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ALPS ALPINE CO., LTD.

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Securities Code: 6770, TSE 1st Section

www.alpsalpine.com/e/ir/index.html

The corporate governance of ALPS ALPINE CO., LTD. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Views

The Group defines corporate governance as the “establishment and operation of frameworks for realizing efficient and appropriate decision-making and execution of business affairs by senior management, prompt reporting of outcomes to stakeholders, and sound, efficient and transparent business administration, for the purpose of heightening corporate value.” Its basic approach, placing importance on maximizing benefits for shareholders and all other stakeholders, is to maximize corporate value and deliver benefits directly or indirectly to stakeholders in a balanced way, satisfying their respective interests.

Furthermore, in order to fulfill the responsibilities to stakeholders including shareholders, customers, local communities, and employees, and realize effective corporate governance as a business entity, the Company has established “ALPS ALPINE CO., LTD. Corporate Governance Policies” and disclosed the Policies on the Company’s website. (www.alpsalpine.com/e/ir/index.html)

[Reasons for Non-compliance with the Principles of the Japan’s Corporate Governance Code]

The Company complies with every principle of Japan’s Corporate Governance Code.

[Disclosure Based on the Principles of the Japan’s Corporate Governance Code] Updated

[Principle 1.4 Cross-Shareholdings]

1. Policy on cross-shareholdings

When cross-shareholding is deemed to contribute to smooth financing activity of the Company or deemed necessary for executing the Company’s business strategy, the Company holds shares for a purpose other than pure investments. The Company holds a minimum number of shares required by considering benefits, the cost of capital, and risk management. For shares falling outside this, the Company decides an appropriate time and reduces the cross-shareholding. Decisions as to whether the cross-shareholding will be maintained or sold are made through examination by the Board of Directors annually in view of the evaluation standards with respect to, among others, the purpose of holding, medium- to long-term outlook of each issue, and economic rationale.

2. Standards for exercising the voting rights as to cross-shareholdings

The Company exercises the voting rights as to cross-shareholdings after considering the content of the proposal and determining whether the exercise will lead to an increase in the value of stock of the company with which the Company has cross-shareholdings as well as in the Company’s corporate value in the medium- to long-term.

[Principle 1.7 Related Party Transactions]

The Company stipulates in the bylaws for the Board of Directors that when the Company or its related company has transactions with a Director or a company virtually controlled by a Director, approval of the Board of Directors for the transaction is required. For other related party transactions, it is also stipulated in the bylaws for the Board of Directors that approval of the Board of Directors is required for any transaction that is worth a large amount or that has a considerable impact on the company’s management and credibility.

The Company has established related-party management rules as internal company rules. The Company ensures the rational justification of transactions (business necessity thereof) and the suitability of transaction conditions, and builds a system for appropriately keeping those transactions in check.

[Principle 2.6 Fulfillment of roles as a Corporate Pension Asset Owner]

The Company’s corporate pension fund is constituted of a board of representatives, an executive board and an asset management committee. The members of the board of representatives, the executive board and the asset management committee include the Company’s officers of Corporate Accounting and Corporate Treasury Departments or those having expertise in management of funds including former officers of the

departments. The asset management committee determines the management policy and checks the status of the fund management.

The Company's corporate pension fund selects instruments to invest in from the viewpoint of long-term and stable returns, and also ensures appropriate management after investments by monitoring the performance status of the invested instruments and compliance with the investment guidelines every month, and receiving reports from asset managers for the invested instruments every quarter over their management and performance.

[Principle 3.1 Full Disclosure]

(1) Company objectives (e.g., business principles), business strategies and business plans

The Company has disclosed its corporate philosophy, business strategies, and medium- to short-term business plans on its website, or in materials for briefings on earnings announcement and annual reports.

(2) Basic views and guidelines on corporate governance based on each of the principles of the Code

The Company has disclosed its basic views and guidelines on corporate governance in "I. 1. Basic Views" of this report, or on its website and in annual reports.

(3) Board policies and procedures in determining the remuneration of the senior management and Directors

- Policy for determining the remuneration

Under the remuneration structure focusing on linkage with performance in the short-term and the medium- to long-term, the Company stimulates actions of Directors for increasing corporate performance and the share price to the maximum extent in order to sustainably improve the Group-wide corporate value. Specifically, the composition of remuneration is as follows:

a) Remuneration for Inside Directors (excluding Directors who are Members of Audit and Supervisory Committee)

The Company's remuneration for Inside Directors (excluding Directors who are Members of Audit and Supervisory Committee) consists of fixed remuneration, performance-based bonuses and restricted shares.

Performance-based bonuses vary according to single-year performance (operating profit, profit and others). Restricted shares are granted as remuneration linked to medium- to long-term performance, not only the merit of an increase in the price of the Company's stock but also the risk of a decrease in the stock price is shared with shareholders under this system.

b) Remuneration for Outside Directors and Directors who are Members of Audit and Supervisory Committee

The Company's remuneration for Outside Directors and Directors who are Members of Audit and Supervisory Committee consists only of fixed remuneration.

- Procedures for determining remuneration

The Company determines the remuneration for Directors (excluding Directors who are Members of Audit and Supervisory Committee) at the Board of Directors meetings, and the remuneration for Directors who are Members of Audit and Supervisory Committee at the Audit and Supervisory Committee meetings, to the extent of the total amount of remuneration approved at a General Meeting of Shareholders. The Company has established a voluntary Nomination and Remuneration Advisory Committee constituted of members including Outside Directors to consult about remuneration prior to resolution by the Board of Directors.

(4) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of candidates for Directors

- Policy and procedures for the nomination

The Company has established criteria for appointment of Directors and Vice Presidents to ensure that individuals who have sufficient ability and qualifications are designated as Directors including the senior management. It is the Company's policy that individuals who have strong capability to make management decision, foresight, insight and other capacities as well as respect for legal compliance and high ethical standards should be nominated and appointed as candidate Directors and senior management. In addition, in case that the Company finds any Vice Presidents not meeting the criteria for appointment, the Board of Directors resolves a dismissal. The Company has established a voluntary Nomination and Remuneration Advisory Committee, a majority of which are Independent Outside Directors, to consult about appointments/dismissals and nominations prior to resolution by the Board of Directors.

(5) Board explanations with respect to the individual appointments/dismissals and nominations based on (4) above when appointing/dismissing senior management and nominating candidates for Directors

Reasons for nomination of candidates for Directors including the senior management are individually disclosed in the Reference Document of Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 4.1.1 Scope of the Matters Delegated to the Management]

In addition to matters requiring resolution of the Board of Directors that are stipulated in laws and regulations and the Articles of Incorporation, the management policy, medium- to short-term business plans and other important matters regarding the business management are also judged and determined by resolution of the Board of Directors in accordance with standards for items, amount, etc. The Company stipulates the standards for submission of matters and scope of matters delegated to each Director in the rules and bylaws for the Board of Directors.

Furthermore, the Company facilitates delegation to Directors over important decision-making on business execution for accelerated business management and improved agility, which are stipulated in internal regulations.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

The Company has appointed Independent Outside Directors in accordance with requirements for Outside Directors stipulated in the Companies Act, the independence standards of Tokyo Stock Exchange, Inc. as well as the criteria for appointment of Directors including Outside Director independence criteria stipulated in the Company's Corporate Governance Policies.

[Supplementary Principle 4.11.1 Views on the Appropriate Balance between Knowledge, Experience and Skills of the Board of Directors as a Whole and Diversity and Appropriate Board Size]

The Company ensures a diverse balance of knowledge, experience and skills, by appointing, as Directors, persons who have strong awareness of gender and international affairs, management decision making skills, foresight, insight and other capacities as well as respect for legal compliance and high ethical standards, and who are capable of fulfilling duties and responsibilities of a Director in response to the delegation of business administration from shareholders. The Company shall appoint, as Directors who also serve as Vice Presidents, persons who are able to control the overall business operations of the Company, as well as, in the position of Outside Directors, persons who have business experience and expertise and who are able to fulfill a supervising function to encourage medium- to long-term growth. In addition, the Company shall appoint Audit and Supervisory Committee Members who have broad knowledge in finance, accounting, and legal affairs through experience as a chartered public accountant or attorney at law. As for the board size, it is stipulated in the Articles of Incorporation that the Company shall have up to fifteen (15) Directors so that effective discussion can be ensured at the Board of Directors meetings.

[Supplementary Principle 4.11.2 Positions in Cases where Officers also Serve as Officers at Other Listed Companies]

The Company discloses positions of its officers who also serve as officers at other listed companies in the Notice of Convocation of the General Meeting of Shareholders, securities reports, annual reports, corporate governance reports, etc. The current positions of the Company's officers who also serve as officers at other listed companies are as follows:

Takashi Iida, Outside Director	Outside Audit & Supervisory Board Member of Shimadzu Corporation Outside Audit & Supervisory Board Member of Nippon Telegraph and Telephone Corporation
Yuko Gomi, Outside Director	Outside Corporate Auditor of NIPPON GAS CO., LTD. Outside Audit and Supervisory Board Member of Lawson, Inc.
Yoichiro Kega, Vice President	Director of ALPS LOGISTICS CO., LTD.

[Supplementary Principle 4.11.3 Analysis and Evaluation of Effectiveness of the Board of Directors as a Whole]

The Company establishes the Corporate Governance Policies for fulfilling its responsibilities to stakeholders, including shareholders, customers, employees, and the local community, as well as for implementing effective corporate governance with the objectives of sustainable growth and medium- to long-term improvement in its corporate value. Based on this, an evaluation on the effectiveness of the Board of Directors of ALPS ELECTRIC CO. LTD. in fiscal 2018 were carried out, with the objective of further improving the function of the Board of Directors. A report on this is provided below. In addition, an evaluation on the effectiveness of the Board of Directors of Alpine Electronics, Inc. in fiscal 2018 was also conducted, and the effectiveness of the Board of Directors, including its activities related to the business integration was confirmed.

<Summary of the Evaluation Results of the Effectiveness of the Board of Directors of the Company for fiscal 2018>

1. Method of Analysis and Evaluation

A non-anonymous questionnaire survey regarding the structure, operation, and deliberations of the Board of Directors, communications among Directors, support systems, and a review of the processes related to the integration with Alpine Electronics, Inc., amongst other topics, was conducted of all members of the Board of Directors, and the Directors performed self-evaluations, as well as giving their impressions. The Audit and Supervisory Committee, including Outside Directors, and the Directors responsible for management analyzed the results, organized issues, and reported to the Board of Directors, which verified and deliberated on the results.

2. Summary of Analysis and Evaluation Results

For the fiscal year 2018, Board of Directors has continued to make steady efforts to advance corporate governance since introducing Outside Directors in 2013. It has added women and experienced business managers to Directorship positions for the first time; it has provided information and training to Outside Directors; it has undertaken serious discussion of important themes such as business integration; and has dealt with various business issues as appropriate. On the other hand, with respect to securing more time for prior examination of materials for meetings of the Board of Directors, a more comprehensive discussion of medium- to long- term issues, and the construction and operation of the internal control system, specific opinions and suggestions for further improvement were received, and the Board of Directors verified and discussed them and engaged in efforts towards making improvements in these areas.

3. Future Action

In response to these evaluation results and opinions, the Company will work on further improvement and reform under a new system after the integration of the business, and will implement effective corporate governance with the objectives of sustainable growth and medium- to long-term improvement in the corporate value of the Company.

[Supplementary Principle 4.14.2 Policy on Training for Directors]

The Company provides opportunities for Directors to acquire necessary knowledge and update skills appropriately so that they can fulfill their expected roles and duties appropriately. Specifically, in addition to the initial training for newly appointed Directors, the Company holds a training workshop for Directors covering topics taking into account the Company's internal and external environments twice a year to acquire knowledge and exchange opinions.

Directors who are Members of Audit and Supervisory Committee make efforts to collect and share information on the audits conducted by audit and supervisory committees by joining related external organizations and other means, and attend seminars and training programs hosted by those organizations when needed.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

(1) Establishing organizational structures aimed at promoting constructive dialogue with shareholders

In an effort to enhance strategic communication of information, the Vice President in charge of corporate planning and the Corporate Planning Operations assume a key role of the IR and SR functions. In addition, the Company has established the system for collecting information promptly and exhaustively in-house and examines whether to disclose important corporate information and the content and timing of such disclosure based on relevant regulations and rules of securities exchanges. For dialogues (management meetings) with shareholders, the top management, the Vice President in charge of corporate planning, and others engage in such dialogue according to the requests and interests of shareholders, while the Corporate Planning Operations acts as the contact point.

(2) Opportunities for dialogue aside from individual meetings

The Company strives to promote opportunities for direct dialogue between the management and market participants or shareholders through quarterly briefings on earnings announcement, bulletin issued twice a year, regular visits to investors in Japan and overseas by the top management, Vice Presidents in charge and departments in charge, briefings arranged during the Company's biennial private shows and plant tours to foster positive and interactive dialogue.

(3) Appropriate and effective feedback in the company

Information obtained through dialogue with shareholders, etc. is periodically reported by the Vice President in charge of corporate planning to the top management and the Board of Directors.

(4) Policy for controlling insider information

In accordance with the rules for restrictions on insider trading, the Company strives to manage insider information including fair dialogue (management meetings) with shareholders and prevent internal and external leakage of information.

2. Capital Structure

Foreign Shareholding Ratio	30% or more
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[Status of Major Shareholders] **Updated**

Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	29,723,200	13.55
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	16,158,108	7.37
Japan Trustee Services Bank, Ltd. (trust account)	15,593,000	7.11
ALPS ALPINE CO., LTD.	8,264,481	3.77
JP MORGAN CHASE BANK 385151	6,372,619	2.91
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	6,024,422	2.75
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	4,939,483	2.25
Japan Trustee Services Bank, Ltd. (trust account 5)	4,084,400	1.86
Trust & Custody Services Bank, Ltd. (securities investment trust account)	3,688,200	1.68
MITSUI LIFE INSURANCE COMPANY LIMITED (currently TAIJU LIFE INSURANCE COMPANY LIMITED)	3,591,000	1.64

Controlling Shareholder (except for Parent Company)	—
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Parent Company	None
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Supplementary Explanation **Updated**

In the report of possession of large volume provided for public inspection, there are shareholders attributed as owning shares of the Company. However, since the Company is unable to confirm the actual number of shares held by said shareholders as of March 31, 2019, they are not included in the status of major shareholders above. For details, please refer to “(1) Matters Relating to Shares (as of March 31, 2019)” of “2. Status of the Company” of the Notice of Convocation of the 86th Ordinary General Meeting of Shareholders (available in Japanese only).

3. Corporate Attributes

Listed Stock Market and Market Section	First Section of Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net sales (Consolidated) for the Previous Fiscal year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy for Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Special Circumstances Which May Have Material Impact on Corporate Governance

In line with its basic approach to corporate governance, the Group has established a structure for the Group as a whole, putting in place the Alps Alpine Group Management Paradigm comprising the Alps Alpine Group Management Regulations, Alps Alpine Group Compliance Charter and Alps Alpine Group Environmental Charter. Respecting the independence of ALPS LOGISTICS CO., LTD. that is a listed subsidiary, the Group allows the company to engage in business activities based on independent decision-making through formulation of business plans and monitoring of performance. In addition, the Group has built a structure for the Group as a whole that ensures the independence of subsidiaries including the company and the appropriateness of business practices.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision in Management

1. Organizational Composition and Operation

Organization Form	Company with audit and supervisory committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairman of the Board	President
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	5
Number of Independent Officers Designated from among Outside Directors	5

Outside Directors' Relationship with the Company (1) Updated

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Satoshi Kinoshita	From another company								○				
Takashi Iida	Attorney at law								△				
Kazuya Nakaya	From another company								△				
Yoko Toyoshi	Certified public accountant												
Yuko Gomi	Attorney at law												

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past;

* "●" when a close relative of the director presently falls or has recently fallen under the category; and

"▲" when a close relative of the director fell under the category in the past

a. Executive (a person who executes business; hereinafter, the same) of the Company or its subsidiary

b. Executive or non-executive director of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. Party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the Company or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a corporation)

h. Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)

i. Executive of a corporation, between which and the Company outside officers are mutually appointed (the director himself/herself only)

j. Executive of a corporation that receives a donation from the Company (the director himself/herself only)

k. Other

Name	Designation as Member of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Satoshi Kinoshita		○	—	<p>Mr. Satoshi Kinoshita, as President and CEO of Tungaloy Corporation, has gained extensive experience and wide-ranging knowledge through his work in domestic and overseas group corporate management. Tungaloy Corporation operates its business globally, including business transactions with major automobile manufacturers. Therefore, he is expected to provide the Company with effective and beneficial supervision and advice for the Company to beat its competition during a once in a century period of evolution in the automotive industry and achieve enhanced corporate value and continuous growth. In addition, Tungaloy Corporation is headquartered in Iwaki City, Fukushima Prefecture, where the business center of the automotive infotainment business of the Company is located. The Company believes that sound and appropriate business operations of the Board of Directors and strengthened corporate governance can be expected with appropriate advice to be provided by him over corporate management in general including issues for symbiosis with and contribution to the regional community, and has therefore appointed him as Outside Director.</p> <p>He satisfies the requirements of the Outside Director independence criteria established by the Company, and also satisfies the requirements for independent officer set forth by the Tokyo Stock Exchange. Accordingly, the Company has designated him as Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.</p>
Takashi Iida	○	○	<p>Kowa Law Office Outside Audit & Supervisory Board Member, Shimadzu Corporation</p> <p>Outside Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation</p> <p>Deputy Chairman, Gender Equality Bureau Cabinet Office Promotion and Liaison Committee</p>	<p>Mr. Takashi Iida has been engaged, as an attorney at law, in legal practices for long years and has considerable experience and a track record in legal circles including experience of servicing as Vice President of the Japan Federation of Bar Associations. The Company believes he can utilize this experience to contribute to the management of the Company and has appointed him an Outside Director who is a Member of the Audit and Supervisory Committee.</p> <p>He satisfies the requirements of the Outside Director independence criteria established by the Company, and also satisfies the requirements for independent officer set forth by the Tokyo Stock Exchange. Accordingly, the Company has designated him as Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.</p>

Name	Designation as Member of Audit and Supervisory Committee	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Kazuya Nakaya	○	○	—	<p>Mr. Kazuya Nakaya was appointed as Outside Director who is a Member of the Audit and Supervisory Committee so that his specialized knowledge and experience and broad-ranging know-how accumulated as an experienced executive over many years can be reflected in the management of the Company.</p> <p>He satisfies the requirements of the Outside Director independence criteria established by the Company, and also satisfies the requirements for independent officer set forth by the Tokyo Stock Exchange. Accordingly, the Company has designated him as Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.</p>
Yoko Toyoshi	○	○	—	<p>Ms. Yoko Toyoshi was appointed as Outside Director who is a Member of the Audit and Supervisory Committee so that her accounting audit experience gained from working for many years at accounting firms and her specialized knowledge and experience and broad-ranging know-how accumulated as a certified public accountant can be reflected in the management of the Company.</p> <p>He satisfies the requirements of the Outside Director independence criteria established by the Company, and also satisfies the requirements for independent officer set forth by the Tokyo Stock Exchange. Accordingly, the Company has designated him as Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.</p>
Yuko Gomi	○	○	<p>T. Kunihiro & Co. Attorneys-at-Law</p> <p>Outside Corporate Auditor, NIPPON GAS CO., LTD.</p> <p>Outside Audit and Supervisory Board Member, Lawson, Inc.</p>	<p>Ms. Yuko Gomi has specialist knowledge and wide-ranging know-how from her many years of involvement in legal affairs as an attorney, her positions as an expert committee member of government agencies, as well as her tenure as an outside officer of other companies. The Company has appointed her as Outside Director who is a Member of the Audit and Supervisory Committee so that her wide-ranging know-how from her experiences can be reflected in the management of the Company, while pursuing the continued sound development and growth of the Company.</p> <p>T. Kunihiro & Co. Attorneys-at-Law, NIPPON GAS CO., LTD., and Lawson, Inc. with which she is affiliated as indicated in her biography, do not have relationships with the Company and its consolidated subsidiaries, and she satisfies the requirements of the Outside Director independence criteria established by the Company, and also satisfies the requirements for independent officer set forth by the Tokyo Stock Exchange. Accordingly, the Company has designated her as Independent Officer pursuant to Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.</p>

[Audit and Supervisory Committee]

Committee Composition and Attribute of Chairman

	Total Number of Members	Number of Full-time Members	Number of Inside Directors	Number of Outside Directors	Chairman
Audit and Supervisory Committee	6	2	2	4	Inside Director

Directors and Employees Assisting Duties of Audit and Supervisory Committee

Appointed

Matters concerning the Independence of such Directors and Employees from Executive Director

Assistants for Audit and Supervisory Committee Members are appointed, and a secretariat for the Audit and Supervisory Committee is established. The independence of employees performing the relevant tasks from Directors (excluding Directors who are Members of Audit and Supervisory Committee) is ensured. For details related to employees who assist the duties of the Audit and Supervisory Committee, please refer to “6. Matter regarding employees who assist duties of the Audit and Supervisory Committee” and “7. Matter regarding ensuring independence of the Company’s support staff for the Audit and Supervisory Committee from Directors and effectiveness of instructions for the support staff” in “IV. Matters Related to Internal Control System” presented later in this document.

Cooperation among Audit and Supervisory Committee, Independent Auditing Firm, and Internal Audit Department

- Cooperation between the Audit and Supervisory Committee and independent auditing firm

The Audit and Supervisory Committee deepens mutual cooperation by requesting that the independent auditing firm attend meetings such as meetings of the Audit and Supervisory Committee and meetings for reporting results of audits and other such matters, receiving accounting audit reports, and exchanging information in a timely manner.

- Cooperation between the Audit and Supervisory Committee and the Compliance & Audit Office

The Audit and Supervisory Committee receives reports on activity plans from the Compliance & Audit Office and provides advice on selection of audit topics and others. The Group also regularly convenes meetings of the Alps Alpine Group Audit and Supervisory Committee Liaison Committee to share audit information.

[Voluntary Committees]

Voluntary Establishment of Committee(s) Equivalent to Nomination Committee or Remuneration Committee

Established

Committee’s Name, Composition, and Chairman’s Attributes **Updated**

	Committee Equivalent to Nomination Committee	Committee Equivalent to Remuneration Committee
Committee’s Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
Total Number of Members	9	9
Number of Full-time Members	0	0
Number of Inside Directors	4	4
Number of Outside Directors	5	5
Number of Outside Experts	0	0
Other	0	0
Chairman	Inside Director	Inside Director

Supplementary Explanation **Updated**

The Company has established a voluntary Nomination and Remuneration Advisory Committee designed to further enhance transparency and fairness by obtaining opinions and advice from Members of Audit and Supervisory Committee including Outside Directors with regard to matters concerning nomination and dismissal of Directors, appointment/dismissal of other officers and remuneration, etc. of Directors (excluding Directors who are Members of Audit and Supervisory Committee) and other officers, prior to deliberation at the Board of Directors.

[Independent Officers]

Number of Independent Officers	5
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Matters relating to Independent Officers

Outside Officers who meet qualifications of Independent Officers are all designated as Independent Officers. All five Outside Directors of the Company are Independent Outside Directors as they meet the requirements for Outside Directors stipulated in the Companies Act, the independence standards of Tokyo Stock Exchange, Inc. as well as the criteria for appointment of Directors including Outside Director independence criteria stipulated by the Company. The relevant criteria for appointment of Directors are disclosed in the Notice of Convocation of the General Meeting of Shareholders, etc.

[Incentives]

Implementation of Measures to Provide Incentives to Directors	Implementation of Performance-linked Remuneration and Stock Options
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Supplementary Explanation **Updated**

The Company has introduced the “Restricted Share-Based Remuneration System” for Inside Directors other than Audit and Supervisory Committee members with the objective of further promoting shared value between the eligible Director and shareholders, as well as for providing an incentive for ongoing growth and the improvement of the Company’s corporate value in the medium- to long- term. Note that in line with implementation of restricted shares, the Company plans to abolish the existing stock-based compensation stock options plan (except for those already granted) and will not grant stock options as compensation in the future.

The remuneration system for Directors is as provided in “[Director Remuneration] Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof” below.

Recipients of Stock Options	
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Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration	No Individual Disclosure
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Supplementary Explanation **Updated**

Details including remuneration of Directors of ALPS ALPINE CO., LTD. in the fiscal year ended March 31, 2019 are as follows.

- The total remuneration, etc. for all twenty-three (23) Directors (including seven (7) Outside Directors) was ¥449 million, of which, base remuneration was ¥321 million, remuneration in the form of bonuses was ¥72 million, and remuneration in the form of stock options was ¥55 million.
- The total remuneration, etc. for Directors (excluding Audit and Supervisory Committee Members; for all fourteen (14) Directors including one (1) Outside Director) was ¥385 million, of which, base remuneration was ¥257 million, remuneration in the form of bonuses was ¥72 million, and remuneration in the form of stock options was ¥55 million. Of these Directors, the total amount of remuneration for one (1) Outside Director was ¥2 million, consisting entirely of base remuneration.
- The total remuneration, etc. for Directors who are Members of Audit and Supervisory Committee (for all nine (9) Directors including six (6) Outside Directors) was ¥64 million, consisting entirely of base remuneration. Of these Directors (who are Audit and Supervisory Committee Members), the total amount of remuneration for Outside Directors (six (6) persons) was ¥33 million.
- As of March 31, 2019, ALPS ALPINE CO., LTD. has six (6) Directors (excluding Audit and Supervisory Committee Members, including one (1) Outside Director) and six (6) Directors who are Members of Audit and Supervisory Committee (including four (4) Outside Directors). The amount of remuneration paid to Directors (excluding Audit and Supervisory Committee Members) does not include employee-portion salary for Directors who also serve as an employee.
- For bonuses, the amount is recorded as costs in the fiscal year ended March 31, 2019.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof Updated	Established
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Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

- Policy for determining the remuneration

Under the remuneration structure focusing on linkage with performance in the short-term and the medium- to long-term, the Company stimulates actions of Directors for increasing corporate performance and the share price to the maximum extent in order to sustainably improve the Group-wide corporate value. Specifically, the composition of remuneration is as follows:

a) Remuneration for Inside Directors (excluding Directors who are Members of Audit and Supervisory Committee)

The Company's remuneration for Inside Directors (excluding Directors who are Members of Audit and Supervisory Committee) consists of fixed remuneration, performance-based bonuses and restricted shares. Performance-based bonuses vary according to single-year performance (operating profit, profit and others). Restricted shares are granted as remuneration linked to medium- to long-term performance, not only the merit of an increase in the price of the Company's stock but also the risk of a decrease in the stock price is shared with shareholders under this system.

b) Remuneration for Outside Directors and Directors who are Members of Audit and Supervisory Committee

The Company's remuneration for Outside Directors and Directors who are Members of Audit and Supervisory Committee consists only of fixed remuneration.

- Procedures for determining remuneration

The Company determines the remuneration for Directors (excluding Directors who are Members of Audit and Supervisory Committee) at the Board of Directors meetings, and the remuneration for Directors who are Members of Audit and Supervisory Committee at the Audit and Supervisory Committee meetings, to the extent of the total amount of remuneration approved at a General Meeting of Shareholders. The Company has established a voluntary Nomination and Remuneration Advisory Committee constituted of members including Outside Directors to consult about remuneration prior to resolution by the Board of Directors.

[Supporting System for Outside Directors]

To ensure appropriate and effective exercise of monitoring and overseeing of the management by Outside Directors from an independent standpoint, Corporate Planning Department and Internal Audit Department provide Outside Directors necessary materials or explanation concerning the business management. The Company also provides support to Outside Directors including offering tours of the Company's plants, subsidiaries and trade shows so that they can deepen their understanding.

[Status of Persons Who Have Retired from a Position Such as Representative Director and President]

Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company **Updated**

Name	Title/ Position	Responsibilities	Working Form and Conditions (Full-time/Part-time, Paid/Unpaid, etc.)	Date of Retirement from Position Such as President	Term of Office
Masataka Kataoka	Executive Advisor	Provide advice concerning any matter as requested by the Company and engage in activities for contributing to regional community and external activities	Part-time, Paid	June 23, 2017	Until June 30, 2020
Kentaro Kutsuzawa	Honorary Advisor	Provide advice and guidance for business management	Part-time, Unpaid	June 25, 2003	Until June 30, 2020
Seizo Ishiguro	Honorary Advisor	Provide advice and guidance for business management	Part-time, Unpaid	June 20, 2013	Until June 30, 2020

Total Number of Retired Representative Director and Presidents, etc. Holding Advisory or Any Other Position in the Company Updated	3
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- Description of retirees, such as the Representative Director and President at the Company and at Alpine Electronics, Inc., prior to the management integration.

- The “Date of Retirement from Position Such as President” for Messrs. Kentaro Kutsuzawa and Seizo Ishiguro is their retirement date as chairman at Alpine Electronics, Inc., prior to the management integration.

2. **Matters on Functions of Business Execution, Audit and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)** **Updated**

1) Directors, Board of Directors, Vice Presidents and Vice President Meeting, etc.

The Company’s Board of Directors consists of six (6) Directors (excluding Directors who are Members of Audit and Supervisory Committee) (including one (1) Outside Director) and six (6) Directors who are Members of Audit and Supervisory Committee (including four (4) Outside Directors.) Outside Directors account for one-third of the Board of Directors. The Board of Directors deliberates and makes decisions on basic management policy and important managerial matters including medium- to short-term business plans, and facilitates the delegation of duties for decision-making on the execution of important duties to executive directors. The Company positioned the Board of Directors as an organ that carries out audit and supervision of the execution of duties, thereby strengthening monitoring function.

In addition, the Company has adopted a vice president system, in which chief officers have been appointed as the person responsible for individual functions such as sales, technology, production, materials, quality, and management, etc., and the directors delegated with the making of important decisions on the execution of business of the Board of Directors provide instruction and guidance to the chief officers and Vice Presidents responsible so that the execution of business can be performed effectively, in accordance with the business type and size of the Company and each subsidiary. In addition to the by-function organization, Vice Presidents have been appointed for each business area and business unit, and with the objective of improvement of agility and optimization in each respective business area and business unit, the Vice Presidents hold discussion at Vice President Meetings, etc., and engage in prompt and accurate decision making and the execution of business.

Furthermore, towards the achievement of its medium-term plan, and in order to further accelerate and enhance the creation of synergy through the management integration with Alpine Electronics, Inc., the Company shall establish the position of Chief Integration Synergy Officer (CIO) on June 21 of this year, and under strong leadership, shall work on management structural reform, the reform of overseas bases, domestic organizational reform, the entering of new business, and cost reduction measures through accelerated commercialization and the optimization of functions.

The board convenes once a month for regular meetings and on other occasions as required to thoroughly deliberate on and pass resolutions on all important matters. Resolution matters are checked in advance from legal affairs, accounting, tax, economic rationality and other perspectives to ensure legal compliance and reasonableness of resolutions of the Board of Directors, in accordance with the rules and bylaws for the Board of Directors. Moreover, the Company formulates medium- to short-term business plans based on company policy. Business plans are deliberated and resolved by the Board of Directors after an opportunity for deliberation and information sharing at business plan meetings held twice a year with Directors of the Company in attendance. Operations are implemented with progress monitored on a monthly basis, while important matters are submitted to the Board of Directors for deliberation in accordance with the rules and bylaws for the Board of Directors to ensure optimal utilization of management resources.

Other matters related to the Board of Directors are as follows.

a) Number of Directors

The Articles of Incorporation state that the Company shall have up to eight (8) Directors (excluding Directors who are Members of Audit and Supervisory Committee) and up to seven (7) Directors who are Members of Audit and Supervisory Committee.

b) Resolution requirements for appointment/dismissal of Directors

The Articles of Incorporation state that Directors shall be appointed and dismissed by a resolution of a General Meeting of Shareholders passed by a majority of the votes of shareholders present, where shareholders holding one third or more of the voting rights of shareholders who are entitled to exercise their votes are present, and that cumulative voting shall not be used.

c) Matters to be resolved at a general meeting of shareholders which may be resolved at the Board of Directors

1. Acquisition of treasury shares

The Company, in order to enable the performance of flexible capital policy, and pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, has prescribed in its Articles of Incorporation that the acquisition of treasury shares may be performed by resolution of the Board of Directors.

2. Dividend payment from surplus, etc.

As for matters listed in items of Article 459, Paragraph 1 of the Companies Act regarding dividend payment from surplus, etc., the Articles of Incorporation of the Company stipulate that the Board of Directors reserves the right to make a resolution unless otherwise provided for in laws and regulations in order to facilitate the implementation of flexible dividend and capital policies. However, year-end dividends will be deliberated, in principle, at the General Meeting of Shareholders for the time being. As for the reference dates for the dividend payment from surplus, the Articles of Incorporation of the Company stipulate that they shall be March 31 of each year for the year-end dividend and September 30 of each year for the interim dividend.

2) Audit and Supervisory Committee

The Company’s Audit and Supervisory Committee, a majority of which are Outside Audit and Supervisory Committee Members, endeavors

to make appropriate judgments from an objective standpoint, independent from the executives. Moreover, full-time Audit and Supervisory Committee Members are designated so that they will attend important in-house meetings and carry out such tasks as gathering important information and receiving reports on a daily basis. Outside Audit and Supervisory Committee Members who either have experience as a corporate manager or have extensive experience as an attorney at law with legal expertise or as certified public accountant with accounting expert and Inside Audit and Supervisory Committee Members who are familiar with the Company's business conduct highly effective audits, cooperate with the Internal Audit Department, and endeavor to provide opinions to the management at the Board of Directors meetings and other important meetings. Moreover, assistants shall be appointed to assist duties of Audit and Supervisory Committee, and the independence of employees performing the relevant tasks from Directors (excluding Directors who are Members of Audit and Supervisory Committee) shall be ensured. In accordance with the provisions of Article 427, Paragraph 1 of the Companies Act, the Company enters into agreements with six (6) Audit and Supervisory Committee Members limiting their liability for damages under Article 423, Paragraph 1 of the Companies Act. Accordingly, their liability for damages under the agreements is limited to the minimum amounts stipulated by laws and regulations.

3) Independent auditing firm

The Company has appointed Ernst & Young ShinNihon LLC as its independent auditing firm. The independent auditing firm deepens mutual cooperation by exchanging information with the Internal Audit Department and the Audit and Supervisory Committee in a timely manner.

4) Compliance & Audit Office

The Company has set up the Compliance & Audit Office as a body under the direct control of the Representative Director, President & CEO. In the internal audit area, the Compliance & Audit Office tests and evaluates effectiveness and efficiency of operations through internal auditing of the Company and domestic and overseas related companies that belong to the electronic components segment and the automotive infotainment segment. It also works to enhance the checking function and provide suggestions for business improvements, for example by reporting audit results to the Board of Directors and Audit and Supervisory Committee. For ALPS LOGISTICS CO., LTD., which is a listed subsidiary and serves as a core company of the logistics segment, audit information such as implementation of internal audit and challenges are shared at the Alps Alpine Group Audit and Supervisory Committee Liaison Committee and on other occasions.

In the compliance area, the Compliance & Audit Office works to promote establishment and operation of systems for ensuring the appropriateness of operations to comply with corporate ethical standards, laws and regulations, social norms and in-house regulations, while aiming for business management ensuring legal compliance in cooperation with internal related departments including the Corporate Planning Operations, the Legal Affairs, the Human Resources and the General Affairs Departments.

5) Corporate Planning Operations

The Corporate Planning Operations drafts and promotes managerial planning and devises and administers performance plans. In addition, it cross-functionally promotes various activities with public relations, IR and SR, sustainability promotion and ESG information disclosure functions centralized to the Corporate Planning Operations, in close cooperation with related departments.

3. Reasons for Adoption of Current Corporate Governance System

At the Company, its operations are monitored and supervised by its Board of Directors, while the Audit and Supervisory Committee, independent from the executives, has responsibility for the monitoring and supervision in close cooperation with the independent auditing firm and the Internal Audit Department. The Company has appointed Outside Directors who are required to provide checks on the legal compliance of Directors' execution of duties.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Energize General Meeting of Shareholders and Smooth Exercise of Voting Rights Updated

	Supplementary explanations
Early Notification of General Meeting of Shareholders	In 2019, from the viewpoint of early disclosure of information to shareholders, the Company disclosed the Notice of Convocation on both the website of Tokyo Stock Exchange and its own website before the issuance of the Notice of Convocation on May 30.
Scheduling General Meeting of Shareholders Avoiding the Peak Day	The Company avoids conflicts with shareholders meetings of other companies in scheduling a General Meeting of Shareholders so that more shareholders can participate in the Meeting. In 2019, the Company held the meetings on June 21.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company allows the exercise of voting rights via the Internet.
Participation in Electronic Voting Platform and Other Efforts to Enhance the Voting Environment for Institutional Investors	The Company has adopted the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc.
Providing Notice of Convocation in English (Translated Fully or Partially)	The Company prepares the English version of the Notice of Convocation (summary) to allow foreign shareholders to exercise their voting rights. In 2019, it was disclosed on May 30, the same day as the Japanese version.
Other	The Company holds a show displaying the Company's products and other events with the general meeting of shareholders.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	In accordance with relevant regulations and rules of securities exchanges, whether to disclose the important corporate information and the content, timing of such disclosure and others are examined under the leadership of the Corporate Planning Operations. The Company has established the system for collecting information promptly and exhaustively in-house.	
Regular Investor Briefings for Individual Investors	The Company holds biennial private shows where new technologies and products are introduced to clients, and invites individual shareholders to the shows to showcase new technologies and products and efforts of the Company and other group companies.	Yes
Regular Investor Briefings for Analysts and Institutional Investors	The Vice President in charge and the IR department explain financial results at annual and quarterly briefings on earnings announcement. Each briefing is held on the very day of announcement of the earnings summary. In addition, the Company invites analysts and institutional investors to the private shows and arranges plant tours.	Yes
Regular Investor Briefings for Overseas Investors	The Representative, the Vice President in charge of corporate planning and the IR department visit each overseas institutional investor several times a year.	Yes

	Supplementary Explanations	Explanation by Representative
Posting of IR Materials on Website	A webpage for IR information (www.alpsalpine.com/e/ir/index.html) has been set up within the Company's website. Timely disclosure information, materials for briefings on earnings announcement and bulletins for shareholders as well as the IR-related schedule can be found on the webpage.	
Establishment of Department and/or Manager in Charge of IR	In an effort to enhance the strategic communication of information, an IR department has been established at Corporate Planning Operations, and assumes the IR function.	
Other	The Company issues and sends a bulletin for shareholders to them semi-annually. The content of the bulletin is also available on the Company's website so that people other than shareholders can read it.	

3. Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanations
Provisions to Ensure Due Respect for Stakeholders in In-house Rules, etc.	The Company respects Spirit of CSR provided in the Group Management Regulations, and stipulates respect for the position of stakeholders and contribution to the society in charters, and other various regulations, etc., in order to realize the Company's philosophy.
Implementation of Environmental Activities, CSR activities, etc.	<p><Environmental conservation activities></p> <p>In regard to environmental conservation activities, a medium-term environmental conservation plan is drafted at the "Environment Promotion Meeting," and activities towards countermeasures to global warming, the recycling of resources, environmentally aware products, chemical substance management, and biodiversity are promoted, in consideration of the effect on the environment caused by both our products and manufacturing activities. In the first medium-term plan, commencing in fiscal 2019, long-term goals looking towards 2030 and 2050 have been set as countermeasures to global warming.</p> <p><CSR activities></p> <p>For the promotion of stakeholder needs and activities towards capturing changes in the external environment, the "Sustainability Committee" was established in February 2019. The activities will be conducted in line with the materiality set by the committee and the three year medium-term policy. In addition, the activities are regularly reported to the Board of Directors.</p> <p>The Company has disclosed the contents and implementation of environmental conservation activities and CSR activities on its website and in annual reports.</p>
Formulation of Policies for Information Provision to Stakeholders	In each of operational rules, the disclosure in a timely and appropriate manner is prescribed as a policy regarding information provision to stakeholders.
Other	<p><Promoting greater involvement of women, etc.></p> <p>As for promoting greater involvement of women, the Company aims not only provision of non-gender-biased work roles and opportunities for education and training, but also establishment of the right working environments through the enhancement of various systems that support the balance between work and childcare or nursing care. An in-house nursery was opened in Osaki City, Miyagi Prefecture, in April 2019. From this point forward we will persist with women's career development with the aim of increasing numbers of managerial candidates in a manner that leads to their career advancement.</p> <p>Furthermore, the Company aims to achieve a work environment in which employees, who possess diverse values, can maximize their individuality and their abilities regardless of their nationality, religion, gender, age, and so forth. We will strive to improve productivity and realize work-life balance of employees by not only carrying out initiatives to reduce overtime hours through labor-management consultation, but also enhancing systems to realize flexible working styles, such as teleworking.</p>

IV. Matters Related to Internal Control System

1. Basic Views on Internal Control System and Progress of System Development Updated

Acknowledging the Founding Spirit (Alps Alpine Precepts) as the origin of Group management, the Company has established the Alps Alpine Group Management Paradigm (Alps Alpine Group Management Regulations, Alps Alpine Group Compliance Charter and Alps Alpine Group Environmental Charter) as well as its fundamental philosophy and action guidelines relating to Group management, compliance and environmental conservation that apply to the Company and its subsidiaries. The following section provides details on basic policy resolved by the Board of Directors in relation to putting in place systems for ensuring the appropriateness of operations, in line with the aforementioned principles, and an overview of the operating status of such systems.

1. System for ensuring that Directors and employees of the Company and directors and employees of its subsidiaries conform to laws and regulations and to the Articles of Incorporation

- (1) To act responsibly and sensibly in the aim of fair management in keeping with the purpose of laws and regulations, social requirements and corporate ethical standards, the Company has declared a statement of fundamental compliance philosophy and action guidelines and established in-house regulations clarifying specific contents of them.
- (2) The Company designates several candidates for Outside Directors that are independent with no interests (hereinafter referred to as “Independent Outside Directors”). To deliberate and make decisions on management policy and important managerial matters at the Board of Directors meetings that Independent Outside Directors attend, and to supervise each Director’s execution of duties, the Company has clearly defined specific contents and standards of matters to be resolved and reported in its rules for the Board of Directors and set criteria for appointment of candidates for Director so that a person who has ability and qualifications for such deliberation, decision-making and supervision is appointed as Director at the General Meeting of Shareholders.
- (3) To assure legal compliance of resolution of the Board of Directors, the Company has put in place a check system for legal compliance of submitted proposals.
- (4) To foster sound corporate climate, the Company provides compliance education to its Officers and employees.
- (5) The Company has put in place the following structures as systems for ensuring that the performance of duties by directors and employees of its subsidiaries conforms to laws and regulations and to the Articles of Incorporation.

a) Subsidiaries that belong to the electronic components segment and the automotive infotainment segment

The Company has put in place a system for providing guidance and management on business management of subsidiaries that belong to the electronic components segment and the automotive infotainment segment (hereinafter referred to as “electronic components segment companies” and “automotive infotainment segment companies”). In addition, the Company supports establishment of a structure for compliance and related activities, according to the status and other factors of the electronic components segment companies and the automotive infotainment segment companies.

b) ALPS LOGISTICS CO., LTD.

ALPS LOGISTICS CO., LTD., which is the Company’s subsidiary and listed company and serves as a core company of the logistics segment builds a structure relating to internal controls for subsidiaries that belong to logistics business (hereinafter referred to as “logistics segment companies”) in line with the Group’s philosophy and action guidelines. The Company has put in place a system that enables cooperation in establishment of internal control between ALPS LOGISTICS CO., LTD. and the Group.

- Overview of operating status

- The Company has established the Alps Alpine Group Compliance Charter, has prescribed various in-house regulations to clarify the specific details of the charter, and aims to make officers and employees well aware through internal education, including compliance education. In addition, business guidance and management is provided to group companies, such as subsidiaries, and support is also provided for activities relating to the promotion of compliance and the construction of an internal control system, etc. In addition, ALPS LOGISTICS CO., LTD., which is a listed subsidiary, holds regular Presidents Meetings and Group Audit and Supervisory Committee Liaison Meetings, etc. while maintaining its independence, and works on initiatives towards the construction of an appropriate internal control system, with the objective of creating synergy and achieving the optimization of management as a group.

- In regard to Directors, candidate Directors are selected based on the selection criteria, and are proposed to a general meeting of shareholders. In addition, the Company has adopted a vice president system, and Vice Presidents are selected based on the selection criteria in the same manner as Directors.

- This fiscal year, 12 meetings of the Board of Directors were held, important matters were deliberated and made decisions on based on the rules and bylaws for the Board of Directors prescribing the deliberation content and standard, and in addition, reports were received from each Director and Vice President on the execution of business. In addition, in order to ensure the legality of resolutions of the Board of Directors, agenda items are checked beforehand by the Director in charge of management and the department in charge of compliance, based on the prior confirmation regulations.

It should be noted that Alpine Electronics, Inc., held 16 meetings of the Board of Directors, including extraordinary meetings, during the period from April to December of 2018, and deliberated on the business integration of the Company and Alpine Electronics, Inc.

2. Structure for storage and management of information on execution of duties by the Company’s Directors and report of matters regarding execution of duties by its subsidiaries’ directors, etc. to the Company

- (1) The Company has stipulated basic matters on document control in the in-house regulations, and appropriately records, stores, and manages information related to the execution of duties by Directors.
- (2) The Company has put in place the reporting system for report of matters regarding execution of duties by its subsidiaries’ directors,

etc. to the Company, taking into account each company's role, function and other factors.

- Overview of operating status

- The Company establishes rules and bylaws for the Board of Directors and rules and bylaws for the Vice President Meeting in order to clarify the creation and storage of minutes and other matters of operation, etc. pertaining to the meetings of the Board of Directors and Vice President Meeting, and it manages information pursuant to the Document Control Regulations, Information Management Regulations and Confidential Information Management Regulations. Subsidiaries, including listed companies, discuss with or report to the Company about important matters before making a final decision, as required by the provisions of the Management Policy.

3. Rules and other structures for managing risks of loss of the Company and its subsidiaries

- (1) To manage risks of the Group as a whole integrally and share information, the Company has established in-house regulations on risk management and put in place the structure for management and reporting on various risks.
- (2) The Company has put in place the structure for prior deliberation with and reporting to the Company on certain risks relating to its subsidiaries. For the electronic components segment companies and the automotive infotainment segment companies, the Company makes each company have in place the system in accordance with the Company's regulations on risk management and provides necessary support to them according to their situation. For ALPS LOGISTICS CO., LTD., which is a listed subsidiary, a structure has been put in place in the subsidiary and logistics segment companies in consideration of risks relating to execution of business affairs, while the Company has in place a system that enables cooperation with ALPS LOGISTICS CO., LTD.

- Overview of operating status

- The Company, under the risk management policy, has prescribed Risk Management Policy and other regulations, and has established and operates a system for the management and reporting of risks that may have a significant effect on business, including disasters, accidents, and operations.
- A risk management system has been established at each subsidiary of the Company, in accordance with the size and business type of the respective company. Subsidiaries, including listed companies, hold discussions and file reports to the Company concerning risk, based on the Management Policy. In addition, for ALPS LOGISTICS CO., LTD., which is a listed subsidiary, Group Presidents Meetings and Group Audit and Supervisory Committee Liaison Meetings are regularly held, and efforts are made for cooperation within the group.

4. Structure for ensuring effective execution of duties by Directors of the Company and directors of its subsidiaries

- (1) The Company delegates part of execution of important duties of the Board of Directors to Directors, and Vice Presidents to whom authority has been delegated from Directors executes duties efficiently and promptly. A structure is built to ensure efficient business management by Directors and Vice Presidents reporting the status of duties being executed to the Board of Directors on a regular basis.
- (2) The Company deliberates and makes decisions on a medium- to short-term business plan at the Board of Directors meeting, and each Director acts to achieve objectives set in the plan and reports the progress at the Board of Directors meeting.
- (3) The Company has established classification for operational management of subsidiaries based on the Group-wide basic policy and strategy and established a structure for ensuring effective execution of business affairs in consideration of this classification. The Company has in place a system for providing guidance on business management and operations and managing performance according to each company's situation for the electronic components segment companies and the automotive infotainment segment companies, and a system for ensuring cooperation while receiving report on business conditions and checking on the progress for ALPS LOGISTICS CO., LTD., which is a listed subsidiary.

- Overview of operating status

- The Company has adopted a vice president system, and has appointed chief officers to acts as managers for individual functions, including sales, technology, production, materials, quality, and management. In addition, the Directors delegated with important decisions on the execution of business of the Board of Directors provide instruction and supervision to the chief officers and Vice Presidents in charge of each company, so that the execution of business can be performed effectively, in accordance with the business type and size of the Company and the respective subsidiary. Furthermore, in addition to the by-function organization, the responsibilities have been clarified by appointing Vice Presidents in each business area and business unit. In regard to ALPS LOGISTICS CO., LTD., which is a listed subsidiary, the Board of Directors of the Company receives business status reports from the president of ALPS LOGISTICS, checks progress, and in addition, coordinated management is promoted at the Group Presidents Meeting.
- The Company formulates a medium-term management plan once every three years and a short-term management plan every year, and these are deliberated and made decisions by the Board of Directors. A business planning meeting is held to discuss these plans every six months, and plan progress management and reviews are conducted. In addition, Directors and Vice Presidents report monthly to the Board of Directors and the Vice President Meeting on the progress status of the plan in their area of responsibility.

5. Other structures for ensuring the appropriateness of operations in the corporate group consisting of the Company and its subsidiaries

- (1) The Company has established a fundamental philosophy and action guidelines relating to the Group's compliance that apply to the Company and its subsidiaries and shares them within the Group as common values.
- (2) The Company has set appropriate standards for pricing of intra-group transactions.

- (3) To ensure prevention, early discovery and correction of violation of corporate ethical standards, in-house regulations and laws and regulations, the Company has put in place an internal reporting system (Ethics Hotline) (hereinafter referred to as the “Ethics Hotline”) and makes the contact point for reporting known regularly in the Company and its subsidiaries.
- (4) The Company’s Internal Audit Department conducts an audit of overall activities relating to business management and businesses of the Company and the electronic components segment companies and the automotive infotainment segment companies and reports results of the internal audit to the Board of Directors as well as the Audit and Supervisory Committee and independent auditing firm. For ALPS LOGISTICS CO., LTD., which is a listed subsidiary, its internal audit department performs an audit of the subsidiary and logistics segment companies and cooperates with the Company’s Internal Audit Department.
- (5) The Company’s Audit and Supervisory Committee makes efforts to communicate and exchange information with directors and audit & supervisory board members, etc. of the Company’s subsidiaries and receive a report on businesses from those subsidiaries where needed.

- Overview of operating status

- The Company conducts transactions within the Group appropriately, based on the Group Company Pricing Standards.
- Ethics Hotline has been established as an internal reporting system, and the contact information for reports, etc. is made well known through publication in the monthly company bulletin, as well as on the Company’s portal site, etc. The operating status of Ethics Hotline is regularly reported to the Board of Directors by the Vice Presidents responsible for management. In addition, the persons involved with the Ethics Hotline at each group company attend regular Group Ethics Hotline Liaison Meetings (twice in fiscal 2018), with the objective of sharing information and issues, and endeavoring to enhance the function of Ethics Hotline system across the group as a whole.
- The Internal Audit Department, based on the medium-term and annual internal audit plan, conducts internal audits on each department and base of the Company, as well as on domestic and overseas affiliated companies in each segment. The results of internal audits are reported to the Board of Directors and the Audit and Supervisory Committee after the completion of the respective audit. In addition, there is an internal audit department at ALPS LOGISTICS CO., LTD., which is a listed subsidiary; internal audits are conducted on the subsidiary and logistics business segment companies, and reports are received regularly on the audit system and audit results, etc.
- Audit and supervisory committee members of the Company regularly conduct interviews with the presidents, etc. of domestic subsidiaries (four times in fiscal 2018). Furthermore, interviews are conducted with the presidents, etc. of overseas subsidiaries during site audits, and business planning meetings, etc. are used as a venue for interviews and the exchanging of information. It should be noted that in the event of an internal control issue being identified, requests for the necessary improvements are made, and company-wide initiatives are embarked upon to correct such issues.

6. Matter regarding employees who assist duties of the Audit and Supervisory Committee

The Company has set up a department assisting duties of the Audit and Supervisory Committee and appointed dedicated staff (hereinafter referred to as “support staff for the Audit and Supervisory Committee”).

- Overview of operating status

- The Company has set up Audit and Supervisory Committee Office as a department assisting duties of the Audit and Supervisory Committee and appointed dedicated support staff for the Audit and Supervisory Committee.

7. Matter regarding ensuring independence of the Company’s support staff for the Audit and Supervisory Committee from Directors and effectiveness of instructions for the support staff

- (1) Support staff for the Audit and Supervisory Committee shall not assume other duties and shall follow directions and orders solely from the Company’s Audit and Supervisory Committee.
- (2) The Company makes a personnel change and conducts performance review for support staff for the Audit and Supervisory Committee with Audit and Supervisory Committee’s agreement, etc.

- Overview of operating status

- The Company does not allow support staff for Audit and Supervisory Committee to concurrently serve in other positions, and has made such staff subject to the instruction and order of the Audit and Supervisory Committee; personnel change and performance review are conducted under the consent, etc. of the Audit and Supervisory Committee.

8. Structure for reporting by the Company’s Directors and employees to its Audit and Supervisory Committee

- (1) The Company has in place the structure for reporting on any serious internal misconduct or any important matter that may cause significant damage to the Company by Directors to the Audit and Supervisory Committee.
- (2) The Company has in place the structure that enables employees to directly or indirectly report any serious internal misconduct or any important matter that may cause significant damage to the Company to the Audit and Supervisory Committee through reporting to the Ethics Hotline contact point.

- Overview of operating status

- The Company has in place an environment that enables Directors to report to Audit and Supervisory Committee as needed when any serious internal misconduct or any important matter that may cause significant damage to the Company is identified and recognized by Directors. In addition, when any serious internal misconduct or any important matter that may cause significant damage to the Company is identified and recognized by an employee, a system that allows reports and discussions to be held with the Ethics Hotline, which is a contact point for full-time Audit and Supervisory Committee Members, Audit and Supervisory Committee Members who are Outside Directors, and the manager of the department in charge of compliance, has been established, is operated and publicized.

9. Structure for reporting by directors, audit & supervisory board members, employees, etc. of the Company's subsidiaries or a person who received a report from any of them to the Company's Audit and Supervisory Committee

- (1) The Company has in place the structure for reporting on its subsidiary's serious internal misconduct or any important matter that may cause significant damage to the subsidiary by the subsidiary's directors and audit & supervisory board members directly or through the Company's Director in charge, etc. to the Company's Audit and Supervisory Committee.
- (2) The Company has in place the structure that enables employees of the Company's subsidiaries to report directly or indirectly to the Company's Audit and Supervisory Committee through reporting to the Ethics Hotline contact point.

- Overview of operating status

- For serious internal misconduct or an important matter that may cause significant damage to a domestic subsidiary of the Company, an Ethics Hotline is operated and publicized as a system that allows for Directors, audit & supervisory board members (excludes listed subsidiaries), and employees of the subsidiary to report to the Audit and Supervisory Committee of the Company.

- An internal reporting system has been established at major overseas subsidiaries, guidance is provided so that their employees are able to use this, and in addition, the operation status of this is regularly monitored by the Ethics Hotline Secretary Office of the Company, and the results are reported to the director in charge of management of the Company, full-time Audit and Supervisory Committee Members, as well as Audit and Supervisory Committee Members who are Outside Directors.

10. Structure for ensuring that a person who reported to the Audit and Supervisory Committee is not treated unfavorably for the report

The Company has stipulated in in-house regulations that it is prohibited to treat Directors, Audit and Supervisory Committee Members, employees or other people at the Company and directors, audit & supervisory board members, employees or other people at its subsidiaries unfavorably because he or she reported to the Audit and Supervisory Committee.

- Overview of operating status

- The Company has stipulated in its Ethics Hotline regulations that it is prohibited to treat Directors, Audit and Supervisory Committee Members (excluding the Company and listed subsidiaries), employees or other people at the Company and directors, audit & supervisory board members, employees or other people at its subsidiaries unfavorably because he or she reported to the Ethics Hotline.

11. Other structure for ensuring that the audit by the Audit and Supervisory Committee is conducted effectively

- (1) Audit and Supervisory Committee Members may have meetings with Directors, Vice Presidents and executive-level employees regularly and as needed, for example by attending important in-house meetings such as business plan meetings.
- (2) The Audit and Supervisory Committee may use, if it is necessary in performing an audit, external experts in addition to an audit by Internal Audit Department by resolution of the Audit and Supervisory Committee.
- (3) The Audit and Supervisory Committee may have meetings regularly and as needed to ensure close cooperation with the Internal Audit Department and independent auditing firm.

- Overview of operating status

- Audit and Supervisory Committee Members may have meetings with Directors, Vice Presidents and executive-level employees regularly and as needed, for example by attending important meetings such as the Board of Directors and business plan meetings.

- The permissibility of the use of external experts is expressly stated in the Audit and Supervisory Committee Audit Standards, the costs for audits by Audit and Supervisory Committee Members are budgeted for under the audit plan, and in addition, the expenses actually paid are reimbursed based on the claims of Audit and Supervisory Committee Members.

- The Audit and Supervisory Committee may have meetings for reporting results of audits (four times in fiscal 2018) in with the Internal Audit Department and independent auditing firm. In addition, the Audit and Supervisory Committee holds monthly meetings and Group Audit and Supervisory Committee Liaison Meetings (twice in fiscal 2018), etc., with the Internal Audit Department, regularly and as needed, and shares information and issues.

12. Structure for ensuring the appropriateness of financial reporting

The Company checks the establishment and enforcement of internal control for ensuring the appropriateness of financial reporting through self-inspection of the business and evaluation by an independent department, and discloses the effectiveness of internal control on

reliability of financial reporting in the internal control report.

2. Basic Views on Eliminating Anti-Social Forces and Progress of Related Efforts

The Group adheres to its policy of having no relation with anti-social forces and groups that pose a threat to order or safety in civil society and steadfastly refusing any request from such forces and groups. The Group has set up a body that controls handling of anti-social forces and groups in the Human Resources and General Affairs Departments and put in place a structure for cooperation with relevant internal departments and external specialized agencies including the police. To respond to unreasonable demands, education is provided through in-house training.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
Supplementary Explanation	

2. Other Matters Concerning Corporate Governance System

- Overview of the timely disclosure system

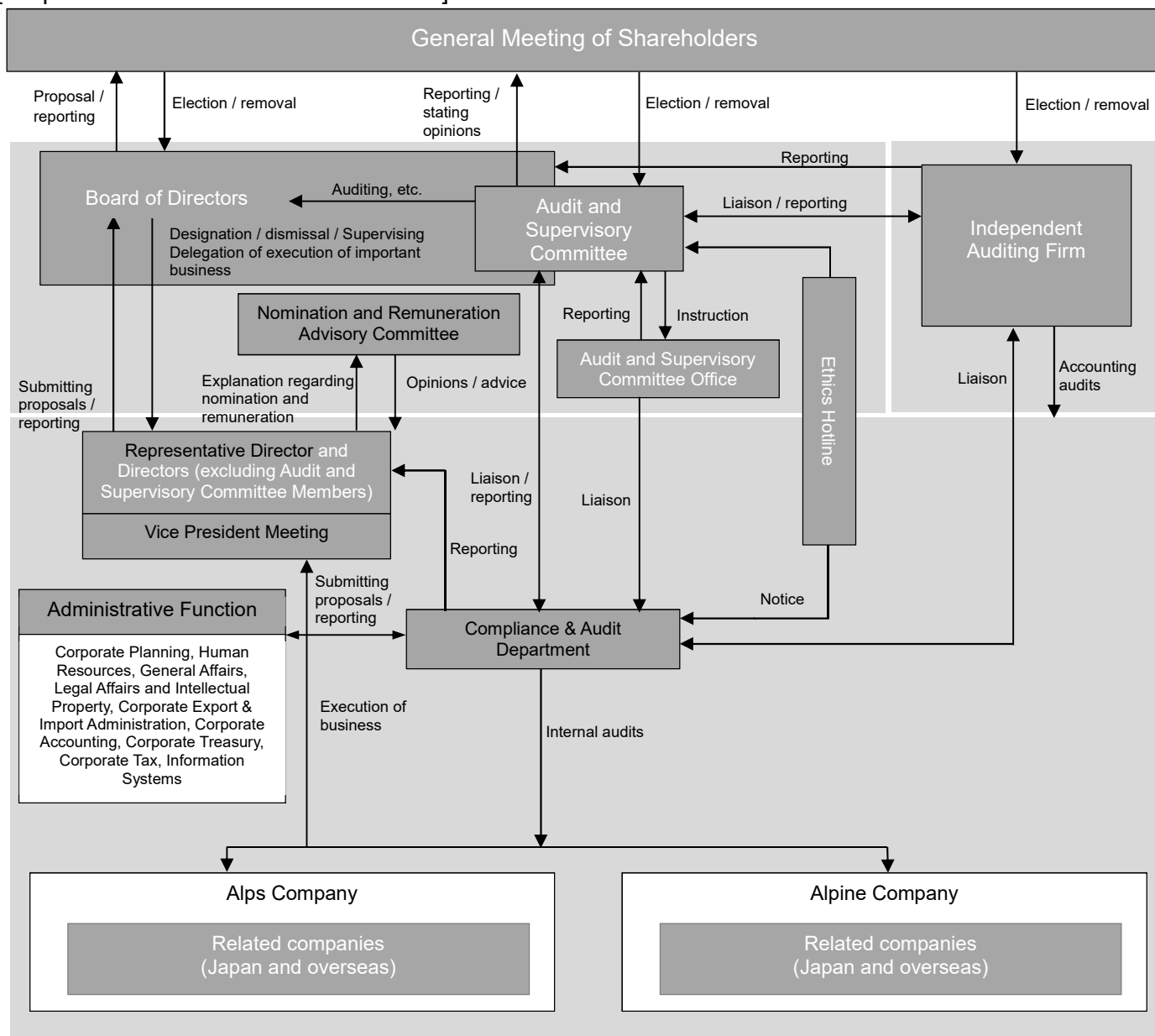
1. Establishment of a body responsible for disclosure

- (1) The Vice President in charge of corporate planning is responsible for handling information in timely disclosure, and the Corporate Planning Operations is in charge of inquiries on timely disclosure rules.
- (2) For corporate information produced in and out of the Group including subsidiaries, each department in the Administrative Function endeavors to collect facts from the department managing the information and shares them in the Administrative Function.
- (3) For corporate information on financial results, the Vice President in charge of corporate planning reports the progress and definitive results on a quarterly basis to the Board of Directors, which subsequently resolves such matters.

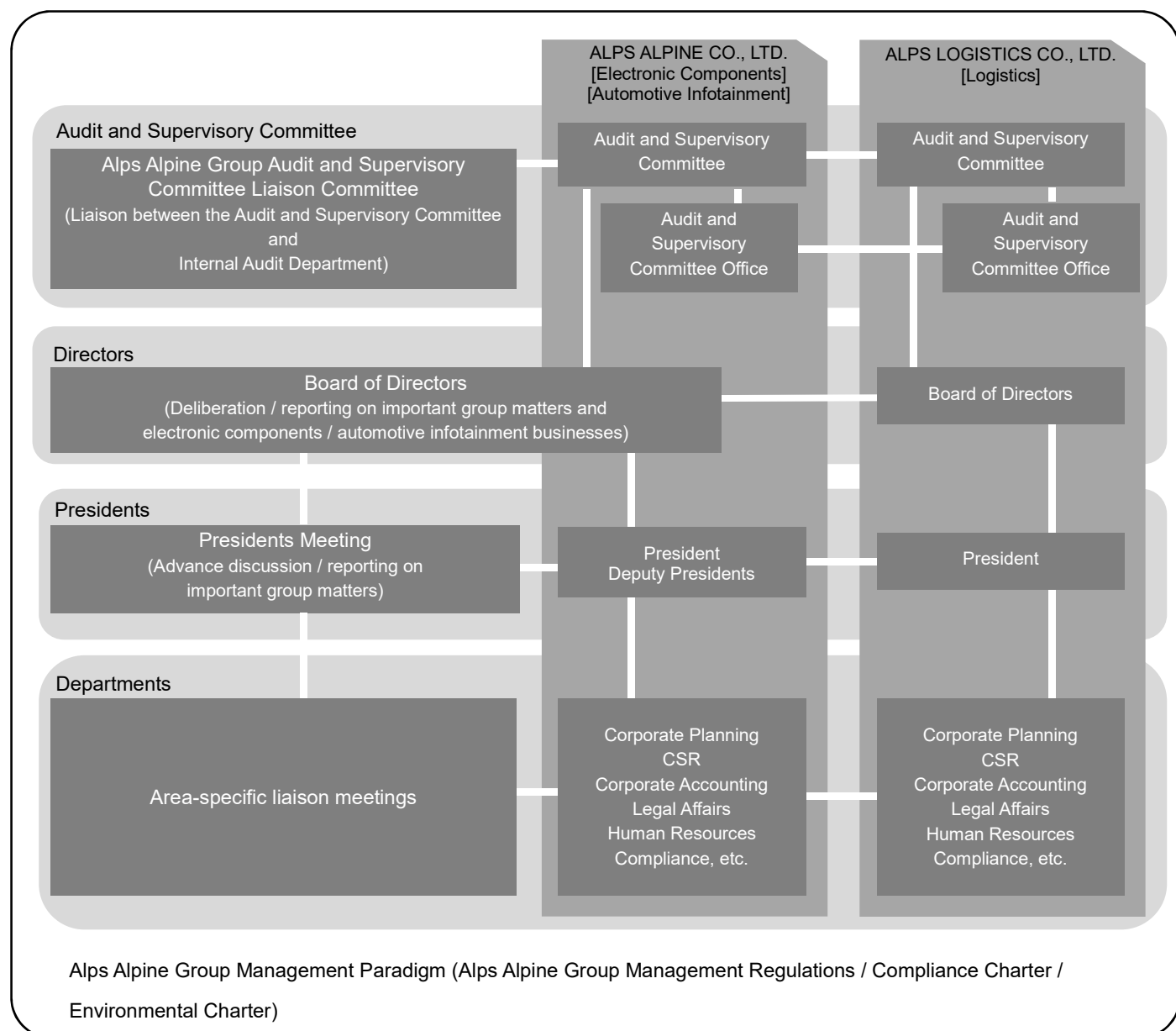
2. Establishment of procedures for timely disclosure

- (1) Corporate information deliberated at the Board of Directors meetings, of which the importance is assessed by the Vice President in charge of corporate planning, is disclosed in accordance with timely disclosure rules.
- (2) Corporate information produced internally and externally, of which the importance is assessed through discussions by the Vice President in charge of corporate planning and the Director, Vice President (or responsible person) in charge of the department in which the information was produced, is disclosed in accordance with timely disclosure rules.
- (3) Financial closing information, which is shared with the Corporate Planning Operations after being reported by the Vice President in charge of corporate planning to the Board of Directors, is disclosed in accordance with timely disclosure rules. This corporate information is reported to all Directors and persons in charge, etc. of consolidated companies by email simultaneously with being made public, and the Company also prepares to swiftly disclose the information on its website.

[Corporate Governance at ALPS ALPINE]



[Alps Alpine Group Internal Controls Structure]



[In-house Structure for Timely Disclosure]

