



**Corporate Profile**  
**CSR Report**  
**2010 / 2011**

# Corporate Profile CSR Report

2010 / 2011

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.

## Contents

<p><b>Message from Top Management</b> →04</p> 	<p><b>Business Domain</b> →06</p>  <p>Audio Products ..... 06 Information and Communication Products ..... 07</p>	<p><b>Alpine Group</b> →08</p> 
<p><b>Alpine Management</b> →10</p>  <p>Alpine management and CSR ..... 11 Corporate Governance/Compliance ..... 12 Global CSR Management/ Risk Management ..... 13</p>	<p><b>Respect for Individuality</b> →14</p>  <p>Alpine DNA ..... 15 Respect People, Develop People ..... 16 Support People, Help People Realize their Potential ..... 17</p>	<p><b>Creating Value</b> →18</p>  <p>Alpine Brand ..... 19 R&amp;D ..... 20 Marketing ..... 21 For our Customers ..... 22 For Shareholders, Investors and Suppliers ..... 23</p>
<p><b>Contribution to Society</b> →24</p>  <p>Developing Environmentally Friendly Products ..... 25 Environmentally Minded Business Administration ..... 27 Environmental Conservation in the Workplace ..... 28 As a Good Corporate Citizen ..... 30</p>	<p><b>Corporate Data</b> →31</p> 	

## CSR Report

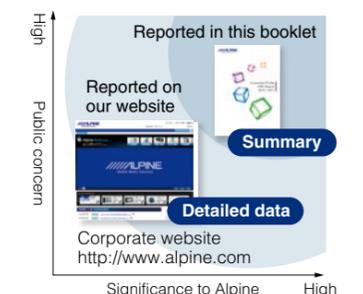
- Scope of this Report
  - Organization: Alpine Electronics, Inc. and its 28 consolidated affiliates.
  - Reporting period: April 1, 2009 to March 31, 2010
- Reference Guidelines
  - The Japanese Ministry of the Environment's environmental Reporting Guidelines 2007
  - The Global Reporting Initiative (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)

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



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 undertakings could materially differ from those contained in these forward-looking statements, as a result of changes in conditions.

# Realizing a Sustainable Mobile Society



Chairman

President & CEO

## 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



## Driving Mobile Media Solutions™

\*1 A - Audio,  
V - Video,  
N - Navigation,  
C - Communication with  
onboard systems,  
D - Drive Assist to support  
vehicle operation

## Audio Products

**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.



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.

### Products



**Digital Media Headunit**  
iDA-X305S

Optimally designed for the latest iPod products, including iPhone 3G and iPod touch.



**Separate 2-way Speaker**  
DDL-RT17S

High fidelity speaker that offers clear and dynamic vocal reproduction with a natural balance.



**Digital Power Amplifier**  
PDX-M6

Digital amplifier with a compact design that offers unsurpassed sound quality

## Information and Communication Products

**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.



※EV・PHV : Electric Vehicle・Plug in Hybrid Vehicle  
※ITS : Intelligent Transport Systems

### Products



**HDD Navigation System**  
VIE-X088

Visibility and operability have been optimized by the large screen on this navigation system.



**TOPVIEW®**  
Multi Camera HCE-C500

Industry first, 360°view cutting edge camera system



**Next Generation ITS Onboard Electronics**

Roadside DSRC (Dedicated Short-Range Communication) allows for 2-way data transfer on this next generation navigation system

# 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.



- H** Headquarters
- S** Sales Base
- M** Manufacturing Base
- D** Development Base

## North America

## Japan

## Europe

## Asia

### Overseas Subsidiaries/Overseas Affiliates

- North and Latin America**
- ALPINE ELECTRONICS OF AMERICA, INC.
  - ALPINE ELECTRONICS RESEARCH OF AMERICA, INC.
  - ALPINE ELECTRONICS OF CANADA, INC.
  - ALCOM ELECTRONICS DE 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 ITALIA S.P.A.
  - ALPINE ELECTRONICS DE ESPAÑA, S.A.
  - ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD.

- Asia and Oceania**
- ALPINE ELECTRONICS (CHINA) CO., LTD.
  - ALPINE ELECTRONICS (CHINA) CO., LTD. (DALIAN R&D CENTER)
  - DALIAN ALPINE ELECTRONICS CO., LTD.
  - TAICANG ALPINE ELECTRONICS CO., LTD.
  - ALPINE ELECTRONICS HONG KONG, LTD.
  - ALPINE ELECTRONICS OF ASIA PACIFIC CO., LTD.
  - ALPINE OF ASIA PACIFIC INDIA PVT LTD
  - ALPINE TECHNOLOGY MANUFACTURING (THAILAND) CO., LTD.
  - ALPINE ELECTRONICS OF AUSTRALIA PTY.LTD.
  - NEUSOFT CORPORATION

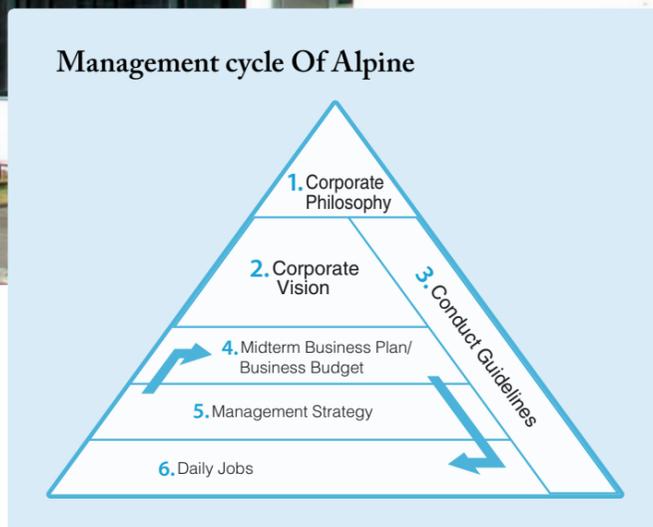
### Domestic Subsidiaries/Domestic Affiliates

- ALPINE ELECTRONICS MARKETING, INC.
- ALPINE ELECTRONICS MANUFACTURING, INC.
- ALPINE PRECISION, INC.
- ALPINE TECHNOLOGY MANUFACTURING, INC.
- ALPINE GIKEN, 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.



## Alpine Management and CSR

### At Alpine, CSR is the business activity necessary to achieve our Corporate Philosophy.

–Acting with full recognition of our social responsibility especially during this severe operating environment.–



CSR Committee Chair and Director, **Satoshi Soma**

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.

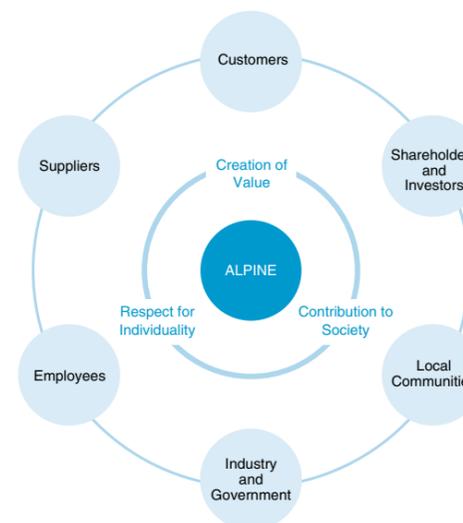
At Alpine, CSR and the business activities for achieving our corporate philosophy are one and the same. We are built on the three corporate philosophies of 1. Respect for Individuality 2. Creating Value 3. Contribution to Society. In essence, understanding

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 endeavoring to fulfill our corporate philosophies we are accomplishing our CSR activities. Thank you for your understanding and continued support.

#### ■ Framework for Alpine and Stakeholders



## 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 oversee and supervise 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.

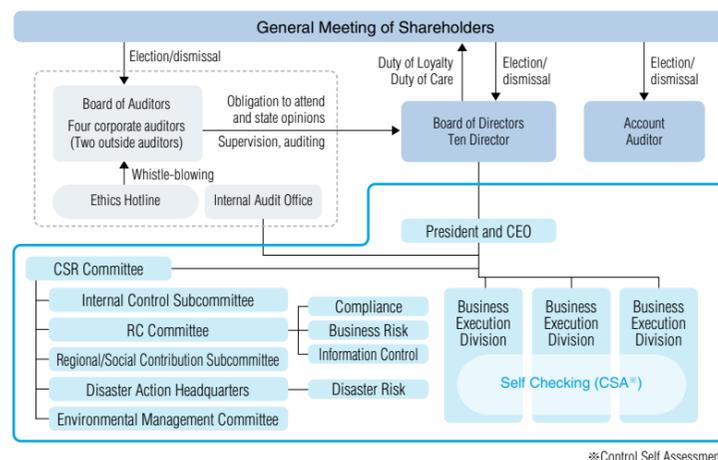
The Board of Auditors discusses and decides on important matters reported from audits. This board functions as a check and balance for management. Auditors are selected from those who are well versed in Alpine's business among members of the parent company, certified public accountants, and lawyers, 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 (as of June 2010)



### Compliance Structure

#### ● Ethics Hotline

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 as an open contact for consultation to help detect potential problems early on and enable prompt action.

#### ● Establishing Ethics Guidelines (Alpine's ten Commandments)

In order to ensure corporate and legal compliance, 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 observe.

### Alpine Code of Ethical Conduct (Ten Commandments of Alpine)

HUMANS	
Privacy	I will not leak other people's private information.
Discrimination	I will not discriminate against others or engage in sexual harassment or physical or verbal abuse.
THINGS	
Safety	I will actively promote product safety and quality.
Environment	I will actively promote the environment.
PROPERTY	
Company's Assets	I will not use the company's assets for private use.
Intellectual Property	I will not infringe other company's intellectual property.
INFORMATION	
Trade Secrets	I will not leak APN's trade secrets or use APN's trade secrets for private use.
Insider Dealing	I will not buy or trade APN's stock immediately before the announcement of important matters.
TRANSACTIONS	
Fair Competition	I will comply with antitrust laws and other rules and regulations.
Bribery	I will not accept entertainment or gifts that are in excess of the bounds of common sense.

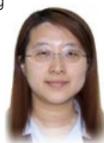


#### Aiming to raise compliance awareness ...

Management of information, a corporation's lifeblood, is becoming more of an issue for CSR. In order to protect and prevent the leak of internal and customer information, the Chinese Information Security Committee was established. I regularly perform information security training and audits for the committee.

Alpine Electronics (China) Co, Ltd  
Dalian R&D Center,  
Legal Department

Sun Ying



## Global CSR Management/Risk Management

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

### Establishing a Global CSR Guideline

Based on a multitude of demands from our customers, we have modeled our CSR guideline on the Japan Electronics and Information Technology Association (JEITA) version, in an effort to form a systemized program that fosters cooperation. It has been distributed and implemented throughout our global group. We will continue with yearly audits and information sharing to further increase our level of CSR.

### Risk management initiative

#### ● 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 safeguard measures.

#### ● 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

Alpine maintains a permanent Disaster Action Headquarters to undertake relief measures for emergencies across the globe, including biannual safety inspections, risk assessments of disaster prevention systems, development of global risk management networks, and comprehensive disaster drills. These disaster drills are conducted at each company both at home and abroad in order to familiarize employees with emergency procedures.

The Occupational Safety Committee, an element of the Disaster Action Headquarters, is charged with maintaining and improving occupational health by executing the first response plan in case of earthquake or fire. The Alpine Fire Brigade is responsible for safety inspections, fire fighting, emergency aid, emergency evacuation and executing frequent disaster drills.



At the Emergency Drill

### Column

#### 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 our countermeasure headquarters. Here, information gathering and sharing, as well as health checks were initiated. Communication with the Japanese headquarters took place continuously, 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.

## Conduct Guidelines

### Creation, Passion, Challenge

Through passionate "Monozukuri", we will continuously challenge ourselves to create new value.

## 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 gyrolocator 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.



2000

Alpine F#1 Status flagship series launched. We challenged to create the ultimate listening and visual experience with our refined technology.



1996

NVE-N055V car navigation system won the Car Accessories Awards grand prize. Accurate searching and route announcement received high marks.



1991

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



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. Answer to customers' need for high quality display for the rear seat.



2009

X08 Premium "Perfect Fit" series launched for customers looking for the ideal installation. Best solution for customers looking for premium sound and picture quality.



## 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 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.



Commendation 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.

### 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.

#### Multi-use Vacation Usage (Alpine Only)

	2007	2008	2009
Days Used	952	888	1098
Persons Used	124	128	167
Usage ratio (Entire Population)	9.2%	10.6%	12.2%



Family Event "Fly high! Plastic Bottle Launch"

### Column

#### 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 world 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.



Joint Induction Course for New Recruits at China

## Support People, Help People Realize their Potential

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

### Child Rearing Support

Alpine maintains an environment that supports parenthood. In addition to offering a full year of maternity leave, expectant mothers and employees with children younger than 4th grade can take advantage of our shortened workday policy. Many employees make use of these programs.

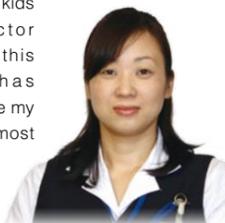
#### Maternity Leave and Shortened Day Policy Usage (Alpine Only)

	2007	2008	2009
Maternity	11	20	17
Shortened Day	3	10	14

#### Voice Voice from a User of Parenthood Support Program

##### 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 make more time for caring for my home and family, such as taking my kids to the doctor. All in all, this program has made me use my time in the most efficient way.



ALPINE BRAND MARKETING Dept  
Sachiko Toshimitsu

### Healthcare for Employees

At Alpine, employee health is a top priority.

We support employee healthcare with full-time staff nurses who provide guidance on health and nutrition. We also employ medical specialists and counselors who offer psychological care.

Through a tie-up between our cafeteria and food manufacturers we were able to offer healthcare events and an anti-metabolic syndrome menu. We are supporting our employees from the inside out.

As part of our employee welfare program, we set up a company gym where employees can exercise, even at night. Many employees take advantage of this benefit.

In 2009 a trainer was brought in for several months to provide exercise events.



Exercise encouragement event



Counseling sessions



Counseling from a nutritionist



Training gym at lwaki headquarter

# 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 stake holders throughout the world.

### Alpine's Five Stripes of Excellence

Engineering Excellence

Manufacturing Excellence

Marketing Excellence

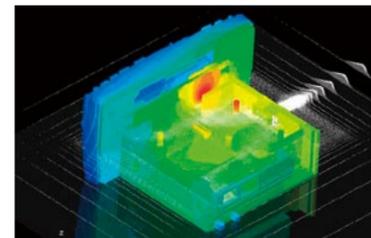
Service Excellence

Partner 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.



### 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.



### 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.



### 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.



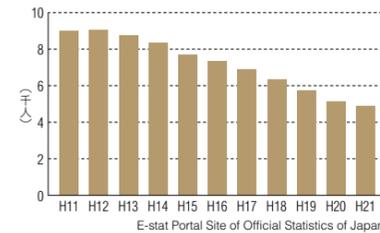
## For a safe and secure drive (R&D)

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.

■ Number of deaths resulting from car accidents in Japan



### 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.

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”.

■ 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.

■ 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.



North America

Europe

Japan

Asia

■ 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.



■ 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.



Web site that provides hot info by vehicle.

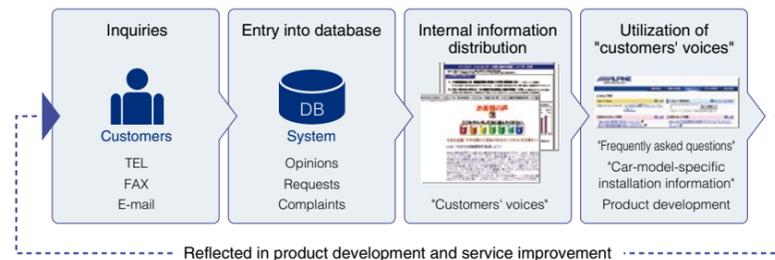
### In Pursuit of Higher Product Quality

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.

Investor relations website  
<http://www.alpine.com/e/investor>



Presentation meeting for analysts and institutional investors

### 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



#### Supplier's Conference

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.



#### Strengthen partnerships to further environmental support

In this ever-changing environment, the expectations and responsibilities of a corporation regarding statutory compliance, safety, the environment and societal responsibility are on the rise.

Alpine is realizing advances in environmental activities, green procurement and transportation safety.

My company will continue offering the "best" solutions and value added proposals by leveraging partnerships, with communication as the foundation.



Toshiba Corporation Semiconductor Company  
Chief Marketing Executive  
**Mr. Toshio Fukuda**

# 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

- (1) Not only will we maintain domestic and international environmental standards, we will take the extra initiative and responsibility to establish and maintain new standards.
- (2) 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

- (1) 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 resolvability.
- (2) We will conduct our day-to-day business operations while placing a minimal burden on the environment, preventing pollution, conserving precious resources, recycling wherever possible, and decreasing the amount of waste.

#### 3. Transparent - Communication and education

- (1) We encourage and support individual initiative in all our employees and will actively educate them to improve their environmental awareness.
- (2) We also openly disclose our environmental activities, harmonizing them with society.

#### 4. Environmental preservation systems and operation

- (1) We will implement a company-wide comprehensive system for environmental protection and preservation and promote continual reforms and technological innovations to those ends.
- (2) 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 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.

In addition to avoiding traffic jams, Alpine's systems boast a variety of functions that support eco-driving: displaying automobile fuel control data, as well as monitoring and rating the way the driver uses the accelerator. The system will issue warnings against sudden acceleration/deceleration. Sudden acceleration/deceleration not only lowers fuel efficiency, but is also believed to be primarily responsible for the generation of CO2, which is thought to be a cause of

global warming.

Alpine will remain committed to the development of products that are friendly to the environment.

#### ●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.

#### ■ Alpine's latest car navigation system: X088 Series (eco-guide)



Fuel efficiency data

Eco-guide display monitoring/rating of driving styles

Fuel efficiency (Pts)	Good	Average	Poor
	100-81	80-21	20-0
Display symbol	▼ Good	▼ Average	▼ Poor



### Voice Voice from a Product Planner

#### 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, changing from HDD to memory will save size, weight and electricity. We will be offering these products in Europe and Japan during this year. Development for the U.S. has already started.

We previously launched "mech-less" audio players with no moving parts that play digital audio. We will continue to plan and develop products with the environment in mind.



Product Planning Department Manager  
**Yasuyuki Goto**

## Developing Environmentally Friendly Products

Contributing 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 to 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



2006 Model PDX-1.1000 Mono Subwoofer Amplifier

- RMS Output: 1000W
- Size: W257, H62, D192(mm)
- Weight: 3.41KG



2010 Model PDX-M12 Mono Subwoofer Amplifier

- RMS Output: 1200W
- Size: W257, H50.8, D192(mm)
- Weight: 3.03KG

20%  
Down



Prior Model



PDX-M12

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.



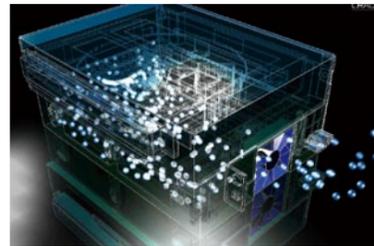
STRUCTURAL DEVELOPMENT Dept  
**Satoru Aimi**

### 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 aluminous material around the heat source, which enabled direct and efficient heat dissipation from the surface of the chassis, thereby achieving a slimmer product.

### 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.



Simulation in the product development stage

### 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.



Lead-free solder process flow

## Environmentally Minded Business Administration

Within R&D, Production and Sales, Alpine is pursuing ecological friendliness.

### Reduced Logistical Costs through "Made in Market"

Alpine strives to 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.

### Green Logistics

We are trying to reduce CO2 emissions in the distribution process by changing the transport routes for products and parts by improving load 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.



"Idling stop" drive campaign

### 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 cushioning in some of our products. This method uses air cushions as shock absorbing material.

#### Exterior

Before

After



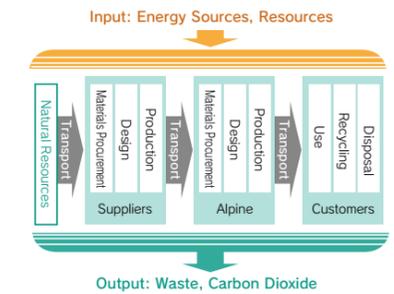
#### Interior

Before

After



### Environmentally Friendly Product Development Concept



### Saving money and the environment

Compared to the cardboard packaging previously used, the environmentally friendly air cushion packaging has superior shock absorbing capability, is 1/10th the weight and is easily recycled. Since air cushion packaging is only filled with air during shipping, it saves space and improves inventory management and efficiency.

As a team we worked together to find the optimum material and shape through trial and error. Not only did we consider shock absorption but also the large

change of air pressure and temperature associated with international shipping.



Alpine China R&D Center  
**LI QIANG(left) Mikio Kato(Right)**

## 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

In tandem with our efforts to reduce the amount of waste generated, we have set up Eco Stations – waste-sorting facilities that make it easier for all employees to separate waste into different types for efficient processing. We are committed to improving recycling and reuse at our facilities. As a result, each of our four bases in Japan has achieved zero emissions.



Eco-station

### 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.

In 2008, we established an eco-car parking area. In 2009, we held an exhibition and offered eco-car test drives to increase awareness. Our efforts have been so successful we are planning on increasing the size of our eco-car parking area. Bicycle commuting is also on the rise and we have increased our bicycle parking area as well.



Eco-car parking area

### Clean Energy

In order to reduce CO2 emissions, Alpine began an effort to reduce electric power and other energy consumption, while at the same time introducing clean energy.



Solar panels

### 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 Giken and the production department and Alpine Techno both won awards.



Fukushima Protocol Award Ceremony

#### Global

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



Certificate of Commendation Ceremony

### 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.



Cleaning Equipment

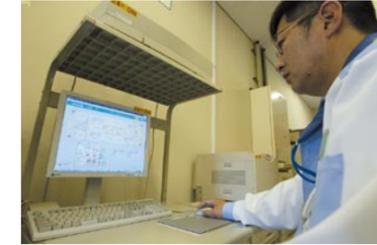


Press Noise Reduction

### 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.



Power Consumption Maintenance System



Energy Efficient Infrastructure

### 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.



Heat Exchange Equipment



Heat Insulating Film on Windows

Find More information about Environmental Performance Here:  
[CSR/Environment www.alpine.com/j/csr/enviro](http://www.alpine.com/j/csr/enviro)

## 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 all 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. Globally, differences in cultures, value 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.



Field Event "Find the Living Nature!"

## 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.

### 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.



Summer Festival

### Local Marathon Support

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



Marathon volunteer activities

### 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.



Child participant

### 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.



Community service with local youths

### Column

#### Supporting the education of the next generation

Alpine offers educational opportunities to people outside of our company as well. High school students from Nagano prefecture visited our American Headquarters. We offered an introduction to our company and a discussion of the differences between Japanese and U.S. cultures. We sent them back with our fervent support to become the next generation.

Since 2004, in Dalian China, our local affiliate has supported local universities by holding the Alpine Class where students are taught specific skills. In 2009, this class was held at Dalian University of Technology, Dalian Jiaotong University, Neusoft and Dalian China/Japan Friendship Organization Human Development Center.



Visiting high school students



Alpine Class at a Dalian University

## Corporate Data

### 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	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



Chairman  
Seizo Ishiguro



President & CEO  
Toru Usami



Managing Director  
Hitoshi Kajiwara



Managing Director  
Kazuo Nakamura



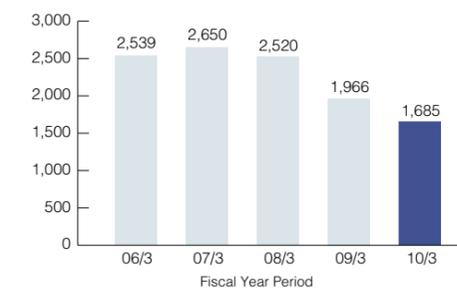
Managing Director  
Hirofumi Morioka

Directors Masataka Kataoka  
Satoshi Soma  
Shigekazu Hori  
Toshinori Kobayashi  
Kouichi Endo

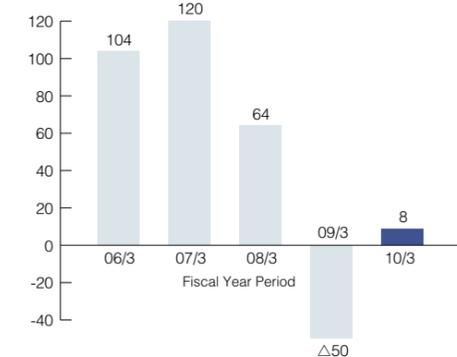
Auditors Toji Tanaka  
Kaname Kurashima  
Kenji Yoshino  
Taisuke Yonemori

(As of June 24, 2010)

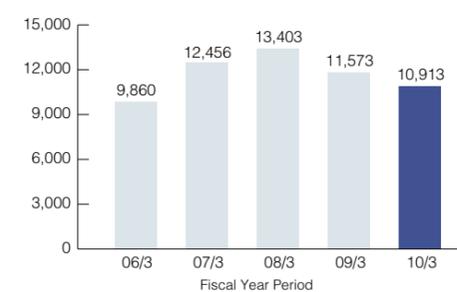
Net Sales (Consolidated)  
(100 Mill JPY)



Ordinary Income (Consolidated)  
(100 Mill JPY)



Number of Employees (Consolidated)  
(Head Count)



**ALPINE ELECTRONICS, INC.**

**[www.alpine.com](http://www.alpine.com)**