ALPINE
Mobile Media Solutions

Corporate Profile / CSR Report 2013-2014

Driving Mobile Media Solutions™

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.

1. Respect for Individuality

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

2. Creating Value

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

3. Contribution to Society

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

Corporate Profile / CSR Report 2013-2014

Editorial Policy

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

With strong determination to achieve our key principles, the context of this booklet is synchronized with the Alpine Corporate Philosophies: Respect for Individuality, Creating Value and Contribution to Society. At Alpine, all employees from management to new employees are required to work together to promote business activities, so we have included messages from a variety of diverse people. We sincerely hope that this report will assist all of our valued stakeholders in sharing Alpine’s current position and vision for the future.

Contents

Editorial Policy & Contents P2
Top Message P4
Business Domain P6
Alpine History P8
Alpine CSR P10

Respect for Individuality P12

Creating Value P16

Contribution to Society P20

Corporate Governance P26
ISO26000 & Alpine P28
Environmental Data P29

Company Overview P30

Advancing towards a Sustainable Mobile Society

President & CEO

An Era of Change

In recent years, the situation surrounding the automobile electronic industry has been changing dramatically.

First, vehicle platforms are standardized and globalized rapidly because new world economic powers are rising, especially BRICS. On the other hand, regional features are also demanded. Next, the development race of an eco-car, such as electric vehicle and hybrid vehicle, has been intensified against the backdrop of prevention against global warming and the technological progress of the electronic vehicle, which promotes business alliances among vehicle manufacturers. In addition, consumer electronic devices, like smartphones, have been making steady progress, and a functional connection between them and the vehicle's interior is strongly demanded.

During these times of market changes, composite products of audio, visual, and information frequently tend to be equipped in vehicles as key functions, and a genuine product is equipped in a brand-new car at a higher rate. Besides, composite products are in strong demand to be adapted for each regional and user's characteristics by software replacement, and also to have connectivity to consumer electronic devices and cloud services.

Creating New Car Life

Alpine is carrying out its corporate activities with the vision of "Becoming a Mobile Media Solution Company that Creates Future Values" targeting the year 2015. We take daily changes in environment, vehicle, and lifestyle as a matter of course, and keep approaching creation of new values and manufacturing enthusiastically to enrich our corporate value with the core technologies we have perfected during our long time in the automobile audio and information devices industry.

To adapt ourselves for rapid changes in the market, we have employed a strategy of "Made in Market, Design in Market". Alpine puts efforts to improve its brand and customer satisfaction through maintaining marketing, manufacturing, and development functions at the HQ in each of the Global Quad-Polar: Japan, USA, Europe, and China.

When it comes to research and development, software development structure was established in each of the Quad-Polar to ride the recent current of cloud computing, and also development of advanced technology is promoted through broad technological alliances. In particular, ALPINE ELECTRONICS OF SILICON VALLEY, INC., a new development center, commenced its operation to engage directly with advanced cloud computing companies in addition to the research and development centers of automobile manufacturers. Furthermore, we design automotive information security through cooperative studies with industry and university, resulting in innovative proposals that combine Alpine's automotive total system solution technology and sensor-input devices. Alpine adapts to changes speedily, makes technological innovation to realize safe, environment-friendly driving, and develops together with automakers.

As Sustainable Company

Since its establishment in 1967, Alpine has approached its manufacturing of exciting products at all times with the spirit of "Creation, Passion, Challenge" that has been handed down from generation to generation. Alpine will continuously conduct its CSR activity globally to structure a sustainable society. We consider CSR activity as realization of our corporate philosophy "Respect for Individuality," "Creating Value," and "Contribution to Society," that is, our corporate activity itself. It is realized by providing products and new values that please our customers and stakeholders who support us through their corporate activities. Besides, Alpine ensures risk management and compliance to strengthen the mutual trust with our stakeholders.

We commit to create new future values continuously with our knowledge, endeavor and spirit of challenge that have been inherited since our establishment.

June, 2013

Business Domain

Global automobile manufacturers are pursuing a creative, exclusive in-car devise, system, and cockpit. Drivers have a strong preference of audio and visual. Alpine provides all of them with mobile media solutions.

Automotive Acoustic Systems Domain

With no half measures to achieve premium acoustics, Alpine is advancing to the top of Mobile Media Sound.

Alpine sound reproduces the soul that artists poured into their music. We provide exhilarating, live-performance-like premium sound systems to the global market. With high awareness and knowledge of unique acoustic characteristics of the vehicle interior, Alpine pursues the most suitable acoustic environment for each customer and vehicle.

Automotive Information and Telecommunication Systems Domain

Comfort, safety, and pleasure in the car society of tomorrow with advanced technology.

In the market environment of rapid technological innovation and diversification of end user demand, Alpine improves its automotive interior systems of visual, navigation, telecommunication and drive assist system.
As an outcome, our ITS*1 device was introduced to the national project for expanding EV and PHV*2. Pursuing "First One," that is, the first in the industry and the world, Alpine puts a lot of effort to develop advanced technologies.

*1 ITS : Intelligent Transport Systems *2 EV / PHV : Electric Vehicle / Plug in Hybrid Vehicle

Alpine History

More comfort, safety and pleasure in driving. Alpine has been developing since its establishment in 1967 to satisfy customer's fluid demands in this mutable world.

Alpine History

1967— Alps Motorola Era

Better Car Life in Japan

In the period when cars started spreading in Japan, Alpine took its first step to bring more fun to driving with high-quality car stereo players and cassette decks.

1969 8-truck cartridge players

1975 Cassette deck

1978— Beginnings of Alpine

Proposing Brand New Value of Vehicles

Honda Motor Co., Ltd. and Alpine developed Gyrocator, the origin of car navigation systems, that provided a new driving experience. Gyrocator brought an entirely new value that a driver could see where they were driving on a map.

1980 1980SK-800
(Manual-FM cassette deck)

1981 Gyrocator

1982
5313/1301/3015
(Cassette deck, Tuner, Electronic equalizer)

1988— Growth of Alpine

Various Music Fun into Car

Alpine lead the innovation of automotive devices in the age when music media was transitioning from magnetic tape to CD. Drivers did not only listen to a CD that was the most advanced music media at that time with high quality sound in their car, but also they could play multiple CDs with a disc changer function without manually changing discs.

1989 CD shuttle 5952

1991 AV Shuttle 2913 / 3D Shuttle 5980

1995— Alpine Vision 2005 Era

Impressing society in our main business domain of Mobile Media

Safe Driving with Intelligent Navigation

In this period, 50% of the population had a private car. It was stressful for some drivers to drive an unfamiliar way with a paper map, which was often a factor in a traffic accident. Alpine gave a solution to this problem with a car navigation system with automatic route-searching.

1995 NVE-NO55 (Car navigation)

Alpine Premium Sound Came to the Conclusion

Alpine concentrated its premier acoustic technology into F#1 Status line-up which attracted many drivers who had a strong preference for sound. As a result, we received great honors and a variety of awards.

2000 F#1 Status

2005— Alpine Vision 2015 Era

Creating future values by expanding business to drive assist system

Connecting Vehicles to the Network

Some technological breakthroughs, e.g. smartphone and ITS, brought a demand to connect vehicles to the devices and the network. Alpine improves the utility of a vehicle by providing a center display as an information device.

2011 ICS-X8

Special Car for Each Owner

Beyond transportation, cars have various faces like "place for communication with family and friends," "special personal place for the owner," etc. Alpine provides complete options to satisfy an owner's demands.

2012 Alpine Style

Social Affairs

1967
EC (European Community) establishment
ASEAN (Association of South-East Asian Nations) establishment

1969
The first lunar landing in the human history by US
Tomei Expressway full-open

1972
Sapporo Winter Olympics

1973
The First Oil Crisis
The floating exchange rate system of JPY st

1978
New Tokyo International Airport (Narita International Airport) open

1979
Automotive telephone service start

1982
Chuo Expressway full-open
CD player come on the market

1985
Plaza Accord

1987
Black Monday

1988
8cm disc come on the market
Seikan Tunnel and Seto Bridge open

1992
UNCED (United Nations Conference on Environment and Development) in Rio de Janeiro, Brazil

1994
NAFTA (North American Free Trade Agreement) execution

1996
DVD player introduced to market
Rapid spread of cellular phone starts

1997
Kyoto Protocol establishment

1999
World population over 6 billion

2001
9-11, US

2005
Rrecord for DVD sales

2008
The population of smartphone users explodes (iPhone 3G release)
Lehman Brothers bankruptcy

2009
Popular word 'Eco-car' spread

2010
Greek economic crisis

2011
The Great East Japan Earthquake

Meeting Obligations to Stakeholders

To fulfill our social responsibilities, Alpine is continually strengthening its CSR organization

Alpine CSR is the corporate governance itself that embodies its principles

CSR Committee Chairman and Managing Director
Seishi Kai

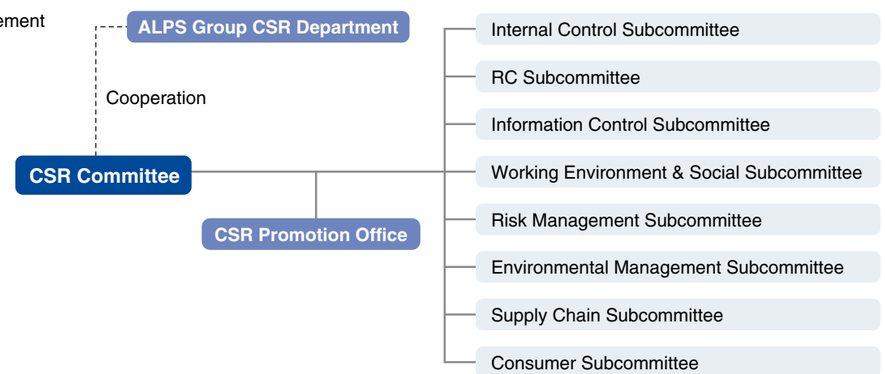
In recent years, many companies and other organizations have carried out a variety of CSR activities all over the world. Alpine believes that CSR activity does not mean doing something special, but fulfilling our social responsibilities through our usual corporate activities. Therefore, we defines Alpine CSR as the corporate governance itself that embodies our principles; (1) Respect for Individuality, (2) Creating Value, and (3) Contribution to Society.

Alpine has set up a CSR committee to respect our corporate philosophies and fulfill our social responsibilities as a member of the Alps Group. The CSR committee consists of 8 subcommittees who make the most of each specialties, consider how to meet demands of our stakeholders, and carry it out. Our attitude towards CSR activity, that is, fulfilling our social responsibilities through our usual corporate activities, leads to a new philosophy called CSV (Creating Shared Value) that means creating economic values in parallel with fulfilling social responsibilities.

There is a large variety of images of CSR depending on countries and regions. Alpine conducts its corporate activities globally at 42 bases in 15 countries. Therefore, we take an international standard called ISO26000 as our guidance. Based on it, Alpine's original CSR guideline was established, and global CSR activities are ongoing.

During times of rapid and dramatic changes, we cannot fulfill our social responsibilities with an idle attitude towards changes. We believe that we can meet demands of our stakeholders by carrying out our corporate activities by regarding a change as an opportunity. Moreover, we are assured that voices from our stakeholders lead to our growth as a company. Alpine conducts its corporate activities transparently to be a trusted company continuously. We truly appreciate the extensive and continuous support from our stakeholders.

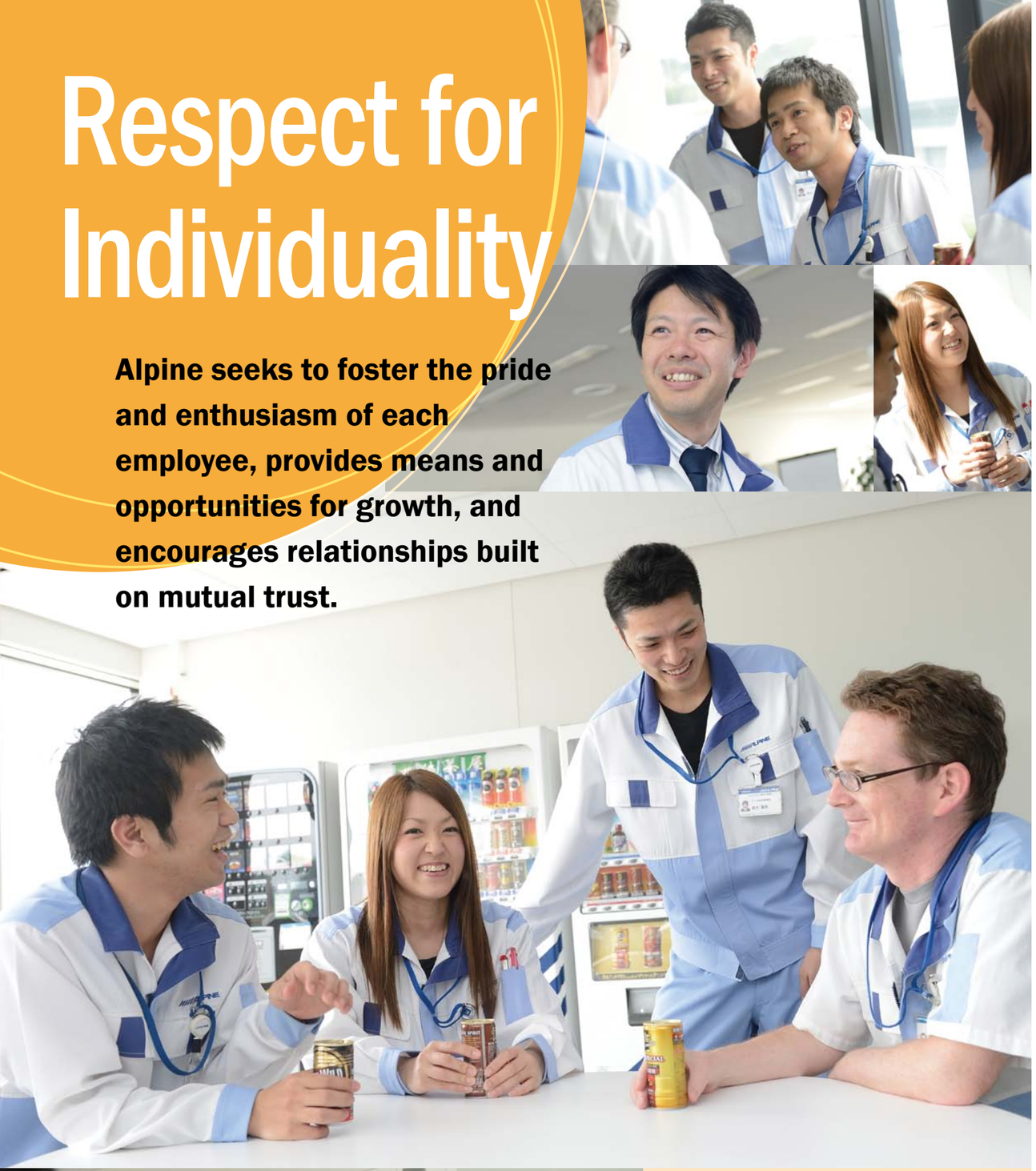
● CSR Enhancement Framework



● Alpine CSR Guideline

Respect for Individuality

Alpine seeks to foster the pride and enthusiasm of each employee, provides means and opportunities for growth, and encourages relationships built on mutual trust.



● Conduct Guides

Creation, Passion, Challenge

Alpine takes on challenges to create new value with enthusiasm as a manufacturer.

Voice

We are creating an organization and an atmosphere where employees can work lively.

Together with the locals

ALCOM Mexico
Quality Manager
Raul Suarez

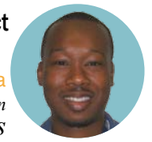
Companies should consider their employees as assets, because they cannot be loved in the society without the workers cooperation. Alpine treats not only employees but also their family and the locals with great respect. For example, we have Open Office Day for families and make a donation to local educational funds. It is the respect for individuality that brings passion for Alpine's policy "Only One, First One."

Support for our dreams

Alpine Europe
Administration Legal
Jennifer Strobl

When I was a student, I thought working means doing what I do not want to do without my own will. Now I am on a intern at Alpine, and I realized that this company always gave an opportunity to express their own opinion to even younger workers. In addition, Alpine gives us huge support to achieve our dreams as respect for individuality. I have a dream to be a company's lawyer, and Alpine gave me an offer of a job in the legal department. I am looking forward to expressing my ideas as a member of Alpine continuously.

Tough organization with respect for individuality



Alpine America
Engineer – Product Evaluation
Vance Callis

I believe that "Respect for Individuality" means accepting each uniqueness that makes our products and service different from that of our competitors. I learned how to accept others in the communication lesson on the curriculum for new recruits, which was a trigger to change my attitude to my co-workers. It is important to choose words carefully to work efficiently and productively. Now, I am a member of an organization where each opinion and belief is respected.

Bond between company and employees

Alpine China
Human Resource Department, Vice senior manager *Dongshu Liang*

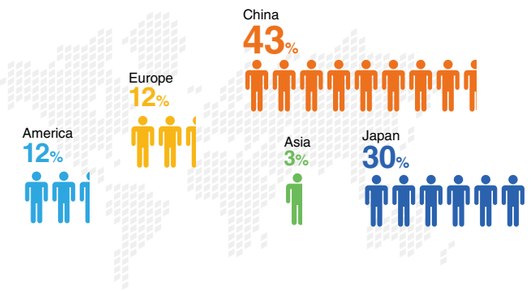
Alpine's training system shows that Alpine treats the employees with great respect. A variety of programs are provided, for example, courses in business skills and foreign languages. Furthermore, Alpine sets a high value on workers' health to support their bright life, and we often have a sports events like badminton and tenpins for our physical and mental health. Alpine has a culture of "study hard, work hard, play hard" and it strengthens the bond between the company and the employees.

Focus

Global Network of Individualities

Alpine has been organizing a global system of production and development on a basic policy of "Made in Market, Design in Market." The employees have various backgrounds and senses of value and are working actively together all over the world.

● Global Distribution of Employees (as of April 2013)



Respect for Individuality

Each employee all over the world is an asset to Alpine.
We put an effort to make a system and environment where the employees can respect for individuality each other and show their spirit of "Creation, Passion, Challenge".

Various Talents Together at Work

Alpine believes it is an advantage to have employees with diverse backgrounds.

Alpine does not have barriers of nationality, race, age, sex, religion, or disability in the employment system, and great importance is attached on a diversity of thought and sense of value. Therefore, Alpine keeps improving the working environment where the employees can make the most of their abilities and thoughts.

Furthermore, Alpine took advantage of legal changes and set up a system that highly motivated employees could keep working beyond the retirement age. They are expected to set a good example to young workers.

Flexible Way of Working

Giving birth is an important turning point of life, and also the demand for support in elder care will get higher and higher. Alpine has a variety of systems to support the employees' life plan flexibly, e.g. maternity leave before and after birth, parental leave, elder care leave, and flexible working hours. In addition, the system was revised in 2012 so that the workers can take leave by the hour for various purposes like nursing care for family, self-development, and volunteer activity.

(Head Count)

	2009	2010	2011	2012
Parental Care	17	13	14	17
Flexible Working	14	12	14	17
Elder Care	0	12	14	12
Child Nursing	74	74	72	71

Building Educational Environment

A variety of training systems is provided depending on the working period and the post of the employee. In particular, Alpine has put more effort to train international workers in recent years, e.g. exchange program between Japan HQ and foreign subsidiaries. Although the period is limited to one or two years, quite a few workers can join this program and it will be expanded by high demand.

Moreover, Human Resources Development Conference takes place twice a year to discuss optimal job rotations and training schemes to train the next generation. In addition, Alpine established Global Human Resources Conference in 2012, where curriculum for executive candidates are discussed by the management of human resources of main corporate centers.

Column

Cross-culture Study

Turn Our Diversity into Creativity

Alpine's employees have diverse nationalities and races. For example, 260 workers in three German offices are from 27 countries. The offices in Europe have Cross-culture Lunch once a month to make the most of the multiple backgrounds. At this occasion, they introduce and discuss their cultures and deepen their understanding of different characteristics and roots to make their communication smooth and also to build a tough company with a strong advantage of a variety of thoughts.

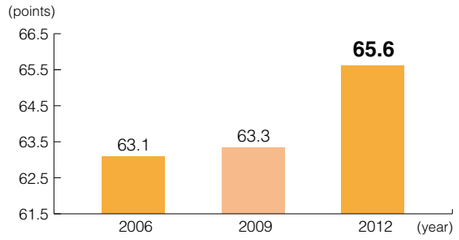
Cross-culture Lunch Meeting

Employees Satisfaction Survey

Alpine carries out "General Attitude Survey" once every three years in the offices in Japan, UK, Germany, etc. to elicit opinions of the company from the employees. The survey in 2012 concluded that the satisfaction had been generally improved since the last survey in 2009.

Based on this result, Alpine is building better working environment where the employees get higher satisfaction.

● Progress of General Satisfaction Points (out of 100)



Workers Association Activity

Alpine Workers Association and the management discusses revision of labor regulations, promotion of job efficiency and taking holidays, bonus negotiation, etc. in the equal position to maintain and improve the working conditions and economic status of the employees.

Labor and management are communicating actively in China, too. The workers association is trying to improve the working conditions by reporting employees' opinions about the environment to management six times a year and discussing the company's direction and salary directly with management on a monthly basis. Their earnestness impressed the Beijing Foreign Affiliated Company Labor Association, and they received 'Excellent Labor Association Award' in 2011 and 2012 in a row.

Workers Association of China

Physical and Mental Health

Vaccination in Alpine China

Alpine puts an emphasis on employees' health, and provides opportunities of regular physical examination and medical counseling by a nurse. Prevention is also focused, e.g. in China employees who do not have antibody against hepatitis B receive a vaccination.

Besides, a therapist visits the office three times a week and workers can ask for mental counsel. In addition to caring personal mental health, the counseling shows a tendency of problems the company as a whole has, which is used effectively to improve the working environment.

Safety-consciousness after Earthquake

Radiation Dosage Display

Fukushima is still under the impact of the Great East Japan Earthquake and the nuclear accident. Companies are responsible to support employees and their family to live with safety.

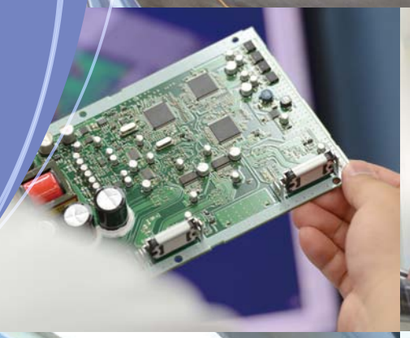
Alpine takes measures to show the nuclear effect visually, e.g. radiation monitoring post in the office, radiation dosage displays outside and also on the menu of the office cafeteria. To improve the accuracy of measurement, an inspection was carried out by a foreign third party who has a specialty in radiation examination.

For more safety, Alpine provides employees with a device that measures radiation exposure of their family in a bath. They can be assured based on an analysis of the results by a professor of radiation.

Alpine believes that continuation is important in these activities, and puts an effort continuously to bring more safety into work.

Creating Value

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



Voice

We are creating new values through every work and function.

Values Beyond Customer's Demands

Alpine Australia
OEM / P&A Manager
Danny Zielin

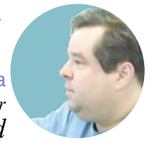
We must make strenuous efforts to add lots of values to our products and service. We must afford a surprise to customers by extraordinary values and provide pleasure by innovative ideas and technology. Through working for Alpine, I learned that it was extremely important not only to fulfill customers' demands but also to create values beyond them. It is Alpine's strength to provide a result exceeding expectations.

Leading Markets by Combining New Technologies

Alpine India
Sales Manager
Manish Kumar

Alpine is bringing values to the world through cost, efficiency, and reliable products to live up to customers' expectations. Today, the trend of markets is switching to navigation connectivity, and many functions like music, information, and navigation is concentrated in the dashboard that is becoming the information center of the vehicle. Following this trend, Alpine leads markets by combining new technologies and creates values that affords great satisfaction to our customers. The unique vehicle life nobody has ever experienced is just around the corner.

Creating Future Vehicle Society with Customers



Alpine America
Senior Project Engineer
Bill Muirhead

Now I am in charge of new sound system business for an important customer of our OEM business. I am seeing it with my own eyes that our technology combines with that of the vehicle manufacturer and mutual business expands larger and larger. I believe that it is one of Alpine's missions that make people smile all over the world together with our impressive customers through pursuing the potentiality of future vehicle society.

Involved in World-first Innovation

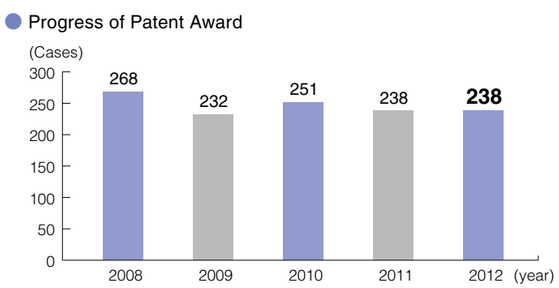
Alpine Research Europe
Chief Engineer –
HMI Product Strategy Department
Andreas Galos

When I was in my teens, I had an opportunity to visit an ALPS/ALPINE technological exhibition, and the advanced technology pleasantly shocked me. This experience was so impressive that I chose Alpine as my work. Now, I am an engineer at Alpine and in a development project of innovative, world-first automotive touch display that is considered as the first step to a breakthrough in vehicle usability. 10 years have passed since the day when I was still a student, and now I can make an impression on people around me.

Focus

Pursuing What Does Not Exist in the World

Alpine makes a great effort all the time to create new values and afford a surprise and pleasure to the society.



Creating Value

Alpine focuses on technology and quality, and proposes safer and more comfortable car life for the future.

Know-how and Technology to Create Future Values

Alpine has reliable technologies to supply the greatest values, and have answered to customer's voices with these technologies. As a result, Alpine was awarded the number one in the car navigation category of Consumer Satisfaction Survey carried out by a third party.

Generality to Design Vehicle Interior

Alpine provides not only car audio and navigation system, but also rear camera systems and rear seat displays that support you to drive safely and comfortably. The combination makes the most of each vehicle's features and realizes a universal coordinate.

Technology to Exceed Premium Sound

Alpine adds new values to premium acoustic systems, for example, Fresh Air Sub-woofer solves the difficulty in realizing sound of quality, lightweight, and compactness at once.

Proposal of New Car Life

In 2012, Alpine released a smartphone application called "TuneIt" in the US. TuneIt makes it possible not only to adjust the acoustic setting of Alpine products, but also to share the self-setting with your friends and other Alpine users on SNS.

Safety Driving with Drive Assist System

A combination of multiple cameras of high sensitivity and wide view are used to remove the vehicle's blind spots. Warning against places where a lot of traffic accidents have frequently happened based on massive data. Alpine provides such drive assist system to support safe driving.

Concern for Global Environment

Alpine puts a variety of functions into car navigation system to support eco-driving. The 'Eco-route' function calculates the energy consumption to arrive at your destination based on topographical data and traffic information, and proposes the route of the least energy consumption. Compared with Alpine's recommended route, gas consumption (CO_2 emission) is reduced by 16% on averae.

In addition, the 'Eco-guide' function displays the fuel efficiency, and moreover analyzes and marks driver's acceleration work and warns the driver against sudden acceleration and deceleration.

'Eco-route' function

Propose a Cockpit of the Next Generation

Alpine's technology development is targeted at the future vehicle society. One of the activities is "Premium Cockpit" being developed with Alps Electric Co., Ltd. The system sensors the driver's eye movement and pupil condition, and assists drivers depending on their atttention, mood, and condition. Drivers do not have to adapt themselves for the car, but the car is adjusted to the driver. This future-oriented cockpit will reduce the stress of driving and improve safety.

Premium Cockpit

Lesson of Quality Learned From Experience

In the Alpine Museum located inside our HQ office, there is an exhibit of a product that was previously returned to Alpine from one of our valued customers. The product caused a malfunction, and the ejection of the customer's cassette tape became impossible. In 1981 the product was shot by a 45 magnum and returned. Today, it is a symbol for all Alpine employees of our obligation to offer premium quality products and services. It is a reminder that each and every Alpine product we deliver to the market is special from the end user's perspective and the foundation of Alpine's reputation in the market.

Pursuing Reliable Products

Automobiles run in a wide range of environments, e.g. constant vibration, high temperature, and shock. To assure the reliability of our products to work in any situation, Alpine conducts tests and evaluations in severe environments. In our reliability and evaluation centers located in each of the main global bases, the robustness of our products against sunlight, dust, etc. are tested and analyzed accurately under various strict evaluation criteria, which leads to the assurance of stable quality and high reliability. Furthermore, the HQ in Iwaki, Fukushima, has a test circuit where a variety of severe road conditions is replicated and the operation of products is tested practically.

Reliability Evaluation Center

Impressive Quality

We believe that excitement and delight are derived when the value of a product exceeds the customers' expectations. Alpine has defined such a value as "fascinating quality", and puts great efforts to achieve it.

Extensive After-sales Service

I n the event that the quality of our product causes trouble and inconvenience to customers, the analysis centers located in five countries analyze the cause and repair the product speedily and accurately with advanced facilities. In Japan, 90% of the repaired products are returned to the owners in a week. What is more, the customer service center compiles customers' opinions and answers to questionnaires in our database to make the most of them in our product development and improvement. For example, we have received voices from some regions that our car navigation system does not receive the signal of terrestrial digital broadcasting. In that case, we visited all the areas, carried out tests and improvements over and over, and then our car navigation system acquired a reputation for great sensitiveness to the broadcasting signal.

Contribution to Society

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

Voice

Each employee considers the relationship between the society and Alpine.

Continuous Contribution Activity

Alpine UK
OEM Product Quality
Shelly Dhand

It is the essence of contribution to society to exhibit the best behavior towards society. Also, if we get a profit from society, we must give feedback to others, and then they will also give us feedback. This idea will assure the continuity of contribution activity. If I wish Alpine's growth in the future, I should do good things for society first. That is the motive for me to continue contribution activities.

Responsibility for Next Generation

Alpine Manufacturing Europe
OD Leader
Kitti Horvath

'Contribution to Society' means having responsibility for the next generation as a member of the society, in my opinion. I adopt a harmonious life with the environment and willingly take part in volunteer activities like a forestation and picking up litter. In recent years, Alpine products and technologies are getting more environment-friendly. I believe it is because all the workers share the same spirit. I would like to stay eco-friendly for long as an individual and also a member of a company.

To Change the Reality

Alpine Asia Pacific
Senior Executive Administrator
Pinthita Sutthiprapa

It is our style of contribution to support each other and team up to make society better. For example, compared with Japan, Thailand does not have satisfying welfare system, so it is common to provide parents with money. However, people often cannot earn enough to do so because they did not have proper educational opportunities. We actively carry out a support activity for children, e.g. scholarship support, to change this reality step by step.

Expected as Manufacturer

Alpine
OEM International Marketing Dept. 1
Tatsunori Suzuki

It is certainly important not only to have a mind to contribute to the society, but also to have a measure to realize this thought. Alpine has built up technologies and know-how since its establishment, which makes it possible to achieve our ambition of contributing to society. For example, Alpine has made efforts to reduce harmful influences on the environment and to prevent traffic accidents. We are expected as a manufacturer to create technologies to solve social problems.

Focus

For Vehicle Life in Low-carbon Society

Alpine supports the creation of an eco-friendly automotive society through reducing bad influences our products may have on the environment.

- Examples of Eco-development

The 'Eco-route' function that was newly released for Alpine brand car navigation system **cuts down 16% of gas consumption**. (Based on a driving investigation from Ohta-ku, Tokyo, to Wako-shi, Saitama.)

Compared with an old model, our Fresh Air Sub-woofer **reduces 86% of the size** with the same quality of sound.

Contribution to Society

“Environment-friendly products and corporate activities” is Alpine's environment principle. Across our products’ life cycle, we are promoting a minimization of burden on the natural environment.

Environment Principle

Basic Policy

We protect the global environment through environment-friendly products and corporate activities as a member of the global society.

Action Guideline

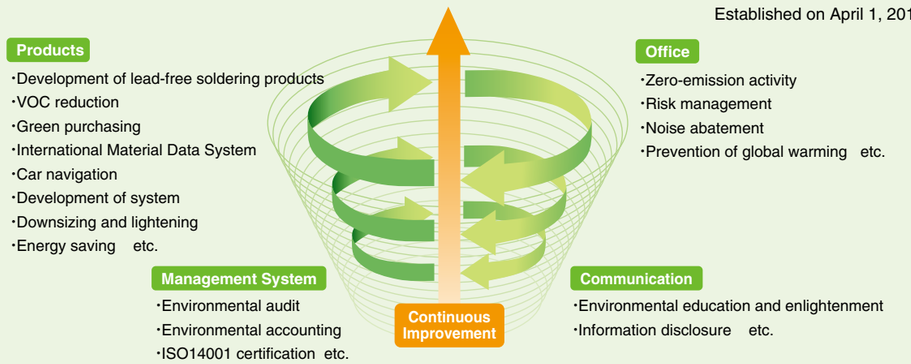
We improve environment consciousness of each employee, produce an environment-friendly atmosphere in the organization, and enhance the coordination with society through the following activities.

1. Environment-Friendly Product
We develop environmental technologies and provide products that are environment-friendly across their life cycle.

2. Environment-Friendly Corporate Activity
We promote minimization of harmful influences on the natural environment through reducing waste, recycling, and energy saving.

3. Environmental Preservation System and Operation
We abide by domestic and international laws, customers' requirements and self-standards, and properly operate and continuously improve the environmental management system.

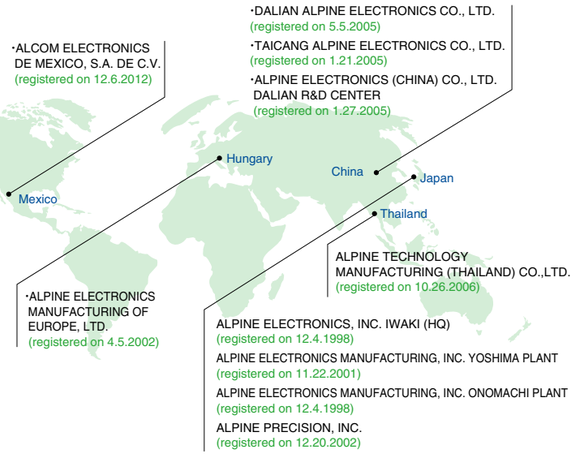
Established on April 1, 2012



Minimization of Burden on the Natural Environment on a Global Basis

The main global bases, especially manufacturing plants, have a global standard called ISO14001 to carry out environment-friendly corporate activities efficiently. The bases in various countries and regions share their environment preservation activities and the performance data, and are trying to improve each other.

● Status of ISO14001 Acquisition



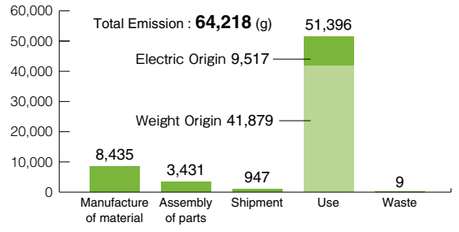
Environment-friendly Products

Alpine develops products taking into consideration the bad influences on the environment across the products' life cycle. In particular, we focus on the weight of products that has a big effect on the fuel efficiency of vehicles. We are pursuing downsizing and lightening through improvement of electric circuits and the products' structure, and, what is more, careful selection of material and parts.

In addition, Alpine conducts a variety of activities to minimize the burden on the natural environment, e.g. elimination of harmful chemical material that a product contains, reduction of the number of parts with regard to recycling.

As an indicator of the result of this environment-friendly development, Alpine operates LCS (Life Cycle Assessment) that quantitatively evaluates the load on the environment.

● CO_2 emission of ICS-X7 classified its life stage
(surveyed by Alpine)



Continuous Improvement of Burden on Environment

Environmental problems like global warming and resource depletion transcend the boundaries of countries, regions, companies, and families. Alpine put an emphasis on training to produce an environment-friendly atmosphere where each and every employee can actively take part in an activity of environmental improvement.

Furthermore, Alpine willingly joins environmental activities held by the government and NPO as a member of regional society. In Japan, Alpine Giken and Alpine Technology Manufacturing were awarded the first prize in the office category of Fukushima Protocol that is a global warming prevention project held by the administration of Fukushima. (In 2012 Alpine Giken was awarded the prize three years straight.)

Environment-friendly Corporate Activity

Alpine put efforts on not only development of environment-friendly products, but also reduction of the burden on the environment caused by our corporate activities. We especially focus on CO_2 emission that is said to be the main cause of global warming. We promote eco-friendly activities through the whole business, e.g. design of products that are easily assembled, energy saving by optimization of manufacturing process, and reduction of shipping frequency by improving carrier efficiency.

Moreover, Alpine performs activity from various points of view, such as reduction of VOC use in manufacturing process, reduction of industrial waste, prevention against noise and bad smell for the purpose of realizing "environment-friendly corporate activity".

VOC: Volatile Organic Compounds

Green curtain

Energy saving of air conditioning by plastic wall

Alpine Giken awarded the first prize three years straight

Lecture on environment for children in Alpine Summer Festival (Iwaki HQ)

Contribution to Society

Alpine makes the most of the characteristics of each corporate center all over the world and puts great efforts to joining and developing the community.

Intensive Lecture for University Student

Chinese office offers "Alpine Class" for university students of science and engineering every year from 2004, and introduces Alpine's technology and knowledge. We make the most of our knowledge as a manufacturer, and are aiming at training human resources that broadly contribute to the society.

Alpine Class

Christmas Present for Children

American office collects toys and presents them to disabled and disadvantaged children for Christmas.

Protection of Wild Animals

Thai office conducts an activity to protect wild animals around them every year. This year, they sprinkled mineral on the soil that did not contains well-balanced nutrients in Khao Yai National Park.

Sprinkling mineral on the soil

Local Summer Festival

Iwaki HQ has a summer festival every year and invites the locals, which is a valuable opportunity for Alpine to communicate with them.

Alpine Summer Festival

Participation in Food Supplying Support Campaign

American office participated in a support campaign for people who live in a region suffering from severe economic problems. They collected and donated 100 portions of food and worked as volunteer in the warehouse of the campaign organization.

Food Supplying Support Campaign

Donation of Facility to School

Hungarian and Mexican office donate needless equipment like PC to local schools and colleges.

To Make Memorable Plant

Challenge of Alpine Manufacturing Onomachi Plant

Data

ALPINE ELECTRONICS MANUFACTURING, INC.
ONOMACHI PLANT

- Number of Employees: 191
- Location: Onomachi, Tamura-gou, Fukushima
- Description of Business: Manufacture of car navigation system and in-car audio for a Japanese automobile manufacturer

Enhancement of Presence as Plant

The beginning was a thought shared among employees that "We would like to enhance the presence as plant." Onomachi plant had produced an atmosphere where the employees willingly carry out activities to have a great presence in Alpine group and the local community as much as possible. We considered an activity plan concretely and reached a consensus that we would start with conveying to our visitors the unforgettable attraction of the products that our plant manufactured and the area where the plant was located. Then, our activity began in April 2012 with a slogan of "Greatest Impressive Plant".

Forming Attractive Plant

As the first step, Onomachi plant started changing itself from "a manufacturing plant" to "a plant visitors can enjoy looking around." First, some Alpine products were displayed at the entrance. Then, a brochure was released about the history of Onomachi plant and a record of the Great East Japan Earthquake. Also, the interior of the plant was decorated, e.g. with imitation flowers of "Thousand Cherry Trees" that Onomachi is well-known for.

Products Display at Entrance

Cheering Up Together with the Local Community

The activity as a member of the local community also reached a new stage in April, 2012. We cooperated with the local government and advertised the tourism in Onomachi with a mind of letting visitors from a long distance know more about Onomachi and also cheering up our plant and our town together with the local community. We displayed pictures of sights of the neighborhood and made a sightseeing map. Memorable photos and sightseeing brochure given to visitors have been met with a favorable reception.

What is more, some employees said they were motivated to work by the delight atmosphere produced by the decorated interior, which was an unexpected result of our activity.

Imitation of Thousand Cherry Trees

Education for Next Generation as Manufacturer

Onomachi plant provides pupils with lots of opportunities to tour the plant and to experience manufacturing. Nowadays we receive many offers from elementary schools and are planning to visit educational organizations in the neighborhood to conduct a class.

Internal newspaper introducing plant tour of pupils

The number of visitors to Onomachi plant increased by three times from 18 in 2011 to 58 in 2012. Especially, our customers, local students, and Alpine group employees visited us a lot.

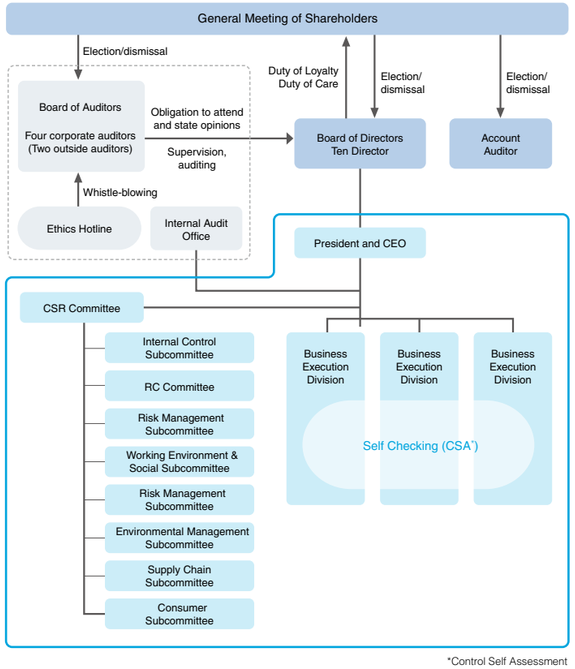
Corporate Governance

We believe that it is our basic obligation to enhance the corporate viability and transparency, and to fairly carry out corporate activities.
Therefore, Alpine is strengthening our corporate governance through enlightenment of the employees, information disclosure for our stakeholders, and cooperation with our customers.

Corporate Governance Structure

Alpine appoints a Board of Directors that oversees and supervises managerial decisions. Each director is assigned with a specific corporate function. By incorporating an organization with clear managerial responsibilities, optimal and efficient progression of duties are assured. Alpine has established an internal auditing structure, and empowers the Board of Auditors. The board assures the clarity and transparency via monitoring from managerial, accounting, and legal perspectives.

● Corporate Governance Organizational Structure (as of June 2013)



*Control Self Assessment

Internal Control System

Alpine is making great efforts to create internal control systems, based on the belief that such systems should be created not only for the sake of compliance with relevant laws, but also to effect positive change. We promote improvement of internal control system to strengthen our business structure.

Compliance Structure

In the recent stream of deregulation and legal system reformation, company's responsibility for self-management is highlighted. To remain a trusted company, strict legal compliance is practiced in Alpine. We have laid down our Ethical Guidelines (“Alpine’s Ten Commandments”), the basic code with which each and every employee within the Alpine group across the world is required to comply. In Japan, USA, and China, Alpine has established an ”Ethical Hotline” for Alpine employees and suppliers to talk over ethical and moral issues. A whistle-blower protection clause is included in our internal regulations. This system acts to help detect potential problems in advance and enable prompt action.

● Alpine Ethical Guidelines (Alpine's Ten Commandments)

Person	Personal Information	Disclosure of personal information is prohibited.
	Ban on Discrimination	Violent force and language, sexual harassment, and discrimination are prohibited.
Object	Safe Product	Regard enough for the safety and quality of products.
	Environmental Concern	Regard enough for the natural environment
Property	Corporate Property	Personal use of corporate property is prohibited.
	Intellectual Property	Violation of intellectual property of other organizations is prohibited.
Information	Corporate Secret	Personal use and disclosure of corporate secrets is prohibited.
	Ban on Insider Trading	Dealing of the company’s stock by the employees before disclosure of corporate information is prohibited.
Trading	Fair Trade	Comply with antitrust legislation and every law and rule.
	Donation and Reception	Receiving donation and reception beyond a reasonable extent is prohibited.

Compliance Education

Alpine established a legal department at each corporate center in Japan, USA, Europe, and China, and conducts compliance training according to each department and each regional characteristics.

● Training Report of 2012

Japan	Engineer's ethical training for new recruits Regional case study for employees transferred overseas Lecture of antitrust legislation for Sales and Marketing Dept.
USA	Legal lecture of antitrust legislation, regulation of driver distraction, etc. Documentation and management training Personnel training related to harassment prevention, etc.
Europe	Legal lecture of antitrust legislation, regulation of driver distraction, etc. Creation of internal guideline and seminars about Bribery Act
China	Release of newsletters for the management about antitrust legislation, and regulation of automobile recall and its operation

Risk Management Initiative

To ensure sustainability and reliability of our corporate activities, Alpine analyzes a wide range of factors of possible risks. The risks are categorized into “Disaster risk,” “Infection risk,” “Business risk (finance, labor, government)” and “Information risk,” and countermeasures have been planned for a possible crisis in order to minimize damages.

Alpine has established Business Continuity Plan to ensure the safety of employees and their families, and to reduce post-disaster impacts on our customers given any emergency situation. In 2012, based on the experience of the Great East Japan Earthquake, we expanded and supplemented the business continuity plan related to IT infrastructure, and completed a support manual for people having trouble returning home.

Transparent, Appropriate Information Disclosure

Alpine improves the corporate transparency by appropriate information disclosure. We actively offer an opportunity to share our corporate status, activities and strategies with our stakeholders, e.g., biannual corporate report meeting for our partners, biannual account statement meeting for investment analysts and institutional investors, and other periodic meetings.

In addition, we disclose a variety of information timely on a website and SNS. Especially on our investor's information website, the contents met a favorable reception and were awarded a prize.

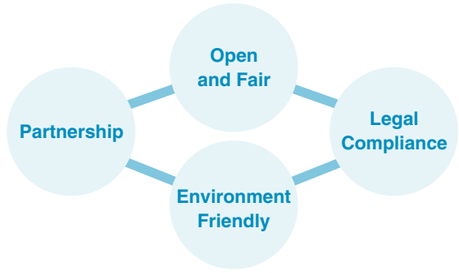
2012 2nd Half Supplier's Conference

CSR Activities Across Our Supply Chain

Alpine expands purchasing activity worldwide based on “Alpine Purchasing Policies.” Conforming to the “Supply-chain CSR Development Guidebook” of JEITA, we are promoting Corporate Social Responsibility with our partners.

In 2012, Alpine sincerely requested cooperation to our partners on three topics: information security, minimization of burden on the natural environment, and handling of conflict minerals. Especially regarding handling of conflict minerals, we fully understand and agree on its purpose from the perspective of respect for fundamental human rights, and conduct purchasing activity under the cooperation with our partners, JEITA, and each group company.

● Alpine's Purchasing Policies



ISO26000 and Alpine

Below is a report about Alpine's activities on 7 main subjects of ISO26000.

	Main Topics of 2012	Main Activities of 2012	Page
Organization Governance	Appropriate corporate governance and maintenance of internal control system		26-27
	BCP building and release	Revision of BCP reflected the experience of the Great East Japan Earthquake	27
Human Rights	Promotion of human resources diversity	Building a system of employment over retirement age	14
		Promotion of employing the disabled with cooperation of local communities	-
	Fair employment	Transparent procedure for employment and its disclosure	-
Labor Practices	Training of global workers	Establishment of Global Human Resources Conference	14
		Training through job rotations between corporate centers	14
	Maintenance of the work environment	Revision of the leave system to improve the leave take rate	14
		Introduction of new management system for improvement of work efficiency	-
		Employee's satisfaction survey and consideration of countermeasure based on the result	15
	Promotion of employees' health	Activity of removing concerns on radiation with cooperation of an outside institution and a university professor	15
		Counsel for mental health in each cooperate centers and release of related news	15
	Establishment of communication opportunity between labor and management	Continuous opinion exchange between labor and management on equal position	15
The Environment	Environment-friendly development	Development of new function to assist eco-driving	18
		Downsizing and lightening	18、21
	Environment-friendly logistics	Reduction of CO_2 emission in the logistic area by improvement of carrier efficiency	-
	Green Purchasing	Request consideration of the environment to our partners, and conduct of a survey of current status	-
	Reduction of CO_2 emission	Reduction of use of electricity by solar power generation and energy saving	23
	Maintenance of Life Cycle Assessment (LCA)	Improvement of LCS examination tool	23
	Environmental activity by employees	Environmental activities according to each regional characteristics, such as a forestation and garbage separation (Alpine Giken and Alpine Technology Manufacturing were awarded the first prize of Fukushima protocol)	23
		Electricity saving according to the characteristics of each corporate center	23
Fair Operating Practices	Compliance education	Compliance training globally at main corporate centers according to the regional characteristics	27
	Fair competition	Formulation of guideline about antitrust legislation	27
Consumer Issues	Improvement of reaction to problems	Establishment of consumer service subcommittee in CSR committee	10
	Communication with customers	Continuous promotion of communication by a variety of tools, e.g. SNS	-
	Achievement of great quality	Maintenance of quality by severe evaluation and articulate analysis	19
		Quality education for all the employees in Japan based on past troubles	-
	Improvement of after-sales service	Speedy repair (90% of repair requests were completed within a week)	19
		Improvement of the telephone reply rate of customer service center	-
		Improvement of the service quality by establishing a service company in North America	-
	Protection of customer's information	Check the appropriate handling of information by Legal Dept.	-
		E-learning about information management for all the employees in Japan	-
Community Involvement and Development	Activity aimed at solving social problems	Vitalization of regions through participating in and sponsoring local events	24
		Support for education of the next generation through donating to educational organization and educational activities	24
		Concern for the biodiversity through environmental protection activities	24

Environmental Data

Alpine conducts environment-friendly corporate activities under its global, environmental management structure.

ALPINE ELECTRONICS, INC. IWAKI HQ (Japan)

	Electricity Consumption (kWh)	Fuel Oil Consumption (kL)	Gas Consumption (㎥)	Water Consumption (㎥)	Waste Generation (kg)	Waste Emission (kg)	Internal Recycling (kg)	Final Waste Disposal (kg)
2007	8,514,140	86	20,601	66,158	266,307	249,912	249,052	860
2008	8,261,630	62	22,134	77,769	330,992	312,357	312,357	0
2009	7,601,240	58	21,878	78,801	378,867	362,362	362,363	0
2010	7,604,830	64	20,238	67,095	394,184	387,525	387,445	80
2011	6,777,450	63	20,549	53,690	478,662	462,949	459,459	3,490
2012	7,095,950	68	21,538	59,379	561,772	546,692	546,349	343

*Since the Great East Japan Earthquake in 2011, the consciousness of energy saving has improved, and energy consumption was reduced. Because of the disposal of garbage generated by the earthquake, the final waste disposal increased in 2011.

ALPINE ELECTRONICS MANUFACTURING, INC. YOSHIMA PLANT (Japan)

	Electricity Consumption (kWh)	Fuel Oil Consumption (kL)	Gas Consumption (㎥)	Water Consumption (㎥)	Waste Generation (kg)	Waste Emission (kg)	Internal Recycling (kg)	Final Waste Disposal (kg)
2007	3,482,300	0	1,488	11,194	180,904	178,410	175,887	2,325
2008	4,065,034	0	1,507	12,446	279,530	278,594	278,509	85
2009	2,598,507	0	1,425	8,858	213,616	212,246	211,446	0
2010	3,340,300	0	1,789	8,115	273,670	273,550	273,550	0
2011	2,977,110	0	2,613	9,961	275,316	275,316	274,956	360
2012	2,922,506	0	2,880	10,147	304,879	304,714	304,714	0

*Water consumption has increased since 2011, because of water sprinkling on the rooftop as a measure of energy saving.

ALCOM ELECTRONICS DE MEXICO, S.A. DE C.V. (Mexico)

	Electricity Consumption (kWh)	Fuel Oil Consumption (kL)	Gas Consumption (㎥)	Water Consumption (㎥)	Waste Generation (kg)	Waste Emission (kg)	Internal Recycling (kg)	Final Waste Disposal (kg)
2007	22,285,953	0	-	26,357	1,675,463	1,675,463	1,043,925	483,134
2008	21,068,554	0	35	23,001	1,782,787	1,782,787	1,189,952	590,892
2009	16,548,691	0	29	18,042	955,598	955,598	644,826	310,582
2010	20,165,051	0	28	17,186	1,337,474	1,337,474	1,071,397	266,064
2011	22,330,836	0	34	20,657	1,603,537	1,603,537	1,373,945	262,399
2012	25,552,167	0	38	24,777	1,719,107	1,719,107	1,474,554	303,940

*The figure of every item rose, because of production increase.

ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD. (Hungary)

	Electricity Consumption (kWh)	Fuel Oil Consumption (kL)	Gas Consumption (㎥)	Water Consumption (㎥)	Waste Generation (kg)	Waste Emission (kg)	Internal Recycling (kg)	Final Waste Disposal (kg)
2007	9,266,708	0	187,593	21,795	859,320	831,510	552,549	278,961
2008	10,431,838	0	322,124	18,520	873,110	822,745	611,899	210,846
2009	9,566,227	0	381,303	13,533	784,704	740,764	523,269	217,485
2010	9,494,133	0	409,893	11,647	707,640	707,640	419,519	288,121
2011	8,698,503	0	410,288	13,062	634,155	634,155	516,648	117,507
2012	9,532,060	0	461,771	12,529	678,069	678,069	543,837	134,232

*The figure of every item rose, because of production increase.

DALIAN ALPINE ELECTRONICS CO., LTD. (China)

	Electricity Consumption (kWh)	Fuel Oil Consumption (kL)	Gas Consumption (㎥)	Water Consumption (㎥)	Waste Generation (kg)	Waste Emission (kg)	Internal Recycling (kg)	Final Waste Disposal (kg)
2007	14,873,540	98	51,694	159,545	137,040	137,040	9,580	127,460
2008	14,644,880	260	50,949	148,904	2,154,889	2,154,889	1,994,812	160,077
2009	12,159,920	168	50,042	124,948	1,189,743	1,189,743	1,105,587	84,156
2010	14,942,560	231	60,522	188,013	1,620,505	1,620,505	1,488,092	132,413
2011	14,329,920	162	37,084	117,158	1,524,285	1,524,285	1,418,836	105,448
2012	15,860,320	89	36,008	131,951	1,664,213	1,664,213	1,545,625	118,588

*The figure of every item rose, because of production increase.

Note: "-" in the tables means unsuitable item or lack of comparable data with other websites.

Company Overview

Alpine Electronics, Inc.

Date of Establishment	May, 1967
Paid-in Capital	¥25,920 million
Number of Employees	10,058(30 companies consolidated. As of end of March 2012)
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

Committee Members

President & CEO Toru Usami (left by center)
Managing Director Hirofumi Morioka (right by center)
Managing Director Hitoshi Kajiwara (left)
Managing Director Seishi Kai (right)

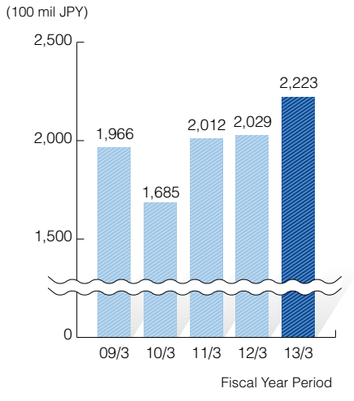
Directors Masataka kataoka
Directors Satoshi Soma
Directors Toshinori Kobayashi
Directors Koichi Endo
Directors Naoki Mizuno
Directors Shuji Taguchi

Statutory Auditor Toji Tanaka
Statutory Auditor Katsumi Tobita

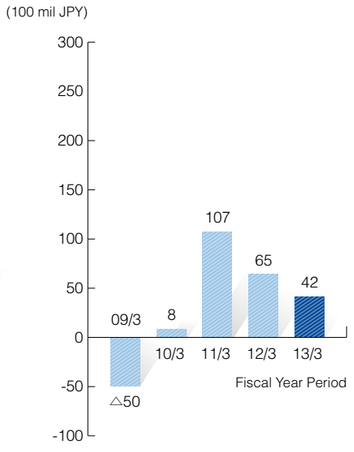
Auditor Hideo Kojima
Auditor Taisuke Yonemori

(As of June 20 2013)

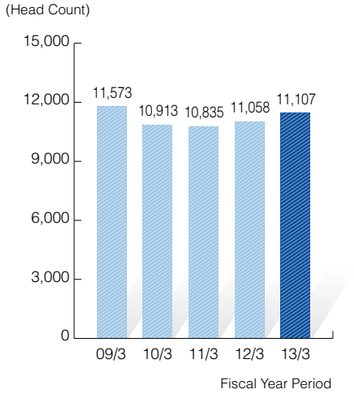
Net Sales (Consolidated)



Ordinary Income (Consolidated)



Number of Employees (Consolidated)



Global SMD System

Overseas Subsidiaries/Overseas Affiliates

North and Latin America

ALPINE ELECTRONICS OF AMERICA, INC.
ALPINE ELECTRONICS OF SILICONVALLEY, INC.
ALCOM AUTOMOTIVE, INC.
ALPINE ELECTRONICS OF CANADA, INC.
ALCOM ELECTRONICOS DE MEXICO, S.A. DE C.V.

Europe

ALPINE ELECTRONICS (EUROPE) GmbH
ALPINE ELECTRONICS GmbH
ALPINE ELECTRONICS FRANCE S.A.R.L.
ALPINE ELECTRONICS OF U.K., LTD.
ALPINE ITALIA S.p.A.
ALPINE ELECTRONICS DE ESPANA, S.A.
ALPINE ELECTRONICS MANUFACTURING OF EUROPE, LTD.

Asia and Oceania

ALPINE ELECTRONICS OF AUSTRALIA PTY. LTD.
ALPINE ELECTRONICS HONG KONG, LTD.
ALPINE ELECTRONICS (CHINA) CO., LTD.
DALIAN ALPINE ELECTRONICS CO., LTD.
TAICANG ALPINE ELECTRONICS CO., LTD.
ALPINE TECHNOLOGY MANUFACTURING (THAILAND) CO., LTD.
ALPINE ELECTRONICS OF ASIA PACIFIC CO., LTD.
ALPINE OF ASIA PACIFIC INDIA PRIVATE LIMITED
ALPINE ELECTRONICS OF MIDDLE EAST FZCO

Domestic Subsidiaries/Domestic Affiliates

ALPINE TECHNOLOGY MANUFACTURING, INC.
ALPINE ELECTRONICS MANUFACTURING, INC.
ALPINE PRECISION, INC.
ALPINE INFORMATION SYSTEM, INC.
ALPINE ELECTRONICS MARKETING, INC.
ALPINE GIKEN, INC.
ALPINE BUSINESS SERVICE, INC.
ALPINE CUSTOMERS SERVICE CO., LTD.

CSR Report

Scope of Report

- Coverage Organization: Alpine Electronics, Inc and 30 consolidated affiliates.
- Coverage Period: April 1, 2012 to March 31, 2013

Reference Guidelines

- The Environmental Reporting Guidelines (The Japanese Ministry of The Environment, 2007)
- Sustainability Reporting Guidelines Third Edition (The Global Reporting Initiative (GRI), 2006)
- ISO26000 (International Organization for Standardization)

Website

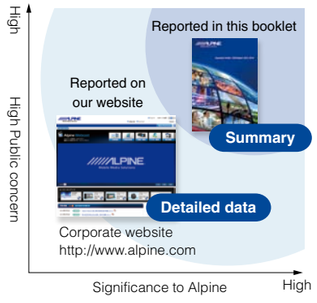
The data contained in this report can also be found on our website.

http://www.alpine.com/e/csr/

Next Release

June 2014 (Subject to change)

Data on Alpine's business and CSR activities can 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 undertaking s could materially differ from those contained in these forward-looking statements, as a result of changes in conditions.

ALPINE ELECTRONICS, INC.
www.alpine.com