of non-current assets for business use, mainly in module products, and a deterioration in profitability due to changes in the product mix of component products. As a result, we decided that our current initiatives alone were insufficient and that we needed to transform to a profitable structure so as not to rely solely on expansion of the scale of operations. Accordingly, we discontinued the 2nd Med-Term Management Plan, and positioned the fiscal year ending March 2025 as a time to execute our business structural reforms, which we deemed to be the most important issue.

In addition, we consider sustainability to be an important management issue, and have designated the realization of a decarbonized society and a recycling-oriented society, respect for human rights, diversity and inclusion, and sustainable supply chain management as important sustainability issues. Specific targets are set in the plans of each functional division to address these and other issues, and progress is reported to the Board of Directors each quarter. In addition, issues requiring management decisions are discussed by the executive board as needed.

4. Basic Policy for Accounting Policy Selection

The Company and the Group have implemented a policy to prepare consolidated financial statements in accordance with Japanese GAAP for the time being in consideration of comparability of periods and comparability between companies.

With regard to the application of IFRS, our policy is to take appropriate measures taking into consideration domestic and foreign developments while improving the system environment.

5. Consolidated Financial Statements and Significant Notes

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	84,173	122,667
Trade notes and accounts receivable	176,921	158,584
Merchandise and finished goods	83,548	83,170
Work in process	20,847	20,861
Raw material and supplies	61,029	59,684
Others	40,204	46,783
Allowance for doubtful accounts	(210)	(292)
Total current assets	466,515	491,458
Non-current assets		
Property, plant and equipment		
Buildings and structures	126,858	132,858
Accumulated depreciation and impairment loss	(93,184)	(95,237)
Buildings and structures, net	33,674	37,620
Machinery, equipment and vehicles	301,559	340,660
Accumulated depreciation and impairment loss	(245,730)	(292,818)
Machinery, equipment and vehicles, net	55,828	47,841
Tools, furniture and fixtures and molds	159,212	156,404
Accumulated depreciation and impairment loss	(140,639)	(143,809)
Tools, furniture and fixtures and molds, net	18,572	12,594
Land	20,432	19,132
Construction in progress	30,036	17,022
Total property, plant and equipment, net	158,545	134,211
Intangible assets, net	26,484	26,551
Investments and other assets		
Investment securities	66,708	71,804
Deferred tax assets	7,040	16,978
Retirement benefit assets	118	148
Others	11,603	12,878
Allowance for doubtful accounts	(19)	(42)
Total investments and other assets	85,451	101,768
Total non-current assets	270,482	262,531
Total assets	736,997	753,989

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	98,547	93,964
Short-term borrowings	77,209	50,463
Accrued expenses	16,183	17,970
Accrued income taxes	6,487	8,671
Provision for bonuses	8,939	9,340
Provision for directors' bonuses	38	28
Provision for product warranties	9,377	9,807
Other provisions	46	1,441
Others	47,740	56,023
Total current liabilities	264,570	247,711
Non-current liabilities		
Long-term borrowings	44,728	78,838
Deferred tax liabilities	8,140	17,592
Defined benefit liabilities	16,817	13,850
Provision for directors' retirement benefits	79	82
Provision for environmental measures	634	634
Others	2,244	2,456
Total non-current liabilities	72,644	113,453
<b>Total liabilities</b>	<b>337,215</b>	<b>361,165</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	38,730	38,730
Capital surplus	124,206	124,138
Retained earnings	222,385	184,350
Treasury stock	(28,581)	(28,365)
Total shareholders' equity	356,740	318,853
Accumulated other comprehensive income		
Unrealized gains on securities	22,348	24,393
Revaluation reserve for land	(496)	(496)
Foreign currency translation adjustments	29,129	54,599
Remeasurements of defined benefit plans	(9,611)	(6,242)
Total accumulated other comprehensive income	41,370	72,254
Subscription rights to shares	105	67
Non-controlling interests	1,565	1,648
<b>Total net assets</b>	<b>399,782</b>	<b>392,824</b>
<b>Total liabilities and net assets</b>	<b>736,997</b>	<b>753,989</b>

## (2) Consolidated statement of income and comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	933,114	964,090
Cost of sales	765,587	798,017
Gross profit	167,527	166,072
Selling, general and administrative expenses	133,931	146,360
Operating income	33,595	19,711
Non-operating income		
Interest income	833	1,823
Dividend income	804	755
Share of profit of investments accounted for using equity method	1,879	1,840
Foreign exchange gains	—	2,029
Subsidy income	393	1,168
Others	1,174	1,369
Total non-operating income	5,085	8,987
Non-operating expenses		
Interest expenses	1,231	1,115
Foreign exchange losses	519	—
Depreciation of inactive non-current assets	508	428
Foreign withholding tax	561	1,129
Others	919	1,215
Total non-operating expenses	3,740	3,889
Ordinary income	34,940	24,809
Extraordinary income		
Gain on sale of non-current assets	95	1,109
Gain on sale of investment securities	707	812
Others	44	—
Total extraordinary income	847	1,921
Extraordinary loss		
Loss on sales and retirement of non-current assets	673	847
Impairment loss	5,600	39,286
Loss on valuation of investment securities	1,355	545
Extra retirement payments	1,321	—
Others	24	528
Total extraordinary loss	8,975	41,208
Income (loss) before income taxes	26,812	(14,477)
Current income taxes	11,897	15,867
Deferred income taxes	1,935	(837)
Total income taxes	13,833	15,030
Net income (loss)	12,979	(29,507)
Net income (loss) attributable to:		
Owners of parent	11,470	(29,814)
Non-controlling interests	1,508	306
Other comprehensive income		
Unrealized gain on securities	1,540	2,010
Foreign currency translation adjustments	9,174	24,969
Remeasurements of defined benefit plans	(3,647)	3,275
Shares of other comprehensive income of investments accounted for using equity method	(240)	738
Total other comprehensive income	6,826	30,993
Comprehensive income	19,805	1,485
Comprehensive income attributable to:		
Owners of parent	17,571	1,069
Non-controlling interests	2,233	416

(3) Consolidated statement of changes in net assets  
For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	38,730	124,549	217,097	(26,219)	354,157
Changes during the year					
Dividends			(6,181)		(6,181)
Net income attributable to owners of parent			11,470		11,470
Purchase of treasury stock				(2,502)	(2,502)
Disposal of treasury shares		(34)		139	105
Additional purchase of shares of consolidated subsidiaries		(318)			(318)
Change in affiliated company's interests in its subsidiary		9			9
Changes in items other than shareholders' equity, net					
Total changes during the year	—	(342)	5,288	(2,362)	2,583
Balance at the end of the year	38,730	124,206	222,385	(28,581)	356,740

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized gains (losses) on securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	20,803	(496)	20,897	(5,935)	35,268	180	35,701	425,308
Changes during the year								
Dividends								(6,181)
Net income attributable to owners of parent								11,470
Purchase of treasury stock								(2,502)
Disposal of treasury shares								105
Additional purchase of shares of consolidated subsidiaries								(318)
Change in affiliated company's interests in its subsidiary								9
Changes in items other than shareholders' equity, net	1,545	—	8,232	(3,676)	6,101	(75)	(34,135)	(28,109)
Total changes during the year	1,545	—	8,232	(3,676)	6,101	(75)	(34,135)	(25,526)
Balance at the end of the year	22,348	(496)	29,129	(9,611)	41,370	105	1,565	399,782

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the year	38,730	124,206	222,385	(28,581)	356,740
Changes during the year					
Dividends			(8,221)		(8,221)
Net income attributable to owners of parent			(29,814)		(29,814)
Purchase of treasury stock				(2)	(2)
Disposal of treasury shares		(67)		218	150
Additional purchase of shares of consolidated subsidiaries					—
Change in affiliated company's interests in its subsidiary					—
Changes in items other than shareholders' equity, net					
Total changes during the year	—	(67)	(38,035)	216	(37,887)
Balance at the end of the year	38,730	124,138	184,350	(28,365)	318,853

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized gains (losses) on securities	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the year	22,348	(496)	29,129	(9,611)	41,370	105	1,565	399,782
Changes during the year								
Dividends								(8,221)
Net income attributable to owners of parent								(29,814)
Purchase of treasury stock								(2)
Disposal of treasury shares								150
Additional purchase of shares of consolidated subsidiaries								—
Change in affiliated company's interests in its subsidiary								—
Changes in items other than shareholders' equity, net	2,044	—	25,470	3,369	30,883	(37)	83	30,929
Total changes during the year	2,044	—	25,470	3,369	30,883	(37)	83	(6,957)
Balance at the end of the year	24,393	(496)	54,599	(6,242)	72,254	67	1,648	392,824



## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	26,812	(14,477)
Depreciation and amortization	46,836	41,464
Impairment loss	5,600	39,286
Retirement benefit expenses	978	1,264
Interest and dividend received	(1,637)	(2,578)
Interest expenses	1,231	1,115
Share of (profit) loss of investments accounted for using equity method	(1,879)	(1,840)
Loss on valuation of investment securities	1,355	545
Loss (gain) on sale and retirement of non-current assets	578	(261)
(Increase) decrease in trade and other receivables	(27,715)	33,205
(Increase) decrease in inventories	(29,199)	14,165
Increase (decrease) in trade and other payables	20,195	(10,707)
Loss (gain) on sale of investment securities	(700)	(811)
Increase (decrease) in provision for bonuses	(1,249)	202
Increase (decrease) in accrued expenses	1,151	767
Increase (decrease) in defined benefit liabilities	(620)	(846)
Increase (decrease) in provision for product warranties	100	(346)
Others	(13,739)	807
Subtotal	28,100	100,954
Interest and dividend received	1,627	3,438
Interest paid	(1,225)	(1,142)
Income taxes paid	(13,088)	(14,076)
Net cash provided by operating activities	15,413	89,173
<b>Cash flows from investing activities</b>		
Increase in time deposits	(1,697)	(1,823)
Decrease in time deposits	892	2,889
Acquisition of property, plant and equipment	(43,772)	(47,342)
Acquisition of intangible assets	(8,584)	(8,699)
Proceeds from sale of property, plant and equipment	290	1,546
Acquisition of investment securities	(6)	(1,625)
Proceeds from sale of investment securities	880	1,145
Others	(2,207)	(1,188)
Net cash used in investing activities	(54,205)	(55,095)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	696	(3,752)
Proceeds from long-term borrowings	22,671	43,800
Repayment of long-term borrowings	(12,502)	(33,296)
Payment of purchase of treasury stock	(2,511)	(2)
Cash dividends paid	(6,181)	(8,221)
Dividends paid to non-controlling interests	(1,157)	(403)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,095)	—
Others	(662)	67
Net cash used in financing activities	(742)	(1,808)
Effect of exchange rate changes on cash and cash equivalents	5,734	7,135
Net increase (decrease) in cash and cash equivalents	(33,800)	39,404
Cash and cash equivalents at the beginning of the year	138,489	82,893
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	(21,795)	—
Cash and cash equivalents at the ending of the year	82,893	122,298

- (5) Notes to consolidated financial statements  
(Notes on going concern assumptions)  
No items to report.

(Significant matters that serve as the basis for the preparation of consolidated financial statements)

1. Matters concerning the scope of consolidation

The Company has 54 consolidated subsidiaries.

ALCOM AUTOMOTIVE, INC. has been excluded from the scope of consolidation due to its liquidation and absorption-type merger into the surviving company ALPS ALPINE NORTH AMERICA, INC.

For the fiscal year ended March 2024, the company name of ALPS (CHINA) CO., LTD. was changed to ALPS ALPINE (CHINA) CO., LTD.

The Company has two non-consolidated subsidiaries including ALPINE DO BRASIL LTDA. These non-consolidated companies are small in terms of total assets, net sales, net income (equity equivalent) and retained earnings (equity equivalent), and do not have a material effect on the consolidated financial statements as a whole. Therefore, they are excluded from the scope of consolidation.

2. Matters concerning the application of the equity method

Number of affiliates accounted for by the equity method: 31

ALPS LOGISTICS CO., LTD. and its 26 subsidiaries, Device & System Platform Development Center Co., Ltd. and ASAHI CORPORATION, NEUSOFT REACH AUTOMOTIVE TECHNOLOGY (SHANGHAI) CO., LTD. and Lumax Alps Alpine India Private Limited.

From the current consolidated fiscal year, one subsidiary of ALPS LOGISTICS CO., LTD. is accounted for by the equity method.

From the current consolidated fiscal year, Lumax Alps Alpine India Private Limited. is accounted for by the equity method due to an increase in materiality.

If the closing date of a company accounted for by the equity method is different from the consolidated closing date, the financial statements for each affiliate's fiscal year are used for consolidation, but the consolidated financial statements are adjusted to include significant transactions that occurred during the period between each affiliate's closing date and the consolidated closing date.

The two non-consolidated subsidiaries (ALPINE DO BRASIL LTDA., other) and five affiliates not accounted for by the equity method are excluded from the application of the equity method because they are small in terms of net income (equity equivalent) and retained earnings (equity equivalent), and do not have a material effect on the consolidated financial statements as a whole.

(Omitted disclosures)

Disclosures of notes regarding changes in presentation, consolidated balance sheets, consolidated statement of income and comprehensive income, consolidated statement of changes in net assets, consolidated statement of cash flows, lease transactions, financial instruments, securities, derivative transactions, retirement benefits, stock options, tax effect accounting, revenue recognition, asset retirement obligations, real estate for lease, and related party information are omitted because we believe this information is not significant enough to be disclosed in this report.

(Segment information)

a. Segment information

1. Overview of reportable segment

The Company's operating segments are components of its business for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of business resources and to evaluate financial performance.

The Company has group companies for each product and service, and the Company and each group company formulate comprehensive strategies for the products and services they handle and develop their business activities.

The Company consists of segments which are classified based on types of products and services and similarities of sales market. There are three reportable segments: Component Segment, Sensor and Communication Segment and Module and System Segment.

The Component Segment manufactures and sells electronic components such as switches, actuators, and haptics ®. The Sensor and Communication Segment manufactures and sells electronic components for sensors and communication devices. The Module and System Segment manufactures and sells components and products for in-vehicle modules, infotainment, displays and sound.

2. Calculation method for net sales, profit/loss, assets, liabilities and other items by reportable segment

Income of reportable segments is based on operating income. Intersegment sales and transfers are based on actual transactions.

3. Information concerning net sales, profit/loss, assets, liabilities and other items by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Component Segment	Sensor and Communicati on Segment	Module and System Segment	Sub-total				
Net sales								
External	329,040	85,525	481,384	895,951	37,162	933,114	—	933,114
Inter-segment sales and transfers	318	65	120	503	20,359	20,863	(20,863)	—
Total	329,358	85,591	481,505	896,455	57,522	953,977	(20,863)	933,114
Segment profit (loss)	38,322	(1,588)	(6,619)	30,114	3,603	33,718	(123)	33,595
Segment assets	170,937	52,292	274,062	497,292	47,747	545,039	191,957	736,997
Other items								
Depreciation and amortization	22,928	4,448	17,747	45,124	1,727	46,852	(16)	46,836
Increase in property, plant and equipment and intangible assets	20,916	6,295	22,169	49,381	1,498	50,880	(105)	50,774

(Note)

1. "Other" represents business segments not included in the reportable segments, and includes the development of systems, office services, financing and leasing businesses, and logistics.

2. The adjustments are as follows:

(1) An adjustment of ¥ (123) million to segment profit (loss) represents reclassification adjustments upon consolidation and eliminations of inter-segment transactions.

(2) An adjustment of ¥ 191,957 million to segment assets consists of corporate assets of ¥ 223,801 million and the elimination of inter-segment transactions of ¥ (31,844) million. The main group assets are the Company's and certain group company's surplus investments funds (cash and deposits and securities), long-term investments funds (investments securities), land and other assets.

3. Segment profit (loss) is reconciled to operating income in the consolidated financial statements.

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustments (Note 2)	Amount on consolidated financial statements (Note 3)
	Component Segment	Sensor and Communicati on Segment	Module and System Segment	Sub-total				
Net sales								
External	305,281	84,086	554,389	943,757	20,332	964,090	—	964,090
Inter-segment sales and transfers	258	23	37	319	11,286	11,605	(11,605)	—
Total	305,540	84,110	554,426	944,076	31,618	975,695	(11,605)	964,090
Segment profit (loss)	20,474	(1,498)	(1,131)	17,844	2,037	19,881	(170)	19,711
Segment assets	143,615	53,637	258,616	455,869	47,529	503,399	250,590	753,989
Other items								
Depreciation and amortization	18,935	4,202	17,541	40,679	793	41,472	(8)	41,464
Increase in property, plant and equipment and intangible assets	18,339	6,503	29,448	54,291	1,484	55,776	(111)	55,665

(Note)

1. “Other” represents business segments not included in the reportable segments, and includes the development of systems, office Services, and financing and leasing businesses.

2. The adjustments are as follows:

(1) An adjustment of ¥ (170) million to segment profit (loss) represents reclassification adjustments upon consolidation and elimination of inter-segment transactions.

(2) An adjustment of ¥ 250,590 million to segment assets consists of corporate assets of ¥ 279,694 million and the elimination of inter-segment transactions of ¥ (29,103) million. The main group assets are the Company’s and certain group company’s surplus investments funds (cash and deposits and securities), long-term investments funds (investments securities), land and other assets. In accordance with the change of business segments, the aggregation method has been partially changed.

3. Segment profit (loss) is reconciled to operating income in the consolidated financial statements.

b. Relevant information

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

This information is omitted because such information is disclosed in “Segment information.”

2. Geographic information

(1) Net sales

(Millions of yen)

United States	China	Korea	Japan	Others	Total
164,972	160,238	138,015	108,594	361,293	933,114

(Note) Net sales are attributed by country or region based on the customers’ locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Others	Total
82,177	38,929	37,438	158,545

3. Information on major customers

(Millions of yen)

Customer name	Net sales	Related segment
LG Innotek Co., Ltd.	113,330	Components Segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

This information is omitted because such information is disclosed in “Segment information.”

2. Geographic information

(1) Net sales

(Millions of yen)

China	United States	Vietnam	Japan	Others	Total
172,997	164,495	144,065	103,790	378,741	964,090

(Note) Net sales are attributed by country or region based on the customers' locations.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Others	Total
81,959	31,129	21,122	134,211

3. Information on major customers

(Millions of yen)

Customer name	Net sales	Related segment
Apple Inc.	176,141	Component Segment

c. Information concerning impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Components Segment	Sensor and Communication Segment	Module and System Segment	Other	All/Eliminations	Total
Impairment loss	1,648	24	3,927	—	0	5,600

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Components Segment	Sensor and Communication Segment	Module and System Segment	Other	All/Eliminations	Total
Impairment loss	1,016	1,529	36,727	12	—	39,286

d. Information concerning amortization of goodwill unamortized balance by reportable segment

This information is omitted because the amount is insignificant.

e. Information concerning gain on negative goodwill by reportable segment

There are no items to report.

(Per share information)

	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Net assets per share	1,937.47 yen	1,902.43 yen
Profit and Loss per share	55.77 yen	(145.04) yen
Diluted earnings per share	55.76 yen	— yen

Diluted earnings per share for this fiscal year are not stated because net loss per share was recorded despite the existence of dilutive shares.

(Note 1) The basis for calculating book-value per share is as follows:

	As of March 31, 2023	As of March 31, 2024
Total net assets (millions of yen)	399,782	392,824
Amount deducted from total net assets (millions of yen)	1,670	1,716
(Subscription rights to shares (millions of yen))	(105)	(67)
(Non-controlling interests (millions of yen))	(1,565)	(1,648)
Total net assets related to common stock at the end of the year (millions of yen)	398,111	391,108
Number of common stocks used in calculating net assets per share at the end of the year (thousand)	205,479	205,582

(Note 2) The basis for calculating earnings (loss) per share and diluted earnings per share is as follows:

	For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Earnings (loss) per share		
Net income (loss) attributable to owners of parent (millions of yen)	11,470	(29,814)
Amount not attributable to common shareholders (millions of yen)	—	—
Net income (loss) attributable to owners of parent related to common stock (millions of yen)	11,470	(29,814)
Average number of shares during the year (thousand)	205,674	205,558
Diluted earnings per share		
Net income attributable to owners of parent (millions of yen)	—	—
Increase in common stock (thousand)	43	—
(Subscription rights to shares)	(43)	(—)
Summary of dilutive shares that were not included in the calculation of diluted earnings per share because they have no dilutive effect	—	—

(Subsequent events)

(Sale of a portion of its equity interest in Alps Logistics, an equity-method affiliate)

Based on a resolution of the Board of Directors meeting held on May 9, 2024, the Company has entered into an agreement with LDEC Co., Ltd. (hereinafter called "Tender Offeror"), which is fully owned by Logisteed, Ltd. (hereinafter called "Logisteed"), for the sale of common shares of Alps Logistics Co., Ltd. (TSE Prime Market Code: 9055, hereinafter called "Alps Logistics"), an equity method affiliate of the Company (hereinafter called "Transaction"). Please refer to release on May 9, 2024, titled "Notice Regarding Partial Sale of Stake in ALPS LOGISTICS CO., LTD., an Equity Method Affiliate Company" for the details.

(1) Purpose and Overview of the Transaction

In the 2nd Mid-Term Business Plan (from April 2022 to March 2025), the Company announced that it would reform its business portfolio, improve the quality of its business structure, make concentrated investments in growth areas, strengthen the profitability structure of its focus businesses, and reform its cost structure including a review of non-core businesses. The Company is undertaking to realize management with focus on the cost of capital and stock price and to improve the corporate value of the entire Group. As part of these processes, we have concluded that it is desirable for Alps Logistics to aim for growth together with a new partner who can achieve further growth and leaps through the creation of synergies, in order to enhance the corporate value of both the Company and Alps Logistics. Consequently, we have decided to transfer our shares in Alps Logistics to a third party and Alps Logistics will be delisted.

The outline of the transaction is as follows.

- (1) The Tender Offeror will conduct a tender offer for the common shares of Alps Logistics (hereinafter called "Tender Offer"), and the Company and Alpine Electronics, Inc., a fully owned subsidiary of the Company, will not apply for the Tender Offer for all of the shares of Alps Logistics.
- (2) After the completion of the Tender Offer, all of the shares of Alps Logistics owned by Alpine Electronics, Inc. shall be succeeded by the Company by means of an absorption split. Alps Logistics will conduct a reverse stock split in order to ensure that only the Company and the Tender Offeror will be shareholders.
- (3) Under the condition that the reverse stock split is effective, the Company will sell all of its shares in Alps Logistics for 70.7 billion yen in response to a share buyback conducted by Alps Logistics (hereinafter called "Share Buyback").
- (4) Prior to the Purchase of Treasury Shares, the Company shall make contribution in kind to the Tender Offeror of the right to claim payment related to the Share Buyback and acquire the shares of the Tender Offeror (20% of voting rights) for 30.7 billion yen.

As a result, the ratio of Alps Logistics' equity owned by the Company will be 20%, and Alps Logistics will exist continuously as an equity-method affiliate.

(2) Name of the equity-method affiliate and details of its business

(1)	Name	ALPS LOGISTICS CO., LTD.	
(2)	Location	1756 Nippa-cho, Kohoku-ku, Yokohama-shi, Kanagawa Prefecture	
(3)	Title and name of the representative	Masaru Usui, Representative Director, President & CEO	
(4)	Business field	Electronic components logistics business, material sales business, consumer products logistics business	
(5)	Share capital	¥2,353 million	
(6)	Established	July 2, 1964	
(7)	Major shareholder and equity ratio	Alps Alpine Co., LTD. 46.61% Alpine Electronics, Inc. 2.23%	
(8)	Relationships between Alps Alpine Co., LTD. and ALPS LOGISTICS CO., LTD.	Capital Relationship	The Company owns 46.61% of the total number of issued shares (excluding treasury shares)
		Personal Relationship	Three directors transferred from the Company
		Business Relationship	The Company receives logistics services

(3) Timing of completion of the Transaction

The Tender Offeror aims to commence the Tender Offer around mid-August 2024, and the Transaction is expected to close by the end of the fiscal year ending March 2025. However, it may vary depending on the time required for the necessary procedures and responses under domestic and foreign competition laws that are subject to the Transaction.

(4) Impact of the Transaction on the Company's consolidated financial results

In the case that the Transaction is completed during the fiscal year ending March 2025, approximately 30 billion yen will be recorded as extraordinary income in the consolidated financial results for the fiscal year ending March 2025. However, the amount has not been finalized at this time due to variable factors such as commissions associated with the sale.



6. Non-consolidated Financial Statements

(1) Balance sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	22,029	25,856
Notes receivable	1,235	528
Accounts receivable - trade	132,368	106,259
Merchandise and finished goods	20,093	20,396
Work in process	7,095	6,945
Raw material and supplies	12,592	13,258
Advance payments	932	695
Prepaid expenses	1,962	1,978
Accounts receivable - other	19,578	54,098
Income taxes receivable	924	1,729
Short-term loans receivable from subsidiaries and affiliated companies	7,085	8,617
Others	1,287	1,047
Allowance for doubtful accounts	—	(116)
<b>Total current assets</b>	<b>227,184</b>	<b>241,294</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	17,598	23,835
Structures	1,163	1,400
Machinery and equipment	20,673	21,924
Vehicles	171	150
Tools, furniture and fixtures	3,262	3,309
Molds	4,168	3,198
Land	19,191	18,836
Construction in progress	12,170	6,347
<b>Total property, plant and equipment, net</b>	<b>78,397</b>	<b>79,003</b>
<b>Intangible assets</b>		
Patent right	14	1
Leasehold right	236	236
Trademark right	15	12
Software	21,607	22,413
Telephone subscription right	38	36
Right of using facilities	2	1
<b>Total intangible assets, net</b>	<b>21,914</b>	<b>22,702</b>
<b>Investments and other assets</b>		
Investment securities	7,771	11,015
Shares of subsidiaries and affiliated companies	51,020	51,042
Investments in capital of subsidiaries and affiliated companies	15,393	15,393
Long-term loans receivable from subsidiaries and affiliated companies	3,114	563
Long-term loans receivable from employees	82	131
Long-term prepaid expenses	1,314	1,672
Prepaid pension cost	192	180
Guarantee deposits	139	136
Deferred tax assets	2,724	—
Others	31	114
Allowance for doubtful accounts	(17)	(42)
<b>Total investments and other assets</b>	<b>81,766</b>	<b>80,207</b>
<b>Total non-current assets</b>	<b>182,078</b>	<b>181,913</b>
<b>Total assets</b>	<b>409,262</b>	<b>423,208</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	93,024	86,681
Short-term borrowings	47,196	41,042
Current portion of long-term borrowings	32,500	8,900
Lease obligations	2	2
Accounts payable - other	19,446	24,451
Accrued expenses	7,433	9,446
Accrued income taxes	263	381
Advance received	506	1,398
Deposits received	123	114
Provision for bonuses	5,860	5,892
Provision for directors' bonuses	32	21
Provision for product warranties	2,240	3,483
Provision for loss on inventory	39	1,133
Others	446	217
Total current liabilities	209,116	183,166
Non-current liabilities		
Long-term borrowings	42,500	73,600
Lease obligations	5	2
Long-term accounts payable - other	133	103
Provision for retirement benefits	4,750	4,893
Provision for environmental measures	634	634
Asset retirement obligations	608	684
Deferred tax liabilities	—	1,571
Others	145	145
Total non-current liabilities	48,777	81,635
Total liabilities	257,894	264,802
<b>Net assets</b>		
Shareholders' equity		
Common stock	38,730	38,730
Capital surplus		
Legal capital surplus	99,993	99,993
Other capital surplus	1,448	1,380
Total capital surplus	101,442	101,374
Retained earnings		
Other retained earnings		
Retained earnings brought forward	38,918	44,344
Total retained earnings	38,918	44,344
Treasury stock	(28,639)	(28,423)
Total shareholders' equity	150,451	156,025
Valuation and translation adjustments		
Unrealized gains on securities	2,050	3,552
Revaluation reserve for land	(1,239)	(1,239)
Total valuation and translation adjustments	811	2,312
Subscription rights to shares	105	67
Total net assets	151,368	158,406
Total liabilities and net assets	409,262	423,208

## (2) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	580,801	596,779
Cost of sales	517,663	546,849
Gross profit	63,138	49,929
Selling, general and administrative expenses	76,449	80,804
Operating loss	(13,311)	(30,875)
Non-operating income		
Dividend income	6,908	53,766
Foreign exchange gains	—	1,666
Others	448	1,117
Total non-operating income	7,356	56,550
Non-operating expenses		
Interest expense	743	834
Foreign exchange losses	270	—
Commission fee	276	310
Foreign withholding tax	507	683
Others	361	373
Total non-operating expense	2,159	2,201
Ordinary Income (loss)	(8,113)	23,473
Extraordinary income		
Gain on liquidation of subsidiaries and associates	12	—
Gain on sales of investment securities	0	94
Others	21	1
Total extraordinary income	34	96
Extraordinary loss		
Impairment loss	1,181	5,501
Loss on sales and retirement of non-current assets	522	523
Valuation loss on investment securities	1,356	465
Others	15	419
Total extraordinary loss	3,076	6,909
Income (loss) before income taxes	(11,155)	16,660
Current income taxes	(1,882)	(625)
Deferred income taxes	1,846	3,638
Total income taxes	(35)	3,013
Net income (loss)	(11,120)	13,646

## (3) Statement of changes in net assets

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	38,730	99,993	1,482	101,476	56,220	56,220	(26,276)	170,150
Changes during the year								
Dividends					(6,181)	(6,181)		(6,181)
Net income (loss)					(11,120)	(11,120)		(11,120)
Purchase of treasury stock							(2,502)	(2,502)
Disposal of treasury stock			(34)	(34)			139	105
Changes in items other than shareholders' equity, net								
Total changes during the year	—	—	(34)	(34)	(17,301)	(17,301)	(2,362)	(19,698)
Balance at the end of the year	38,730	99,993	1,448	101,442	38,918	38,918	(28,639)	150,451

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized gains (losses) on securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of the year	558	(1,239)	(680)	127	169,597
Changes during the year					
Dividends					(6,181)
Net income (loss)					(11,120)
Purchase of treasury stock					(2,502)
Disposal of treasury stock					105
Changes in items other than shareholders' equity, net	1,492	—	1,492	(22)	1,470
Total changes during the year	1,492	—	1,492	(22)	(18,228)
Balance at the end of the year	2,050	(1,239)	811	105	151,368

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at the beginning of the year	38,730	99,993	1,448	101,442	38,918	38,918	(28,639)	150,451
Changes during the year								
Dividends					(8,221)	(8,221)		(8,221)
Net income (loss)					13,646	13,646		13,646
Purchase of treasury stock							(2)	(2)
Disposal of treasury stock			(67)	(67)			218	150
Changes in items other than shareholders' equity, net								
Total changes during the year	—	—	(67)	(67)	5,425	5,425	216	5,573
Balance at the end of the year	38,730	99,993	1,380	101,374	44,344	44,344	(28,423)	156,025

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Unrealized gains (losses) on securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of the year	2,050	(1,239)	811	105	151,368
Changes during the year					
Dividends					(8,221)
Net income (loss)					13,646
Purchase of treasury stock					(2)
Disposal of treasury stock					150
Changes in items other than shareholders' equity, net	1,501	—	1,501	(37)	1,463
Total changes during the year	1,501	—	1,501	(37)	7,037
Balance at the end of the year	3,552	(1,239)	2,312	67	158,406

## 7. Other

Change of Directors and Officers (expected effective date is June 26, 2024)

### (i) Change of Representative Directors

Retiring Representative Director	Toshihiro Kuriyama	(Present) Representative Director, Chairman of the Board
New Representative Director	Satoshi Kodaira	(Present) Director, Executive Vice President, CFO for Administration and Corporate Planning

\* Please see the “Notice of Change of Representative Directors and Management Structure” for the details.

### (ii) Candidates for Director to be newly appointed who are not Members of Audit and Supervisory Committee

Director	Hiroshi Yamagami	(Present) Vice President, CMO
Director	Junji Kobayashi	(Present) Vice President, CXO, New Business, Components1 Business, Data Solution Company

### (iii) Retiring Directors

Director	Koichi Endo	(Present) Director, Senior Vice President, CQO
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### (iv) Promoted Officers

Senior Vice President	Hiroshi Yamagami	(Present) Vice President, CMO
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