Alpine Corporate Profile / CSR Report 2011/2012

To Remain a Trusted Company
To Establish Sound Business
Driving Mobile Media Solutions
To have satisfied customers
As a member of Globe

Message from the CSR Committee

Global Individuality and Goals
Developing Environmentally-
Friendly Products

Round Table Talk
Fostering Personal Growth
Environmental Conservation in the
Corporate Philosophy and Management
Alpine Brand

Fostering individuality
Creating Value

Scope of Report
- Coverage Organization: Alpine Electronics, Inc and 28 consolidated affiliates.
- Coverage Period: April 1, 2010 to September 30, 2011

Reference Guidelines
- The Japanese Ministry of the Environment’s environmental Reporting Guidelines 2007
- The Global Reporting Initiative (GRI)’s Sustainability Reporting Guidelines Third Edition

Website
- The data contained in this report can also be found on our website
http://www.alpine.com/scr

Related reports
- For detailed financial information, please see our Annual Report

Successive Release
- June 2012 (Subject to change)

Data on Alpine’s business and CSR activities may be found in this booklet and on our Website.

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Editorial Policy

Guided by the Corporate Vision “Creating Future Values of Mobile Media”, Alpine is committed to developing an innovative motorized society. This booklet reports the initiatives we take in each of our corporate activity areas. In order to deliver a wide range of information regarding our activities, we have compiled the Corporate Profile and the CSR (Corporate Social Responsibility) Report into one comprehensive document. We hope to deliver to our key stakeholders how we value our interconnection with people, society and our environment in our business activities.

With strong determination to realize our key principles, the context of this booklet is synchronized with the Alpine Corporate Philosophies: Respect for Individuality, Creating Value and Contribution to Society.

At Alpine, employees are the foundation of all business activities, so we have included a variety of articles introducing messages from our employees around the world. In addition, with the belief that our commitment to CSR activities must be directly reflected in our products, we have gathered detailed accomplishments in the sections “History of Product Development Challenges” (P20) and “Environmental Burden Reduction Activities and Supplier Value Chain” (P26).

We sincerely hope that this report will assist all of our valued stakeholders in sharing Alpine’s current position and vision for the future.

Note: This report includes forward-looking statements about the future performance of the Alpine group, based on its management’s current plans, estimates, and policies, as well as facts concerning the Alpine group both past and present.

These plans, estimates, and projections are based on management’s assumptions and beliefs in light of the information available to it as of this writing, and therefore the actual results or events of future business undertaking a could materially differ from those contained in these forward-looking statements, as a result of changes in conditions.

Related reports
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Realizing a Sustainable Mobile Society

Economic Climate & Environmental trend that surrounds Alpine

We pray for all the people and families who faced many difficult times due to the Great East Japan Earthquake. Alpine Headquarter Office and manufacturing facilities located in the city of Iwaki, Fukushima, suffered considerable damage from the earthquake. However, given the immense, widespread support from our stakeholders, we were able to accomplish a swift recovery. We would like to take this opportunity to again express our sincere gratitude for all the support we received.

Over the years Alpine has been engaged in the construction of BCP (Business Continuity Planning). Since the Great East Japan Earthquake, we have engaged in comprehensive review and reinforcement of risk management schemes. Here at Alpine we are determined to create an organization in which stakeholder confidence is sustained at all times. In the process of reconstruction, we have reconfirmed and further strengthened the connection to our employees and local society, a bond that will surely be an important asset for Alpine in its coming development.

If we take a look at the global economic situation, the automobile industry has experienced a temporary recovery from the Lehman shock; however, once again the industry is facing a phase of uncertainty due to anxieties in the U.S. and European economies. On the other hand, although the rates of growth have somewhat decelerated, emerging countries continued to show stable expansion. Growth of emerging countries is a sign of new significant business opportunities and competition. We see this new competition as a trigger for a wide array of technological innovation and the progress of society.

For decades, ALPINE has upheld “Made in Market” as a key motto, and strategically developed business activities on a global scale. Every affiliate around the globe is connected to our Headquarter in Japan, offering optimal solutions for each regional market. In China, now the world’s largest automobile market, we have established a comprehensive, head-to-tail, localized product development system. Ahead of our competitors, we have in place a single facility capable of product design to manufacturing.

Rapid progress in communication technology and the effective use of ITS have made it possible to provide drivers with optimized driving information and entertainment sources. This trend has evolved our products from simple automotive audio and navigation products to the vehicle’s core systems. We see this as a business opportunity and will pursue further augmentation of safety and comfort in all driving experiences.

The prevention of global warming has become a common topic in our everyday life, together with the increasing popularity of hybrid and electric vehicles. Alpine joined the national consortium Smart-city Project, offering navigation systems for electric vehicles as part of our “Green Strategy”. We continuously strive to offer lightweight product solutions as one of our key efforts in relieving burdens on the environment. We strongly believe environmental activity is one of the important responsibilities for manufacturers who build the foundations of the next-generation automotive society.

Considering the current and the upcoming business environments, Alpine has established a strategy of corporate development based on the following cornerstones: 1. AVNCD(*), 2. Alliance Strategy, 3. Link Strategy (Application of communication tech.), and 4. Green Strategy (environmental conservation). We will contribute the development of a mobile society defined by ease, safety and comfort in driving.

Generating the Future Value in Mobile Media

The corporate vision of Alpine is “Driving Mobile Media Solutions – Towards the Future of Mobile Media”. Alpine strives to lead the generation by continuously offering new value to our customers.

We have established our corporate philosophies of “Respect for Individuality”, “Creating Value” and “Contribution to Society”. Making these philosophies a reality is how we achieve corporate social responsibility. It is for this reason that our Corporate Profile and CSR report have been combined.

This is an era where responsibilities of corporations are expanding. We recognize the importance of diversity in values through our global business operations. We very much appreciate your time in reading this booklet describing Alpine’s corporate activities, and humbly request your advice and continuing support.

September 2011

* A (Audio), V (Visual), N (Navigation), C (Communication for Information supplement from outer Network), D (Drive assist for safe driving)
Determined to create great sound without compromise, Alpine relentlessly aims to achieve the finest mobile media sound.

Alpine pursues superb in-vehicle sound as a manufacturer specialized in automotive systems. We continually pursue the position of “First One” (#1 quality, first releaser) by utilizing the know-how and expertise accumulated over many years. Technology innovation rapidly introduces new media formats. Alpine provides innovative products that are in sync with market trends and end user needs. One example is the Pandora-and-SiriusXM-compatible Head Unit. Even though equipment and technologies change, our policy of “Great Sound” does not.

Alpine’s sound philosophy, “Artist intended”, is a pursuit to precisely reproduce the passion the artist has put into the music. Under this philosophy, we proudly offer a wide range of products including a “premium sound system” to global markets. The system contains an advanced digital processing technology to realize the perfect sound settings for the customer’s vehicle. It offers the user with a fine yet powerful acoustic environment.

Together with the emergence of environmentally friendly vehicles, Alpine is the leader in the development of ultra-downsized, lightweight, and high-efficiency sound systems. Flexibly and efficiently adapting to changing vehicle environments, Alpine continues to offer advanced sound technologies and optimal in-vehicle sound systems that surpass customer expectations.

Audio Products

Creating an safe, comfortable, and ever-expanding driving experience with sound, image, navigation data transmission, and drive assistance.

Audio, Video, Navigation, Communication and Drive Assistance – the range of features provided in our products has expanded dramatically as customer demands needs evolve. Alpine is acknowledged by car manufacturers around the world as a leading system integrator, uniting vehicles with the latest technologies. Alpine is committed to providing new value products to the market – one example is the ultra-wide-screen HDD navigation system launched for the Japanese market in 2010.

The idea of the large screen navigation system was born from end users’ input. Taking advantage of an 8” display, a high resolution, dual-source, navigation and entertainment view mode, impossible with the former 7” screen, was realized. In addition, the “Active View Camera” that recognizes and indicates approaching objects with visual alert and alarm sound offers additional value to the vehicle-mounted cameras. It is widely recognized as a product that provides the driver with a safe and comfortable driving environment.

Information and Communication Products

Audio, Video, Navigation, Communication and Drive Assistance – the range of features provided in our products has expanded dramatically as customer demands needs evolve. Alpine is acknowledged by car manufacturers around the world as a leading system integrator, uniting vehicles with the latest technologies. Alpine is committed to providing new value products to the market – one example is the ultra-wide-screen HDD navigation system launched for the Japanese market in 2010.

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Bringing Alpine to the world with our Global SMD System

Alpine has established a global network of Sales, Manufacturing and Development sites in four main regions (Japan, North America, Europe and Asia), all under the fundamental principle of “Designed in Market, Made in Market,” in order to meet the requirements of major automobile manufacturers and markets around the world.

Overseas Subsidiaries/Overseas Affiliates
North and Latin America
- ALPINE ELECTRONICS OF AMERICA, INC.
- ALPINE ELECTRONICS RESEARCH OF AMERICA, INC.
- ALCOM ELECTRONICS OF MEXICO, S.A. DE C.V.
- ALPINE DO BRAZIL LTDA.
Europe
- ALPINE ELECTRONICS (EUROPE) GMBH
- ALPINE ELECTRONICS R&D EUROPE GMBH
- ALPINE ELECTRONICS GMBH
- ALPINE ELECTRONICS OF U.K., LTD.
- ALPINE ELECTRONICS FRANCE S.A.R.L.
- ALPINE ELECTRONICS DE ESPANA, S.A.
- ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD.
Asia
- ALPINE ELECTRONICS (CHINA) CO., LTD.
- ALPINE ELECTRONICS (CHINA) CO., LTD. (DALIAN R&D CENTER)
- DALIAN ALPINE ELECTRONICS CO., LTD.
- TACANG ALPINE ELECTRONICS CO., LTD.
- ALPINE ELECTRONICS HONG KONG, LTD.
- ALPINE ELECTRONICS OF ASIA PACIFIC CO., LTD.
- ALPINE TECHNOLOGY MANUFACTURING (THAILAND) CO., LTD.
- ALPINE ELECTRONICS OF AUSTRALIA PTY LTD.
- NEUSOFT CORPORATION

Domestic Subsidiaries/Domestic Affiliates
ALPINE ELECTRONICS MARKETING, INC.
ALPINE ELECTRONICS MANUFACTURING, INC.
ALPINE PRECISION, INC.
ALPINE TECHNOLOGY MANUFACTURING, INC.
ALPINE GREEN, INC.
ALPINE CUSTOMERS SERVICE CO., LTD.
ALPINE INFORMATION SYSTEM, INC.
ALPINE BUSINESS SERVICE, INC.
ALPINE KYOTO SALES, INC.
ALPINE HYOGO SALES, INC.
TOSHIBA ALPINE AUTOMOTIVE TECHNOLOGY, INC.
Realization of corporate philosophies on the solid foundation of our management cycle

In pursuit of the actualization of our corporate philosophies, Alpine incorporates the management cycle into our activities, every single day. By sharing the future direction (Corporate Vision) and our business targets with employees, we are steadily advancing.

1. Corporate Philosophy
2. Corporate Vision
4. Midterm Business Plan/ Business Budget
5. Management Strategy
6. Daily Jobs
3. Conduct Guidelines

Corporate philosophy
Alpine values its members as individuals, and is committed to forming an energetic and attractive company where the quality of work is enhanced.

Respect for Individuality
Alpine seeks to foster the pride and enthusiasm of each employee, providing the means and opportunities for growth, and encouraging relationship built on mutual trust.

Creating Value
Alpine eagerly takes up the challenge of maintaining technical leadership in creating new values that will enhance the quality of human life.

Contribution to Society
Alpine is committed to providing superior products and thus contributing to a fuller, richer society.

Management cycle Of Alpine

Alpine's CSR is "the business activity necessary to realize our Corporate Philosophy". - Acting with full recognition of our social responsibility, especially during challenging business circumstances.

CSR Committee Chairman and Managing Director,
Hitoshi Kajiwara

Located in Iwaki city in Fukushima Prefecture, Alpine’s global headquarters faced the devastating earthquake and tsunami of March 11th. I think that many employees must have considered how Alpine could behave responsibly toward society and what we could do not to cause our stakeholders so many worries. A corporation is closely related to the society, and we feel again that we need to think about how to perform our social responsibility in the whole process of our business.

At Alpine, CSR and the business activities for achieving our corporate philosophies are one in the same. Corporate philosophy is an inalterable value for our continuing performance and we are built on the three corporate philosophies of 1. Respect for Individuality, 2. Creating Value, 3. Contribution to Society. In essence, understanding Alpine’s business activities is understanding Alpine’s responsibility to society.

In order to grow, the expectations and needs of our various stakeholders (customers, stockholders, investors, suppliers, employees, local community, etc.) must be met, and we believe it is an important responsibility of corporations to deepen mutual understanding through communication. To do that,

we must achieve accountability.

To boost mutual understanding between our stakeholders, every employee all over the world must work every day considering how Alpine can connect to society.

The collective consciousness of our employees, including management, sets the level of our corporate social responsibility. We want our employees to have a sense of self-awareness and sense of ethics.

Peoples’ responsibility to a corporation is changing with the times. People have requested that a company not just launches products and services, but also to contemplate how to contribute to society by their products and services.

We believe that if Alpine continues to seek Alpine’s identity and able to respond to change, it can be said that Alpine performs its social responsibility.

Alpine is going to strengthen consciousness of our social responsibility among our employees and we continue to make efforts to improve CSR activities.

Thank you for your understanding and continued support.

CSR Committee Chairman and Managing Director,
Hitoshi Kajiwara
To Remain a Trusted Company

We believe it is our obligation to act justly, increasing corporate viability and transparency. We are therefore strengthening our corporate governance. To assure sustainability of governance, we are taking firm measures for compliance and risk management.

Corporate Governance Structure

Alpine appoints a Board of Directors that oversees and supervises managerial decisions. Each director is assigned a specific corporate function. By constructing an organization with clear managerial responsibilities, optimal and efficient progression of duties is assured.

Alpine has established an internal auditing structure and engages a Board of Auditors. The board assures clarity and transparency by monitoring managerial, accounting, and legal perspectives.

Corporate Governance Organizational Structure (as of June 2013)

Internal Control System

Alpine is making aggressive efforts to create internal control systems on the belief that such systems should not be created merely for the sake of compliance with relevant laws. In 2011, we promote improvement of our internal control system to strengthen our business structure.

Risk Management Initiative

To ensure sustainability and reliability of our corporate activities, Alpine analyzes a wide range of possible risk factors. The risks are categorized into “Disaster risk”, “Infection risk”, “Business risk” (finance, labor, government), and “Information risk”, each backed by advance crisis countermeasure actions, and in case of emergencies minimize the damages incurred.

The reason behind our enactment of the Business Continuity Plan are to ensure the safety of employees and their families, and reduce post-disaster impact on our customers given any emergency situation. We established a practical and effective plan comprised of chapters corresponding to first response and risk reduction.

Compliance Structure

Alpine has laid down in our Ethics Guidelines (“Alpine’s Ten Commandments”), the basic code that each and every employee within the Alpine group across the globe is required to. In Japan, the U.S.A., and China, Alpine has established an “Ethics Hotline” for Alpine employees and suppliers to consult regarding ethical and moral issues. A whistle-blower protection clause is included in our internal regulations. This system acts to help detect potential problems in advance and enable prompt action. There were 4 issues consulted in 2010.

Alpine Code of Ethical Conduct (Ten Commandments of Alpine)

Promoting supply-chain-wide CSR

Alpine is making aggressive efforts to create internal control systems on the belief that such systems should not be created merely for the sake of compliance with relevant laws. In 2011, we promote improvement of our internal control system to strengthen our business structure.

Promoting Investor Relationships

We communicate our business situation, mindset and activities at our biannual investors meeting for analysts and institutional investors. The Alpine Annual Report is published in March and September. To report on our detailed business and financial circumstances, the Annual Report is issued to our overseas investors. News and information are updated on our website on timely basis.

Balanced Profit Allocation

Return of profit to our shareholders is an important corporate responsibility at Alpine. “Return profit to stakeholders”, “Aggressive capital investment and R&D investment for enhancement of competitiveness”, and “savings for business growth for the future” are key factors in determining the balance of profit return. The 2010 year-end dividend was set at 10 yen per share. Based on this return, the annual dividend was 20 yen per share.

Eco-friendly Procurement

Alpine promotes development of eco-friendly products by strong supplier partnerships. All suppliers have obtained ISO-14000 certification. Starting in 2011, enhanced examination of materials and inclusions are conducted based on standards recommended by JAPIA.

Supplier Information Security Management

Via programs including “Information security education support” and “Information management status investigation”, Alpine is working to increase the level of information management by our partners. Since August 2010, regular visits are made by Alpine to its partners to ensure information security. An important theme for the 2011 year is to introduce and standardize information management at our newly joined business partners.

Strengthening Disaster Risk Management

Alpine maintains Permanent Disaster Action Headquarters and global preventive measures to prepare for natural hazards. During the Tohoku Earthquake, countermeasures were set to put into action by the Permanent Disaster Action Headquarters, thereby ensuring prompt business recovery. In addition, it enabled efficient cooperation and support amongst the ALSPI group, contributing to the creation of a joint cooperation structure for recovery.

The Alpine Fire Brigade is responsible for safety inspections, fire fighting, emergency aid, emergency evacuation and executing frequent disaster drills. In this disaster, they prevented panic and minimized the damage after the disaster.

A firmer structure should be constructed based on the experience of the disaster.

At the Emergency Drill

Inspired by partnership between management team and employees

Having numerous opportunities to talk face-to-face with their executives, I received the impression that Alpine values their investors, and I place my trust in them. In addition, as we can see by the swift recovery from the disaster, I am inspired by the level of cooperation between their management and employees. They have established strong business competitiveness and partnerships, and I hope Alpine makes the next leap forward in the mobile media market with focus on developing countries.

Ichigo Asset Management, LTD.
CEO: Mr. Scott Callon
Respect for Individuality

Alpine seeks to foster the pride and enthusiasm of each employee, provide the means and opportunity for growth, and build a relationship based on mutual trust. Individuality generates synergy and mutual progress. It creates the desire to grow business. We, Alpine, have a shared passion for quality, technology, the global environment and people. The wide range of individuality drives us to realize our goals and responsibilities.
For Each Individual to Shine

Alpine believes that everyone’s individual skills and character can successfully fit together both mentally and physically.

Valuing Work/Life Balance

Every single employee has fruitful times both inside and outside the workplace. This is the Alpine’s basic policy in regards to work. To support it, we have instituted a weekly “No Overtime” day, multi-use vacation, and we encourage the use of paid vacation. Alpine supports employees who try to refresh themselves and to pursue their dreams.

Multi-use Vacation Usage (Alpine Only)

<table>
<thead>
<tr>
<th>Days Used</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>888</td>
<td>1039</td>
<td>742</td>
</tr>
<tr>
<td>Persons Used</td>
<td>128</td>
<td>167</td>
<td>146</td>
</tr>
</tbody>
</table>

Usage ratio (Employee Population)

- 2008: 10.8%
- 2009: 12.2%
- 2010: 11.7%

Child Rearing / Nursing Support

Alpine maintains an environment that supports individual life stages, including maternity leave and a shortened workday policy for employees with small children. For employees who need to provide nursing care, Alpine offers two vacation plans and supports flexible work schedules.

Maternity Leave and Shortened Day Policy Usage (Alpine Only)

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternity</td>
<td>20</td>
<td>17</td>
<td>9 (Male 2)</td>
</tr>
<tr>
<td>Shortened Day</td>
<td>10</td>
<td>14</td>
<td>6</td>
</tr>
</tbody>
</table>

Physical and Mental Health

At Alpine, the health of each employee is top priority. Annual physical examinations, health guidance by a full-time nurse, and a company gym support employee wellbeing. Employees are vulnerable to various forms of work stress. Alpine supports stress reduction, setting up professional counseling sessions 3 days per week. This helps alleviate each individual’s problems, clarify general issues that are shared amongst employees, and establishes foundations for improvements in the work environment.

Employee Satisfaction survey

Alpine conducts Employee Satisfaction surveys in Japan, UK and Germany to collect employees’ opinions of the company. The surveys are conducted anonymously, allowing employees to express their honest opinions, while ensuring accurate feedback. The survey results indicate increasing satisfaction levels, but nevertheless Alpine will continue to actively promote improvements in the workplace.

Cultivate human resources for the global stage

Alpine has signed an agreement with the University of Aizu and Neuosci Institute in China to support IT specialists at those institutions. This aims to invite overseas students to a Japanese college, and encourages them to learn advanced IT skills and knowledge, together with the Japanese language. Alpine offers internship programs for these students. Alpine will expand this program around the world, anticipating development of human resource skills and business expansion.

Working environment improvements

Without the growth and development of employees, a company never progresses. Considering the expansion of skills and knowledge of our human resources as utmost importance, the “Human resource development conference” is held twice a year. To encourage employees to grow, optimized job rotations, and training schemes are discussed. In addition, twice a year employees have interview opportunities with their managers and review together individual targets and issues.

Respect for Individuality

A treasure I gained trough club activities

I joined the Alpine baseball club when I joined the company. At first it was uncomfortable for me to play with teammates who were as old as my parents. However, it turned out that there were no barriers between us, and was enthused when my seniors took the time to listen to opinions of a newcomer like myself.

Now the team’s manager, I keep myself aware of the importance of being open and understanding to the voices of new members, just as my seniors have done for me.

H. Sagawa

The Alpine Baseball Club
Alpine culture based on Corporate philosophy

Takahashi: One of Alpine corporate philosophies is “Respect for Individuality”. Have you ever been aware of it?

Nonaka: I feel Alpine respects our individuality, employees like me are assigned to the right role, and our individualities and unique capacities are utilized. I tackle business numbers as a corporate planning member, but also I wanted to work as an executive assistant as I used to. I told this to my boss, he recognized my eagerness, and give me the job.

Kisaichi: I have a memorable experience with my boss as well. I used to express my opinions, which is absurd as I look back now. But boss and seniors did never reject my ideas because of unfitting used to express my opinions, which is absurd as I look back now. I feel Alpine respects our individuality, employees like me are assigned to the right role, and our individualities and unique capacities are utilized. I tackle business numbers as a corporate planning member, but also I wanted to work as an executive assistant as I used to. I told this to my boss, he recognized my eagerness, and give me the job.

Takahashi: Thank you for telling me your bosses respect subordinates. I think it is also important for employees to respect each other regardless of their position. Please tell me your opinion on that?

Watanabe: Because of my position as senior manager, I often select staff for new development projects. Sometimes I purposely pick two people with different characters. They may not want to work together because of their different personalities, however I think it is a chance for both the company and them to overcome their differences of culture and values. This case tells me that the common sense I used to have is fragile. In addition, I always try to speak carefully to make up for our differences of culture and values. Although you may think “carefully” speaking only means speaking slower, it is not true. I recognize that it increases the accuracy of work. We tend to simplify communication with Japanese believing “they will understand me”, but this leads to misunderstanding and mistakes.

Jumonji: Comments from people in different positions and views change and make us grow. When I experienced my limitation in my work, a word from my co-worker taught me that it was not limitation at all, and that it was just my assumption.

Takahashi: I used to believe that diversity was the governmental requirement to promote an equal number of women/men and hire the required percentage of people with disabilities. However, I have come to realize that there is a lot of diversity around us, and I now understand why Alpine has “Respect for Individuality” in our corporate philosophies.

Kisaichi: As a member of Human Resources, I renew my mission to create an environment where employees exert favorable impressions on each other.

Regard Diversity as a Commodity

Jumonji: I find that diversity at work varies by country or area. Countries and areas change, and social environments change. I am in charge of environmental activities, and we are required to come up with efficient approaches. Additionally, I obtain better knowledge and understanding by learning other companies’ situations; this allows me to gain deeper insight about products and service in Japanese market.

Watanabe: It is Alpine’s strength to have offices around the world and to have business in various countries and markets. Alpine has 3 distribution routes; Aftermarket, OEM business and dealer options. In these business environments we have accumulated deep business knowledge, and this is one of the reasons that clients support us. For example, we can solve a “product issue in Chinese aftermarket business” by a lesson from the OEM business in the United States.

Takahashi: After all, diversity is one of our strengths at a company level. How can we maximize the effect of diversity at Alpine?

Watanabe: Alpine has culture of different personalities, the foundation of diversity. We need to regard diversity as a precious commodity. Our first step must be to respect each person’s character and use it to our power. I hope we can polish our characteristic to create products which satisfy clients and customers. Then, Alpine will be a more brilliant company.
Creating Value

Alpine proactively strives to integrate leading technologies and create new values that bring joy to all.

Driving Mobile Media Solutions
Creating Visionary Value for the Future

Creation, Passion, Challenge

The history of Alpine can be traced by “Creation, Passion, Challenge”, recurring principles that create future values.

1967
Aiming to create new value in the world
Venture Capital company “Alps-Motorola” was born from the idea to have a FG facility in the Alps group and to offer brand-new value.

1978
Debut of “ALPINE Sound”
Breakthrough in automotive acoustics
Launch of high-quality cassette docks under Alpine brand name for overseas markets. The challenge was to break the common perception that sound quality inside vehicle is poor.

1981
Origin of the car navigation system.
Dawn of a new automobile era.
The mother of all car navigation systems was a collaboration with Honda Motor Corporation. As the world’s first effort, the development was not an easy task. However, the accomplishment was clearly a great step forward in Alpine’s development.

1989
Evolution in CD Entertainment
Change in cassette media to CDs. Alpine’s reply to “While driving, want to listen to more CDs without having to change discs”. All Alpine H/U were equipped with CD changer control function, offering a new way to enjoy music.

1991
All-in-One in limited vehicle space
As first in the market products, 3D shuttle and AV shuttle were released with Alpine’s distinctive technology solutions, successfully combining user’s wishes to play multiple CDs and simultaneously install a navigation system inside the vehicle’s limited space.

1995
Introducing a new era in mobile media
It is expected that car navigation systems guide you precisely to your destination, but in the early era, realizing this was still quite a challenge. Alpine took the time to think again about the main purpose of having car navigation, and developed a system with high-accuracy guidance. It offered drivers the security and comfort of precise guidance to the final destination.

2001
World’s top class visuals and sound
Flagship masterpiece series released by Alpine, a company that tirelessly works to create sound that awaken the emotions. Alpine presence in the market was boosted, thanks to vehicle focused, detailed investigation.

2008
Looking into another world with rear seat entertainment
Alpine’s rear-vision entertainment system provided rear seat passengers with broad and exciting options to enjoy the passenger experience. We will continue to offer excitement to all passengers’ ears, eyes and hearts.

2010
Wider and further
Alpine has a display 1.43 times wider than others available at the time. We will try and improve this new standard.

Creating Visionary Value for the Future
Ensuring customer satisfaction

More than 70 million vehicles are produced annually, however, installing Alpine products into each customer’s unique vehicle requires good product, service and quality to ensure customer satisfaction.

Alpine values its customers long-term trust and confidence.

**Design & Production with user perspective**

Ultimately, customers determine the success of our products. It is important to design and produce from customers’ perspectives to ensure their satisfaction. We learn a lot from customer feedback. This interaction lead to the creation of Big-X, which has the market’s largest display. The common belief used to be that display size was limited by vehicle architecture, however, we challenged this belief.

In vehicles with room for multiple passengers, we released “Rear-Vision” for the passengers in the rear seats, enhancing their travel experience.

We will continue to challenge the status quo and offer comfortable automotive experiences with every customer in mind.

**Online Communication**

Alpine values customer communication. To support the “new car experience”, we released the “User’s Room” on our website. If you enter your vehicle information, you can find multiple services and support specific to your vehicle.

New media such as Twitter and Facebook also help maintain and enhance our customer connection.

**Information Center Improvements**

To encourage customer input, we implemented operator training and other actions in timely manner. All “Customer voices” are saved in a secure reference database that is shared internally and used to develop new products and incorporate user-friendly decision making.

Our daily implementation takes customer input into account.

**The Importance of Quality**

At the Alpine Museum in the HQ building, a product shot with .45 magnum and returned in 1981 is on display. It tells the story of a unit that wouldn’t eject a cassette tape, and a customer lost his temper. 1981 was soon after Alpine started business in the U.S. and quality had not yet stabilized. It only takes one product for a customer to enjoy their in-car experience and form their opinion of Alpine. We are really grateful for this problem because it told us that the basis of manufacturing and service is “Quality”. We will never this customer’s dissatisfaction.

What counts when you drive is SAFETY. This is one of the design themes that determines how we make our products stress-free during operation. Development is focusing on “user friendly operation” and our goal is to be recognized as a user friendly Mobile Media Solution Company, a goal recognized with a JD Power Award in 2011.

**Ensure Durability**

A vehicle experiences a variety of environments. Whatever the environment is, our products are supposed to work correctly. For that reason, we test all our products extensively at our reliability and evaluation centers. We run multiple tests, including checking for glare in sunlight and durability against dust. And at the test course, we ensure that our products work on rough road surfaces.

At Alpine we do not think of “Quality” as a product that does not break but rather excellent functionality for every single feature such as voice recognition, navigation quality, receiver sensitivity, usability, connectability, durability etc. We release high-quality products with confidence.

**Pursue Usability**

Ensuring customer satisfaction

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The Alpine Brand
Alpine’s corporate logo, incorporating the guiding principles of our business activities. The Distinctive Five Stripes symbolize our commitment to pursue superb quality.

Engineering Excellence
With a strong determination to pursue the ideal without compromise, and an overwhelming and peerless sense of originality, Alpine consistently delivers the best in engineering excellence to its customers.

Manufacturing Excellence
A uniquely distinctive presence that inspires users and gives them satisfaction, both at first sight and during use – Alpine’s products never fail to profoundly impress users with their manufacturing excellence.

Marketing Excellence
Through superior partnerships with customers, business partners, employees, shareholders, investors, host communities, and others, Alpine delivers paramount products that more than satisfy users.

Service Excellence
Believing that high quality is the best possible service, Alpine aims to develop highly reliable products that are capable of demonstrating high performance even in the harshest vehicle environments, thereby enjoying enduring popularity.

Partner Excellence
With the joy of driving at their fingertips, Alpine’s excellent marketing team taps into their technical expertise to deliver attractive products that never fail to move customers.

The Alpine Brand
Alpine strives every day to offer ease, safety and comfort for all members of this motorized society. The driving force behind our objective to create future values is our desire to create smiles of satisfaction and pleasure. Alpine will continue to create new values for a prosperous future for both human and automobiles.

For the Future Values of Mobile Media
- Driving Mobile Media Solutions -
Alpine is determined to be a Mobile Media Solution Company, the leading innovator of future value of mobile media.

With the innovations in Communication and Cloud technologies, the amount of traffic and entertainment information the drivers receive is increasing. Our systems effectively manage and process these data, providing optimal information at optimal time via easy-to-understand interfaces. By developing an easily configurable system, drivers are assured with a safe and stress-free driving experience. Alpine development focuses on providing valuable information to the driver in a safe and usable context.
**Contribution to Society**

Alpine is committed to providing the finest products and contributing to a fuller, richer society of tomorrow.

Environmental awareness is embedded throughout our product life cycle, together with a strong mindset of providing eco-friendly products.

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**Life Cycle Assessment**

Incorporating the LCA method, Alpine quantitatively evaluates the environmental impact of a product throughout its entire life cycle, that is, from production, use, and up to disposal. We utilize the evaluation results to formulate methods that minimize environmental impact.

-One example is a navigation system for the Japanese market-

In one of our flagship Japanese market navigation systems, we have learned that CO\(_2\) emissions during use are strongly correlated with the product’s power consumption and weight. We also confirmed that the navigation’s optimal route guidance and traffic avoidance features largely contribute to ecological and economical driving by the user.

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**Partnering with our suppliers**

To develop eco-friendly products, awareness of environmental sustainability is high at Alpine, from the initial material procurement stage. We engage in environmental partnerships with suppliers, cooperating in the reduction of noxious chemicals used in materials and reducing greenhouse gas emissions.

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**Reducing Environment Damage at the workplace**

At our manufacturing facilities, we focus on reducing environmental effects. Each employee is encouraged to promote improvements in manufacturing efficiency, product quality, energy and resource consumption, and waste and CO\(_2\) minimization. Use of water-based paint, odor control, and noise management are examples of how we care for our surrounding environment.

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**Optimization of Logistic Efficiency**

As a global company with development and manufacturing affiliates around the world, we are committed to the maximization of logistic efficiency to reduce CO\(_2\) emissions. Streamlining our product delivery routes results in the reduction of transport distances. We are the first mobile electronics manufacturer to integrate air packaging that dramatically improves freight loading efficiency and reduces CO\(_2\) emissions of trucks and cargo ships.

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**Easy to recycle**

To assure efficient recycling at the end of our products’ life cycle, we promote product designs that enable disassembly of parts according to the materials used. Alpine also is proactive in introducing lead-free solder and raw materials that minimize the burden on our environment.
Environmental Focus in the Workplace

Alpine actively takes part in creating a more environmentally friendly office by reducing waste, implementing methods to efficiently use our limited resources, and reducing the amount of CO₂ emissions thought to be the main cause of global warming.

Fighting Global Warming

Alpine is working on reducing CO₂ emissions to prevent global warming. Affiliates in eastern Japan implemented energy saving measures to relieve the electricity shortage in 2011.

- Electric Power Saving Activities
  A great majority of CO₂ emissions in offices is produced by the electricity that powers air conditioning systems. We are reducing energy consumption by measures that include exhausting heat produced by production facilities, boosting air conditioning efficiency via double-pane windows, and monitoring workplace room temperatures.

- Integrating Clean Energy
  We promote the use clean energies that do not emit CO₂, the main cause of global warming.

- Reducing CO₂ Emissions while Commuting
  Since many of Alpine’s employees commute to work by car, we are conducting a campaign to reduce CO₂ emissions from their cars. Everyone at Alpine contributes, giving eco-drive lessons, distributing eco-driving stickers, and designating eco-car parking.

- Zero Emission
  Together with our efforts to reduce the amount of waste generated, we have set up Eco-Station – waste sorting facilities that make it easier for employees to separate waste for efficient processing. We are committed to increasing recycling and reuse at our facilities.

- Concern for Local Communities
  In order to mitigate unfavorable odors from VOCs (Volatile Organic Compounds) generated during paint coating processes, Alpine has introduced cleansing equipment at its facilities. We have also taken noise control measures to reduce the noise generated by large-scale press machines.

- Visualization of Environmental Load
  We promote “Visualization” to improve environmental load efficiently. In 2011, a clear set of goals of electricity consumption was installed. Electric consumption status is reported to employees through displays and office broadcast, improving employees’ energy saving consciousness.

- Alpine’s Definition of Zero Emissions
  To promote recycling to the extent that no waste to be disposed of at final disposal sites is generated. (Recycling rate of 99.7% or higher)

- Introducing Clean Energy
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As a Member of Earth
As a global company, Alpine recognizes the important responsibility of being a member of each regional community and strives to build good relations around the world.

Community Connection
In appreciation of the support we receive from local governments and societies, Alpine is proactive in the communication and interaction with regional communities. The annual Alpine Summer Festival at the Iwaki office is an event that strengthens the bond with our customers and local community. We hope this helps to maintain continued favorable relations.

Recognition of Ecology
In November 2010, Alpine joined the "Iwaki Recycle Fair 2010" hosted by Iwaki city. Alpine-staffed booths provided lectures on how to assemble solar cars using empty plastic bottles. It was not only a perfect opportunity for children to expand their intellectual curiosities, but also to familiarize themselves with natural sources of energy. Participants learned the importance of recycling, while Alpine employees reinforced environmental sustainability.

Environmental recognition through tree planting
China's environmental problem is an issue of concern. Hence, the government has pushed the Forest Guard Law into effect to conserve local forests. At our Chinese affiliate, employees learn the importance of forest guard through tree planting activities. We encourage employees to love nature and care for the environment.

Charity for education
Alpine wishes to actively contribute to the development of countries where we locate our affiliates. At our Thailand office, we support an education fund. In the annual year-end party, we conduct charity auctions, where all the proceeds are donated to the "Education for Development Foundation". In 2010, the amount gathered was approximately annual tuition fees for twenty students. At Hungary, we hosted charity events for neighboring kindergartens.

Educating the Next Generation
In Japan and the United States, we welcome middle and high school students to our facilities to see and feel what it means to be "working". We hope the activity will encourage students to think about their future career.

In China, we actively support college students in the Dalian district. Covering five universities, we offer "Alpine seminar", where students can learn advanced IT technologies and nourish new ideas. It is also an opportunity to perpetuate mutual growth between the students and Alpine. Since 2011, we have collaborated with other local companies in this program, enhancing the level of courses provided.

Corporate Data
Alpine Electronics, Inc.

Date of Establish May, 1967
Paid-in Capital ¥25,920 million
Number of Employees 10,835 (28 companies consolidated. As of end of March 2011)
Description of Business In-car Audio Products/In-car Information & Communication Products
Stock Exchange Listing Tokyo Stock Exchange
Common Stock 160,000,000 shares
Total Issued Stocks 69,784,501 shares

Headquarters
TOKYO: 1-1-8 Nishi-Gotanda, Shinagawa-ku, Tokyo 141-8501, Japan
Phone:81(3)3494-1101 Fax:81(3)3494-1109
IWAKI: 20-1 Yoshima-Kogyodanchi, Iwaki, Fukushima 970-1192, Japan
Phone:81(246)36-4111 Fax:81(246)36-6898

(As of June 24, 2011)

Chairman Seizo Ishiguro
President & CEO Toru Usami
Managing Director Hirofumi Morikita
Managing Director Shigeharu Horii
Managing Director Hitoshi Kajiwara
Managing Director Seishi Kai
Directors Masataka Kato
Satoshi Soma
Toshinori Kobayashi
Koichi Endo
Naoki Mizuno
Auditors Toji Tanaka
Taisuke Yonemori
Hideo Kojima
Tasuke Yonemori

C o l u m n
One for all, All for one.

On March 11, 2011, we experienced the Great East Japan Earthquake. The city of Iwaki, where Alpine Headquarter is located, infrastructures suffered significant damage and many people fell victim to the tsunami. Alpine employees joined together as volunteers to support recovery activities. Every week the number of volunteers increased. As of August 31, the total number of volunteers ultimately reached 2,000 members. The effort came purely from employees’ passion to restore the city of Iwaki, a community that has supported Alpine for more than forty years. Alpine’s efforts will surely contribute the recovery of the region, its economy, and we greatly respect every employee’s care for the local community.

Col o u m n
Volunteer Activity

Net Sales (Consolidated)
(100 mil JPY)

Ordinary Income (Consolidated)
(100 mil JPY)

Number of Employees (Consolidated)
(Head Count)

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