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- The information and materials include Oasis's opinion that for the protection of their economic interests, shareholders of Alpine should reject the proposed Share Exchange Agreement of 0.68 Alps shares for every one (1) Alpine share by (a) expressing their dissenting view in response to the proposed Share Exchange Agreement, and (b) exercising their voting rights against the proposals at the EGM where Alpine management will seek special approval (no less than 2/3 of the voting shares at present) in the shareholders meeting for the Share Exchange Agreement.

- Oasis encourages minority shareholders of Alpine to take these actions to protect their economic interests.

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What Is Best for Alps Shareholders?

Win-Win Strategies for Alps and Alpine

- Even at this valuation, Alps' shareholders will be diluted and the current structure is not optimal - the following are far more value accretive:

1. Alps should sell Alpine to a third party which will have more synergies, as in the sale of Clarion to Faurecia
   – Third parties will pay a significant premium for Alpine and Alps can capitalize on this

2. Alps should perform a buyback before the acquisition
   – This creates certainty in the market
   – There is a risk that the share price will increase post-merger through expectations of increased shareholder returns which will make the buyback more expensive and less effective

3. A cash TOB, using debt, for Alpine – even at a higher price – is more accretive than the current Share Exchange Ratio
   – Additional interest costs will have a significantly smaller impact on shareholders than the dilution from the share exchange

Sale to a Third Party Is the Best Choice for Everyone

Impact of sale of Alpine on same term as Clarion sale	Value to Alps (JPY Bn)	% of Alps Market Cap
EV / EBITDA adjusted for non-operating assets	149	29%
P / B	202	39%
P / E Cash adjusted	447	87%

- Alps would generate substantial capital on the sale of its stake in Alpine which could be used for acquisitions, investments and shareholder returns
- Tax could be saved through structuring the deal as per Hitachi's sale of Hitachi Kokusai
- Alpine's shareholders would also benefit from receiving a fair price for their stake
- Alpine's management and employees would benefit more as it would be sold to a more suitable partner which is committed to the automotive industry and not impacted by the smartphone cycle

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Oasis EGM Proposal

EGM

- **Action 1 - Reject the merger at the current valuation**

- **Action 2 – Vote for the Oasis special dividend proposal of JPY300**

Reject the Merger at the Current Valuation

- **Questionable Corporate Governance – have shareholders been misled?**

- **The risks of the Alps merger do not make sense at the current valuation**
- **Current Valuation:**
  - **70% of market cap is in cash and liquid securities**
  - **Alpine has generated JPY24.9 billion in EBITDA in last 12 months**
  - **Alps is proposing to buy Alpine at 1.5x EV/TTM EBITDA net of non-operating assets**

- **The offer would need to be dramatically increased to justify the merger in light of the following:**

  - **Alps has failed to grow its auto business to date and cannot be trusted to grow it going forward**

  - **Alps planned strategy is focused on hardware which is becoming more commoditized**

  - **Alpine's medium to long-term corporate value will increase more as an independent company than by merging**

  - **Alpine shareholders are getting ZERO value for a control transaction**

  - **Alpine shareholders are getting ZERO value for the synergies in the business**

<u>Alpine is saving Alps – Not the other way around</u>!

Vote for the Oasis Special Dividend

- Alpine's board has rejected the Oasis proposal for the JPY300 per share dividend on the grounds that:
  - The company will suffer a cash strain
  - Cash will be needed for M&A

- The board's opposition to our proposal appears to be disingenuous:
  - Alpine is already supporting a dividend of JPY100 per share
  - Alps has publicly spoken about spending Alpine's cash to buy back its own shares so the cash is not required
  - Alpine has substantial non-operating assets, amounting to over JPY86 billion, and substantial room to draw down its working capital lines and raise debt
  - JPY300 amounts to a total of JPY20.9 billion

- Paying the special dividend will have no ramification on the business going forward!
  - Alpine has JPY10 billion of undrawn working capital lines and plenty of room for debt
  - Oasis has offered them debt at 2% yield for 5 years for JPY20.9 billion

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