



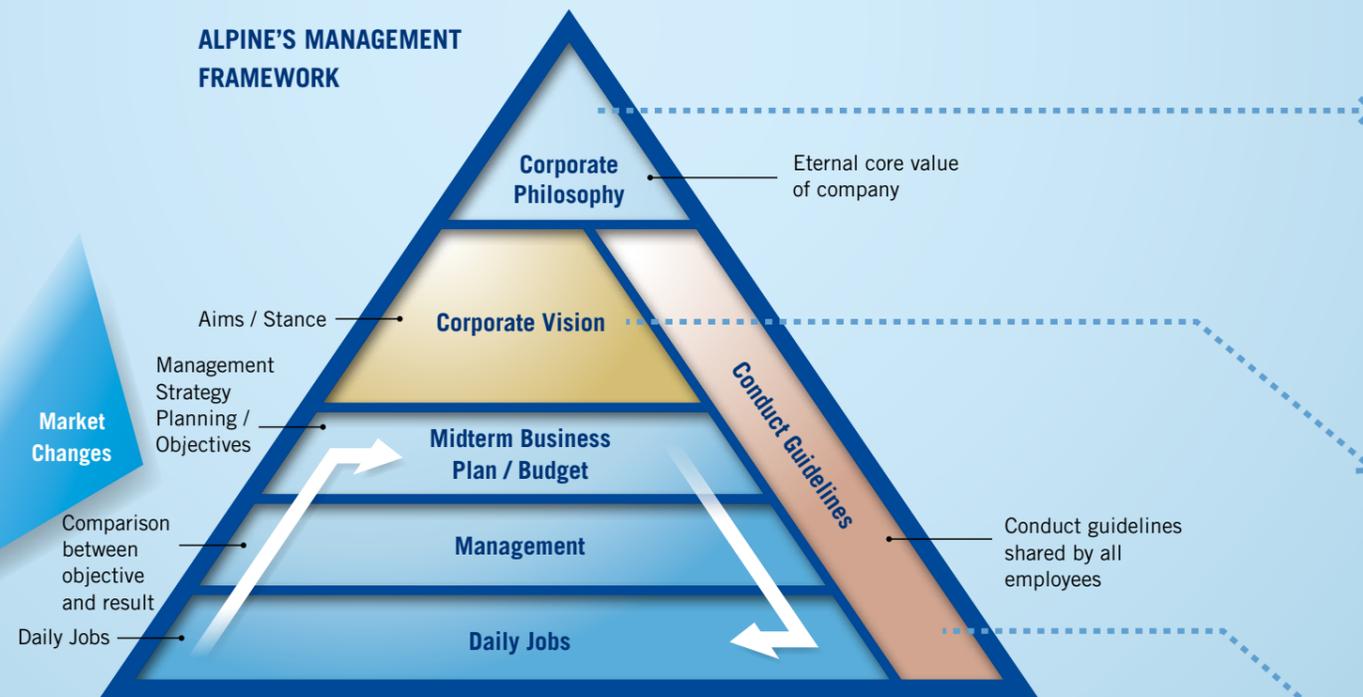
*Corporate Profile / CSR Report 2014-2015*

# ***Driving Mobile Media Innovation***



# In aims of becoming a company that enriches your car lifestyle

All Alpine employees share values as a company and are working to achieve goals and dreams through the power of people and organization.



## 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.

## VISION2020 Vision Statement

Alpine aims to be a Mobile Media Innovation Company that provides you with an enjoyable car lifestyle.

## Conduct Guidelines

### Creation, Passion, Challenge

We will boldly challenge to create new value and perform MONOZUKURI with passion.

# Corporate Profile CSR Report 2014 - 2015

## CONTENTS

Message from the President	P4
Products	P6
Profile / Financial Highlights	P8
Corporate Vision - VISION2020	P10
CSR at Alpine	P12
Feature 1 Creating a Rich Society with New Technology	P14
Feature 2 Supporting Next Generation Growth	P16
Alpine's Business Activities	P18
Marketing	P19
R&D	P20
Material Procurement	P22
Manufacturing	P23
Supply Chain	P24
Quality	P25
CSR Activity Highlights 2013	P26
Corporate Governance	P30
ISO 26000 and Alpin	P31

## Corporate Logo



## Corporate Message

**Driving Mobile Media Innovation**

## Editorial Policy

This pamphlet was prepared to provide stakeholders with a deeper understanding of Alpine's business. It combines the Corporate Profile and CSR Report and introduces our relationship with people, society and the global environment through our business activities.

## CSR Information

Target Scope	● Target scope: 35 consolidated companies ● Target period: April 1, 2013 – March 31, 2014
Referenced Guidelines	● Environmental Reporting Guidelines 2012 (Ministry of the Environment) ● Sustainability Reporting Guidelines 3rd Ed. (GRI) ● ISO 26000 (International Organization for Standardization)
This Report	This report focuses primarily on the basic management system and new efforts in fiscal 2013.
Website	Information on our activities in general, including the contents of this report, is available online. CSR/Environment Website <a href="http://www.alpine.com/j/csr/">http://www.alpine.com/j/csr/</a>
Related Reports	Detailed financial information is disclosed in our Annual Report.
Next Publication	Scheduled for June 2015.

Information on Alpine's business and CSR is provided in this pamphlet and on the website.

Note: This pamphlet includes not only past and current facts but also forecasts based on plans, outlooks and management plans/policies at the time of publication. These are assumptions and determinations based on information available at the time and may differ from actual results due to the impact of global economic trends, changes in the global environment and other factors.

## Contributing to a sustainable and mobile society as an innovation-driven company



  
President & CEO Toru Usami

### Evolving in a changing world

In recent years, the business environment surrounding Alpine has continued to go through dramatic changes. The rapid spread of smartphones and new IT services that utilize cloud technology has greatly transformed the relationship between people and entertainment. In the midst of such circumstances, Alpine is working to provide products and services that are differentiated from others in markets around the world while recognizing the diversity that exists in the car lifestyles of our customers. In North America and Europe, we have responded to demand for added value and composite solutions for onboard equipment and systems while adopting new technology in the early stages. At the same time, in the fast growing markets of China and emerging countries, we are pouring our efforts into enhancing our marketing activities and service system to promote the appeal of the Alpine brand. In Japan, we are creating products optimized to individual preferences and working to achieve higher customer satisfaction.

Additionally, Alpine is currently seeking to create products and services that will support next-generation car lifestyles

by deepening our core technologies and expanding specific technologies. We are actively working on development of a variety of advanced technologies related to ITS (intelligent transportation systems) and automated driving with automobile manufacturers and various companies and groups in the car electronics field.

### Becoming a company that brings about innovation in society

As the connection between human and automobile continues to evolve to the next stage through unceasing technological innovation, Alpine has established VISION2020, our corporate vision for the year 2020.

VISION2020 defines the Alpine of 2020 as a mobile media innovation company that will enrich your car lifestyle. Alpine will become a company that not only solves our customers' problems but also creates innovation for the automobile society and car lifestyles of the future.

We are also newly defining business domains to respond to changes in the market and economy by digging deeper in the existing domains of audio, visual, navigation, communication

and drive assist products while stepping into the more advanced domains of HMI (human machine interface) and driving support.

The foundation of VISION2020 is Alpine's philosophy of making humans the center of management activities. When formulating the vision, executives and mid-level employees from Japan and other countries representing the next generation took the lead in repeated discussions on what kind of company Alpine would strive to be in pursuit of continued growth from the standpoints of business, products/technology and organization/structure. Our human resources is the key to promoting VISION2020. With our human resources or, in other words, all our employees making the three C's (Connect, Change and Cost) their policy, we are steadily on the way to achieving the targets of VISION2020. "Connect" refers to the various connections, such as person to person and technology to technology, "Change" refers to the changes we go through as we respond to external change, and "Cost" refers to strengthening our competitiveness through effective investments. Based on these 3 C's, Alpine will grow as a company that delivers innovation to our customers.

### Each employee takes the initiative in CSR efforts

Companies today are expected not only to fulfill their responsibility to society and the global environment but also to work with all stakeholders and become a company that creates new value for a sustainable society.

Alpine has long considered CSR to be the very activities that embody our principles of respect for individuality, creation of value and contribution to society, and we have aspired to create social value through our day-to-day business activities. Each of our employees will continue to put Alpine's CSR philosophy into practice in their daily work.

Alpine will clear the path for car lifestyles that benefit both humans and the environment. We will do this while emphasizing our relationship with Iwaki City, Fukushima and the other local communities where our workplaces are located, our customers, suppliers, shareholders and investors and working with our partners to leverage each other's strengths.

June 2014

Providing a safe and enjoyable car lifestyle as a pioneer in the market in response to demand.

We deliver various systems and devices from the audio, visual, navigation, communication and drive assist business fields.

# N

## avigation

### Car Navigation

X009 [North America] BIG X [Japan]

We were the first to cultivate the model-specific market based on the concept of providing the perfect fit for specific models. We have developed the industry's largest monitor, which has received tremendous support. We launched sales overseas in 2013.



X009

BIG X

# V

## isual

### AV Head Unit

IVE-W555BT IVE-W585BT IVE-W554EBT  
[North America/Europe/Asia]

Enjoy Alpine's genuine customized sound and high resolution screens with DVDs and iPhones/iPods. This single device delivers the ultimate music and visual experience.



### Rear Vision

PCX-R3500B [Japan]

Enjoy terrestrial digital broadcasting and DVDs from the backseat as well on a large, vivid 10.2" screen. This is the industry's first product equipped with a plasma cluster air purifier.



# C

## ommunication

### Smartphone App

Tunelt  
[North America/Europe/Asia]

This system can be linked to "Tunelt," Alpine's smartphone app to enable various cloud-based services.



# D

## rive Assist

### Multi-view Camera

HCE-C212FD [Japan]

The combination of the front/side cameras, which ensure forward visibility, and the rear camera, which displays the rear blind spots, provides multi-view functionality. It assists with safe driving and smooth parking.



# A

## udio

### Speaker

DDL-R170S [Japan]

This is the best vocal speaker for transmitting everything including the artist's breathing. It is created with carefully selected components and materials in thorough pursuit of basic speaker performance.



### Amp

PDR-M65 [North America/Europe/Asia]

This leading edge digital amp produces crisp bass sounds with its superior damping factor (damping force on power amp speaker).



# S y s t e m S o l u t i o n

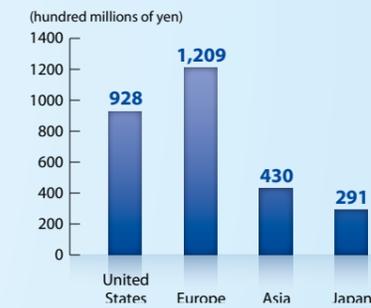
Alpine links devices to expand the joy of driving. For example, linking car navigation with the backseat monitor allows the car navigation to be operated from the backseat or for music to be played in the front and a DVD in the back.



We work to maximize corporate value through our global sales, production and development network.



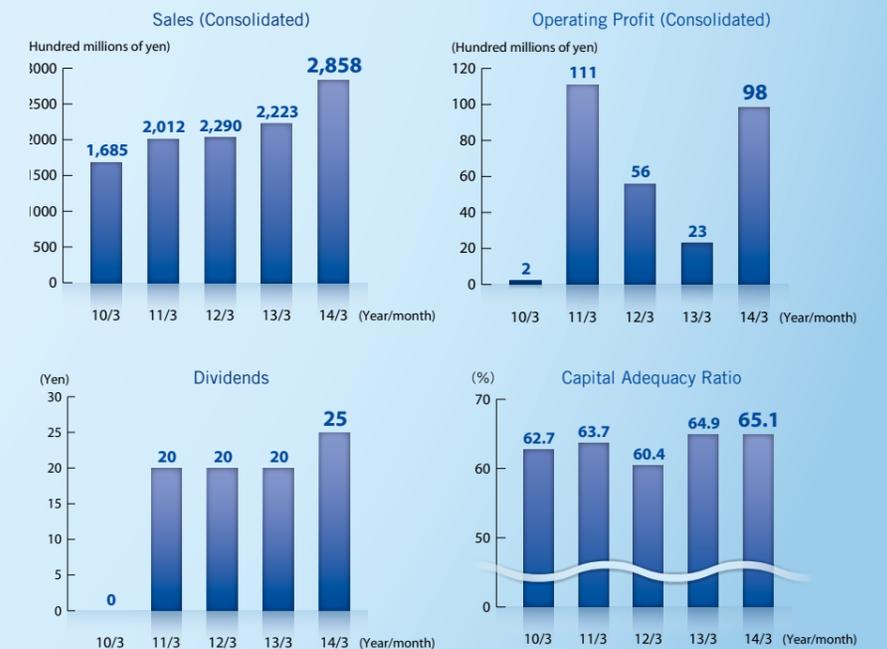
Regional Sales



Sales by Product Segment



Key Financial Data



**Alpine Electronics, Inc.**

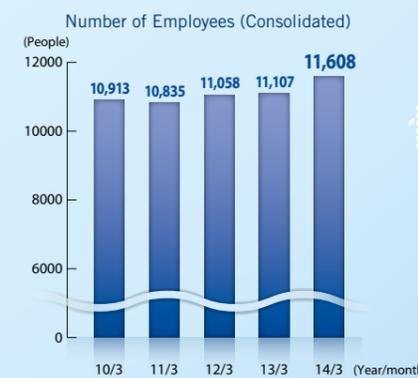
<b>Established</b>	May 10, 1967
<b>Capital</b>	¥25,920,590,000
<b>Employees</b>	11,608 (Total of 35 companies on a consolidated basis as of March 31, 2014)
<b>Business Description</b>	In-car Audio Products/ In-car Information & Communication Products
<b>Stock Listing</b>	1 <sup>st</sup> Section, Tokyo Stock Exchange
<b>Total Number of Shares Authorized to be Issued by the Company</b>	160,000,000 shares
<b>Total Number of Shares Issued</b>	69,784,501 shares

Tokyo: 1-1-8 Nishi-Gotanda, Shinagawa-ku, Tokyo 141-8501  
 Tel: +81-3-3494-1101 (main line)  
 Fax: +81-3-3494-1109

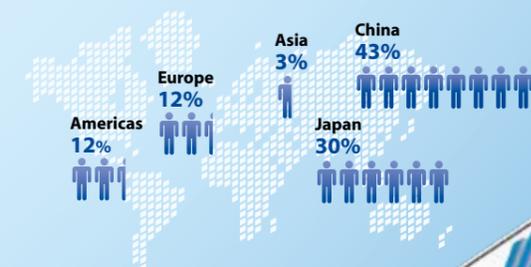
**Head Office**  
 Iwaki: 20-1 Yoshima Industrial Park, Iwaki City, Fukushima 970-1192  
 Tel: +81-246-36-4111 (main line)  
 Fax: +81-246-36-6898

**Executives**  
 Toru Usami, President & CEO  
 Hiroshi Morioka, Managing Director  
 Hitoshi Kajiwara, Managing Director  
 Seishi Kai, Managing Director  
 Satoko Hasegawa, External Director  
 Masataka Kataoka, Director  
 Koichi Endo, Director  
 Shuji Taguchi, Director  
 Toshinori Kobayashi, Director  
 Naoki Mizuno, Director  
 Yasuhiro Ikeuchi, Director  
 Katsumi Tobita, Standing Audit & Supervisory Board Member  
 Hideo Kojima, Outside Audit & Supervisory Board Member  
 Naoki Yanagida, Outside Audit & Supervisory Board Member

Employee-Related Data



Global Distribution of Employees





# ALPINE VISION 2020

This is Alpine's corporate vision drawn up for 2020. The direction, new business domains and business concept were put together to form a strategy for steady growth in the midst of a rapidly changing environment.



Vision Statement

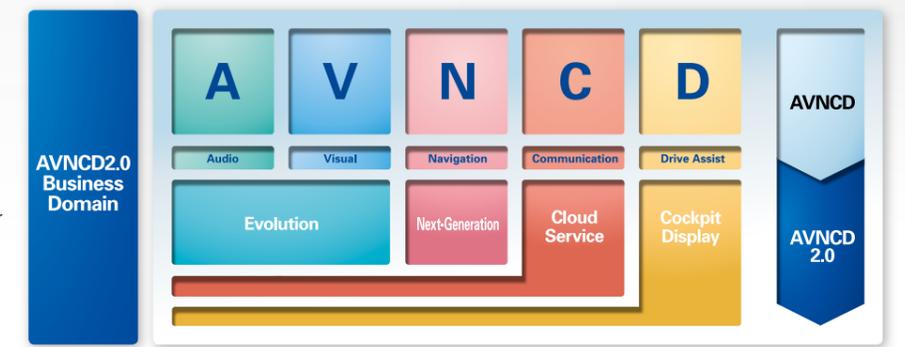
Alpine aims to be a Mobile Media Innovation Company that provides you with an enjoyable car lifestyle.

Corporate Message

**Driving Mobile Media Innovation**

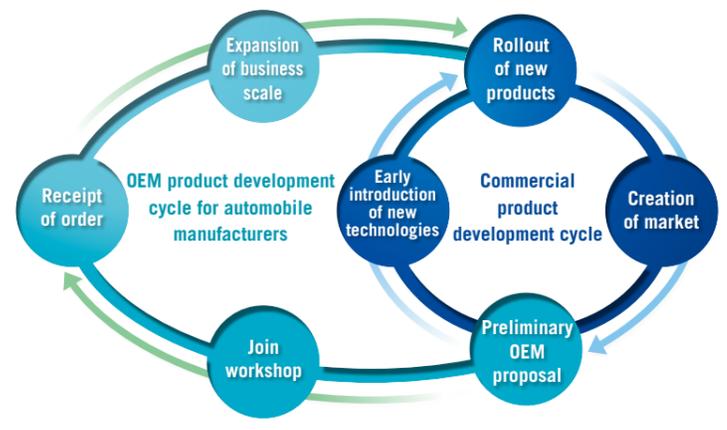
Business Domains

Since 2005 Alpine has defined our business domain as AVNCD (Audio, Visual, Navigation, Communication, and Drive-assist). The corporate vision established in March 2014 builds on AVNCD and expands in scope to include cloud, which connects the inside of the car with the outside world, and integrated cockpit, which meets advanced needs for car making of the future.



Business Model

Alpine's business is centered on the OEM business, which responds to advanced requirements from automobile manufacturers around the globe with proposals for various devices and systems, and the commercial business, which provides drivers with products of the Alpine brand born from thorough pursuit of customer value.



The advanced technology found in Alpine's commercial products and the value created is applied to OEM products. The quality and reliability cultivated in OEM products are applied to commercial products. The synergy between the OEM and commercial businesses accelerates improvement of brand value and expansion of the businesses.

Alpine's CSR efforts are the very business activities that embody our principles.

Positioning of Alpine's CSR Activities



To strike a balance between social and corporate value

Alpine considers CSR the very business activities that embody our corporate principles. Our corporate principles, which are the unchanging values that will ensure our perpetuity, and our corporate vision, which is the ideal to which we strive in order to achieve those principles, are shared by all employees. Each individual pursues the ideal of CSV (Creating Shared Value) to strike a balance between social value and Alpine's corporate value in their day-to-day work as they engage with our stakeholders.

At Alpine, we have established a CSR Committee that plays a central role in the management system that supports the CSR activities of the entire group. It consists of eight subcommittees that discuss how to respond to stakeholder requests and social problems in each specialized field to ensure proper policies are in place. In doing so, the committee guides the decisions and actions of our individual employees.

Alpine's CSR activities take place at 42 facilities in 15 countries and go beyond differences in history, culture and values. Using ISO 26000 as a guide, we have established

our own CSR guidelines to verify our CSR activities from a global perspective. Through the CSR Committee and our CSR guidelines, Alpine has built a system to support the management and CSR activities that are conducted through the day-to-day efforts of our employees.

We believe that in an age of rapid change, it is employees identifying and sharing targets that will serve as the foundation for fulfilling our corporate social responsibility and growing as a company.

Alpine will continue to work on taking our CSR activities, which embody our principles, to the next level.



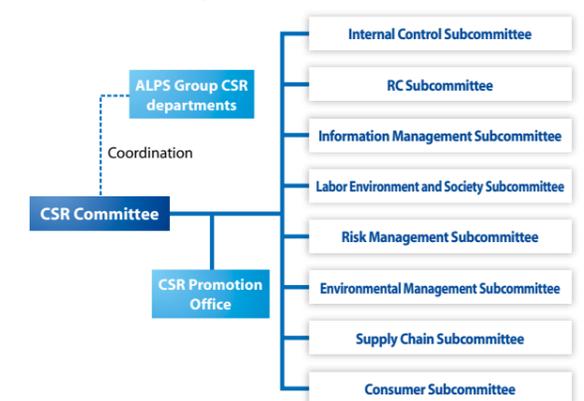
**Seishi Kai**  
CSR Committee  
Chairman and  
Managing Director

Alpine's CSR Guidelines



These guidelines represent the ideal to which we strive for each priority of CSR activities prepared based on our corporate principles and ISO26000 in order to clarify our group policies and address the requirements of our global stakeholders.

CSR Promotion Organizational Chart



The organization is comprised of subcommittees covering matters set forth in ISO 26000. Each subcommittee prepares annual targets and action plans to implement the PDCA cycle. They are active on a global scale, coordinating with overseas subsidiaries and the ALPS Group.



# Feature 1

## Creating a Rich Society with New Technology

Our desire is to be a company that creates new value to solve the challenges faced by an automobile society. We want to be a company that delivers products and services expected by the market in a timely fashion. This feature provides information on our research and development activities carried out in collaboration with various partners.



"Premium Cockpit" with next-generation in-vehicle equipment

### ❖ Study of Driver Psychology to Achieve Safety and Comfort

Needless to say, in-vehicle equipment is operated by humans. In order to create devices that can be operated safely and comfortably or that deliver inspiration and joy through video and sound, it is necessary to be familiar with the psychology of people in cars. At Alpine, we are working on an



Experiment using driving simulator that scientifically evaluates relationship between people driving and in-vehicle equipment

industry-academia joint study using a driver simulator with a university. Reproducing various driving situations, we monitor the driver's condition and perform analyses. We will use this knowledge to develop innovative human machine interfaces.

### ❖ Cockpit Offering Smooth and Easy Access to Various Information

Alpine proposes futuristic car cockpits that incorporate various new technologies that connect humans and automobiles. We are developing never-before-seen systems that support driving by perceiving the driver's line of sight and hand movements

and predicting behavior. For example, information displays are seamlessly integrated with the interior, and when your hand is brought near, the menu buttons get bigger for easier operation. We are looking to innovate the cockpit in ways such as this.

### ❖ Car Life Innovation Through Collaboration with Advanced IT Companies

Alpine was the first among car electronics manufacturers to establish our own Alpine Silicon Valley in San Jose, California in the United States where many world-leading IT companies are located. We actively interact with giants from the fields of smartphones, tablets and cloud services and budding

venture companies alike. We are engaged in various activities based on themes such as creating businesses in the in-vehicle cloud domain, evolution of smartphone-based services and support for new devices like wearable terminals.



Alpine Silicon Valley possesses research functions in cutting edge IT domains

### ❖ Tackling Energy Problems as a Manufacturer of In-Vehicle Devices



New model from EV (electric vehicle) project in which Alpine participates

Alpine is a participant in the SIM-Drive Corporation development project based on the theme of popularizing EVs (electric vehicles). We supply EV navigation systems and space-saving speakers for new SIM-Drive vehicles designed to be faster and more fuel (electricity) efficient EVs. Our EV navigation systems

contribute to driving range extension through eco route suggestions and control of air conditioning, which consumes large amounts of electricity. Our space-saving speakers are compact, lightweight and consume less power while creating the kind of high-quality acoustic space that only Alpine can.



### Emphasizing Customer Value Over Technical Value

Masaru Yagi, Senior Manager Product Planning Department

Alpine is a company that brings technology not found anywhere else to the market ahead of our competitors. In other words, we work on industry-leading products. However, it's pointless to have industry-leading technology and performance, if they do not resonate with customers. We emphasize technical value, but we emphasize customer value more. By thoroughly engaging in massive user research, including customer use case (system usage examples) studies and group interviews, we seek to create products that surpass the latent needs of our customers.

Voice



# Feature 2

## Supporting Next Generation Growth



Donation of teaching materials to Wat Phou Elementary School

As Alpine sets up workplaces, various interactions with the local community are born. This feature highlights exchanges led by employees all over the world with children who will be the central players in the future and students who will become leaders.

### Interaction with Elementary School Students from Ayutthaya

In 2013, Alpine Electronics of Asia Pacific actively engaged in support activities for local elementary school students in Thailand where the company is based. The activities were born out of the opinion that the company should promote coexistence with the local community on a deeper level through small group activities within the company. Employees that looked into specific activities wanted to find a way to support the people of the Ayutthaya region, which was heavily damaged by flooding in Thailand in 2011, and decided to collect donations for the local elementary school. Additionally, two schools were selected together with the non-

profit organization that administers Daranee Scholarship Fund with which the company had ties through scholarship support. One of the schools was Wat Phou Elementary School. Due to geographical and climate conditions, the school was submerged in flood waters for about a month every year, preventing the children from going to school during that time. In July 2013, members visited the school and talked with the principal. He explained that the school was experiencing difficulty because it was small, making it hard to attract teachers. Since there are no teachers specializing in science and other subjects,



Children observing demo car equipped with Alpine products



Handing out sweets to children

videos are shown of classes at a large school, and these are used as teaching materials. However, they did not have sufficient equipment to record the videos, so the children could not learn enough. Employees donated two hard disk drives for recording data and also held an event to interact with the children. A demo car equipped with Alpine products was brought to familiarize the children with the company, and they were allowed to get hands-on experience with the products. Various comments were received from the children, such as, "I had never heard of Alpine before, but when I grow up, I want to have a car like this (demo car) that I can listen to music in" and "I want to

be able to speak English like them (Alpine employees)." The other school was Vat Gopai Elementary School. This school also suffers from a lack of teachers, with 110 students for five female teachers. The education environment is anything but ideal, two grade levels being taught in a single class. The children's economic circumstances are also dire, school expenses being

covered by government subsidy and lunches being provided by farmers. In the midst of this, every year the school is flooded, and the employees noticed that playground equipment was rusted and ready to break. They decided to donate new playground equipment and repaint the old equipment. The children were delighted, saying things like, "When I got to school and saw the new playground equipment, I thought it was a dream" and "The old equipment has also been painted in pretty colors, so I thought it was new."

Several employees had positive things to say after interacting with the two schools, such as, "I hope that we were able to be of some help to the children and that they will find a connection with Alpine somewhere down the road" and "I'm glad we were able to provide

the support, but I'm even happier that there is more communication now among my colleagues." Alpine Electronics of Asia Pacific is looking into providing ongoing support.



Group picture with children at Vat Gopai Elementary School



Restoring rusty playground equipment with paint

### Support Activities for Next Generation in Each Region

#### Participation in Global Social Education Group

In the United States, many employees participate in the activities of the YMCA (Young Men's Christian Association). In 2010, in recognition of our employees' efforts over the years, including contribution as members and leaders, equipment donations and participation in charity events, we received the "Community Partner Award."



#### Manufacturing Classes

At Alpine Manufacturing's Onomachi Plant, we engage in community exchange taking advantage of our characteristics as a manufacturing company. Starting in 2012, we began holding a visiting manufacturing class at local elementary schools. In 2013, the class was held 13 times.



#### Support for Free Children's Facility

In China, the labor union has taken the lead in supporting the operations of "Sun Village," a facility that provides full support to unfortunate children to foster their growth, including clothing, medicine and education. In 2013, 30 members went to visit the facility and donated stationery and daily necessities. They also purchased six fruit trees from within the facility and donated the harvest.



#### Donation of PCs to Under-Funded Kindergarten

In Hungary, we provide support to educational institutions without sufficient funding in collaboration with a charity organization in hopes of promoting children's learning. In February 2013 we donated 10 PCs to a kindergarten in Tabajad.



# Alpine's Business Activities

## Human and technical network for creating future value

Alpine is setting up bases all over the world as we seek to create innovative and original products and services to enrich the car lives of our customers. We are thoroughly focused on the customer in all our business activities and are pursuing value that only we can provide while emphasizing our relationship with the global environment and society.



# Marketing

We are breaking new ground in the mobile media market for diverse car lives.

### Participation in motor shows in various countries

Introducing Alpine to the masses

Alpine participates in motor shows and electronics exhibitions in Japan, North America, Europe, China, Asia and other countries all over the world, including emerging ones. These are forums where visitors experience the latest products, services and Alpine technologies and we are able to get direct feedback from customers. We also utilize these events as opportunities to interact with automobile manufacturers.

### Pursuit of Alpine Premium

Creating impressively differentiated value

We refer to the appeal that from the customer's perspective can only be found in Alpine as "Alpine Premium" and are working on its creation. We will deliver products and systems with original value and prices while exercising the skills of our mobile media specialists based on a thorough understanding of our customers and their cars and car lives.

### Example Activity

#### Training marketing persons that know our customers

Being familiar with our customers, their cars, their lifestyles, etc. is precisely what allows us to deliver highly satisfying products and services. Our business partners, the automobile manufacturers, also expect us to come up with customer-focused proposals. Based on this thinking, Alpine seeks to train marketing persons that know our customers.



# Marketing

# Research and Development

# Research and Development



**We will continue striving to improve our core technologies to revolutionize the relationship between humans and cars.**

We are working to strengthen the technical foundation for creating highly functional and reliable products and to incorporate market-leading cutting-edge technology in a speedy fashion. Alpine continually changes and polishes our core technologies.

### Approach to cloud domain

Utilizing various information from inside vehicles

It has become commonplace for external information from smartphones and other devices to be imported to and utilized within vehicles. In April 2013, Alpine released our own smartphone app called "Tunelt," which allows users to obtain settings data from the cloud and adjust the sound of their car audio system.



Alpine product supporting Tunelt

### Analysis of customers' car lifestyle and values

Aiming for model and individual optimization  
Alpine is engaged in product development with a focus on the characteristics of cars and individuals. We analyze the car lives and values of customers that purchase a particular model of car. We propose fun mobile spaces that match each customer, centered on large navigation systems with exclusive designs and rear vision systems that draw out the appeal of cars.



Alpine navigation system optimized for specific vehicle model

### Alpine's R&D

Technical domains to lead the market: **HEADS**

Alpine has established technical domains in which to create advanced products and is promoting research and development in those areas.



Premium car featuring Alpine products

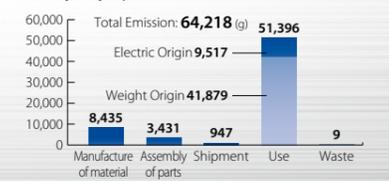
<b>Human Machine Interface</b>	Comfortable communication between humans and in-vehicle devices	<ul style="list-style-type: none"> <li>• Driver friendliness</li> <li>• Big data utilization</li> <li>• Personalized HMI with server connection</li> <li>• In-vehicle high image quality display</li> </ul>
<b>Evaluation</b>	Integration of field evaluations and simulations	<ul style="list-style-type: none"> <li>• Knowledge on in-vehicle device evaluation</li> <li>• Driver distraction assessment</li> <li>• High-confidence simulation</li> </ul>
<b>Acoustic</b>	Car acoustic specialists	<ul style="list-style-type: none"> <li>• In-vehicle sound quality</li> <li>• Sound processing technology</li> <li>• Multiple information/sound tracks</li> <li>• Operation/action sound inside/outside of vehicle</li> </ul>
<b>Digital Media &amp; Mechatronics</b>	Market-leading media/mechanism originality	<ul style="list-style-type: none"> <li>• Integrating advanced media with in-vehicle devices</li> <li>• Advanced introduction of cloud service to in-vehicle devices</li> <li>• High quality mobile mechanism</li> <li>• Cost conscious mechanism</li> </ul>
<b>System Integration</b>	Multifunctional large-scale products	<ul style="list-style-type: none"> <li>• Establishing safety culture</li> <li>• Improving quality management</li> <li>• Responding to demand for high quality per customer/market</li> <li>• Coordinating in-vehicle devices with vehicle itself</li> <li>• Catchup for V2X</li> </ul>

### Example Activity

#### Working on reducing environmental impact throughout the entire product lifecycle

We are promoting LCA (life cycle assessment), which provides a quantitative assessment of environmental impact, as an indicator of the results of environmentally-conscious design. With particular emphasis on the weight of products affecting automobile mileage, we pursue designs that give thorough consideration to the global environment from circuit and product structure to selection of parts and materials.

CO<sub>2</sub> emission of ICS-X7 classified its life stage (surveyed by Alpine)



# Material Procurement



**We partner with suppliers all over the world in pursuit of high-quality parts with low environmental impact.**

The department that procures parts and other materials takes on various challenges to ensure the required quality, to create functionality not currently available and sometimes in aims of making it possible to create products with even less environmental impact.

## Advanced development purchasing activities

Creating new products of optimal quality and cost

The members of the Purchasing Department, which is in charge of parts procurement, and the Engineering Department, which is in charge of new product development and design, collaborate and engage in discussions for the development of new products, where new parts become necessary. They leverage their respective knowledge and select parts that feature a balance between quality and cost in order to reliably and efficiently bring about the functions required in the product.

## Material procurement risk measures

To promise stability in product provision

Alpine maintains a system of 365-day preparedness for disasters and incidents in collaboration with suppliers so that the production lines never stop due to running out of parts. In addition to the emergency contact system in place for suppliers to contact the Purchasing Department and the availability of a disaster e-mail address, we have put together a system for acting quickly to address incidents that occur.

### Example Activity

#### Green Purchasing

We promote environmentally friendly manufacturing based on close collaboration with our suppliers. As of fiscal 2010, all our suppliers have obtained ISO 14001 certification. Furthermore, starting in fiscal 2011, we have been carrying out detailed material and contained substance surveys in accordance with the standards recommended by the Japan Auto Parts Industry Association (JAPIA).



# Manufacturing



**We pursue high-quality manufacturing all around the world while giving consideration to environmental impact.**

Alpine has developed a global production network that covers the five regions of Europe, North America, Asia/China and Japan. We produce various products at the optimal facility considering such factors as customer convenience and impact on the global environment.

## Global manufacturing network

Leveraging market-based advantages

With Made in Market as our basic policy, Alpine has manufacturing facilities around the world based in markets in each region. This enables supply of products that reflect environmental changes and demand trends in a timely manner. Additionally, manufacturing activities carried out in close proximity to markets lead to reduced environmental impact and cost associated with transportation.

## Integrated system within group

Giving shape to Alpine-esqueness

By manufacturing the parts that account for the reliability and design of our products within the Group, Alpine is able to improve quality and respond to market demand. For example, by being involved with everything when it comes to the nose (external parts) of the product, starting with dies, which could be called the core of manufacturing, we closely create the feel sought after by customers.

### Example Activity

#### We promote business activities conscious of the global environment in which all employees come together as one

At group company Alpine Precision, which is in charge of manufacturing, we seek to engage in business activities that consider the global environment through all-hands activities. We work to conserve energy and resources, reducing hazardous chemical substances at our plants and shifting to paperless operations and thoroughly conserving electricity at our offices. We are also actively carrying out beautification and greening activities around our workplaces.



# Supply Chain



The whole company comes together to work on consideration for the global environment and solving our customer's challenges.

Alpine products are delivered to end users through various distribution stores and domestic/foreign automobiles. We continually work on improving logistics from our manufacturing plants to our customers' locations and after-sales support.

## Customer satisfaction surveys

Comprehensive assessment of supply chain

Alpine conducts customer satisfaction surveys on various elements related to our supply chain, including quality, system supply capabilities, business speed and after-sales service. Measures to address issues uncovered within the research results are incorporated into the mid-term plans of our departments, and progress is checked regularly.

## Trade management

Compliance in international distribution

Exported cargo and technology provided to overseas companies are checked carefully to see whether legal restrictions apply using a database system. Moreover, we are thorough in the guidance provided to domestic subsidiaries on proper procedures and management related to exports. The Alpine Group as a whole works together to establish a compliance system that takes into account security export control.

### Example Activity

#### By innovating our packaging construction and materials Alpine has reduced CO<sub>2</sub> emissions during shipping.

In 2013, we made the packaging for our customer displays more compact. The number of units per carton went from five to twelve, allowing us to increase the loading capacity per shipment. This kind of packaging improvement is achieved with the cooperation of our customers who agree to changes in carton sizes and packaging material.



# Quality



We deliver highly reliable products based on an evaluation system developed specifically for in-vehicle environments.

Field tests are conducted at our Evaluation Center and test courses to ensure stable operation and ease of use under harsh conditions, such as vibrations and impact during driving, sunshine and temperature changes. Our quality evaluation system is established based on the precious data from those tests and high precision analyses.

## Our own definition of quality

For appealing quality that goes beyond customer expectations

Alpine defines the ideal product quality as "appealing quality." Appealing quality refers not simply to the superiority or inferiority of product functions but to the characteristics of a product that allow customers to experience a thrill that surpasses satisfaction by providing value to their car life that exceeds their expectations. Alpine is committed to increasing the number of Alpine fans among our customers by delivering products that feature appealing quality.

## Sharing of Information on Past Problems Among Employees

Establishment of Important Quality Characteristic Exhibit Room

We have established an "Important Quality Characteristic Exhibit Room" and have made training that utilizes this room mandatory for all employees to share information on past quality problems so that they do not fade from memory and ensure that they do not recur. The actual item along with a description of the incident that led to the quality problem and feedback from the affected customer are displayed and used as lessons for product development and manufacturing.

### Example Activity

#### Improvement of Quality Inspection Capabilities

We have introduced nondestructive testing combining high-sensitivity infrared cameras and the lock-in technique\*1 at our Evaluation Center and have put together a top-level inspection system that allows us to quickly and accurately analyze defects invisible to the naked eye and tie that in to improved quality.

\*1 Lock-in technique: A technique that allows the depth of heat generating spots and heat sources to be specified in high resolution by adding pulsed microvoltage to the target.



# CSR Activity Highlights 2013

We aim to coexist with the global environment and society to become a company that contributes to the creation of a sustainable mobility society. Alpine is engaged in activities all over the world based on our mid-term CSR plan. The following are the main happenings and ongoing efforts of 2013.



**We promote environmental conservation efforts in our general business activities.**

## Global Environment

### Introduction of Clean Energy

Alpine is working to reduce our consumption of electricity and other forms of energy and active introduction of clean energy in order to reduce CO2 emissions, which are the main cause of global warming. We have currently installed solar power generation systems at three workplaces to cover some of our power consumption: Alpine Giken, Alpine Manufacturing (Yoshima Plant) and our head office in Iwaki.



Solar panels (Iwaki Head Office)

### Management of Chemicals

Regulations for certain designated chemicals are becoming increasingly strict, particularly in Europe. Although the controlled substances are useful in manufacturing products, they are known to be hazardous to the environment and human health. In order to minimize the use of these chemicals, Alpine has constructed a database to manage the data concerning designated chemicals contained in procured materials and products under development, allowing us to take preemptive measures right from the design stage.



Fluorescent X-ray analyzer

### Participation in Local Cleanup Activities

In Hungary, we participate in spring cleanup activities carried out yearly in Biatorbagy where our workplace is located. In 2013, a total of 30 employees picked up trash in empty lots beside the highway as requested by the city. They worked for over an hour and picked up a greater volume of trash than expected. Afterwards, participants said they felt a sense of fulfillment and looked forward to participating again the next year.



Cleanup Activities in Hungary

### Recognition of Environmental Activities by Local Government

In Japan, Alpine Giken won the grand prize in the office category\*1, and Alpine Precision won the grand prize in the manufacturing category of the Fukushima Protocol global warming prevention project organized by the prefecture of Fukushima\*2. They were recognized for their employee education activities and company-wide energy saving activities on top of the actual CO2 reductions they achieved.

\*1 Alpine Giken has won the grand prize four years in a row.  
\*2 Out of a total of 2,030 organizations



Recognition ceremony

### Mountain Stroll & Trash Pickup

Since 2010, Alpine has held a regular (annual) event in China on the theme of expressing love for nature. The event involves taking a walk on mountain paths and getting close to nature while picking up plastic and other trash found along the way. In 2013, the event was held in June, and around 100 employees and family members participated. We are also engaged in various other efforts such as tree planting activities and cherry tree donations in aims of training human resources that will cherish nature.



3rd Expressing Love for Nature Event

## Voice

### Valuing emphasis on the small things

Mu Naichun

Product Development Department,  
Dalian Development Center  
Alpine Electronics (China)



Protecting the global environment for the future is an obligation of those living today, and everyone should be aware of this as they go about their activities. Those of us at the development base in China are raising our environmental awareness by emphasizing the small things through efforts such as reducing paper usage and separating garbage. We believe this heightened awareness will also lead to the development of environmentally friendly products.

## Risk Management

### Aiming to become a more trusted company

#### Strengthening of Business Continuity Plan

To ensure sustainability and reliability of our corporate activities, Alpine analyzes a wide range of possible risk factors. The risks are categorized into "Disaster risk", "Infection risk", "Business risk" and "Information risk", each backed by advance crisis countermeasure actions, and in case of emergencies minimize the damages incurred. Additionally, to ensure the safety of our employees and their families and minimize the impact on our customers in the event of an emergency situation, we have established a business continuity plan corresponding to changes in the environment. In fiscal 2013, we enhanced our business continuity plan as it relates to our IT infrastructure and facilities based on the lessons learned from the Great East Japan Earthquake.

#### Safety and Security Following Earthquakes

We are continuing to create an environment where employees and their families can live with a sense of security in Fukushima where the effects of the nuclear power plant incident that occurred during the Great East Japan Earthquake are still being felt. A radiation monitoring post has been set up on the premises to provide a visual indication of safety. We also purchased a bus-mounted whole body counter to measure internal exposure. University professors specializing in radiation also come for consultations based on the measurement results.



Radiation monitoring post

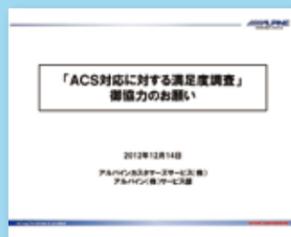
## Customer Satisfaction

### To deliver a thrill that surpasses satisfaction

#### Customer Satisfaction Surveys and Follow-up

Alpine Customer Service, which is in charge of customer support, conducts a satisfaction survey (once a year) in order to respond to the requests of distributors and feedback from customers who have used our product repair services. We identify the things that need improvement from the opinions collected and then consider and implement appropriate measures. In fiscal 2013, we improved the speed at which repair parts are supplied and reviewed the repair part transport system, making improvements to five items in response to opinions received.

We also regularly visit our distributors to provide explanations of the measures and follow up after rolling them out and are tying these efforts into further improvements.



Customer satisfaction survey sheet

### Voice



**Aiming for maximum satisfaction with repairs**

**Matthew Young**  
Lead Technician, Direct AFT Department  
Alpine Customer Service America

Our job is to return repaired products to customers that have been inconvenienced with product defects as quickly as possible and make sure that it never happens again. Always utilizing the latest information, knowledge and tools, we continuously put ourselves in our customers' shoes and ask ourselves if our handling of the situation would satisfy us if the roles were reversed in order to achieve maximum satisfaction with respect to our repairs. My policy is that ultimate products + ultimate service = customer satisfaction.

## Employee Satisfaction

### To create workplaces where each individual can shine

#### Global Human Resources Development

Alpine is pouring efforts into development of human resources that play active roles all over the world. In fiscal 2012, we launched a Global Human Resources Conference for executive candidates that brings together persons responsible for human resources from our main corporate centers. In fiscal 2013, we held an executive training program in the United States based on the contents of this conference. We plan to hold the program in Germany in fiscal 2014 and will expand it to our corporate centers all over the world.



Executive training

#### Work-Life Balance

For the purpose of promoting a flexible way of work for employees, Alpine has instituted maternity leave before and after birth, parental leave, elder care leave, and flexible working hours in order to support our employees during important life transitions, which include giving birth, raising children and caring for the elderly, something that is likely to become more common in the future. 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.

## Local Contribution

### Together with local community growth

#### Charity Support

In the UK, we have supported local swimming club, hospices, special schools and other worthy causes through donations to many different charities over the years. In 2013, a system was launched to allow all employees to sign up for donations the company collects. Employee wishes are also reflected in the selection of charities, and support activities in line with local needs have been taken to the next level.



Interaction with swimming club

### Voice



**Interaction with swimming club**

**Nicholas Hook**  
Project/CAD Design Engineer  
Alpine UK

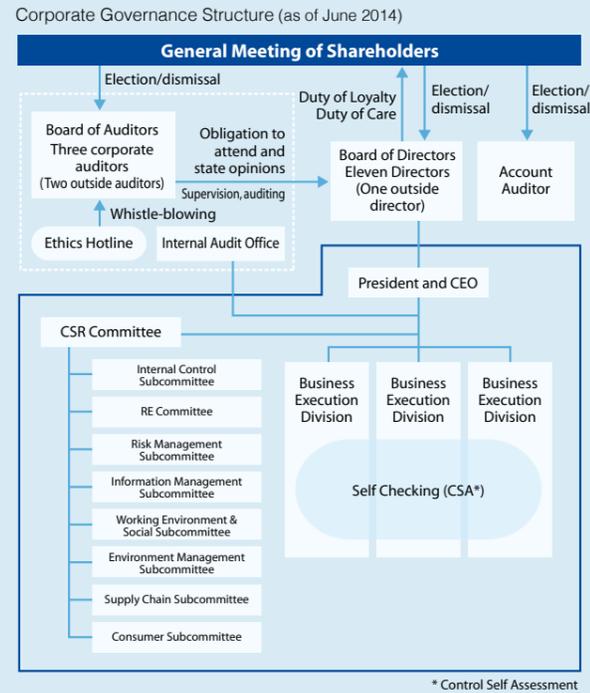
For many years, Alpine UK has supported the local community through donations. The wide range of recipients includes hospitals, schools and Alzheimer's patient support groups. Recently, we provided support money to a municipal swimming club. Club members standing tall with T-shirts bearing the Alpine logo went all the way to the national championships. We felt as though we were right there with them, so it was a positive experience for us as well.

# Corporate Governance

To become a company trusted by customers and society. Alpine is thorough with compliance across the group, observing laws, internal regulations, social norms and ethics.

## Corporate Governance Structure

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



## Compliance Structure

The basic rules that employees are to observe in order to act fairly and appropriately as members of society have been laid out in the Alpine Ethical and Legal Compliance Policy, which has been rolled out to all companies in the group. Regulations reflecting the laws of each country have been added at each location around the world to implement guidelines that bear closer relevance to daily actions. Additionally, internal media such as e-Learning and Legal News is utilized to actively address issues such as spreading specific legal knowledge and improving individual awareness.

Alpine Ethical Guidelines (Alpine's Ten Commandments)

Category	Guideline	Description
Person	Personal Information	Disclosure of personal information is prohibited.
	Ban on Discrimination	Violent force and language, sexual harassment, and discrimination are prohibited.
Object	Product Safety	Give due consideration to the safety and quality of products.
	Environmental Concern	Give due consideration to 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.
	Donations and Reception	Receiving donations and reception beyond a reasonable extent is prohibited.

## Compliance Education

At Alpine, the legal affairs departments at each corporate center in Japan, the United States, Europe and China carry out compliance education according to regional characteristics.

Fiscal 2013 compliance education

Region	Education Activities
Japan	Ethics education for engineers was carried out for new recruits, contract management, antitrust law and human rights/harassment education for new managers and case studies by area (antitrust law, bribery, etc.) for employees transferred overseas, while antitrust law education was carried out for the sales department.
USA	Educational activities were carried out with respect to antitrust law, risk management for open source software, driver distraction regulations and human rights/harassment.
Europe	Seminars were held for employees dealing with antitrust law, British anti-bribery law, risk management for open source software, international contract management, etc.
China	Educational activities were carried out with respect to antitrust law, anti-bribery/anti-corruption law, the automobile recall system, contract management, etc.

# ISO 26000 and Alpine

Alpine uses ISO 26000 as our guideline for working on continuous improvements to our CSR activities from a global perspective.

The following is a list of efforts that were newly implemented or expanded in 2013 and how they relate to ISO 26000.

	Major Efforts in 2013	New/Expanded Efforts in 2013	Relevant Page
Organizational Control	Maintenance of appropriate corporate governance/internal control system		30
	Development and rollout of business continuity plan (BCP)	Expansion of BCP related to IT infrastructure and equipment	28
Human Rights	Promotion of human diversity	Promotion of barrier-free premises	-
	Promotion of CSR throughout supply chain	Business condition report meeting for trading partners at main manufacturing bases in Japan and other countries Achievement of improved level of security through trading partner information security surveys and follow-up meetings	24 24
Labor Practices	Global human resources development	Launch of executive candidate development program at main corporate centers Local subsidiary human resources development meeting at main corporate centers	29 -
	Creation of pleasant working environments	Introduction of systems matching local characteristics (Flex-time program, etc.)	-
	Promotion of employee health	Easing of worries about radiation exposure through collaboration with NPOs/university professors and utilization of whole body counters	28
	Creation of opportunities for management-labor dialogue	Launch of workplace improvement program led by labor committee	-
Environment	Creation of framework for environmental activities	Development of global environmental management system and establishment of global targets for greenhouse gases	-
	Development of environmentally friendly products	Participation in SIM-Drive 4	14
	Environmentally friendly distribution	Improvement of packaging materials/method and distribution route	24
	Green procurement	Requests to trading partners for consideration of environment and surveys on present conditions	22
	Environmentally friendly workplaces	Improvement in air conditioning by switching to outside air inside environmental testing room/Use of exhaust heat Introduction of carbon offset program for company cars	- -
	Employee environmental activities	Expansion of tree planting activities all over the world	-
		Expansion of all-hands environmental activities and recognition by local authorities (three bases)	27
Fair Business Practices	Thorough compliance education	Compliance education at main corporate centers in Japan and other countries tailored to local characteristics	30
	Thoroughly Fair Competition	Revision of pledges by customers and trading partners in emerging countries	-
Consumer Issues	Strengthening of ties with customers	Introduction of new tool providing web-based link between car dealers/distributors and customer service office Strengthening of customer service at main corporate centers (increase in number of staff, etc.)	- -
	Creation of high-quality products	Introduction of non-destructive testing to improve analytical capabilities	25
	Strengthening of after-sales service	Customer satisfaction surveys and improvement of five items based on results Enhancement of service through subsidiary of American customer service company	28 -
	Protection of customer data	Improvement of information management policy and methods related to external storage media Information ethics education for all workers on Alpine premises	- -
Community participation and development	Activities aimed at solving social problems	Expansion of manufacturing classes for students at manufacturing bases	-
		Support for disasters such as typhoon in the Philippines through provision of supplies and donations Expansion of charity participation program	- 29

A table listing CSR activities and how they relate to ISO 26000 can be found on the website. <http://www.alpine.com/e/csr/iso26000/>

**ALPINE ELECTRONICS, INC.**  
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