Guided by the Corporate Vision of Creating Visionary Value, Alpine is helping to develop a motorized society. This booklet reports on the initiatives in each area of our activities and is intended to make them easily understandable.

This year, Alpine has combined the Corporate Profile and the CSR (Corporate Social Responsibility) Report into one document. In doing so, Alpine hopes you will understand our connection with people and our communities through our business activities.

In keeping with the Alpine Corporate Philosophy and with the support of our stakeholders, we aim to reinforce the values that make up our core.

We sincerely hope that this report will help readers further understand Alpine.

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.

CSR Report

- Scope of this Report
  - Organization: Alpine Electronics, Inc. and its 28 consolidated affiliates.
  - Reporting period: April 1, 2009 to March 31, 2010

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

- Digital Data
  - The data contained in this report is also found on our website.
  - CSR/Environment http://www.alpine.com/e/csr/

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

- Next issue
  - June 2011 (Subject to change)
Realizing a Sustainable Mobile Society

Economic Climate/Alpine Policy

After the September 2008 Lehman Brothers bankruptcy, the sudden and swift shrinkage of the economy and the automotive market exceeded all expectations. Just a few years ago, the bankruptcy of GM, previously the world’s largest automaker, would have been unthinkable. In 2009, orders from automakers, Alpine’s core business, took a downturn of 40% from our sales peak. It was a very difficult year for management, as well. From the 2nd half of 2009, some recovery was in sight. In order to overcome the challenges of this new environment, we pulled together as one company to strengthen CHALLENGE 30+ (cost awareness and reduction policy), reduce our BEP and form a business structure that is profitable even under tough market conditions. We will continue with this business structure in 2010 and also aggressively pursue business growth during this critical year.

Achieving Future Growth

In the automotive market, environmental concerns and increasing fuel costs are causing a shift from the internal combustion engine, which dominated the last hundred years, to electric motor, hybrid, plug-in hybrid and full electric vehicles. Developing markets such as India and China are entering a motorization growth phase; in fact, China is now the largest automotive market in the world. Further, a trend toward small, economy-priced vehicles has become apparent. A change in the very structure of the automotive industry is taking place.

In response to this change, Alpine is working toward new growth by the following strategies: AVNCD Strategy: Offer all AVCND (*1) functions in a single unit for a reasonable cost. Alliance Strategy: Offer business and R&D solutions through partnerships with our cutting edge global allies. Link Strategy: Offer system solutions that interface with smart phones in both connectivity and functionality, even in the limited environment of a vehicle. Green Strategy: In answer to environmental concerns, offer lightweight and energy efficient solutions required for energy efficient vehicles. A unified Alpine is executing these strategies.

In China’s emerging economy, one that is showing considerable growth, we are pursuing proactive business expansion and are charging ahead of the competition. We already have domestic sales, production and development facilities on the ground. We are not vying for future customers; we are expanding current business with Chinese automakers as well as establishing our brand position.

Continuing to be a Dynamic Company

As stated in our corporate vision “Driving Mobile Media Solutions”, Alpine strives to lead this generation by continuously offering value. We are putting all of our energy in creating the safe, secure and user-friendly onboard electronics demanded by the driving scene.

We do not believe this is something we can accomplish by ourselves. We believe the only way to offer appealing products, new value and continue to be a dynamic company is by deepening our relationship with our stakeholders (customers, stockholders, suppliers, local communities, employees, etc.). We have established our corporate philosophies of “Respect for Individuality”, “Creating Value” and “Contribution to Society” to ensure that our corporation stands the test of time. Likewise, turning our business philosophies into reality is how we achieve our corporate social responsibility. It is for this reason that our Corporate Profile and CSR report have been combined. It is possible that in some small areas our efforts have not reached their full potential. However, we humbly request that you look through our organization and offer your unreserved advice. We humbly request your continuing support.

June 2010

*1 A - Audio, V - Video, N - Navigation, C - Communication with onboard systems, D - Drive Assist to support vehicle operation
Determined to create great sound without compromise, Alpine relentlessly aims to achieve the finest mobile media sound.

Believing that it is superb sound that makes the listening experience so much more delightful, Alpine taps into the know-how and expertise that it has accumulated over many years as a specialist car audio manufacturer to offer optimal solutions for the vehicle cabin environment. We currently have world’s first technology in the market and aim to advance our motorized society.

In the North American market the iDA-X305S head unit was developed to allow listeners to use the functionality of the wildly popular Pandora internet radio application for the iPhone. The iDA-X305S won an Innovation Award at the 2010 Consumer Electronics Show.

Our quality has also been recognized by our main customer with the presentation of a superior quality award.

The relentless pursuit of the best in sound and product quality since our founding has culminated in the creation of ideal in-cabin sound systems.

Audio Products

Pandora is a free internet radio provider that creates personalized radio stations by selecting an artist name or song title. When an artist or song title is entered, the user’s preferences are analyzed, and similar songs are then played. The Pandora iPhone application is widely used by American consumers.

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Creating an ever-expanding world of entertainment and convenience with sound, images, navigation, data transmission, and drive assistance.

Navigation, video, communication, and drive assistance – the range of functions provided by our in-car systems has expanded dramatically as customer demands diversify.

In the short time span of just 30 years, we have been supported by the world’s major automakers because we have continuously produced world-first products. There can be no doubt that we have added value as a system integrator within each area of cutting edge functional integration.

For the Japanese domestic market, we developed the first one (world first, industry first) vehicle navigation system (VIE-X088) that features the world’s largest in-dash display. We have also joined the Japanese government sponsored project to prepare for the expansion of EV/PHV. Our ITS information transfer system has been adopted and we are focusing on advanced R&D of ITS.

To protect drivers from blind spots, we have developed the 360-degree TOPVIEW® Multi Camera, whose cutting edge technology ensures safe, comfortable drive support that will create value for automakers in the future.

Information and Communication Products

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Information and Communication Products
Bringing Alpine to the world with our Global SMD System

Alpine has established a global system of Sales, Manufacturing and Development sites in four main regions (Japan, North America, Europe, and Asia), all under the concept of “Designed in Market, Made in Market,” in order to meet the requirements of major automobile manufacturers and markets around the world.
At Alpine, CSR is the business activity necessary to achieve our Corporate Philosophy.  

With every year comes an increase in the importance society places on a corporation’s responsibility regarding environmental practices, as well as goods and services offered. The automaker recalls in North America made big news and had a serious affect on reputation. The important question is: “what will we do voluntarily for society?”

In the midst of ongoing globalization, environmental issues, and diversification of consumer values, the business atmosphere is undergoing major changes. Most importantly, throughout the organization we must take into account proper ethical standards and business practices when offering products and services to consumers with diverse values. Within the automotive industry, the last two years have caused a change that no one could have imagined, a change that brought about the structural reformation of the entire industry.

In order to grow, the expectations and needs of the 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.

At Alpine, CSR and the business activities for achieving our corporate philosophy are one and the same. 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.

The individuality of each of our employees allows us to offer products and services that have value to consumers, and allow us to contribute to the society in which we reside. Further, we want our employees to understand our company’s affect on and contribution to society as well as instill a sense of self-awareness and sense of ethics. The collective consciousness of our employees, including management, sets the level of our corporate social responsibility. Especially now that the world is facing many changes, we must strengthen our composition while acting to contribute to society. By endeavouring to fulfill our corporate philosophies we are accomplishing our CSR activities. Thank you for your understanding and continued support.

CSR Committee Chair and Director, Satoshi Soma

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.

Realization of corporate philosophies on the solid foundation of our management cycle

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Corporate Governance/Compliance

We believe it is our obligation to our customers, stockholders and local community to act justly, in compliance with the law, while increasing corporate viability and visibility. As such, we are strengthening our corporate governance and compliance structure.

Governance Structure

In accordance with Japanese Corporate Law, Alpine has established an internal auditing structure. We have also appointed a Board of Directors that oversees and supervises managerial decision-making and performance of duties, as well as a Board of Auditors that conduct internal audits. The Board of Directors meets once each month, to discuss and decide on matters of managerial importance. As each director is charged with the responsibility of one corporate function, it is clear where responsibility rests. Thus, appropriate and efficient performance of duty is assured.

The Board of Auditors discusses and decides on important matters reported from audits. This board functions as a check and balance for management.

Auditors are selected from those who are well versed in Alpine’s business among members of the parent company, certified public accountants, and lawyers, in order to utilize their respective expertise in management, accounting, and legal issues.

Internal Control System

Alpine is making aggressive efforts to create internal control systems, based on the belief that such systems should not be created merely for the sake of compliance with relevant laws. They must contribute to improving operating efficiency and effectiveness, as well as increase corporate value through continual improvement. In 2009, we strengthened our self-check structure to ensure that a dynamic internal control system is established. Going forward, we will further improve our internal control system in order to ensure sound management practice.

Corporate Governance Organizational Structure

Compliance Structure

We have created a system for corporations to share information regarding ethical and moral issues. A whistle-blower protection clause is included in our internal regulations.

Alpine Code of Ethical Conduct (Ten Commandments of Alpine)

Establishing Ethics Guidelines

In order to ensure corporate and legal compliance, Alpine has laid down in Ethics Guidelines (Alpine’s ten Commandments), the basic code that each and every employee within the Alpine group across the globe is required to observe.

Strengthening Information Security

In order to protect the company from information security risks such as illegal access, computer viruses, and confidential information leaks, Alpine emphasizes information security training for employees and management staff, in addition to the use of technological safeguards.

Business Continuity Plan

With large earthquakes and fires commonplace, ensuring the safety of employees and their families, as well as reducing post-disaster impact on our customers, is the reason we have enacted a Business Continuity Plan. Regardless of the disaster, we should be able to deliver our products to customers by establishing a practical plan with a first response portion and a restoration portion.

Strengthening Disaster Risk Management

At the Emergency Drill

Within the entire global Alpine group, we are steadily refining our policies for ensuring trust and continuity.

New Influenza Virus Containment Measures

In the spring of 2009 the emergence of a serious new flu virus occurred in Mexico. From fall to winter the virus was also widely spread throughout Japan. In Mexico we established a countermeasure headquarters. Here, information gathering and sharing, as well as health checks were initiated. Communication with the Japanese headquarters took place continuity nearly every day. Thanks to these efforts, products were delivered without interruption to customers.

All over Japan, outbreaks caused many problems, including school closings. At Alpine, prevention materials were distributed, alcohol sanitizer was provided, the number of infected people was closely monitored and this information was reported. By taking these steps we were able to avoid pandemic infection. As a company, we will learn from this example how to prevent previously unknown viruses from becoming pandemic.
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.

Alpine DNA

The creative power that defines the new world, the passion to not abandon our dreams, the challenging spirit to get over the highest hurdles. The source of our ingenious products is our DNA which is made up of our diverse employee base.

1975
Exports of high-quality cassette decks under Alpine brand name commence. The goal of creating superior in-vehicle sound was born.

1981
Alpine developed world’s first gyroscope with Honda Motor Corporation. The grandfather of the modern car navigation system was conceived.

1989
Highly successful six disk CD shuttle (5952) launched. A pleasant and convenient way to enjoy CDs was realized.

1991
World’s first 3D Shuttle (5980) and AV Shuttle (2913) launched. The motorized monitor was widely acclaimed for its ingenious space-saving design.

2000
Alpine F1 flagship series launched. We challenged to create the ultimate listening and visual experience with our refined technology.

2005
Alpine launched iPod® direct link head Unit, which won the Car Accessory Award 2005. We were the first to offer the latest in digital audio connectivity for in-vehicle enjoyment.

2008
Ceiling mounted “Just Fit”, Rear Vision launched. Answers to customers’ need for high-quality display for the rear seat.

2009
X09 Premium “Perfect Fit” series launched for customers looking for the ideal installation. Best solution for customers looking for premium sound and picture quality.

Conduct Guidelines

Creation, Passion, Challenge

Through passionate “Monozukuri”, we will continuously challenge ourselves to create new value.
Respect People, Develop People

Alpine motivates and develops its people with a variety of internal programs and company events.

Employee Pride and Passion

Alpine strives to create a rewarding workplace by instituting an objective management system that fosters the spirit of self-improvement and the setting of challenging goals. In addition to promoting fair evaluation and treatment, each employee is offered individual feedback and encouraged to increase their knowledge and achieve self-growth. Accordingly, employees with remarkable achievements are publicly commended at the yearly Anniversary Ceremony.

Mutual Trust

At Alpine, the management periodically meets with the Alpine Workers Association to share and address issues as they deepen their mutual understanding. Alpine also conducts Employee Satisfaction Surveys on a regular basis to monitor employees' thoughts and requests, so that each employee can perform his or her job with enthusiasm and energy.

Respect for Individuality

Human Development, New Employee Training

Part of our new employee training takes place in China. This training is not just for basic business knowledge. We believe it is important to broaden horizons with knowledge of other cultures and values. New employees in both Japan and China join the exercise, the core of which is understanding different ways of thinking and culture by jointly developing a business model for an internet-based store. While the beginning can often be frustrating, during the month mutual understanding builds. We offer this opportunity to learn by doing, just like a real work scenario. In the end, the trainees promise to work with each other again in the future. After returning to their home offices, they start working in their new departments.

Support People, Help People Realize their Potential

Alpine takes various measures to ensure employees, both at work and home, are living healthy satisfied lives.

Promoting Work Life Balance

We believe that an employee cannot reach their full potential without spending family or leisure time. We have instituted a weekly “No Overtime” day and a multi-use vacation policy to encourage the use of paid vacation. Employees can use this day to further their individual goals. By featuring employee hobbies in our company newsletter and holding company events open to friends and family, we are actively promoting self-enlightenment and supporting a fulfilled lifestyle.

Mutual Induction Course for New Recruits at China

Child Rearing Support

At Alpine, employee health is a top priority. We support employer healthcare with full-time staff nurses who provide guidance on health and nutrition. We also employ medical specialists and counselors who offer psychological care.

We maintain employee focus by encouraging employees to talk about their issues and get professional help instead of letting them dwell on the issues by themselves. The counseling is done privately, in counseling rooms designed to make employees feel welcome and relaxed. Management is required to get special training designed to further their understanding of employee mental support.

Healthcare for Employees

At Alpine, employee health is a top priority. We support employer healthcare with full-time staff nurses who provide guidance on health and nutrition. We also employ medical specialists and counselors who offer psychological care.

In an increasingly complicated and diverse society, employees are prone to more work-related and relationship issues. Alpine recognizes that actively preventing these issues is important, so we have employed professional counselors 3 days a week to help employees manage any issues they may have. We aim to maintain employee focus by encouraging employees to talk about their issues and get professional help instead of letting them dwell on the issues by themselves. The counseling is done privately, in counseling rooms designed to make employees feel welcome and relaxed. Management is required to get special training designed to further their understanding of employee mental support.

Mental Support

I became more time conscious and focused

Since I joined the company, I have used the Maternity Leave program twice. Many of my colleagues have also used this system, and even though I considered it to be an ordinary benefit at the time, now that I think back, a whole year of maternity leave and being able to return to my job again was all possible because of the support that I had from my colleagues. After my second child was born, I started to use the Shortened Day Policy, and this policy made me even more time conscious and focused at work. It also allowed me to make more time for family and leisure, such as taking my kids to the doctor. All in all, this program has made me use my time in the most efficient way.

Medical Table

<table>
<thead>
<tr>
<th>Multi-use Vacation Usage (Alpine Only)</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days Used</td>
<td>952</td>
<td>888</td>
<td>1036</td>
</tr>
<tr>
<td>Persons Used</td>
<td>124</td>
<td>128</td>
<td>137</td>
</tr>
<tr>
<td>Usage ratio (Entire Population)</td>
<td>9.3%</td>
<td>10.6%</td>
<td>12.3%</td>
</tr>
</tbody>
</table>

Family Event “Fly high! Plastic Bottle Launch”

Exercise encouragement event

Counseling from a nutritionist

Training gym at Iwaki headquarter

Counseling from a psychiatrist

ALPINE BRAND MARKETING Dept
Sachiko Toshimitsu
Creating Value

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

Company Vision

Vision Statement

Alpine is determined to be a Mobile Media Solution Company that creates Visionary Value.

Corporate Message

Driving Mobile Media Solutions
Creating Visionary Value for the Future

Alpine brand represents our commitment to quality

The five stripes on our corporate logo symbolize our commitment to the highest quality. It serves as a guiding principal for all corners of our business to provide the utmost value and satisfaction to all of our stakeholders throughout the world.

Alpine's Five Stripes of Excellence

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
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.

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 an enduring popularity.

Partner Excellence
Through superior partnerships with customers, business partners, employees, shareholders, investors, host communities, and others, Alpine delivers paramount products that more than satisfy users.
Alpine strives to contribute to creating a “safe and secure drive”. For this reason, we are focusing our efforts on research and product development of DA (Drive Assist) by integrating all the technology we have accumulated through our research efforts.

Automobiles make life easier, and are indispensable to modern lifestyles. However, according to statistics from the Japanese government, even though the numbers have been declining since the year 2000, on average 5,000 people are killed in car accidents each year in Japan. As an automobile peripheral manufacturer, our mission is not only to provide an enjoyable driving experience, but also to deliver safety and security to all drivers. We have proposed safety features such as device control without need of visual disruption, and features that notify the driver of dangers that may lie ahead.

Alpine spans 14 different countries and has over 40 locations. We offer products all over the globe, by region and by country, and develop them based on infrastructure, culture, language, local statutory requirements, unique local characteristics, etc. We strive to offer the optimum value for each market. We would like to introduce some of the “Optimized Local Products”.

### Research themes at Alpine

- **TOPVIEW® Camera / MULTIVIEW Camera**
  Assists drivers to park in tight spaces or simply inspect the surrounding area for hazards by displaying an image of the car as if from seen from above, enabling the driver to see what would have been blind spots.

- **OEM steering wheel compatible remote control**
  Eliminates visual disruption from the road by enabling audio control from the steering wheel.

- **Mobile phone link**
  This system enables wireless connection of the phone to the media console in the car to provide the driver with useful outside information to assist with driving.

- **Voice Recognition**
  Audio system reacts to the user’s voice, eliminating the need for the driver to search for buttons and switches, thereby allowing the driver to focus on driving.

### Marketing and Regional Diversity

Alpine understands that people in different places have different needs in regard to convenience and comfort. We provide specialized products for specific markets.

- **Compatibility with multiple IT sources**
  IT advanced countries like the U.S. have many sources for listening to music. To make sure that customers can choose their own source of music, the head units not only have an iPod®/iPhone® connection, but also have direct access to “Pandora®” internet radio, HD Radio, Sirius, XM, etc.

- **Seamless multi-language support**
  In Europe, customers seek products that address the multitude of languages and traffic regulations present in this region. Alpine’s navigation system supports maps for 43 countries in 30 different languages. Due to the special characteristics of Europe, our website and installation manuals also come in a variety of languages.

- **High accuracy navigation and interior design**
  Highly accurate and on-time navigation is vital on narrow and often congested Japanese roads. We have addressed this by utilizing ITS, Navi Information Station, to offer precision guidance. Japanese buyers are very sensitive to fit and style. To meet these needs we offer vehicle-specific installation kits for ceilings and dashboards.

- **On the verge of a mobile electronics market expansion**
  Automobile sales are strong in the growth areas of Asia and China. However, for the average buyer, the car itself is very expensive, and the desire for in-vehicle electronics is limited. At Alpine, we want all people to be able to enjoy “Car Life”. Thus, we have developed and produced products locally with local leadership and functionality geared toward the needs of the region. These products are also offered at the low prices the region demands. Navigation systems in China require handwriting recognition and Pinyin data entry. Alpine has addressed these local characteristics and is expanding product development.
For our Customers

Striving to build a strong relationship with our customer while offering the highest product standard.

The Core of Alpine Quality

An infamous moment in Alpine history occurred in 1981 shortly after our debut in the US. At a time when quality was unreliable, a customer who purchased an Alpine car stereo was upset when the deck “would not spit out” his favorite tape. This customer shot a hole through the radio before returning it. This experience reminded us to consider the customer’s point of view. From this point on, we were determined to always put quality first and strive for the best “Monozukuri”. This stereo is a symbol of our quality mindset and is still on display in the showroom at our Iwaki Headquarters.

Providing Attractive Products and Services

To offer a comfortable driving experience to each and every customer, Alpine adds customer feedback into the product development process, and provides prospective customers information that meets their needs and explains how to install the products. To ensure that customers remain satisfied after purchasing, a variety of information is provided to meet diverse customer needs.

In Pursuit of Higher Product Quality

In order to deliver safe, high-quality products, Alpine has built an advanced quality assurance system. All of our factories around the globe are certified to the industry-standard ISO 9001 and ISO/TS16949 quality management systems. Alpine offers a prompt response to any inquiries from customers through our network of quality centers located in the United States, Europe, China, and Japan. In an effort to ensure high reliability and quality, Alpine utilizes a variety of tools for product development, including computer-based DM (Digital Manufacturing) techniques, a manufacturing process that incorporates quality engineering knowledge, and automated production lines.

Enhancing Service via Information Centers

Every year, more than 40,000 inquiries are sent to Alpine’s Information Centers by telephone, fax, and e-mail. To better meet customer demand, Alpine offers responses and suggestions that are tailored to each specific car model, thus increasing customer satisfaction.

For Shareholders, Investors and Suppliers

From our stockholders and investors to our suppliers, Alpine strives to be a trustworthy corporation by strengthening communication and increasing our corporate value.

Promoting Investor Relations

To help shareholders and investors deepen their understanding of what we do, Alpine discloses corporate information, such as earnings results, financial positions, and future business strategies, in an appropriate and timely manner. Likewise, we seek to increase two-way communication with investors and stockholders through our biannual investors meeting for analysts and institutional investors. We have also renewed our website and posted all relevant information. Starting this year, we are displaying detailed materials from the investors meeting, our corporate direction and reports of business activities. In the future we will continue to fulfill our responsibility to disclose business information so that a wide variety of stockholders and investors may gain a deeper understanding of Alpine.

Returns to Shareholders

Alpine’s management places priority on distributing profits to shareholders. Our policy is to distribute consolidated profits by balancing considerations such as dividends to shareholders, internal reserves to sustain business growth, proactive R&D outlays and capital expenditures to increase our competitive edge.

Creating a Win-Win Situation with Business Partners

Purchasing Policies

This experience reminded us to consider the customer’s point of view. From this point on, we were determined to always put quality first and strive for the best “Monozukuri”. This stereo is a symbol of our quality mindset and is still on display in the showroom at our Iwaki Headquarters.

Alpine’s Purchasing Policies

To achieve coexistence and co-prosperity based on mutual trust, Alpine is cementing ties with suppliers. To this end, Alpine invites suppliers to briefing sessions (biannually in Japan, and annually in China, North America, and Europe) to update them on the current state of production and sales, as well as announce purchasing policies, thereby deepening mutual understanding.

Creating Value

Chief Marketing Executive

Mr. Toshio Fukuda

Toshiba Corporation Semiconductor Company

Creating Value

Technical Support

Environment

Compliance

Legal

Open and Fair

Partnership

Green Procurement

Transportation Safety

Presentation meeting for analysts and institutional investors

Inquiries

Entry into database

Internal information distribution

Utilization of “customer voice”

“Customer voice” refers to “opinions” submitted to the customer service department, “complaints” for defective products, and “proposals for improvements” and other types of information from customers. "Customer voice" is used in product development and service improvement.
Contribution to Society

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

Environmental Policy

Main Policy

Our aim is to reconcile the often contrary goals of environmental friendliness and business efficiency by keeping our operations “fast,” “light” and “transparent” as we fulfill our social responsibilities as inhabitants and stewards of this planet.

Specific Actions

1. Fast - Quickly addressing needs
   - Not only will we maintain domestic and international environmental standards, we will take the extra initiative and responsibility to establish and maintain new standards.
   - We will keep a close watch on trends throughout our society as well as the needs and wants of our customers concerning environmental practices, and rapidly respond accordingly.

2. Light - Less weight, less waste
   - We will develop products with full consideration of environmental safety and protection by decreasing weight, cutting down on the use of harmful chemicals and improving recyclability.
   - We will conduct our day-to-day business operations while placing a minimal burden on the environment, preventing pollution, conserving precious resources, recycling where possible, and decreasing the amount of waste.

3. Transparent - Communication and education
   - We encourage and support individual initiative in all our employees and will actively educate them to improve their environmental awareness.
   - We also openly disclose our environmental activities, harmonizing them with society.

4. Environmental preservation systems and operation
   - We will implement a company-wide comprehensive system for environmental protection and preservation and promote continual reforms and technological innovations to those ends.
   - We will make concrete plans, achievable goals, and devote the appropriate resources and funds necessary to realize them.

Developing Environmentally Friendly Products

-The evolution of navigation-

Alpine is contributing to environmentally friendly driving by developing next generation navigation systems.

Car Navigation Systems that Reduce Environmental Impact of Automobiles

- Eco-driving Support
  It is well-known that a traffic jam encourages inefficient gas consumption. A report from the Japanese Ministry of Environment says that ten minutes idling consumes 130-140 cc of gas. Alpine’s car navigation systems find routes that avoid traffic jams and guide drivers smoothly to their destinations within the shortest possible time. This contributes to reduced fuel consumption due to inefficient driving and reduced CO2 emissions due to prolonged idling in congested traffic. As research is underway on even more advanced systems that can avoid traffic jams through linkage with public infrastructure systems, car navigation systems are expected to play an even greater role. Through the development of advanced car navigation systems, Alpine wants to help reduce the environmental impact of automobiles.

- Making the Navigation unit itself more ecological
  Making on-board electronics lighter and more energy efficient in order to reduce environmental impact is an important challenge. In our new navigation systems we have migrated from HDD to flash memory as our storage medium and improved display quality while switching to an LED backlight. In doing so we have achieved weight reduction and increased energy efficiency.

Specific Actions

- Alpine’s latest car navigation system: X088 Series (eco-guide)

Fuel efficiency data

Eco-guide display monitoring/rating of driving styles

- Continuing to achieve environmentally friendly products
  Our X08 car navigation system for the Japanese market, which has received much acclaim, uses an energy efficient LED backlight and was made without using mercury. This year, the same strategy is being implemented in North America and Europe. Additionally, we will be offering these products in Europe and Japan during this year. Development for the U.S. has already started.

Voice

Manager

Yasuyuki Goto

Corporate Profile CSR Report 2010 / 2011
Developing Environmentally Friendly Products

Contribution to CO2 emission reduction by making lighter products.

Reducing weight and size while increasing power

The weight of onboard equipment has no small effect on fuel consumption. To help improve fuel economy by reducing the size and weight of products, Alpine takes the utmost care when selecting materials and parts, as well as circuit and product structures. In 2009, Alpine amplifiers achieved both size and weight reduction while increasing output power. As a result of this ingenuity and persistence, our efficient design yielded a 20% decrease in size, 10% in weight with a 20% increase in power compared with the previous model. This means that per watt of power we achieved a 26% weight savings. In the future, Alpine will remain firmly committed to making products even smaller and lighter.

Digital Manufacturing

We utilize quality engineering and simulation technologies such as Digital Manufacturing in the development of products, thus promoting prototype-less production. This has dramatically reduced the number of prototypes that were previously discarded, and has contributed to waste reduction.

Reduced Logistical Costs through "Made in Market"

Alpine strives be "Made in Market". This means to produce and sell products in their intended market. The merit of this concept compared with exporting completed products from Japan is, ① sending only parts from Japan that are difficult to procure locally, ② since they are parts, the size is smaller, ③ locally procured parts are sent shorter distances. By reducing the amount and distance sent, impact on the environment can be minimized.

Use of Lead-Free Solder

Lead causes adverse effects to the environment and human health. In an attempt to reduce the amount of lead used in products, Alpine marketed its first product made with lead-free solder in 2003. Lead-free solder is now used in almost all Alpine products.

Green Logistics

We are trying to reduce CO2 emissions in the distribution process by changing the transport routes for products and parts by improving lead factor and promoting a campaign aimed at eliminating the practice of idling trucks when they are stopped. In some areas, we have switched the mode of transport from trucks to trains to reduce the environmental impact. We have also begun operating shuttle buses for the routes to and from affiliated companies to eliminate the need for employees to drive cars as they previously did. Since shuttle buses carry many employees at one time, they significantly reduce gasoline consumption and exhaust emissions.

Reduced environmental impact through packaging innovation

By innovating our packaging construction and materials Alpine has reduced CO2 emissions during shipping. We are the first mobile electronics maker to use air packaging in some of our products. This method uses air cushions as shock absorbing material.

Never Compromise design quality

When we were designing the next model for the PDX series, the hit model that represents Alpine’s brand excellence, we confronted this task without any compromise of the visual quality of the product. In order to fit a high-output but highly efficient circuit into a new smaller chassis, we incorporated highly heat conductive aluminum material around the heat source, which enabled direct and efficient heat dissipation from the surface of the chassis, thereby achieving a slimmer product.

Voice from the Engineer

Satoru Aim

Balancing visual appeal with heat dissipation needs on the chassis was a big challenge, but after many improvements we were able to achieve a very elegant exterior design.
Contribution to Society

Environmental Conservation 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, which is thought to be the main cause of global warming.

- **Zero Emissions**
- **Reducing CO2 Emissions while Commuting**
- **Clean Energy**

**Environmental Recognition from the Local Government**

**Japan**
Alpine is a member of the Fukushima prefecture sponsored Fukushima Protocol. In 2009, the administrative department at Alpine Iwaki Headquarters. This volunteer event was held to introduce children to their local environment.

**Global**
At ALCOM, our Mexican production facility, the local government recognized us for contributing to environmental protection.

**Being Considerate to Neighborhoods**
- In order to mitigate offensive odors from VOCs (Volatile Organic Compounds) that are generated during the coating process, Alpine has introduced cleaning equipment. We have also taken noise control measures to reduce the noise generated by large presses.

**Electrical Power Saving Efforts**
- We monitor electric power consumption and room temperatures in real time and control the air conditioning systems and related equipment to ensure the efficient use of energy.
- To improve the operating efficiency of air conditioning systems, we have installed energy-saving equipment that supplies water to the outdoor units and boosts the cooling efficiency.

**Thermal Energy Recycling**
- We utilize the heat generated by production processes to heat the office, thus reducing the amount of energy consumption during the winter. Heat-insulating film on the windows improves the thermal insulation of the building, thus increasing the cooling/heating efficiency.

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**Column**

**Considering Alpine’s diversity through biodiversity**

In April of 2010 the Family Nature Expedition was held at the Alpine Iwaki Headquarters. This volunteer event was held to introduce children to their local environment.

About 20 different species were observed in fallen leaves, holes in wood, the pond, and stream. People were surprised where living things may be found. The children were very satisfied and “definitely want to do it again”.

2010 was designated as the international biodiversity year. There is a great amount of advocacy for the preservation of biodiversity. Biodiversity is the immune system that maintains our ecosystem through all environmental changes at over the earth. Preservation is coexistence and the mutual acceptance of each other, using the minimum required without waste. Alpine values both the diversity of living organisms and corporate diversity.

Globality, differences in cultures, values systems, customs and races all interconnect. This diversity leads to a broad range of thinking and new ideas, and is our immune system for changes in the business environment.

Alpine will continue to preserve the diversity of our customers, suppliers, stock holders, investors and local communities, overcome business environment change and offer a fruitful tomorrow.
Alpine, as a global corporation, proactively strives to facilitate cultural exchange and coexist with the many communities of which we are a part.

**Promote Communications and Exchanges with Local Communities**

Alpine cherishes relationships with the local governments and communities that underpin its business activities. In order to build long lasting and healthy relationships, Alpine is committed to promoting communication and exchange with the local community, including dialogs with local residents, participation in local events, and inviting local residents to company events. The Iwaki Headquarters invites not only employees of group companies and their families but also local residents to our summer festival.

**Recycled Content Speaker Building Class**

Every year, Alpine presents our environmental activities at an Environment Expo in Iwaki, the home of our Headquarters. At Alpine’s booth, children learn about the importance of recycling as they make speakers out of used plastic bottles.

**Community Service Program**

At Alpine of America employees are encouraged to contribute to their community by using their annual Community Service Day. Financial support may also be offered. Employees have used this system to read books to local children and share life stories to encourage middle school students, thereby proactively serving the community.

**Local Marathon Support**

In February of 2010, 50 members from Alpine volunteered to support the Iwaki Sunshine Marathon held in Iwaki Japan.

**As a Good Corporate Citizen**

Alpine, as a global corporation, proactively strives to facilitate cultural exchange and coexist with the many communities of which we are a part.

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**Alpine Electronics, Inc.**

**Date of Establishment**

May 1967

**Paid-in Capital**

¥25,920 million

**Number of Employees**

10,913 (28 companies consolidated. As of end of March 2010)

**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**

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