

clarion



Clarion Report 2010

Company Profile / CSR Report



clarion

<http://www.clarion.com/>

Clarion Co., Ltd.

Headquarters

7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-0081, Japan
TEL: (81) 48-601-3700

Clarion Co., Ltd.



Creating a Future for Cars and the Earth, as an Environmentally Advanced Company.

Tatsuhiko IZUMI
President



In 2010, Clarion celebrated its 70th anniversary. Ever since its founding, Clarion has always moved forward together with the culture of automobiles, seeking to create a better link between sound, information, and human interaction. As part of the branding strategy that has taken shape over the many decades of our history, we have set for ourselves a goal of “creating 10 core fans of Clarion rather than 100 people that just know our name”. In order to develop our brand into one that is “loved by 10 rather than known by 100”, we will continue to provide our customers with great satisfaction and joy, as a company that is truly needed by society.

A Global Strategy that Quickly Recognizes World Trends

The world economy has entered a period of drastic reform, with the entire planet becoming a market embodying a multitude of unforeseen possibilities. Clarion regards this change as a chance — a timely opportunity to reform its business structure. We are therefore promoting the construction of a system which can accommodate global market changes more quickly, by shifting the distribution of management resources to key growth areas, and other means. This not only makes further growth possible, it will also enable our rebirth as a solid, profit-generating institution. Clarion will thus be transforming itself into a “strong company” in the true sense of the word.

What’s more, Clarion is bolstering strategies that recognize and target high-growth markets of newly developing countries that have shown rapid growth in the automotive industry in recent years. We are implementing a strategy to boost efficiency by allocating development resources to different areas — for example, developing content and standard software pertaining to safety and security in Japan, while developing applications and entertainment related material in overseas. Various environments throughout the world are changing at an accelerated pace. That is why Clarion keeps its gaze fixed solidly on the future as it delivers new future-oriented products in a timely manner, and actively promotes the development of brand new markets.

Developing Next-Generation Products that are Friendly to People and the Environment

Current market trends have seen a shift from conventional high-functionality products, to products with standard specifications that can be expanded and upgraded according to user needs. In view of the global trend toward standardization, we at Clarion have reinforced our product development system early on in order to create products that accommodate these changes in the market. At the same time, our company has long pursued the development of products that offer a sense of safety and security, in consideration of the growing elderly population among industrialized nations. In addition to supporting safe driving through on-board cameras and image processing technologies, we have also succeeded in providing a safer driving environment through the integration of car navigation and vehicle control functions.

Moreover, we are promoting the development of an in-vehicle information terminal that is designed for the age of eco cars, where hybrid and electric cars will become the mainstream. Eco cars require vast amounts of new information that didn’t exist for gasoline-burning vehicles, such as energy flow data, navigation to charge stations, network data supporting smart grids, and so on. There needs to be a central unit to control all this information, and Clarion’s forte, the in-vehicle information terminal, is exactly that. Clarion is currently in the process of co-development with a number of car manufacturers, and has succeeded in launching products to give our company a substantial lead over others in the field. By further strengthening these new domains, we intend to contribute to the development of a society that is safe and friendly to both people and the environment.

Environment-Conscious Activities as a Sustainable Society

Perhaps the most serious environmental situation the world faces today is global warming. Its ill effects transcend national borders, and are worsening at increasingly greater speed. Its seriously negative impact upon the ecosystem has brought environmental countermeasures to the forefront as an increasingly important issue for corporate social responsibility.

At Clarion, we have positioned these environmental issues as business challenges, and are implementing environmental management throughout all our business activities including product development. In keeping with our aspirations to be a “company that is truly needed by society”, environmental considerations and activities such as these will be mission-critical to our enterprise.

What’s more, in the current automotive market where hybrid and electric cars are gaining more attention, it is easily conceivable that eco friendly functions and considerations will become increasingly important in the in-vehicle equipment that Clarion provides. By understanding these worldwide situations and providing eco friendly products, Clarion will contribute to the advancement of society and the well-being of our global environment.

To Our Stakeholders

To our customers, I wish to state that we will go on finding out user needs as quickly as possible, to provide unique products that incorporate the latest innovations. We will not rest as we continue to create products that offer true satisfaction, comfort and joy to our customers.

To our shareholders, I am happy to say that Clarion has recovered from the critical situation triggered by the global downturn in automotive and other markets that started two years ago. We have radically changed our corporate structure, becoming an ever more robust company, with the intent to take on even more lofty challenges in the future.

To our suppliers and business partners, I would like to say that the entire Clarion Group is entering into new domains such as electric cars and network services. Our business landscape is transforming at an accelerated pace through market environment changes, globalization and technological advances, and the ability to quickly decide future directions is crucial to survival. We believe it is important to move even faster than the speed of market change, and we intend to watch what is happening around us, think deeply about it and act promptly responding to it. Through Clarion H.M.I. (Human Mobile Music Media Interface), we will be promoting a better link between people and the music and information they want.

Corporate Philosophy

Corporate Commitment

Clarion strives to improve society by seeking to develop the relationship between sound, information, and human interaction, and by creating products to meet those needs.

Management Commitment

- Providing customer satisfaction and happiness with superior products and services.
- Creating new value with original ideas and technology.
- Respecting the individuality and ability of each employee, and establishing a corporate culture of generosity.
- Maintaining a strong awareness of our place in nature and a commitment to the environment.
- Fulfilling our responsibility, as a corporate citizen, for better society.
- Pursuing corporate profitability and sustained growth.

Action Commitment

- “AMBITION” -We seek to continually improve ourselves through self innovation and courage.
- “CREATIVITY” -We foster creativity and work to produce new value and to turn dreams into reality.
- “SINCERITY” -We work diligently in good faith to prove ourselves worthy of people’s trust.

Corporate Vision

The link between sound and information communication in the mobile environment of the car will evolve into new domains based on our unique ideas and advanced technologies. Through this, we will provide safety, security, comfort and excitement to our customers all over the world. We at Clarion shall remain at the forefront of the industry, to precisely understand market needs and achieve long term growth.



Brand slogan: Clarion H.M.I.
(Clarion Human Mobile Music Media Interface)
By linking sound and information to the mobile environment of the car, we will transform that environment into one that is more enjoyable and comfortable. We at Clarion strive to be the interface for that transformation.

Brand philosophy: “Move Forward Unique Exciting”
Through our advanced, unique ideas, and timely actions, we will support exciting automotive lifestyles.

Company Profile

Clarion strives to improve society by seeking to develop the relationship between sound, information, and human interaction, and by creating products to meet those needs.

(Corporate Philosophy "Corporate Commitment")



Clarion Overview

Corporate Outline (As of March 31, 2010)

Company Name	Clarion Co., Ltd.
Headquarters · Technology Center	7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-0081, Japan TEL: (81) 48-601-3700
Registered Head Office	5-35-2 Hakusan, Bunkyo-ku, Tokyo 112-8608, Japan TEL: (81) 3-3815-1121
Established	December 18, 1940
Paid-in Capital	¥ 26,100 million
Shares Issued	282,744 thousand shares
Net Sales	Consolidated: ¥ 174,762 million (term ended March 2010) Non-consolidated: ¥ 131,707 million (term ended March 2010)
Employees	Consolidated: 9,128 persons Non-consolidated: 1,502 persons (excl. personnel on temporary assignments)
Main Products	Car Navigation System, Car Audio, Vehicle Camera System, Visual Equipment, Bus Equipment, Communication Equipment

Directors and Auditors (As of June 25, 2010)

Junzo KAWAKAMI	Director, Chairman
Tatsuhiko IZUMI	Representative Director, President
Tetsuro YOSHIMINE	Executive Director
Seishi KASAI	Director
Hidetoshi KAWAMOTO	Director
Toru KANEKO	Director
Satoshi KAWAMOTO	Director
Yasuhiko HONDA	Director
Masatsugu SHINOZAKI	Director
Katsutoshi TAKIZAWA	Full-time Corporate Auditor
Kazumichi FUJIMURA	Corporate Auditor
Yasuihiro SASAI	Corporate Auditor
Koji YAMANOKAWA	Corporate Auditor

* Directors, Junzo KAWAKAMI, Yasuhiko HONDA and Masatsugu SHINOZAKI are outside directors.
* Auditors, Yasuihiro SASAI and Koji YAMANOKAWA are outside auditors.

Main Banks and Financial Institutions

Resona Bank, Ltd.
Mizuho Corporate Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Bank of Tokyo-Mitsubishi UFJ, Ltd.

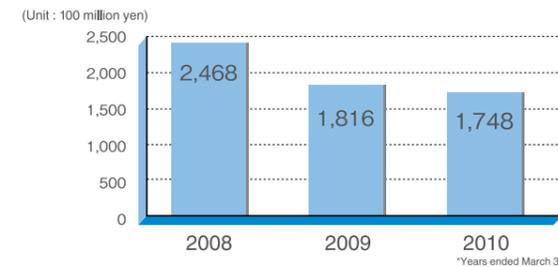
Membership Organizations

Japan Auto-Body Industries Association Inc.

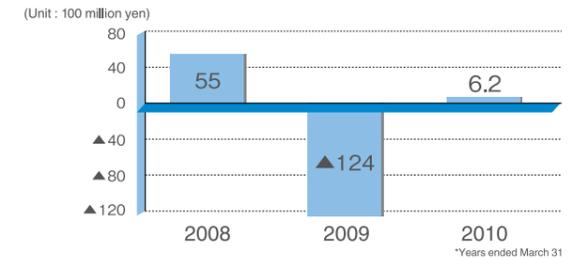
Financial Highlights

Financial Highlights (Consolidated)

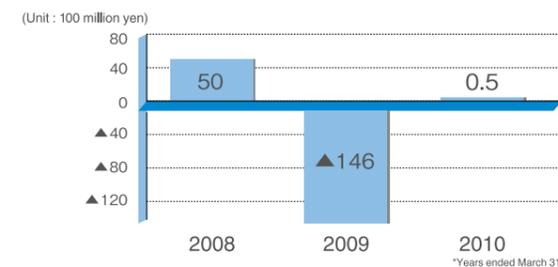
Net Sales



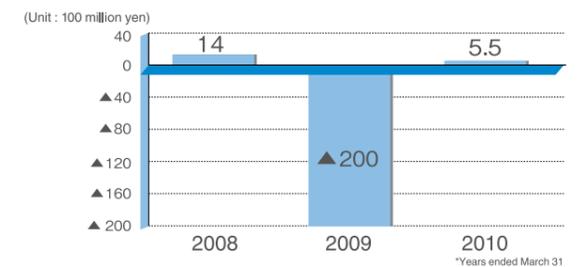
Operating Income



Ordinary Income

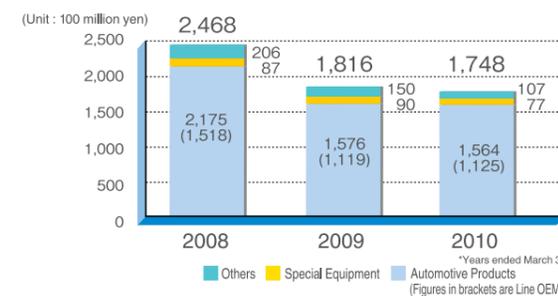


Net Income

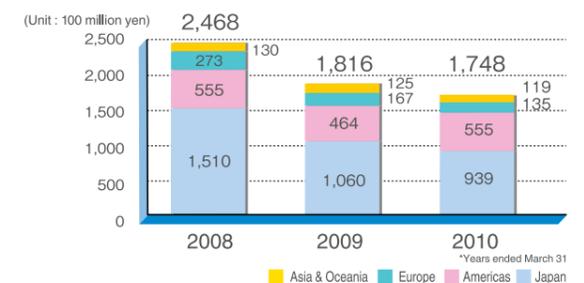


Sales Segment Information (Consolidated)

Product Segment



Geographic Segment



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Next Generation Products Leading the Future Auto motive Field.

In this new era when information throughout the world is connected through network, Clarion is moving forward to create an in-vehicle experience where all sound/music and information are seamlessly linked together for the creation of new emotion and satisfaction in automotive lifestyles, supported by the concept of Clarion H.M.I. Furthermore, Clarion leads the in-vehicle device field through product development incorporating future possibilities of connecting web content and car navigation systems. In 2009, we merged with Xanavi* who had accumulated high level engineering and technical assets through its rich experience in OEM deliveries of in-vehicle devices. The new organization ensures our potential of offering better series of products such as new platform "NX710/110" and others created with integrated advanced technologies of the two engineering groups. We will continuously strive forth to advance in embodying ideals demanded in in-vehicle devices, which Clarion as one of the few knowing from A to Z of cars, is able to offer, always looking one step beyond the era.

* Xanavi Informatics Corporation

In-Vehicle Data Communication Equipment



In response to global increasing awareness in the environment, Clarion embodied diverse functionalities to contribute to energy efficiency and reduction of CO₂ emission. To list some of them, "Eco-Drive Advice", "Save-energy Route Search" and "Online Traffic Information Search". Additionally, our products boast internet connectivity functionalities for car navigation systems in the new era, including "Google Maps", with their high usage share, and Clarion's map information site, "Chizu-Route-Susumu". We always pursue product development responding to user needs and utility demands matching to market trends.

CRASVIA



CRASVIA
NX810
AV-Nav System with Wide 7-inch VGA
Double-DIN Terrestrial Digital TV/DVD/HDD

DrivTrax P10



DrivTrax
DTR-P10
Personal Navigation Device

SMOONAVI



Smoonavi
NX710
AV-Nav System with Wide 7-inch VGA
Double-DIN Terrestrial Digital TV/DVD/SD



NZ500
DVD Multimedia Station
7-inch Touch Panel Control, Built-in Navigation

In-Vehicle Audio Equipment



Music experience is diversifying greatly as music deliveries to audio players such as iPod, mobile phones with music reproduction function and others become more and more popular. Clarion brought forth through the combination of media, an innovative music environment whereby listeners can enjoy music seamlessly and in their own style. We also pursue cosmetic design in black which looks impressive and offers a feeling of high quality as well as "want to touch" desires of users with intuitive operation of front panels with sliding of fingers. We, needless to say, do not forget our cherished attachment to sound accumulated through long years of research and development in audio technologies.



CZ500
Bluetooth® CD/USB/MP3/WMA Receiver



FZ709
Bluetooth USB/MP3/WMA/AAC Receiver



SRT1755S
17cm Separate 2-Way Speaker System



CX400
Double-DIN CD/USB/MP3/WMA/AAC
Receiver



APA2180
180W x 2 Channel
Power Amplifier



APA4360
180W x 4 Channel Power Amplifier

In-Vehicle Equipment for Commercial Use



Clarion is proud of recognized achievements for security supporting systems with on-board cameras. With employment of top-notch technologies, our devices offer high and dependable performance in harsh environments of commercial vehicles. Clarion's on-board cameras play active roles in various situations by not only supporting safe driving in conjunction with navigation systems but also by offering accident analysis and safe-drive advice when combined with "Flash-memory Drive Recorder". "Solid Navi" which boasts its robustness and expandability in use with commercial vehicles, supports commercial fleet operation with customizing and function expanding capability through communication.

Solid Navi



UA-241A
[Solid Navi]
Car Navigation System for Commercial Vehicles



CA-6000
Networking Auto Guidance System
Synthesized Voice PA Equipment



CJ-7000B
7-inch LCD
Color Monitor



CC-2011U
Small-size CCD Color Camera
(wide-angle, mirror image)



CF-2500
Flash-memory Drive Recorder

Main OEM Customers

Cooperation with Car Manufacturers is Proof of Clarion's Solid Reliability and Technology

clarion



* Google and Google Maps are registered trademarks of Google Inc.
* iPod is a trademark of Apple Inc., registered in the US and other countries.
* Bluetooth® is a registered trademark of Bluetooth SIG, Inc.
* CRASVIA™ and Smoonavi™ are registered trademarks of Clarion Co., Ltd.
* "SD Memory Card" is a trademark of SD Association.

At Clarion, we have built a solid reputation as an in-vehicle equipment manufacturer by capitalizing on the expertise and technological capabilities we have accumulated over the years to create products offering quality that surpasses the expectations of our customers. And in this day and age of drastic change in the automotive landscape due to the appearance of plug-in hybrid and electric vehicles, we will be unrelenting in our pursuit of uncompromising technological development based on the keywords "Safety & Security", "Comfort & Convenience", and "Ecology & Efficiency".



Synergic System by Gaining the Technological Prowess of Hitachi

In December of 2006 we became a member of the Hitachi Group, and ever since we have together been tackling the challenges of core technology development, design, procurement, quality assurance, and manufacturing. In the future, automobiles in general will become more electronic as electric cars proliferate, and information will become increasingly centralized as smart grids are used. This sets the stage for H.M.I. as a crucial aspect of in-vehicle displays that provide all this information to the user in an easy-to-understand manner. By cooperatively creating new value together with Hitachi, which is noted for its strength in the social infrastructure field, we will be turning the future dreams of car society into reality.



Comfort & Convenience

Online Network Search for the Age of Connectivity

In this day and age where "anybody" can gain information "anytime" through the Internet, the ability to do it "anywhere" is demanded of new information terminals. Clarion's car navigation systems are evolving into Connected-Navigation to provide exactly this "anywhere" capability. They have been integrated with Google early on. So the enormous amount of shops and facilities in their database can be searched and accessed through the Internet, from the car navigation system directly with Google Maps "Local Search" function. Destination searching as well as shop information reviewing can all be done through PC-like operations such as specifying address or searching for keywords. There is also a Google Maps "Car Navigation Integration" functionality that lets the user search Google Maps on a PC, and transfer it to the car navigation system using SD card or via mobile phone. Using this, people can easily access the latest information including newly opened shops and facilities. What's more, through online integration with Clarion's own map information site "Chizu-Route-Susumu" in addition to Google Maps, it is possible to search through destination spots contributed by people from all over Japan.



In-Vehicle Terrestrial Digital TV Reception Technology

Technologies and functions developed specifically for mobile objects is necessary for in-vehicle reception of digital TV signals, including phasing technology to accommodate the radio wave conditions while a car is in motion, diversity technology to expand the possible reception area, as well as automatic switching among relay stations and affiliates. Hand in hand with Hitachi, Ltd., Clarion is developing the technologies needed to deliver crystal clear images to customers at all times, including basic technology to improve reception and restore digital signals.

Unrelenting Pursuit of Superior Sound

To create an ideal listening environment in the car, and be as faithful as possible to the original sound source, we are developing a wide range of acoustic technologies. Cars have unique characteristics that make it a severe environment for sound, including installation space limitations and road noise, as well as acoustical spaces that differ by model and make of vehicle. To overcome these challenges, we have developed many technologies including volume correction technology to automatically correct the disparities in volume and maintain it at optimum levels, treble expander technologies to restore lost high frequencies and boost the bass range, and sound motion control over vocal elements. For Clarion, these technologies that we have nurtured together with many car manufacturers, are our true assets.

Designing what People "Want to Do" through H.M.I. Development

"Want to touch", "want to use"... these various "want to's" that people feel are the starting point for our H.M.I. development. By promoting product design centered on the user, joining the IAUD (International Association for Universal Design), and applying usability tests in conjunction with Hitachi's design department as well as university research labs, we have been able to pursue a balance of multi-functionality and high-usability. These efforts have been rewarded with high praise, including receiving the Good Design Award, being certified as a good practice by the Japan Ergonomics Society, as well as being recognized by J.D. Power for highest level utilization and satisfaction in their study.

Newly developed menu

Japan Ergonomics Society Certified as good practice

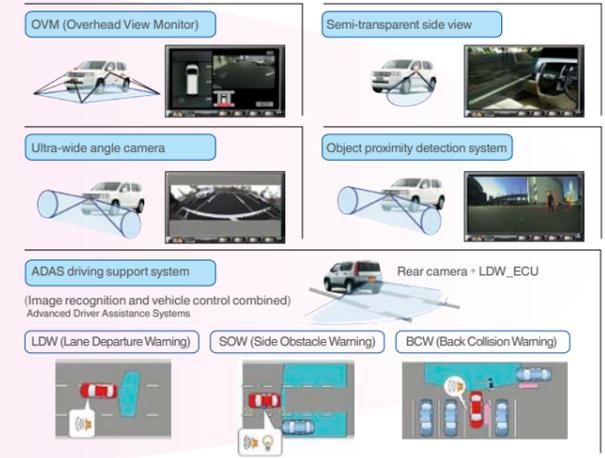
Intuitive operation

Adoption of sheet key

Safety & Security

Increasingly Advanced Camera System for Cars

With the goal of achieving a safer and more secure automotive society, we are striving to develop image processing and image recognition technologies that assist in the parking and driving of cars. We have developed an OVM (Overhead View Monitor) as an advanced application of on-board cameras, as well as an ultra-wide angle camera with horizontal angle of view surpassing 190°, and a camera using CMOS sensor. With the ultra-wide angle camera, we have also developed an object proximity detection system that takes advantage of the wide angle of view. Working towards further miniaturization, lower cost, higher functionality and higher performance of on-board cameras, we will be actively involved in the advancement of ITS technology by combining our own car navigation technology with Hitachi's world-class image recognition technology.



Ecology & Efficiency

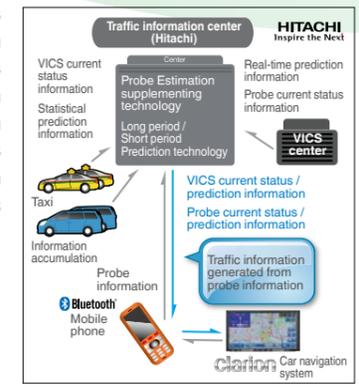
Eco Driving with the Global Environment in Mind

We are promoting "Green Navigation", that is to say, technologies and products that assist in driving in a way that is gentle on the earth. We have created features such as "Save-energy Route Search" to find the route that uses the least fuel, as well as "Eco-Drive Advice" which was developed based on gameniks* to make the user "want to touch" and "want to use". Moreover, by transferring the eco log accumulated in "Eco-Drive Advice" over to "Chizu-Route-Susumu", it can be used on a home PC also. The resulting reduction in CO₂ emissions and gasoline bills is friendly to both the planet and drivers. And although the eco route (minimum electricity expending route) calculation logic used in hybrid cars and electric vehicles which are expected to grow in numbers, differs drastically from that used in conventional gasoline vehicles, we intend to continue developing eco drive technologies that are a perfect match for these next-generation eco cars in the future.

*Used in game development to create hit products.

Offering Real-Time Traffic Information

As ecological awareness increases, so does the demand for high-precision traffic information that is accessible anytime, anywhere. In addition to the usual VICS traffic information, Clarion is able to provide wide-coverage high-stability traffic information that incorporates probe information acquired from taxi cabs, etc. running in the vicinity, or in cases where probe information is unavailable, Hitachi's unique high-precision congestion prediction technology that analyzes past statistical information as well as the conditions of surrounding streets.



- Searches for most fuel-efficient route based on various criteria
- Ups and downs requiring frequent acceleration?
 - How congested?
 - Distance to reach destination? etc.
- For example...
- ① Expressway: Can reach destination fast but is long way around and is sometimes congested.
 - ② Mountain road: Shortest travel distance but lots of ups/downs require frequent acceleration/deceleration.
 - ③ Surface street: Slightly longer distance but flat, with less congestion to reach destination faster.

Eco-Drive Advice

Make it your policy to drive ecologically!

Advice/comments <Dr. Eco-Drive> The dependable doctor encourages eco driving and offers advice

Background changes according to condition of eco drive

Doctor's total check Ecology check

Development of Commercial Vehicle Devices to Support Businesses

Clarion developed and launched Solid Navi in 2007. By virtue of its rugged mechanism-less design, and expandability/upgradability made possible via connection to communication devices, it is able to meet the unique needs of commercial vehicles including long-duration operation and diverse applications and usage situations depending upon the business. Furthermore, by providing a travel performance analysis tool for PCs, as well as being the first in the industry to integrate a commercial drive recorder and digital tachograph into a single unit, we will continue contributing to safety, security, ecology and efficiency through product development that evolves in tandem with customer needs.

* Google and Google Maps are registered trademarks of Google Inc.
 * Bluetooth® is a registered trademark of Bluetooth SIG, Inc.
 ** SD Memory Card® is a trademark of SD Association.



3D CAD System

From the tropics to the polar regions, and from the desert to the rain forest, in-vehicle equipment need to show stable performance in the various climates and environments of the world.

And in recent years, increasingly strong demands for precision quality have arisen from the automobile industry which is undergoing its own reorganization. Clarion maintains a stringent system of quality evaluation to ensure our ability to always offer our customers not only in the after markets but also in the OEM markets the utmost quality. Products reach the hands of our customers only after grueling tests and uncompromising quality evaluations have been repeatedly applied, from high-precision simulation design by our CAD system, to prototype evaluation, design review, and prototype quality examination.

Establishing a New Quality Control System Demanded by the Global Market.

Clarion has actively introduced special programming for inspection machines that confirm correct product operation, as well as high-definition cameras and X-ray equipment to check the status of mounting on highly dense circuitry and miniaturized parts. Standardized check operations have been adopted at all production lines from domestic to overseas, ensuring that the same high quality standards at any Clarion manufacturing facility around the world.

Moreover, to accommodate any market in the world, all Clarion group manufacturing companies have acquired certification for ISO/TS16949, an international standard specific to the automobile industry and a sub-group of ISO9001.

What's more, in order to gain "customer satisfaction and confidence", Clarion is also improving its quality assurance framework through the implementation of a quality control system that is consistent from our suppliers to our organizations, as well as maintaining a global supply chain.



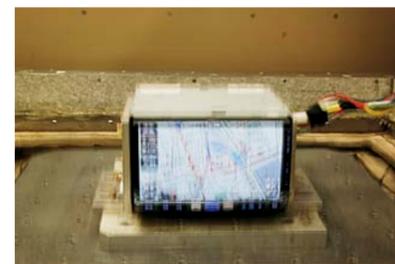
Sound Analysis Laboratory



Shield Room for Vehicle



Dust Endurance Test Equipment



Temperature & Humidity Chamber with Vibration Test Equipment



Drop Table Type Shock Test Equipment



Water Proof Test Equipment



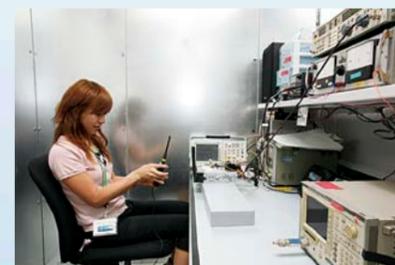
Thermal Shock Chamber



Drop Table Type Shock Test Equipment



Shield Room



Automatic Measurement Room



Repetitional Endurance Testing Machine



Radio Anechoic Chamber



Vibration Testing Equipment (for rattle noise check system)



Listening Room



2010 J.D. Power's "Navigation Usage & Satisfaction Study" First Place



"2010 Automotive News PACE Award"



DCOE given "FORD Q1 Quality Certification" in 2010



"2009 VE Best Performance Award" from Mitsubishi Motors Corporation



Certification of "Saitama-shi Technical Brand Enterprise"



"iF design award china 2009" for NX509



"2009 SGM Excellent Service Supplier" Award from Shanghai General Motors Co., Ltd.



"Cost Improvement Award, Excellent Performance Award 2010" from Hino Motors, Ltd.

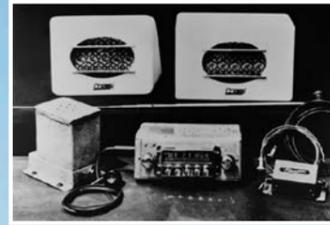


"Excellent Quality Award 2010" from Subaru (Fuji Heavy Industries Ltd.)

Clarion's history is closely tied to the history of the automobile industry itself. As a worldwide front-runner who created Japan's first car radio and Japan's first car stereo, Clarion has always led the field in any era. We give top priority to understanding driver needs and supporting them through sure technology, as well as steadfastly proposing unique new products based upon our advanced creativity. From car radio to audio visual devices and beyond to car navigation systems, although times may change, we will continue to pursue the "ideal interface for sound and information" for the car as well as all other mobile environments, as "Clarion H.M.I."

1948 Japan's First

Car radio and PA system for buses developed and released



1940's - 1960's



1951 Japan's First

Clarion's first original radio Hino Renault "Le Parisien" released

1963 Japan's First

Car stereo developed, and released the next year



1968 Japan's First

Cassette car stereo released

1976

Cassette editing deck "Dubbing X" released



1981

Car stereo "City Connection" released



1970's - 1990's



1995 Aftermarket's First

Double-DIN unit in the industry ADX8155 released



1996

Single-DIN type CD/DSP control, TV/AM/FM tuner-equipped 5-inch LCD amp VRX8250 released

1996

High-performance high-quality CD center unit DRX9255 released



History

1940 December, 1940 / Established as Hakusan Wireless Electric Company, began manufacturing of battery-operated household radios. / Capital of 180,000 yen

November, 1943 / Merged with Takizawa Wireless Electric Industries Co., Ltd., renamed as Teikoku Dempa Co., Ltd.

February, 1951 / Produced Japan's first car radio.

June, 1958 / Exported car radios to U.S., creating the base for Japanese car audio exports.

May, 1959 / Car radio receives genuine parts specification from Nissan Motor.

August, 1962 / Teikoku Dempa listed on 2nd section of Tokyo Stock Exchange.

October, 1963 / Developed Japan's first car stereo, began marketing August of following year.

September, 1967 / Saitama office opened in Toda-shi, Saitama, Japan.

March, 1968 / Marketed Japan's first cassette car stereo.

August, 1969 / Teikoku Dempa is listed on 2nd section of Osaka Stock Exchange.

February, 1970 / Teikoku Dempa upgraded from 2nd to 1st section of Tokyo and Osaka stock exchanges.

April, 1970 / Opened head office at Dogenzaka, Shibuya-ku, Tokyo, Japan.

December, 1970 / Corporate name changed to Clarion Co., Ltd. / First over-seas factory (CM) established as joint venture in Malaysia.

June, 1975 / Started Clarion Girl campaign, with Agnes Lum becoming first grand prix winner.

August, 1976 / Business-use karaoke "Karaoke 8" and cassette editing deck "Dubbing X" are marketed.

October, 1978 / Tohoku office opened in Koriyama-shi, Fukushima, Japan.

November, 1980 / Head office moved to Shibuya-ku, Tokyo, Japan.

July, 1983 / Factory established in France (CF).

November, 1983 / Gumma office established in Oura-gun, Gumma-ken. / Manufacturing company established in Mexico (ELECLA).

July, 1987 / CD5000 car CD player marketed.

October, 1989 / Manufacturing company established in the Philippines (CMCP).

February, 1992 / Voice-guidance car navigation system NAC-200 is marketed.

April, 1993 / Clarion's SS wireless modem clears for the first time the technical standards set by Japanese government, and is marketed.

January, 1995 / Clarion Orient Co. (COO) established in Hong Kong.

March, 1995 / ISO 9001 certification obtained for all Clarion establishments in Japan.

April, 1995 / Factory completed in China (DCCOE).

May, 1996 / VICS-compatible car navigation system marketed.

April, 1997 / Hamamatsu Sales office opened.

October, 1997 / Manufacturing company established in Hungary (CHE).

January, 1998 / AutoPC jointly developed with Microsoft Corp.

December, 1998 / Clarion AutoPC marketed in U.S.

August, 1999 / ETC terminal jointly developed with Hitachi, Ltd.

December, 1999 / OEM supply of "AutoPC" to French automaker Citroën begins.

March, 2000 / Clarion Sales Co., Ltd. founded.

April, 2000 / Five Clarion offices in Japan obtain ISO 14001 certification.

December, 2000 / HCX Corporation established as joint venture between Hitachi, Clarion, and Xanavi Informatics.

July, 2001 / Head office relocated to Hakusan, Bunkyo-ku, Japan.

August, 2001 / Clarion scholarship "MEDAMA" campaign started.

October, 2001 / In-vehicle terminal for ETC system marketed.

November, 2001 / "AutoPC CADIAS" exhibited at Tokyo Motor Show.

March, 2002 / Satellite radio receiver on sale in North America.

September, 2002 / Head office functions moved to Toda City, Saitama.

October, 2002 / Clarion Tohoku Seizo Co., Ltd. merged with the Automotive Products Production Department of Clarion Co., Ltd. and Clarion Logistics Co., Ltd. and renamed Clarion M&L Co., Ltd.

December, 2002 / Launched "AutoPC CADIAS", first in-vehicle PC in Japan.

February, 2003 / World's first "birds-eye view" camera for rear-view system supplied to Nissan Motor.

June, 2003 / HDD (Hard Disk Drive) equipped AV car navigation system marketed.

January, 2003 / Started delivering Car Audio to Shanghai General Motors, China.

1992 Japan's First

Voice guidance navigation system (Map narration system) NAC-200 released



2004

February, 2004 / the world's first Linux, Java J2ME CDC equipped in-vehicle information terminal for commercial vehicles marketed.

June, 2004 / the industry's first 2DIN commercial sized, 7-inch monitor equipped HDD AV car navigation system marketed.

July, 2004 / First-in-the-industry bus FM teletext tuner for use in community bus stop name display marketed.

January, 2005 / First-in-the-industry AV center unit with iPod control via virtual on-screen iPod marketed in U.S.

March, 2005 / HDD AV-Navi System developed for all models for Porsche Japan.

May, 2005 / First iPod compatible integrated AV-HDD Navigation unit developed for the Japanese market.

June, 2006 / Car navigation introduced for first time in China and N. American markets.

July, 2006 / Launched "Movieum", Japan's largest-scale travel and driving information website with video clips showing travel destinations.

December, 2006 / Became a Hitachi group company.

January, 2007 / Xanavi Informatics Corporation became 100% subsidiary.

January, 2007 / Supplied car audio to Toyota Motor for the first time (contracted by Daihatsu Motor).

April, 2007 / Bus location ASP service started.

2010

commercial vehicles "Solid Navi" (CO-8000) developed and introduced into the market.

August, 2007 / Relocated our Headquarters to Saitama, Shintoshin. New facility named "Corporate Headquarters & Technology Center".

December, 2007 / Clarion's 7-inch DVD Multimedia Station VRX935VD and 6-disc DVD Changer VCZ625 (both American market models) selected by NASA installation and the International Space Station (ISS).

2008

June, 2008 / High class navigation system, "CRASVIA" series and Memory type SDD navigation system "Smoonavi" series released.

November, 2008 / Portable communication terminal "ClarionMIND" released in North America.

April, 2009 / Xanavi Informatics Corp. (100% owned subsidiary) absorbed and merged

April, 2009 / Company name of Clarion Sales Co., Ltd. changed to Clarion Sales and Marketing Co., Ltd.

July, 2009 / SDD navigation system delivered for the first time to Mitsubishi Motors' electric car, "i-MiEV".

October, 2009 / Good Design Awards given to 5 of 2009 models.

January, 2010 / Car audio delivered to "nano" of Tata Motors, India.

April, 2010 / Clarion Manufacturing "Protech" Co., Ltd., and Clarion Service Co., Ltd., merged with new name Clarion Manufacturing and Service Co., Ltd.

May, 2010 / "Smoonavi" 2010 series with Eco-Drive Advice and Save-energy Route Search functions released.

2002 Japan's First

"AutoPC CADIAS" in-vehicle computer released. Adopted Windows CE for Automotive as the OS, and "AccessNAVI" communication type navigation system



2004 World's First

In-vehicle Information Terminal for commercial vehicles with Linux and Java J2ME CDC released



2005 First in Industry

iPod full control function-equipped Single-DIN AV center unit VRX755VD released



2007 World's First

Commercial use SDD navigation system "Solid Navi" released



2008

"CRASVIA" (NX808) Terrestrial digital TV tuner and Bluetooth equipped 7-inch wide VGA Double-DIN DVD/HDD AV-Navi System released



2000's - 2010's

2008

Mobile communication terminal "ClarionMIND" released in North America



2010

"Smoonavi" (NX710) 7-inch wide VGA Double-DIN terrestrial digital TV/DVD/SD AV-Navi System released



Numerous countries and regions, various cultures and market trends... As Clarion's scope of activities becomes ever more global, the importance of communication with our customers becomes increasingly important. Towards our stakeholders all over the world, Clarion is engaged in a broad range of activities to convey our corporate philosophy, achieve wider brand recognition, provide product information, publicize new technologies, promote sales through advertising and other means, as well as upgrading our portal site. By effectively merging in a well-balanced manner our global strategy centered on the "Clarion" brand, with localized strategies that emphasize regional needs, we are able to aggressively implement communication activities to forge an excellent relationship with society.



2010 Exhibited at 2010 International CES (Consumer Electronics Show) (Las Vegas, U.S.A.)



2009 Exhibited at SEMA Show (Las Vegas, U.S.A.)

2010 Exhibited at JC DISTRIBUTORS 2010 (Puerto Rico)



2010 Exhibited at Bus-Operators Convention (Tokyo, Japan)



2010 Exhibited at My Special Car Show (Rimini, Italy)



2009 Exhibited at Tokyo Motor Show 2009 (Tokyo, Japan)



2009 Exhibited at MedPi 2009 (Monaco)



2010 Exhibited at CRM event (Penang, Malaysia)



2010 Held (Asian) Clarion Distributors Conference 2010 (Penang, Malaysia)



2009 Held Tech Show (Dongguan, China)



2010 Exhibited at 2010 Dealer Kick-off Show (Canada)



2009 Held Tech Show (Tokyo, Japan)



2010 Exhibited at Delhi Auto Expo (Delhi, India)



2010 Held 2010 Clarion New Product Exhibition (Tokyo, Japan)

Clarion Staff Around the World Filled with Pride in and Enthusiasm for Our Brand.

An outstanding company is created by the coming together of human resources who share the same lofty ambitions. Clarion, which has built up a powerful global network, has employees in countries around the world who are the faces representing the Clarion brand. All of them are working hard every day with pride in their work and a sense of responsibility in order to build better relationships with our customers in countries around the world. It is the presence of each and every one of these employees which further increases the value of Clarion and builds a solid foundation for our future growth.



My assignments here are new project proposals, sales and follow-up of current business to car manufacturers for navigation, audio and camera products. It is exciting to be in projects for cars yet to come in some years and it is a joyful thing if I happen to come across cars with our products which I was involved with.

Nagoya Sales Office
Kentaro Ueno



My name is Lijun Shi and I am in charge of delivery expediting at Production Administration Department of Clarion China (Dongguan). I have been taking care of shipments to Europe and Asia since I joined here in 2007. The work consists mainly of processing shipments according to instructions of sales department together with making related documentations. As the largest factory of Clarion Group, we try to increase profit by reducing freight costs by using more sea shipments rather than air. I work every day with my sense of mission for delivery expediting and improvement in operational processes under supervision of my superiors. It is my joy to be friends with other Clarion members through the work.

Dongguan Clarion Orient Electronics Co., Ltd. (DCOE)
Lijun Shi



I am evaluating vehicle adaptability of products at this department. I aim to perform my job of evaluation without making product defective, correctly and quickly. It is just one year since I joined Clarion and there are still many things I have to learn to be "independent" in my work. But, I'm determined to do my best.

Experiment and Evaluation Department
Mika Yamaoka



I started working at Clarion Australia in September 1998 as New South Wales Aftermarket Sales Manager based in Sydney. In June 2004 I was promoted to National Sales Manager OEM Port Fit and transferred to CAP Head Office Melbourne Victoria. Our team at CAP is highly respected by our Business Partners in Australia. Our Vision is to provide and maintain an Industry leading experience for our Business Partners and our end Consumers. We have a passion to drive Clarion Brand awareness into the future.

Clarion Australia Pty. Ltd. (CAP)
John Fuller



Hello, my name is Clement Yip and I am a team player of IPO (International Procurement Office) at Clarion HK (CHI). I am responsible for quotation inquiry from all factories and follow up of delivery schedule. The market situation is getting more competitive year by year, which keeps me busy and exciting everyday. I would like to take this opportunity to say thank to my colleague and person who have cooperated as they help me a lot.

Clarion (H.K.) Industries Co., Ltd. (CHI)
Clement Yip



My name is Michelle Doolan and I am an Account Manager in the Semi-OEM Sales Department in the UK. I look after various long-standing car OEM customers. I am also developing new business from a wide range of industries including Marine, Construction and Agricultural Machinery and Electric Vehicles. I have worked for Clarion now since 1996 and really enjoy my job. I have learnt a lot during this time and have enjoyed working with my colleagues from all over the world!! If you are ever in the UK, then please do come by and say hello...

Clarion (G.B.) Ltd. (CGB)
Michelle Doolan



It is my 19th year with Clarion Taiwan. At moment our sales department consists of 4 sales staff and myself. Our present issues are improvement of sales efficiency, enhancement of total process competence and strengthening of capability for tackling new customers with strategic proposals for products, advertisements and promotions based on market data. We want to proceed with changes in our way of thinking, too, for above purposes.

Clarion (Taiwan) Manufacturing Co., Ltd. (CTC)
Chen-Cheng Lu



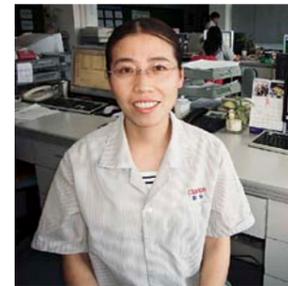
After working in Xanavi OEM Sales and its resident staff in Europe, I work now at Clarion France in charge of Aftermarket Sales for markets in about 20 countries, mainly in northern and eastern Europe. It is my mission to expand sales of Clarion products and for that, I stage various sales promotion activities so as to let as many customers touch the products. The economic situation is tough recently, but I live my full life getting in touch with diverse cultures through my work.

Clarion Europe S.A.S (CEF) (France)
Daisuke Natori



I joined Clarion as part of the Xanavi about 3 1/2 years ago as a Sales Account Manager for Navigation. Today, I am responsible for Sales of both navigation and audio components to car manufacturers. Our team handles quotations and purchase orders, as well as covering many Program Management responsibilities and helping a car manufacturer with its dealer training. I am very excited to be part of the Clarion team and look forward to helping our company grow!

Clarion Corporation of America (CCA)
Katherine Winders



My name is Susan Su, I work here for 11 years now, and am mainly in charge of order/delivery administration at Production Administration Department. I'm working hard every day for improvement of customer satisfaction and achievement of target for export cost reduction. I also work hard to improve my level of English and Japanese. I take pride in my performance of not letting delivery loss or failure happen. I feel joyful if I can reduce delivery costs after negotiating with my customers. I wish that Clarion continues to grow in the future. Xiamen is known not only for its beautiful weather and scenery but also for hospitality of people. In addition, gu lang yu rice pie is very delicious, too. Please come and visit us.

Xiamen Clarion Electrical Enterprise Co., Ltd. (CXEE)
Susan Su



I am currently in charge of sales to headquarters of mass merchandisers. Other than such customers, we are aggressively working with dealers of cars and special equipment and recently with car rental and leasing companies. In other words, "we are the ones you can rely on for domestic sales!" It is my 20th year here, and I feel this team is the best as we can learn senses of value of "more for the team play than for one-man show." I will continue to work hard with the team and to enhance my own capability for the team.

Clarion Sales and Marketing Co., Ltd.
Hiroshi Nakagiri



Our assignments are following up of production plans and logistics operations for large car manufacturers and overseas customers like CCA for audio, navigation, camera and speaker products. The team consists of 13 members with average age of 41. The office is vigorous with telephones ringing more than 150 times a day. We are working hard, like "catching the weasel asleep" in such atmosphere, so as not to make customers lose their chance of sales through #1 timely delivery of products and #2 to keep good communication with others to make process of various adjustments in a more smooth manner.

SCM Promotion Department (Koriyama)
Minoru Aita



Hello, my name is Hiroyuki Suzuki of Clarion China (Dongguan) and I am working in Production Engineering Department. Clarion China (Dongguan) boasts its production amounting to about a half of total Clarion in vast numbers of models. My day, because of this, goes by very quickly like in a whirlpool. Though I have been resident here more than 5 years, there still are many new discoveries every day with regard to local customs etc. Now I started to play badminton with our local staffs at a nearby gym to become more friendly off hours with them.

Dongguan Clarion Orient Electronics Co., Ltd. (DCOE)
Hiroyuki Suzuki



I have been working for Clarion Malaysia since 1990. I was assigned for many different jobs in different areas for the past 10 years before I was given the privilege to join Export sales. It is challenging and certainly rewarding. I will continue render my service as my company grow.

Clarion (Malaysia) Sdn., Bhd. (CM)
Nora Jaaffar



My name is Paola Joly and I am the Logistics Manager of Clarion Brazil. I am responsible for sales administration, planning, and importation/exportation, national purchasing and packing/shipping departments. My work includes from coordinating all customers orders to guaranteeing deliveries in time. I am really proud to work in Clarion Group and especially for being part of this Brazilian team which is so united and capable to face new challenges.

Clarion do Brasil Ltda. (CBL)
Paola Joly

CSR Report

“Providing customer satisfaction and happiness with superior products and services.”

“Creating new value with original ideas and technology.”

“Respecting the individuality and ability of each employee, and establishing a corporate culture of generosity.”

“Maintaining a strong awareness of our place in nature and a commitment to the environment.”

“Fulfilling our responsibilities as a corporate citizen for a better society.”

“Pursuing corporate profitability and sustained growth.”

(Quoted from Clarion's "Management Commitment")

Corporate Governance System

Clarion places importance on corporate governance and has developed a system that embodies that awareness. Further, through our efforts to develop a risk management system and redevelop internal controls, Clarion is striving to ensure management transparency at all times.

Corporate Governance System

Clarion implements an auditor system with 9 Board of Directors (3 outside directors) and 4 Auditors (2 outside auditors). The Board of Directors is responsible for deciding basic management policies for the whole Group as well as for supervising its business administration. Each member of Board of Auditors objectively monitors and scrutinizes Board of Directors in the execution of its duties. The Company has introduced a “Corporate Officer System” whereby duties of supervision and business administration are clearly separated. In addition, “Corporate Management Meetings”, in which both members of Board of Directors and Corporate Officers are members, serve to assist Board of Directors.

Internal Audit department conducts regular internal audits of all individual departments of the Company and Group companies to verify effectiveness, legal compliance and observance of internal regulations. It reports the audit results directly to the Representative Director, indicates items for improvement if necessary and instructs necessary measures for improvement.

In this way, Clarion seeks to enhance its Corporate Governance System and to ensure transparent and sound management.

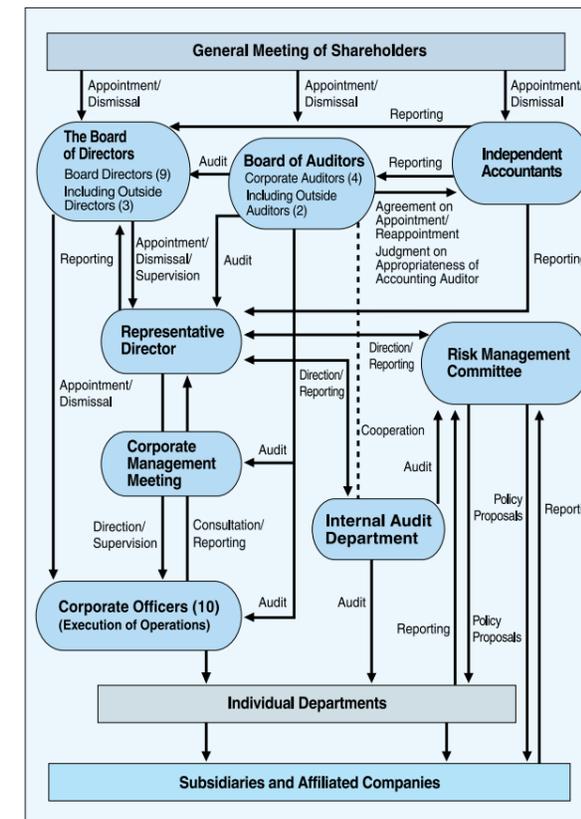
Efforts to Redevelop Internal Controls

Clarion endeavors to redevelop internal controls as society pays closer attention to corporate governance of each enterprise.

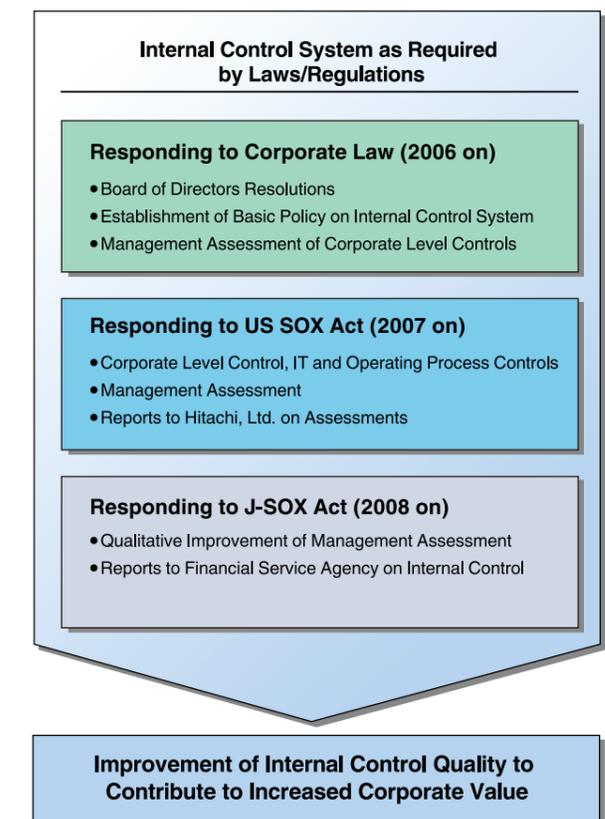
We laid out “Basic Policies for Internal Control System” in Fiscal 2006 synchronizing with the enforcement of the Corporate Law. Since Fiscal 2007, as a member of the Hitachi Group, we proceeded with redevelopment of internal controls in compliance with the Public Company Accounting Reform and Investor Protection Act (SOX Act) of the United States and the outcomes are reported to Hitachi, Ltd.. Since Fiscal 2008, we implemented internal control and assessment based on the Japanese Financial Instruments Exchange Act (J-SOX Act) as the Group and the reports are made to the Financial Services Agency.

We have found no material weakness and deficiencies pointed out during the assessment stages have duly been rectified. Thus qualitative improvement of internal control system has been achieved. We continue to improve management quality of the Group through efforts in this fields.

Corporate Governance System



Qualitative Improvement of Internal Control



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CSR and Compliance Management System

Since Fiscal 2003, Clarion has been stating in its Mid-term Plans that: "Clarion shall firmly establish corporate ethics anchored in a Compliance Program, having our Corporate Philosophy as its core concept." Clarion is expanding its compliance program to the entire Clarion Group both domestically and overseas, aiming thereby to further strengthen our compliance management system and attain integrity and transparency.

CSR Management Efforts

Clarion has been actively engaged as the whole Group in compliance management, environmental protection and social contribution as society requires companies more and more efforts in these areas. Since Fiscal 2003, we carried out more specific activities such as awarding sites with remarkable achievements and sharing information of status of activities at each of the Group companies. As a result, compliance management has taken a deeper root in domestic and overseas affiliates, and awareness for needs of compliance to laws and rules as required by society has become much higher.

A "More Valuable Enterprise" as society demands now, is such that pursues social responsibilities and is trusted and viewed indispensable by society, and not such that pursues only its profit. With this in mind, we shall make efforts to enhance our activities to fulfill our corporate social responsibilities (CSR) in addition to compliance management as up to now.

We have been contributing to local communities and society through supports and assistance towards future generation and people stricken by disasters. We shall further promote such activities more specifically to contribute to society and fulfill our responsibilities as we aim to more firmly establish CSR management.

Clarion's Compliance Programs



Clarion Group efforts extended from compliance to CSR

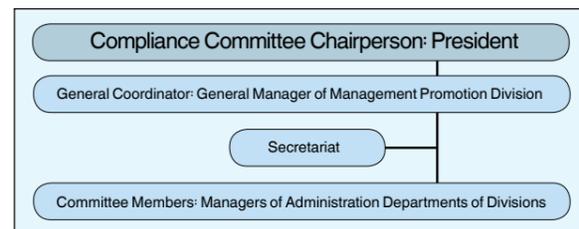


Clarion's CSR Management for achieving each of triple bottom lines of social, economic and environmental aspects.

Promotion of Compliance Management

Clarion established In July 2003, "Guiding Principles of Conducts and Behaviors" and the Compliance Committee chaired by the President.

The committee meets regularly to confirm activity policies and to report activities at each department as well as to exchange opinions and ideas on various issues for sharing information with respect to compliance management. Regular liaison meetings are held with group companies for the same purpose.



Guiding Principles of Conducts and Behaviors

All employees are informed of the "Guiding Principles of Conducts and Behaviors" via the Intranet, and the principles are also publicized outside the company on our home page. We also distribute them printed on portable cards so that all employees can refer to them at any time.

1. General Rules (Observance of Social Criteria)
2. Relationship with the Society
3. Relationship with Customers, Business Partners and Competitors
4. Relationship with Shareholders and Investors
5. Relationship with Employees
6. Relationship with Company and Company Properties
7. Additional Rules (Consultation and Reporting Desk)

We are Clarion



CSR Promotion Office
Kazumi Iwasaki

Efforts with the Compliance Risk Assessment Table and PDCA cycles, made compliance management firmly established in awareness and activities. Further evolution of previous activities with CSR perspectives along this line will contribute to improving of Clarion's brand image. I shall continue steady efforts to this end maintaining close communication with stakeholders.

Compliance Management Efforts

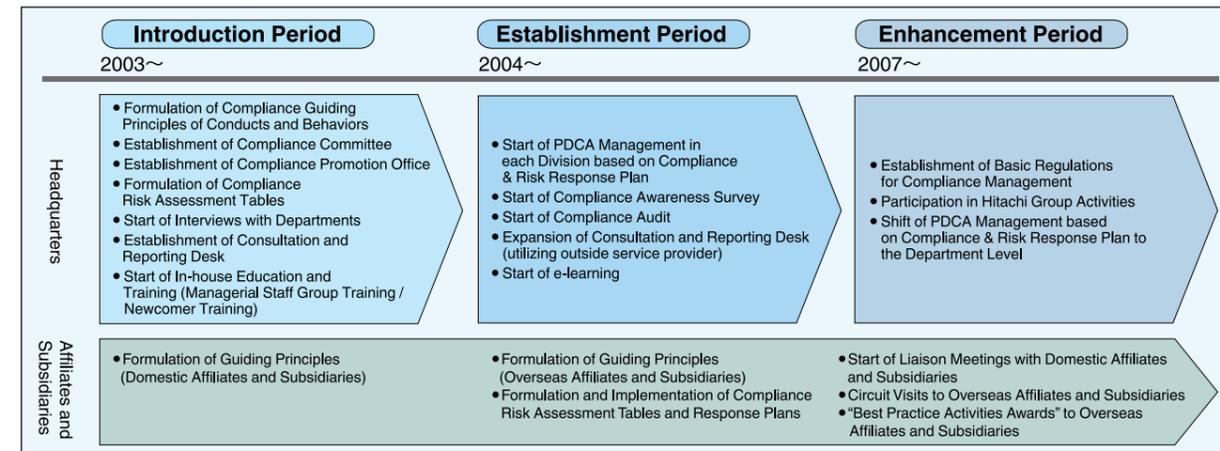
Compliance management has developed since Fiscal 2003 with the "Guiding Principles of Conducts and Behaviors" and establishing efforts of promotion systems throughout the world. Each department has promoted with PDCA cycle method * activities to mitigate compliance risks as its primary objectives. Lecture and training sessions are held every year for managerial staffs as our ongoing awareness raising efforts, where case studies of other companies and new and amended laws and regulations

are studied.

Currently, we plan to sponsor a global convention to select and award "Best Practice Awards" from activities by affiliated companies in addition to currently performed regular exchanges of opinions with departments, awareness surveys and audits on compliance efforts. We will continue these efforts with a view to further reducing risks and taking our global activities to a new and higher level.

* The "PDCA cycle method" is a repetitive process for operational Improvements: first making plans (to "Plan"), carrying out the plans (to "Do"), evaluating the results (to "Check") and carrying out further actions for Improvements (to "Act")

History of Compliance Management Efforts

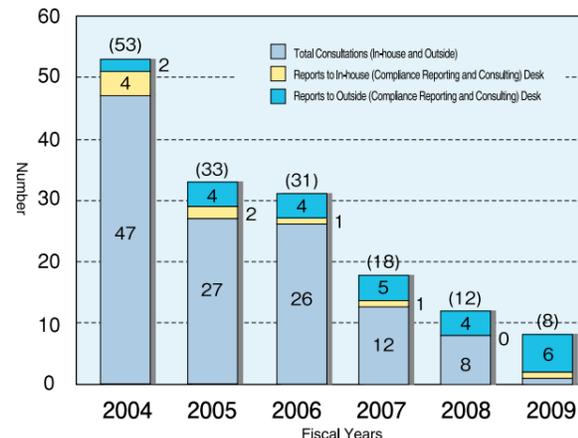


Compliance Consultation and Reporting Desk

Compliance Consultation and Reporting Desk was set up in November 2003 with the objectives of preventing compliance violations and creating a corporate culture that precludes such violations through encouraging employees such consultation and reporting. In order further to facilitate consultation and reporting, we set up an outside desk for telephone and/or fax consultation and reporting. In April 2006, in connection with enforcement of the Whistleblower Protection Act, we laid out the "Regulations for Consultation and Reporting" which provides procedures and

schemes regarding this subject. As shown in the graph below, there have been 171 consultations and reports (average 2.2 per month) since the setting up of the desk until Fiscal 2009. The fact that there have been more consultations than reports shows that this process is serving well as an in-house communication tool.

Status of Consultations and Reporting



Formulation of Compliance Risk Assessment Tables

One of Clarion's priority issues in its compliance program is the identification of risks. Each department identifies the laws, regulations, ordinances and compliance risks related to its actual operations, performs analyses of the degree posed by risks and the anticipated degree of their impacts on Clarion, and manages them in a "Compliance Risk Assessment Table", which also includes measures for responding to and preventing the risks. The group companies also formulate and implement risk reduction plans every year.

Formulation of "Compliance Risk Assessment Table"

Applicable Laws and Ordinances (Specific to ○○ Department)		Risk Details : The damage, penalties, and loss of customer confidence generated when the specific risk actualizes				
Name of Department	Name of Law, Regulation or Ordinance	Overview of Law or Ordinance	Risk Details	Degree of Risk Likelihood of Occurrence	Measures for Responding to and Preventing the Risks	Applied Chapter on Guiding Principles of Conducts and Behaviors No.

Education and Training on Compliance

Compliance education and training are carried out constantly throughout the company for each level of employees. We provide general program of compliance management for new employees and, for managerial staffs, group sessions with specific issues. In Fiscal 2009 managerial program had primary topics of import/export control and environmental protection regulations, among others, contents of which were extended to non-managerial employees using the cascade method. An "e-learning" program was provided for managers in Fiscal 2004 and it is extended to other employees currently. In addition to these, we make active use of casebooks and video materials in an effort to further disseminate and increase awareness on compliance issues.



Managerial Staff Training Sessions

Compliance Audits and Awareness Surveys

We perform "Compliance Audits" in order to verify efforts of each department regarding compliance issues, status of observation of laws and regulations, information security as well as progress of risk mitigating plans. If found necessary, due corrective guidance is given. Further, as a part of monitoring, regular "Compliance Awareness Surveys" are conducted, and the results are announced.

Compliance Awareness Survey

(Conducted in September 2008, covering all employees. Response rate was 90%)

Questionnaire survey questions (excerptions)	Answer	September 2006	September 2008
Is awareness of the importance of compliance well understood in your workplace?	Yes	94%	95%
Does your boss give you specific explanations, guidance, etc. about the implementation of compliance?	Yes	87%	77%
In your workplace, can you express your opinions without hesitation at meetings, etc.?	Yes	84%	83%
Do you think it would be against your interests to make a report to the Compliance Consultation and Reporting Desk?	Disagree	65%	70%
Do you know how to make a report to the Compliance Consultation and Reporting Desk?	Yes	71%	65%

We plan to conduct next compliance awareness survey in September 2010.

Compliance Management Throughout the World

Clarion extends its compliance program throughout the world. At moment 3 domestic and 14 overseas affiliates have introduced the similar program. Each has formulated compliance guidelines materially same as that of headquarters' "Guiding Principles of Conducts and Behaviors", which are laid out in 8 languages including English, Chinese and Malay. Risk assessment and responding plans, which are the core of the compliance programs, are carried out in a similar manner as in the Headquarters.

- The Guiding Principles of Conducts and Behaviors in various languages



Communication

We hold regular liaison meetings with domestic affiliates to verify their activity plans and state of implementation, and share information on various issues. Further, through interviews and compliance audit, we aim to improve the level of activities.

With overseas affiliates, we induce more activated efforts in this area with interviews of, regular reports from each of the affiliates and consequent follow-up actions.

Risk Management System

We have the "Regulations for Risk Management" in place in order properly to manage various risks around us and to maintain and improve our corporate value. The system is structured with Risk Management Committee, which addresses overall management risks, and subordinate subcommittees for crisis management, compliance management, disclosure, information security, export security, environment and quality, which address issues in each of specific areas. The Internal Audit Office regularly audits these efforts and with use of PDCA method we ensure continuous improvements.



Establishment of Crisis-Management System

We have the "Crisis-Management Manual" in place in order promptly to respond to fires, earthquakes, other natural disasters and/or other risks. Furthermore, we have established a cross-departmental "Crisis Management Committee" which meets regularly to discuss risk countermeasures and makes its decisions known throughout the Company.

Together with Shareholders and Investors

Clarion believes it is important for us to disclose management information, such as the state of our business activities and the details of our financial position, and communicate our management philosophy and policy to all of our shareholders and investors accurately and in a timely manner. We will continue our information disclosure efforts through our home page and the Shareholders Bulletin booklet (only Japanese version available).

Increasing Values to Shareholders

In the fourth year of joining the Hitachi Group, we continue to strive for transformation of ourselves to be a "More Valuable Enterprise" through integrating operations in sales, engineering and purchasing. We will have the 70th anniversary of our founding in December this year and we shall make efforts in further advancing research and development on basis of accumulated trust and achievement as a professional company for vehicle mounted devices, in an aim to bring forth further evolution to increase our value to shareholders.

In addition, we have established a Disclosure Policy for the purpose of communicating corporate visions and business strategies to our shareholders and investors. Pursuant to this Policy, which states clearly our sincere and honest approach to the issue from viewpoints of our shareholders and investors, we make prompt, accurate and fair disclosures, also in compliance with all laws, regulations and stock exchange rules.

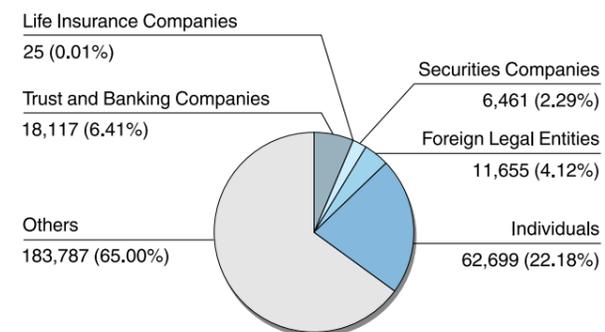
The Disclosure Committee further ensures fair and timely disclosures in accordance with the Policy.

Shares and Shareholders (as of March 31, 2010)

Number of Authorized Shares: 450,000,000
 Number of Shares Outstanding: 282,744,185
 Number of Shareholders: 18,247
 Average Shareholding/person: 15,495

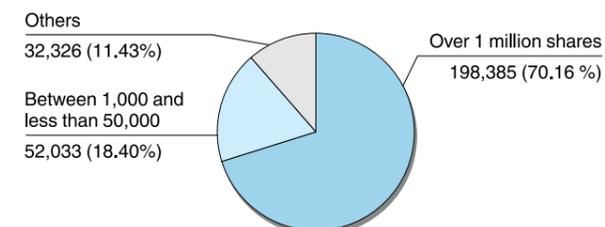
Types of Shareholders (as of March 31, 2010)

(Unit: Thousand Shares)



Shareholding by Numbers (as of March 31, 2010)

(Unit: Thousand Shares)



Major 10 Shareholders (As of March 31, 2010)

Name of the Shareholder	Shareholders' Investment in the Company	
	Number of Shares (thousands)	Percentage in Total
Hitachi, Ltd.	179,815	63.77%
Japan Trustee Services Bank, Ltd.	9,917	3.51%
The Master Trust Bank of Japan Ltd.	4,559	1.61%
Trust & Custody Services Bank, Ltd.	2,583	0.91%
Mitsubishi UFJ Trust and Banking Corporation	1,557	0.55%
BNP Paribas Securities (Japan) Ltd.	1,487	0.53%
Barclays Bank PLC., Barclays Capital Securities SPL.	1,476	0.52%
Clarion Stock Ownership Association	1,474	0.52%
NCT Trust and Banking Corporation	989	0.35%
Société Générale, Paris	927	0.32%

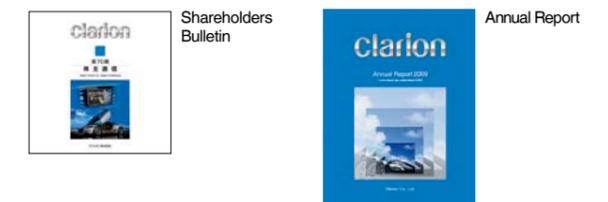
(note) Percentage of shareholding is calculated after deduction of 771,717 treasury shares.

Numbers of shares held by trust and banking companies include shares owned by them in connection with their respective trust businesses.

Timely Information Disclosure

Clarion distributes the "Shareholders Bulletin" to shareholders twice a year, once in June and once in December. The Shareholders Bulletin presents our efforts and achievements for the respective half-years in the feature entitled "Topics." We produce the bulletin placing importance on making it easy for the shareholders to read and comprehend.

Furthermore, we have created the IR Library on our web site for our shareholders and investors. It contains our financial statements data at closing and other company information and is updated regularly. We try our best to respond quickly whenever there is an inquiry from any of our shareholders or investors. In addition we publish the Annual Report once a year.



We are Clarion



Accounting Department, Consolidated Accounting Group

Ren Chen

In order to reflect group operation performance on consolidated financial reporting, it is impossible without thorough knowledge of accounting standards and tax systems not only of Japan but also of countries where our affiliated companies operate. My daily assignment is how to grasp from system accounting perspectives the IFRS (International Financial Reporting Standards) and others which are evolving every day and every month.

Together with Our Customers

Clarion is strengthening its quality control system and lines of communication with its customers. This is because we consider the views of our customers to be the starting point of activities to achieve CS (Customer Satisfaction). We consider the views of our customers to be crucial information, to be inputted to, and utilized within the company. It is Clarion's goal to walk together with our customers and thereby to earn their trust and satisfaction.

Maintaining and Enhancing Customer Satisfaction and Trust

Quality Policy

Clarion's Corporate Vision states:
 "The link between sound and information communication in the mobile environment of the car will evolve into new domains based on our unique ideas and advanced technologies. Through this, we will provide safety, security, comfort and excitement to our customers all over the world. We at Clarion shall remain at the forefront of the industry, to precisely understand market needs and achieve long term growth."

In order to materialize this vision, it is necessary to make everyone within the organization be aware of the importance of compliance with laws and regulations as well as meeting customer needs, and then to implement activities that actually meet those needs. Thus, Clarion has declared that its basic policy for quality is to "gain customers' confidence, trust and satisfaction". Through promoting activities based on this policy, we aim to increase the value of our presence in society.

Customers' confidence and trust can not be build in a day. And, losing such hard achieved confidence and trust can happen very quickly. We strive with pride to building up customers' satisfaction in each of our products and their confidence and trust in us so they would say "Clarion, again". For this reason, Clarion has positioned quality assurance as the utmost priority management issue.

Quality Assurance System

Clarion has established and retains a reliable quality assurance system not only for products of its own brand but also for those with OEM brands, which responds to requirements of end users and OEM partners. As a part of the efforts, all Clarion

We are Clarion



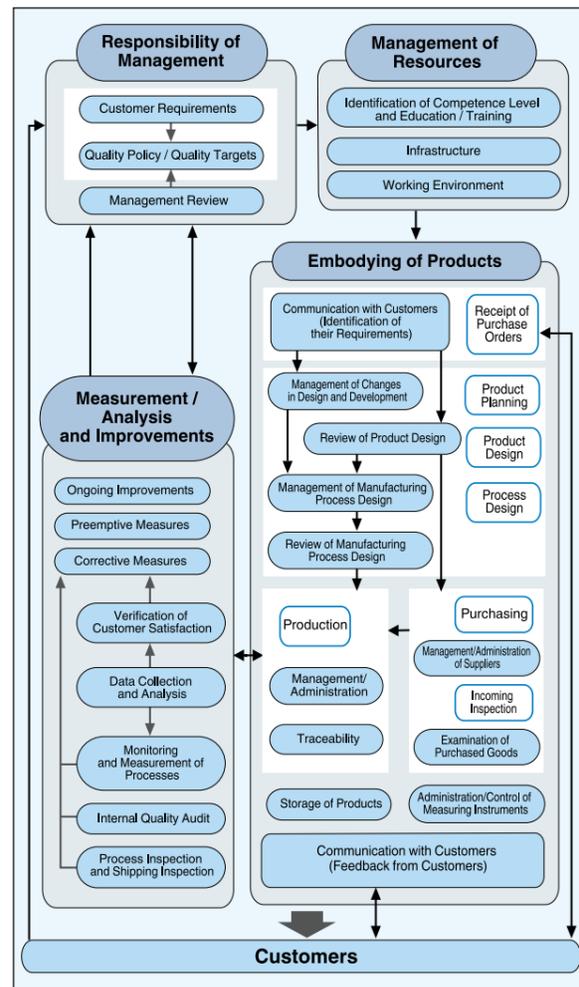
Our group is responsible for responding customers not only of current navigation and audio products but also of old household appliances. The tendency of customer inquiries is changing reflecting the changes in society, and we try to deal with each inquiry with sincere attitude.

Marketing Planning Department, Customer Service Group
Masataka Nakazono

manufacturing units have acquired certification of ISO/TS16949 which is a standard specifically required by automotive industry for quality management system, based on the international standard of ISO9001.

Furthermore, in order to embody customers' orders and needs in each of processes of purchase order administration, product planning, product designing, process designing and production, Clarion implements, Customer Requirements Reviews and Design Reviews.

Through organized functioning of each process and its proper maintenance as a quality management system, Clarion offers customers technology and quality that can promise them feeling of "Safety" and "Comfort".



Our Approach to Customer Satisfaction

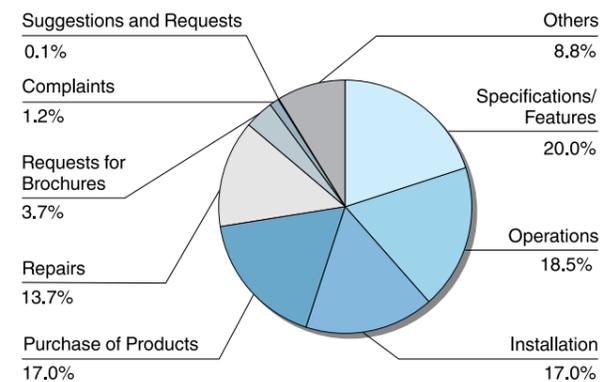
In addition to development in technologies and improvement in quality, Clarion seeks to further increase customer satisfaction by working on customer satisfaction (CS) activities with two goals: "establishment of lines of communication with our customers and the company" and "assessment of customer needs and an enhanced feedback system within the company".

Communication Lines with Customers

The core of the communication lines with customer is customer support. We have been dealing with customers inquiries, requests and complaints with reinforced personnel assigned to Customer Service Center since 2005. In September 2007, we totally upgraded our Computer Telephony Integration System (CTI) whereby available telephone lines were largely increased, and this facilitated better and more detailed handling of customer calls.

The frequently asked questions are categorized and uploaded on the "Product-related FAQs (Frequently Asked Questions)" on our website. With keywords to facilitate customers' searches and with increased numbers of items (458 items as of end of March 2010) we have enhanced customers usability of the FAQ page. In fiscal 2009, telephone inquiries decreased to 65,597 (95.9% of the year before), inquiries per e-mail was 3,275 (ditto 108%) and increasing, while number of access to the FAQ page increased to 290,362 (ditto 103%).

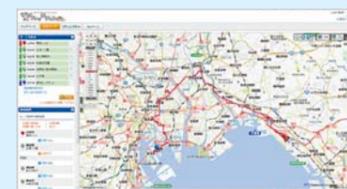
Types of Consultations/Inquiries



Topics

More Fun, More Convenience! Map Information Site "Chizu-Route-Susumu"

Designed with concept of "Map community site for more exciting driving", this site aims to link networks and car navigation devices to provide sharing of seamless information. Favorite spots and drive plans bookmarked (registered) on the website can be transmitted to navigation devices, and this makes it possible to enjoy making plans at home for a drive. We plan further to enhance the valuable service provided on the site through closer functional integration with navigation devices and improved H.M.I. (Human Machine Interface) on the site, among others.



Main Functions linked with Car Navigation Devices

- Transmission of favorite spots, courses
- Linking with Google Maps (Local Search and functions linked with Car Navigation Devices)
- Support to more ecological driving

* Google and Google Maps are registered trademarks of Google Inc.

Main Features of the Website

- Route simulation
- Spot Search
- Viewing of Moving Pictures of Tourist Spots
- Mails to Spots

To visit "Chizu-Route-Susumu", Click : <http://chizu-route-susumu.jp/>

Enhanced Organization for Understanding Customer Needs and Feedback

We seek to accurately understand and respond to customer views and requests. They are important resources for improvements of features of devices and services, as well as for understanding customer needs.

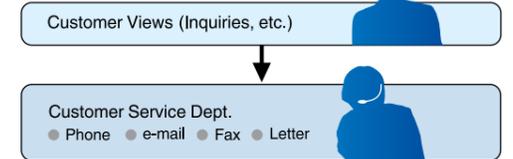
We compile and issue customer reports summarizing customer views. Furthermore, CS Conferences are held monthly. At these conferences we discuss improvements in features and sales as well as repairing and servicing organizations. These conferences are parts of efforts to build up more adequate organizations, share important information and reflect it to products and services. In 2006, we constructed an Intranet covering also our Group companies and share the views of our customers throughout the Group.

Specific examples of product improvement following customer suggestions are; wider range of brightness adjustment, larger clock display when display is off, more intuitive and convenient route-guidance display etc., for HDD Navigation devices and better and easier-to-understand expressions in owners' manuals, homepage and catalogs.

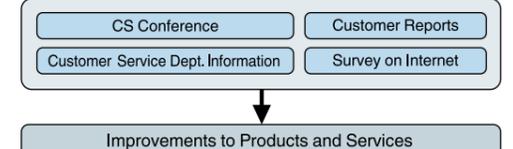
We will continue to improve our products and enhance servicing reflecting customers' voices.

Input/Feedback System

Input of Information



Output of Information

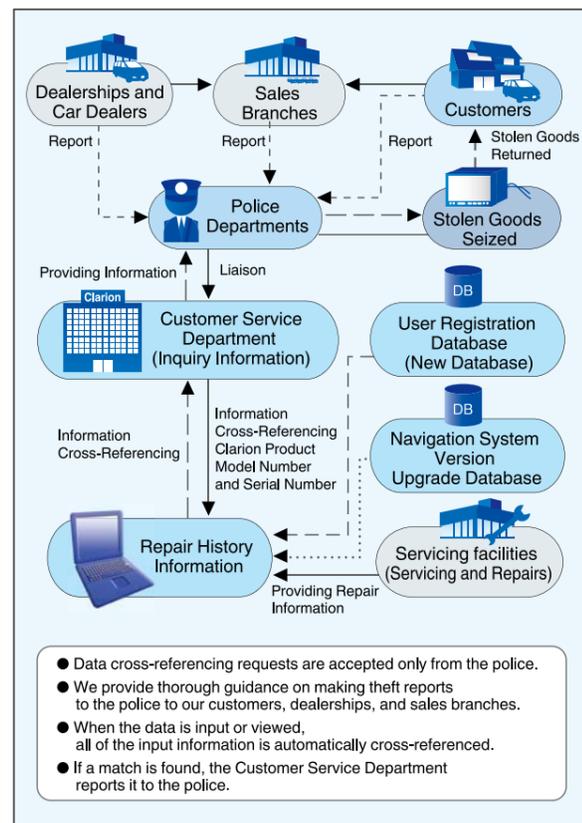


Larger clock display on HDD Navigation Device

Responsibility Toward Product and Information Security

Responsibility Toward Products

Clarion recognizes the nature of the products we sell and pay utmost attention in this respect of safety complying with laws and safety standards. We make efforts to provide products that customers can use with feeling of safety through assessment of safety features of products and their quality. In response to recent drastic increase of thefts of navigation devices, we launched an automatic theft identification system, whereby information contained in reports on stolen products seized by police and that of our navigation device user registration, repair and upgrading history are cross-referenced. The system contributes to police departments in their quicker and more accurate investigations. In Fiscal 2009, there were 38 inquiries thus cross-referenced.



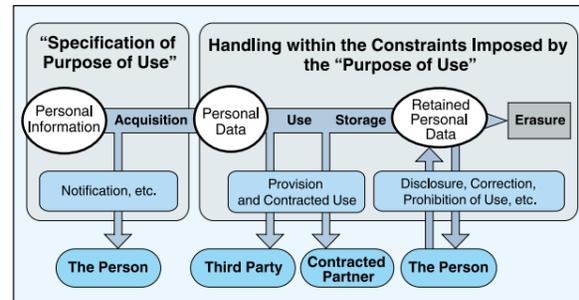
“Ochibo-Hiroi” or “Gleaning” Program to Prevent Recurrences

“Ochibo-Hiroi” or “Gleaning” is a Hitachi Group’s program for reviewing with customers’ perspectives and learning lessons from past incidents. Not only the possible technical causes but also psychological aspects of customers are scrutinized for the purpose of preventing recurrences. We have performed twice annually this “Ochibo-Hiroi” since Fiscal 2007 in an effort to prevent recurrences of incidents and to improve the product quality.

Administration of Personal Information

Customer information of purchasers is used in after-sales service and product development. For this purpose, we have a “Policies of Personal Information Protection”, which is accessible by public on our homepage. The Policy is appropriately managed in accordance with the “Administration Standards for Personal Information”.

Specifically, each department appoints a responsible staff who reports to Personal Information Protection General Manager, performs secure handling of such information through regular audits and interviews. Regular education and training are provided for all employees in order to disseminate and raise their awareness of the need for compliance with the Personal Information Protection Law and other laws and regulations.



Information Security

Clarion has formulated an information security policy to avoid risks such as information leakages, falsification and tampering, computer system failures and unauthorized use of software. Specifically, we have implemented “physical measures”, such as placing restriction on access to the server room, “technical measures”, such as controls on authorization of access to information, password protection for computers, and encryption of data, and further “human measures”, such as education and training to improve the security awareness of our personnel.

The status of implementation of these measures is verified in the regular information security audit conducted every year, and we are aiming to improve the level of management of information security.

We are Clarion



Production Planning Department
Hiroshi Iwanami

Export Security Committee is involved in “Security Trade Control” under supervision of the Ministry of Economy, Trade and Industry as well as “Designated Export Declaration System” under Authorized Economic Operator System supervised by Tokyo Customs Office. The purpose of export/import control is to maintain peace and security of the international society. Our activities are in coordination with Hitachi Automotive Systems, Ltd., and we exchange information at monthly liaison meetings. We will make efforts to improve level of export administration.

Together with Society

Clarion Group aims to be a good corporate citizen. To this end, we engage in activities in support of local communities throughout the world. We have developed a wide range of activities in each country, including support for future generations, activities to contribute to local communities, and support (donations) for areas afflicted by natural disasters. Through activities such as these we are actively contributing to the well-being of local communities.

Social Contribution Activities

The whole of the Clarion Group engages in activities contributing to building a better society, and we have developed a wide range of activities in each country, prioritizing support for areas afflicted by natural disasters and establishment of friendly relationship with local communities.

Local Social Contribution Activities

● Contribution to the local community through “Food Drive” (CCA, United States)

CCA staged “Food Drive”* in Michigan, Kentucky and California areas, where they have offices in July 2009. Collected food was donated in each area for the purpose of mitigating severe lack of food in those areas.

* “Food Drive” is a scheme to deliver such preserved food as canned or dried food, bottled drinks and candies redundant at homes and offices to needy families and elderly people.



Friendly Get-together with Local Community

● Community contribution together with welfare to employees (CHE, Hungary)

CHE supports willing employees in their CSR activities schemes, which is a part of its employee welfare plans. In 2009, they carried out cleaning up and repairs and tree-planting at schools in Nagykatya where CHE has facilities and near-by Tapioselesz district. They also made cleaning up, painting and repair of a historical wooden bridge in Tapiobiczke district. CHE supported the activities with tools for cleaning up, lumber, paints and fences and other materials for repairing, and trees for planting. They are carrying out steady steps for contributing to local communities.



● Mid Autumn Event for Elderly People (DDCE, China)

DDCE actively engages itself to activities for better society. End of September, 2009, 28 employees of DDCE visited a nursery home for elderly people where they took care of the people in the facility and presented monetary donation.



Supports to Disaster Stricken Areas

● Contribution to people suffering from the earthquake by Domestic Clarion Group

Donation raising activities for Haiti Earthquake were carried out during end of January to beginning of February, 2010, and collected contribution by Group employees in the amount of 188,811 yen was donated through Japanese Red Cross Society.

Dr. Okamura making medical examination of a 6-month-old baby



(c)Talia Frenkel_American Red Cross



Visit to a refugee camp

We are Clarion



Clarion Hungary (CHE)
Bene Csaba

I am responsible for production facility group at CHE. I had a chance to visit Headquarters office to participate in final selection session of Clarion Brand Award 2010, representing CHE employees taking part in CSR activities. I am very honored to have been able to let the world know the big impact of CSR activities we carried out last year. Now, we can say aloud, “We are Clarion!”

Together with Our Partners

Clarion, together with our business partners, enhance our teamwork in strategies in business, R&D and marketing. We believe that open and fair transactions will contribute to create products with better competitiveness and to establish a genuine WIN-WIN relationship with our partners. In addition, we have established the "Green Purchasing Guidelines" in cooperation with our business partners to promote more eco-friendly purchasing activities.

Together with Our Employees

Clarion values independent individuals in its recruitment, putting the emphasis on people by themselves. Furthermore, we operate a Human Resources Administration System which enables each individual employee to pursue his or her work with passion. We develop human resources capable of global thinking and a positive approach to breakthroughs, and foster the individuality and challenging spirit of our employees.

Proper Transactions

Purchasing Policy

Clarion aims to conduct open and fair transactions with its suppliers at all times. Currently, we strive to select our business partners by putting importance on their approach to the environment and CSR in addition to their quality and R&D capabilities. Furthermore, we actively seek new business partners both domestically and overseas as we expand our global purchasing/procurement activities in 10 Group manufacturing companies in seven countries around the world. We value communication with our business partners, and aim to establish relationships by which both parties can share their strategies and improve each other's competitiveness.

Purchasing Policy

- Proper Quality / Cost Competitiveness / Quick Delivery
- R&D Power (or R&D Capability) / Environmental protection /Enhancement of purchasing policies based on CSR

Objectives

- Reduction of total purchasing costs for materials and services

Measures

1. Promotion of Global Purchasing Policy
2. Promotion of Green Purchasing
3. Total Cost Reduction from the Development Phase
4. Quality Improvement Activities
5. Promotion of CSR

Briefing Meeting on Purchasing

Cooperation with our business partners is essential in promoting CSR-oriented purchasing activities. We hold annually a meeting to give briefings and explanations on our purchasing policy and requests in cooperation with our efforts in CSR and more eco-friendly activities. We have promoted activities, with more consideration on environmental protection, the "Green Purchasing Guidelines" as an example. As we joined the Hitachi Group, we are also communicating the "Hitachi Group CSR Activity Policy" to our business partners.

These meetings held in March 2010 were attended by 135 partner companies in Japan and 96 in China.

Annual Awards to Business Partners

We have a system in place for awarding our business partners annually to encourage improvement activities by our business partners and suggestions for higher added value products. The awards are presented to those partners whose performance with respect to Q (Quality), C (Costs), D (Delivery Date) and VEC* activities were particularly outstanding in that year. In Fiscal 2009, five companies were awarded. Going forward we intend to further strengthen cooperation with our business partners through these kinds of activities.

*VEC (Value Engineering for Customers) activities: VE activities being developed by the Hitachi Group. VE is a technique for analyzing the various factors related to costs and features in order to develop and offer products equipped with the features customers want at minimal cost.



Business partners commended at the Briefing Session on Purchasing Policy

Education on Fair Trade with Our Business Partners

Responsible personnel in purchasing attend regular outside seminars in connection with Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Act) in order to ensure law compliance and fair trade transactions. In 2009, two staffs took part in such seminars.

We will continue to improve knowledge and competence of individual staffs through active use of outside seminars on laws and regulations, and as well as on professional skills in purchasing operations.

Recruiting

Basic Policies on Recruiting

Clarion prohibits discrimination based on nationality, gender, religion, race, etc. and aims to recruit and train people with a wide range of personal values. Furthermore, as stated in the Guiding Principles of Conducts and Behaviors, we respect the human rights and individuality of each employee.

Basic Policies

- Openness to Any Person with No Discrimination
 - People as Themselves
 - Transparent Processes
- ↔ Fusion of Various Values

The Kind of People We Want, Respect for Diverse Personal Values

Clarion is looking for "independent personnel, defined as people who can independently think, positively work on anything, and learn with curiosity". When recruiting human resources, we select people as themselves, irrespective of their academic background, gender, religion or nationality. Through the selection procedures, Clarion evaluates personalities based on interviews with all applicants, and assessments are made based on their ability to communicate well and come up with unique ideas. We make efforts to ensure a transparent selection process by giving all prospective employees feedback of the full content of their assessment.

Employment of People with Disabilities

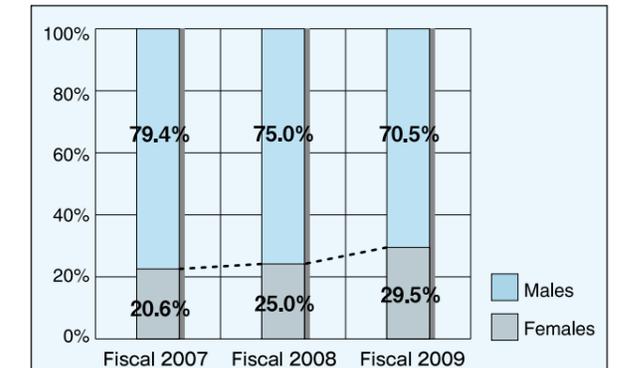
Clarion aims to expand its hiring of disabled people. Our employment rate of the disabled is improving year by year. We are working toward our target of early achievement of the legal requirement of 1.8%. The rate of employees with disabilities at the headquarters was 1.7% in Fiscal 2009.

Equal Opportunity and Treatment in Employment

Prior to the enforcement of the amended Equal Employment Opportunity Law on April 1st, 2007, we disseminated throughout the company the amended points such as prohibition of disadvantageous treatment of women due to pregnancy or child birth and points regarding sexual harassment among others. Additionally, we provided education/training for managers to raise awareness of the issues.

The proportion of female employees at the Headquarters is low at 14%, but we do not have any discrimination in recruitment pursuant to the Basic Policies. The ratio of female at recruitment has reached 29.5% in Fiscal 2009 and female employees are finding a wider range of opportunity of work in our R & D, purchasing and sales departments.

Male and Female New Graduate Recruitment Ratios



We are Clarion

<Mentor Tsuburaya>

Mr. Akachi, a new recruit of Fiscal 2009, looked rather lacking confidence in himself, at the beginning but now, I see him grown up and responds not only strictly to but also more than expected by superiors' instructions. He still has to experience more things, but I hope he will be one of the valuable staffs who can lead the group.



Application Software Development Department
Taketo Tsuburaya

<Mentee Akachi>

I look up to my Mentor Mr. Tsuburaya, as he is considered reliable by everybody around him. When I was given an assignment of performance assessment, he gave me precise and detailed instructions about the procedure. I am still very young and unskilled, I will do my best so I can catch up with Mr. Tsuburaya as soon as possible.

Application Software Development Department
Masashi Akachi

Human Resources Administration System

Basic Policy on Human Resources Administration

Clarion states in its corporate philosophy; "Respecting the individuality and ability of each employee, and establishing a corporate culture of generosity". Based on this philosophy, our H.R. administration system ensures that each employee is able to engage oneself to work with sense of independence and high motivation, and performance is duly appraised according to roles and contribution.

Basic Policies

- Establishing Self-realization
 - Establishing Corporate Culture of Generosity
 - Discovering and Fostering of "Independent Personnel"
- ↔ Appraisal linked to performance of roles and contribution

H.R. Administration

● Qualification System

Ranks based on expected roles and contribution are in place. Rank promotions are examined once a year when an employee qualifies requirements of each rank.

● Salary System

Salary is based on a range system according to qualification ranks, which considers the level dominant in the market.

● Appraisal System

Performance of each employee is appraised based on the level of achievement within semi-annual target control, and annual appraisal is made based on appropriateness in performed competence. Semi-annual appraisal is reflected on the bonus and annual appraisal on salary.

● In-House Recruitment System and FA System

To encourage independent career formation, Clarion has adopted a new in-house recruitment system featuring workplace reassignment procedures in line with personal wishes, as an opportunity for staff to select their own jobs within the company. We also introduced the FA (Free Agent) system to encourage flexible movement of personnel within the company.

unit : person

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Achievements of the In-House Recruitment System	3	3	4
Achievements of the FA System	0	2	4

Human Resource Development

Basic Policy on H.R. Development

Clarion's target is upbringing of group of professionals which can cope with rapid changes in the business environment. Various specific measures are taken in both strategic upbringing of human resources for the company and departments as well as supporting individual autonomous activities.

Expected Employee Role Models

Expected role models of an employee is:

- Ready to face challenges
- To have strong sense of teamwork
- To have high level of individual professional skill
- To pay respect to customers and social contribution
- To have global perspectives and sensibilities
- To have eagerness to grow up through work

Education and Training System

Clarion provides its employees with following system to embody their expected employee role models.

	Business Skill Education/Training	Core Skill Education/Training	Professional Skill Education/Training
Managerial Staff	Education/ Training based on roles	Unique education/ training unrivaled by others	Education/training for enhancing professional skills/ competence for each job type
Experienced Staff			
General Staff			

Career Development Support System

The company (Human Resources Dept.), the departments and the individuals all act independently, according to their roles and objectives, and the synergetic effects among them enable the company and departments to improve the quality of human resources, so that the individuals can enhance their market value.

Mentor System	Each new employee (a mentee) is allocated with a senior staff member from the same department as his/her mentor. This method encourages each new recruit to become independent and to build up internal network within the company at an earlier stage of employment. Clarion is the first company to have adopted this system in Japan.
Support for Career Planning Activities	Clarion provides career planning education and training to assist each employee to examine and implement his/her own career formation.

Work-Life Balance

Supports to Child Caring and Nursing

Clarion has set up a childcare leave system, a nursing leave system and vacation deposit system to ensure environments and working conditions for employee needing to take care small children and/or older family members to balance their roles at work and at home.

Furthermore, in response to the Law for Measures to Development of the Next Generation, we promote awareness raising programs and others at education and training sessions for each segment. We are also reforming systems in this regard from viewpoint of diversified working conditions.

Childcare Leave System	Childcare leave may be taken once for each child, with the leave period lasting until the child is one year and six months old.
Nursing Leave System	Leave during necessary period up to one year for causes of nursing necessity.
Vacation Deposit System	Vacation deposit of maximum 4 days of the unconsumed annual paid holidays lapsing after 2 years from the date of grant, maximum accumulated deposit to be less than 40 days. Thus deposited vacation is used as leave for treatment of non-work-related injuries/illness or care for family members. We have 5 days/year of holidays outside the deposit system for caring the family.

unit : person

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Results for Childcare Leave Taken	4	8	7
Results for Nursing care Leave Taken	0	0	0

For Full Consumption of Paid Holidays

Clarion works to create systems to facilitate full consumption of paid holidays. Clarion has introduced planned consumption of two consecutive holidays, "Anniversary Holidays" (3 days), company-wide paid holidays (5 days).

We are Clarion



Application Software Development Department

Wenli Meng

I resumed my previous work after a childcare leave. I think Clarion has good system to provide flexible working environment such as flextime and so on. When my child was first in the day care facility, he got often fever and I used to get calls to go and pick him up. Thanks to understanding and help of superiors and colleagues, I could deal with the matter successfully each time, and successfully perform my duties as a mother and a working woman.

Safety in the Working Environment

Clarion has established the Health and Safety Committee, which is working to develop healthier and safer workplace environments, and to understand and comply with laws, regulations and ordinances related to health and safety in the workplace.

Basic Policies

- Utmost priority for safety and physical health

Health and Safety Committee

Clarion holds a meeting of the Health and Safety Committee once a month to discuss relevant topics.

Prevention of Industrial Accidents

In order to ensure safety of employees as utmost priority and to fulfill corporate social responsibilities, Clarion promotes various measures with the target of zero industrial accidents. In Fiscal 2009 also, there was no serious incident.

Mental and Physical Health

We see rising risk of lifestyle related disease recently. Clarion has set up a target to have all employees go through regular health check. The health check was switched to that of one-day visit to facilities offering such examination to increase accuracy and for early detection of possible serious illness.

Furthermore, we see the importance of mental health. Based on this belief, we established a health counseling office for mental health issues with outside counselors. Additionally, we provided mental health lectures by expert lecturers with attendees of about 100 in Fiscal 2009. The participants learned about its importance and necessary response to it from risk management point of view.



Employees receiving a health management training course

Environmental Report

Environmental Policy

We, Clarion Group Companies, acknowledge that preservation of the environment is one of the most important issues in the management of an enterprise. We shall act in our business activities of designing, producing and selling of products mainly of vehicle mounted information systems, promoting global “monozukuri” (product making) aiming at less burden on the environment, and make efforts to realizing the sustainable society with following measures.

- 1) We shall evaluate environmental effects through our products and services, set up environmental objectives and targets, which shall be reviewed every year for continuous improvement for less burden on environment.
- 2) We shall promote efforts to offer more environment-friendly products and services with reduction of hazardous substances, requiring less natural resources and energy consumption.
- 3) We shall promote saving energy in our activities and make efforts for mitigating global warming.
- 4) We shall take measures for less waste output and promotion of recycling and aim to bring about recycling based society.
- 5) We shall make efforts for greening by tree planting and improving appearances, at the same time to preserve the natural environment and mitigation of influence to ecology.
- 6) We shall take preventive measures against possible environmental pollution from wastewater and leakage of oil or hazardous substances from offices and factories.
- 7) We shall comply with all laws and regulations, other requirements acknowledged by the Group and other self-designated standards concerning the environmental preservation.
- 8) We shall let all employees be aware of the Environmental Policy and shall improve their knowledge regarding environmental preservation.
- 9) This Environmental Policy shall be made publicly known, and we shall actively promote information disclosures and other communication with outside the Company.

Revised March 11, 2008

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Environmental Management

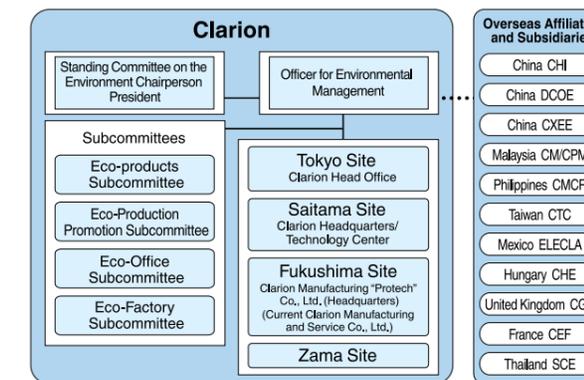
Clarion works for harmony among people, communities and nature, and promotes corporate activities for sustainable society through efforts, among others, for effective use of limited natural resources and energy. The entire Clarion Group, based on the Corporate Philosophy, continues to undertake environmental protection activities by concentrating its technical, economic and human resources.

Environmental Policy

The Clarion Group is dedicated to promoting environmental protection activities based on its Environmental Policy, which was revised in March 2008 to further bolster the company's environmental efforts.

Promotional Framework for the Environment

In order to promote environmental protection activities, Clarion acquired ISO14001 certification for its domestic companies in 2000. By the end of March 2008, 11 overseas affiliates completed their acquisition of the ISO14001 certification. The whole Group continues to enhance this environmental management system. Specifically, the activities are promoted by “Standing Committee on the Environment” and 4 subcommittees play active roles. At all of our domestic sites, external inspections are conducted once a year, and internal environmental audits twice a year, to assess the state of implementation and maintaining of environmental management system.



Education and Training

Clarion provides systematic education to all employees to increase their awareness of environmental protection.

● General Environmental Education

The department in charge of Environmental Management provides education and training to department managers. Based on this education and training, the managers take the lead in conducting an education program for all employees, including employees of domestic affiliates and subsidiaries, at least once per year. In addition, in 2007 e-learning was introduced to further develop eco-awareness.

● Level-Specific Education

H.R. Dept. and CSR Dept. organize environmental management system education for each level of managerial staffs to new recruits.

● Training for Internal Environmental Auditors

This program consists of training for internal environmental auditors by an external training institution and by Clarion's qualified internal auditors.

● Professional Training for Workers Engaged in Designated Tasks

Personnel qualified for certain designated jobs under laws and regulations and employees engaged in tasks that have a profound impact on the environment are categorized as “workers engaged in designated tasks”, and are provided with professional training in accordance with their duties. Furthermore, we perform simulated drills regularly to ensure that they can respond quickly and appropriately in a possible emergency situation.

Status of Compliance with Environment Related Laws and Regulations

Clarion compiles and shares a companywide database covering major environment-related laws and regulations as well as customer requirements. Compliance status is checked monthly which is assessed/verified by the Standing Committee on the Environment. The departments responsible for promotion of environmental activities identify deviations from reference values set by laws and regulations and list up the related incidents, complaints and risks which are controlled with self-imposed standards.

Environment Recovery Works

Clarion conducted a voluntary study for company owned land and detected fluorine compound over the allowed value. Following to this, we performed environment recovery works from August 2007 for two years. After the completion of the works, we built a pump-up well and water disposal facility and conduct monitoring measurements. Surface of underground wall is covered to prevent spread of substance by rain-water. Furthermore, a biotope, “Clarion ECO Garden”, was built on a part of the land, where about 700 trees were planted. It offers space for rest and relaxation for employees and families as well as for preservation biodiversity. From next spring, we plan to open the area for local residents to enjoy cherries in full bloom.



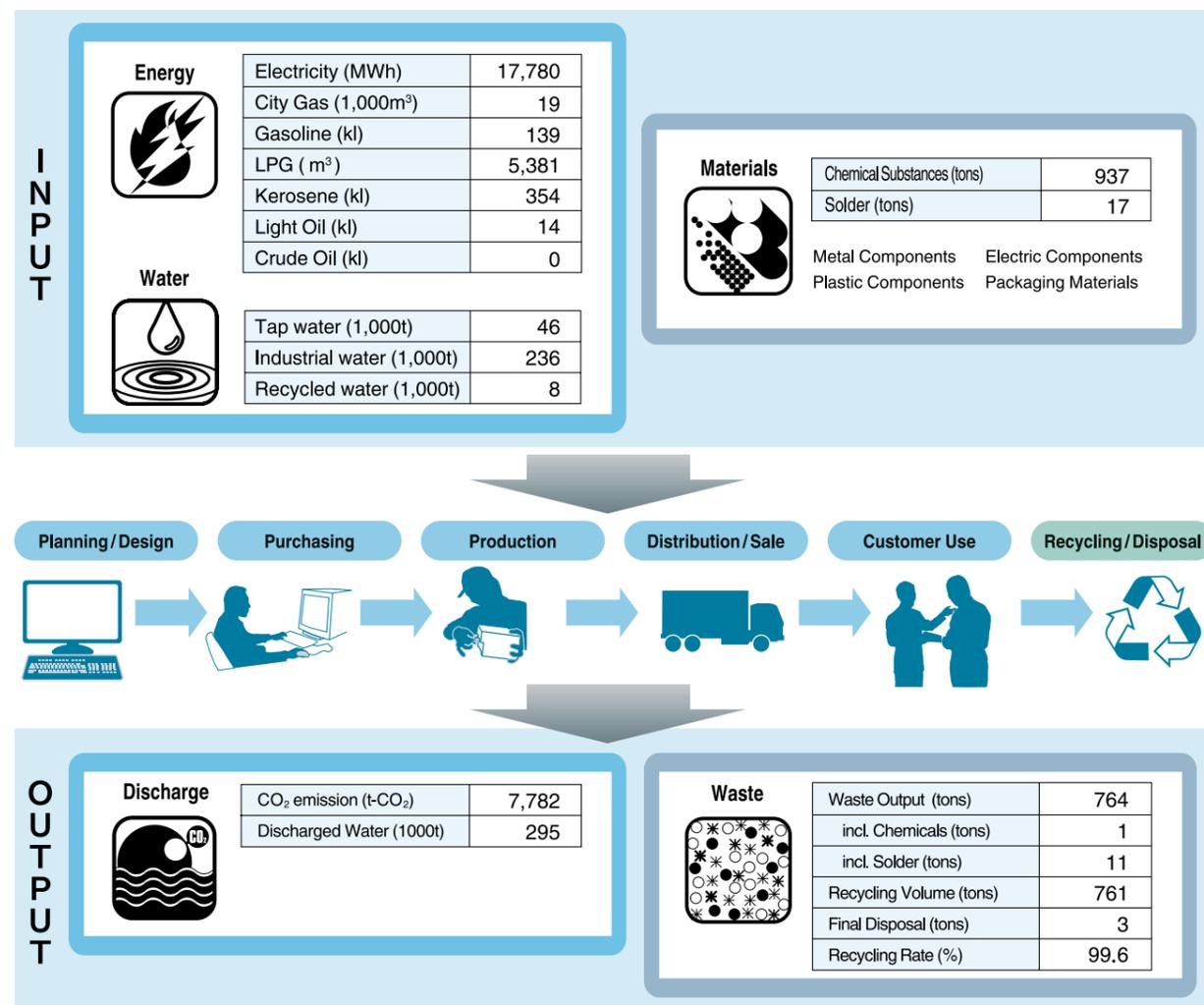
Business Activities and Environmental Impact

Clarion monitors the environmental impact of its activities, including those of the domestic group companies, and promotes environmental protection activities throughout the entire Clarion Group. Furthermore, we have introduced environmental accounting in order to keep track of total costs and investments related to our activities and utilize the data as a tool for environmental management assessment.

Material Flow

Clarion monitors and analyzes the environmental impact of its business activities. This material flow chart shows input and output data related to Clarion's environmental impact at each of

its sites. The input data include consumption of energy, chemical substances, etc., while the output data show CO₂ emissions, output of waste, etc. We continue our efforts to more effectively reduce our environmental impact through on-going collection and analysis of data.



< Covered Sites >

• Japanese Domestic sites are following 5 sites:

- Saitama Site (Saitama-shi, Saitama)
 - Clarion Co., Ltd. Headquarters and Technology Center
 - Clarion Sales and Marketing Co., Ltd.
 - Clarion Associe Co., Ltd.
- Tokyo Site (Bunkyo-ku, Tokyo)
 - Clarion Co., Ltd., Registered Head Office
 - Clarion Sales and Marketing Co., Ltd.
 - Clarion Associe Co., Ltd.
- Fukushima Site (Koriyama-shi, Fukushima)
 - Clarion Co., Ltd., Koriyama Branch Office
 - Clarion Manufacturing and Service Co., Ltd.
- Zama Site (Zama-shi, Kanagawa)
 - Clarion Co., Ltd., Zama Office
- Mito Site (Hitachinaka-shi, Ibaraki)
 - Clarion Co., Ltd., Mito Office
 - Clarion Manufacturing and Service Co., Ltd.

< Relevant Period >

• The relevant period is as follows:
From April 1, 2009 to March 31, 2010

Environmental Accounting

Clarion introduced environmental accounting in Fiscal 2002 to more effectively promote its environmental activities in a sustainable manner. We compile and disclose the figures in accordance with our own environmental accounting guidelines following "the Environmental Accounting Guidelines" of the Ministry of Environment. The coverage was extended to overseas sites in Fiscal 2005. We try to obtain understanding of our activities in this area through active disclosure of related information.

Numerical Data for Fiscal 2009

- Relevant Period: April 1, 2009 - March 31, 2010
- Sites Covered by Data: Clarion and its domestic and overseas affiliates and subsidiaries (five domestic sites and 5 major overseas production sites)

Environmental Conservation Costs (Japan)

(Unit: Millions of yen)

Item	Description	Fiscal 2007	Fiscal 2008	Fiscal 2009
Costs within business areas				
Upstream/Downstream Costs	Green-Purchasing-related costs, Recycling costs for Containers/Packaging	13	1	0
Administration Costs	Certification-related costs, education costs, etc.	210	3	15
R&D Costs	Costs for reduction of environmental impacts, weight reduction, etc., for products and processes	197	8	7
Social Activity Costs	Costs for nature conservation, afforestation, beautification, etc.	11	0	1
Environment Recovery Costs	Costs for soil pollution countermeasures	0	0	0
Total Costs		711	98	101
Total Investment		122	33	1

Economic Benefits (Japan)

(Unit: Millions of yen)

Item	Description	Fiscal 2007	Fiscal 2008	Fiscal 2009
Effects of environmental protection related to re-sources utilized in business activities	Utilities cost, purchasing cost of copy and EDP paper, etc.	(121)	(94)	55
Environmental impact and waste resulting from business activities	Cost of general and industrial waste disposal, etc.	(27)	23	(2)
Benefits related to goods and services produced by business activities	Benefits of producing lightweight products	53	67	54
Conservation effects mainly related to transportation	Gasoline and light oil usage fees, etc.	(5)	23	(1)
Sales of valuables	Sales of valuables and wastes for recycling	38	9	15
Total		(62)	28	121

Environmental Conservation Benefits

Category	Indicators for Environmental Conservation Benefits (unit)	Japan			Environmental Conservation Benefits	Environmental Impact including 5 Overseas Sites
		Fiscal 2007	Fiscal 2008	Fiscal 2009		
Effects generated by costs within business areas	Effects related to resources used in business activities					
	Amount of electricity used (MWh)	19,352	18,982	17,798	1,184	38,283
	Amount of fuel oil used (crude oil equivalent kl)	684	471	498	(27)	923
Effects related to environmental impact and waste produced by business activities	Amount of CO ₂ emissions (t-CO ₂)	7,822	6,843	6,709	134	25,097
	Amount of waste final disposal (tons)	6	5	3	2	356
	Amount of waste recycled (tons)	1,303	989	761	228	-
Effects generated by upstream/downstream costs	Effects related to goods and services produced by business activities	99.6	99.5	99.6	-	-
	Recycling rate (%)					

We are Clarion



Kaoru Hashimoto
(Global Production Engineering Dept., Clarion Manufacturing and Service Co., Ltd.)

I was assigned to this department after returning from work in China in May 2009. From this fiscal year, I am engaged as the chairperson of the Eco-Production Promotion Subcommittee. Members from sales, R&D, purchasing, quality assurance and production engineering departments take part in the subcommittee. We address issues such as promoting designing of lead-free new products as well as acquiring certifications from car manufacturers who are our OEM customers for lead-free production site in order to achieve the targets of environmental program of the whole Clarion.

Targets and Achievements

Clarion recognizes that our business activities are deeply related with society and environment and continues to promote such measures to be more friendly to society and environment.

Eco-Friendly Products

Clarion strives to expand its range of eco-friendly products for the purpose of environmental conservation. We voluntarily implement environmental assessments at the development stage covering all the stages of our products' life cycle from material, components, production processes, physical distribution, to usage, disposal and to recycling by our customers. The results of successful assessment are displayed in the form of "Clarion Eco-Mark."

Efforts and Achievement

Subject Area	Fiscal 2009 Targets	Fiscal 2009 Achievements	Assessments	Fiscal 2010 Targets	
Eco-Products	Product assessment	Extension to OEM products	○	Promotion of extension to more products	
	Design based on Environmental Impact Assessment	Development of eco-friendly products	○	Enhanced eco-friendly drive advising function	
		Improvement in packaging processes	○	Expansion of application of returnable materials	
		Electronic owners' manuals	△	Expansion of application	
	Regulated Chemical Substances	Switching to RoHS (European) regulation materials	Switching to mercury-free Displays	○	Reduction of use of plasticizer in plastic materials
	Establishment of system to deal with REACH	Collection of JAMA data	○	Continued collection of JAMA data	
Eco-Factory	Prevention of Global Warming	Reduction of energy consumption by 12% (against 1990 result of Koriyama Office)	-23.4% (note: increase of 7.5% year on year)	○	Reduction of 0.5 % basic unit (against Fiscal 2009)
	Reduction of Waste Output	Continuation of zero waste output (Recycling rate over 99%)	Recycling rate 99.6%	○	Continuation of zero waste output
Eco-Management and Others	Environment Related ISO	Retention and expansion of ISO certification acquisition	Addition of Zama site	○	Retention of ISO certification
	Environmental Education	Implementation of environmental education programs	Implementation of segment by segment education within the company	○	Enhanced environmental education
	Environmental Information	Satisfaction of customer requirements	100% response on product environmental survey	○	100% response on product environmental survey
	Environmental Conservation	Soil recovery works in Koriyama site	Completion as planned	○	Continued monitoring
	Environment-Society Activities	Promotion of afforestation	Opening of Eco Garden in Koriyama premises	○	Continuation of afforestation

We are Clarion



Eco-Factory Subcommittee Chairperson
Ryoichi Shimizu
(General Affairs Dept., Clarion Manufacturing and Service Co., Ltd.)

Our company has signed up in "Fukushima Protocol" and "Koriyama-shi Eco Office" both of which are activities for prevention of global warming. We succeeded in raising awareness toward the cause with "Eco-Check Sheets" distributed to employees' families to check CO₂ emission of everyday life. We will join and cooperate with prefectural government sponsored "Mizu-umi Mirai Club" (Club for Beautiful Future for the Lake) which will work for water quality conservation of the Lake Inawashiro near our facility.

We are Clarion



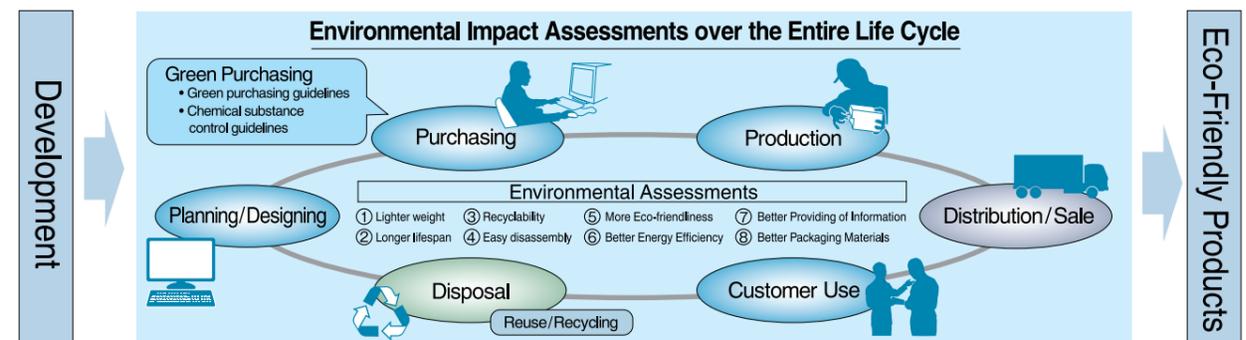
Environmental Leader
Hideo Sakai
(Domestic Quality Assurance Department)

I am responsible for activities within the division as an environmental leader, in development of products eliminating harmful substances based on information from customers through Eco promotion Subcommittees. In our working place, we make regular "Waste Patrol" with a slogan of "Thorough Separation of Wastes", and disseminate ideas that "pile of waste is pile of treasure" and promote recycling activities.

Efforts for Eco-Friendly Products

Development of Eco-Friendly Products

Clarion implements self-imposed environmental assessments from the development stage using standards for 8 assessment criteria. We aim to develop products with less environmental impact through LCA (life cycle assessment) approach whereby total environmental impact is assessed throughout the entire life cycle of products.



Display of the Clarion Eco-Mark

To develop and offer eco-friendly products, Clarion conducts the environmental impact assessment, which is comprised of the following 8 criteria; lighter weight, longer lifespan, better recyclability, easier disassembly, more eco-friendliness, better energy efficiency, better providing of information, and better packaging material. The products which meet our own criteria are certified as "Eco-Friendly Products", and the "Clarion Eco-Mark" are displayed on them.

Examples of products with the "Clarion Eco-Mark"



Eco-Drive Advice

Clarion has developed a unique function of "Eco-Drive Advice", which drivers can enjoy as if they are playing some games and yet can pursue eco-friendly driving. The development key words were "eco-awareness", "guidance to own world" and "enthusiasm and attachment". It offers features which a driver can enjoy for a long time, in specific words, trees on the screen growing faster (or slower) in accordance with the driving manner, the driver being able to know his status through conversation with the characters on the screen, to receive easy-to-understand one point advice and to enjoy collection of 'eco-drive points' in form of leaves. We want

cycle of products.

We also address the issues necessary to comply with the RoHS Directive of the European Union and other domestic and overseas laws and regulations, as well as requirements of car manufacturers. Together with these efforts and promotion of Green Purchasing, among others, we eliminate prohibited substances and promote use of eco-friendly materials and components from the development stage.

to let drivers feel "eco-driving is fun" and continue to drive in that manner which will lead to reduction of CO₂ emission.



Compliance with REACH Regulations

The REACH (Registration, Evaluation and Authorization of Chemicals) Regulations aim to put obligation of safety assessment of practically all chemicals in distribution within Europe and registration and evaluation of them. The regulations came into force in June 2007. They expect to minimize the impacts from chemical substances to the environment and human and to more clearly identify responsibility of enterprises with respect to administration of these substances through compliance with them. Clarion promotes activities of identifying the chemical contents with use of JAMA sheets.

Promotion of Green Purchasing

Clarion promotes green purchasing activities as a part of our efforts for actively reducing the environmental impact at each phase of the life cycle of our products. In order to further promote procurement of components, "Green Purchasing Guidelines" was revised in 2010 and we continue to develop and offer products that comply with related laws, regulations and industry standards cooperating with our business partners.

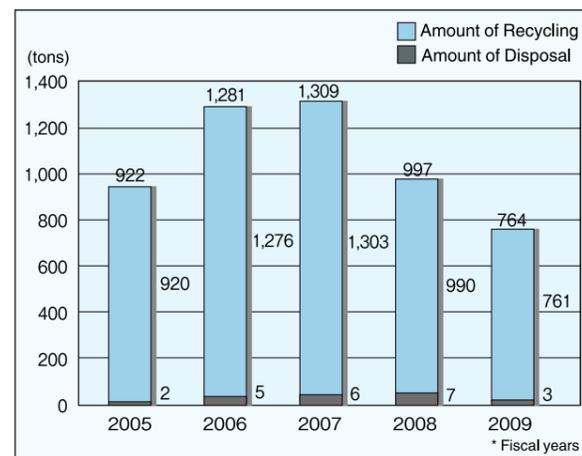
Environment Protection Activities

Clarion is working to reduce the environmental impact of its business activities and fulfill its responsibilities as a member of society by implementing a variety of environmental protection activities including those for waste reduction, chemical substance management, global warming prevention and others.

Effective Use of Resources

Clarion promotes reduction of total amount of waste generated through its business activities to contribute to building of recycling based society. We define "zero waste output" as "final disposal of waste of less than 1% after recycling of more than 99%", and we are working to achieve it through observing "5R Policy" (Reduce, Reuse, Recycle, Refuse and Return). Furthermore, we reduce risks of illegal disposal by improving production processes and disassembling waste, thereby promoting material recycling simultaneously. In Fiscal 2009, 99.6% of waste was recycled after our efforts of waste separation patrol, promotion of education and awareness raising and of increasing sellable waste. Additionally, concentration of production sites (transfer of Mito Office to Koriyama) contributed to reduction of waste output. We are determined to further reduction of environmental impact through higher level recycling efforts and product technology for recycling.

Amount of Disposal • Amount of Recycling

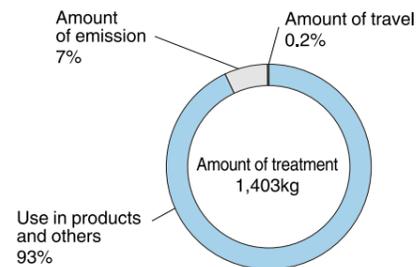


Chemical Substance Management Activities

Clarion conducts thorough chemical substance management through ongoing awareness education and training activities. Moreover, we strive to reduce the output of chemical substances used in production, by switching these to ones with lower environmental impact as much as possible. Currently we work primarily to reduce solder, waste oil and Volatile Organic Compounds (VOC) which have higher usage and waste output.

Complying with the Pollutant Release and Transfer Registers (PRTR) Law

Clarion runs a system that tracks the amounts of chemical substances used and their waste output, even if they are used only in small amounts below the levels subject to report under the PRTR. In Fiscal 2009, although as a whole Clarion domestic operations handled 1.4 tons of chemical substances, the amount itself was below that required to be reported under the PRTR Law and there was no particular item subject to report. We are also striving to reduce the amount of usage and waste output of chemical substances that are not subject to the PRTR Law.



Efforts to Prevent Global Warming

Clarion's measures to prevent global warming include cutting down the use of electricity and fuel in order to lower CO₂ emissions. Moreover, we are actively working on efficient and environment-conscious transportation. We are also striving to contribute to the prevention of global warming by making efforts to reduce CO₂ emissions through products.

We are Clarion



Eco-Office Subcommittee Chairperson
Sakae Ebisawa
(Human Resources and General Affairs Department)

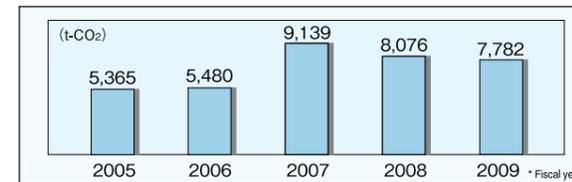
Last fiscal year, I was given the assignment as Chairperson of Eco-Factory Subcommittee and was engaged in environmental activities in factories. I tried as a new approach of awareness raising campaign comical poems competition. This year, as the chair of Eco-Office Subcommittee, I would like to undertake activities in this new area of reducing environmental impact of business operations.

CO₂ Emission Reduction Activities

Hitachi Group has two targets for reduction of CO₂ emission; 12% reduction (against Fiscal 1990) of total CO₂ emission in Japan, or 25% reduction of CO₂ basic unit for production amount, both by Fiscal 2010. The total energy consumed by Clarion group was in terms of CO₂ emission 7,782 t-CO₂. It was an increase from fiscal years before 2006, as that of former Xanavi Informatics was added from Fiscal 2007. In Fiscals 2008 and 2009, CO₂ emission fluctuated due to influence by economy.

We continue our efforts to reduce CO₂ emission through reviewing production processes, introducing more energy efficient facilities and equipment and steady improvement activities in working environment.

CO₂ Emissions (Total Energy)



In August 2007, new Clarion Headquarters Office became fully operational. It employs actively facilities with considerations to the environment and energy efficiency such as air-conditioning system with thermal storage in the building, natural ventilation and sensor activated automatic lighting system, among others. Furthermore, use of private cars to work is in principle banned, and as its side effect, CO₂ emission is reduced by 124 t-CO₂.

(Source: ECCJ, Energy Conservation Center, Japan)



Active Use of CO₂ Credit (Emission Trading)

Clarion started new approach for more consideration to the environment through deployment of international air transport services with CO₂ credit. As we use international air transport services, we procure CO₂ credit, following the Kyoto Mechanism, and transfer it to redemption account of the Japanese government. The procurement of CO₂ credit, at the same time, contributes to

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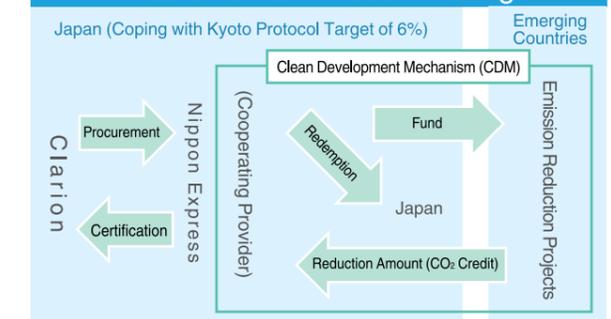
Eco-Products Subcommittee Chairperson
Joji Hirabayashi
(Mechanical Design Department)

This subcommittee engages in the activities such as investigation for eco-friendly designing, drafting out of related standards as well as reduction of CO₂ emission from viewpoints of product designing. As eco-contribution activities are hottest issues in these years, I want to contribute to the company-wide efforts through activities of this subcommittee.

social infrastructure of the State of Karnataka, India, where the project is located from which we procure the credit.

* ECO2AWB of Nippon Express is used for procurement of CO₂ credit and for transfer to redemption account of the Japanese Government

Mechanism of Emission Trading



Type: Kyoto Mechanism Credit / CER
Project: Wind Power Project,
Karnataka, India
[NSL27.65MW]Wind Power Project
in Karnataka, INDIA
Registration No. 0998, UN CDM
Board



Energy-Saving Activities in Physical Distribution

Clarion is working on the following activities in order to reduce CO₂ emissions from our physical distribution process.



1. Promotion of Modal Shifts

As truck transportation has major impact on the environment, in particular air pollution, we promote modal shifts in cooperation with car manufacturers, encouraging rail and/or marine transportation instead of long distance truck transportation.

2. Volume Efficiency

We try to improve volume efficiency in case of container transportation by increasing number of units in a carton, shifting to pallet packaging from individual packaging and other improvements. Furthermore, we collect daily volume information and make flexible choice of vehicles (loading capacity of 4 tons or 10 tons, etc) for higher transportation efficiency.

3. Promotion of Round Use of Containers

We work to reduce CO₂ emission by two-way use of containers. They used to be empty on the return trip after unloading import cargoes at our facilities but now used for transportation of export cargoes.

4. Promotion of Joint Transportation and Freight Collection

In order to avoid inefficiency, eventually higher environmental impact, in transportation by individual companies, Clarion, in cooperation with other companies, promotes joint transportation and freight collection.

5. Reduction of Stretching Wrapping Film and Cardboard Material Wastes

We reduce waste output of stretching wrapping film used in vast volume for transportation, by using special compressing machines. Used cardboard material is shredded with dedicated machines to be reused as cushion material. We also reduce waste output of cardboard material by changing the cardboard dust protection rids of reusable containers for car manufacturer deliveries to reusable plastic boards.

Clarion Report 2010 Independent Review

Kunio Ito

Professor
Hitotsubashi University



It is quite notable in Clarion Report 2010 that the company pays well-balanced attention toward all stakeholders of shareholders/investors, customers, local communities/their residents, trade partners and employees and is performing consistent operation. The back bone that supports this is the persistence for the Corporate Philosophy "(to create products) to improve society by seeking to develop the relationship between sound, information and human interaction."

Corporate activities at times sway and deviate. It is often so when a company's corporate philosophy is only framed and hung on the wall without taking root in its employees. With respect to this, Clarion's CSR activities are consistent and without any swaying or deviation.

In the present days when hybrid or electric vehicles are becoming the main stream, roles that in-vehicle information terminal play are tremendously wide and far reaching. They are expected to deal with such functions as processing, displaying and controlling energy flow and other information which have not been asked for in the conventional vehicles. In this sense, it can be said that central roles in making of cars are played by these in-vehicle information terminals.

Leading management thinker Peter Drucker warned companies about the importance of their social responsibilities in one of his works, in which he lists three core principles. First, an organization will have a positive or negative influence on society and should work to minimize the negative influence (the principle of impact prediction). Second, an organization should anticipate its influence and take steps to prevent undesirable by-products (the principle of impact prevention). Third, an organization should see social needs, including the need to counteract negative impacts, as opportunities for itself (the business opportunity principle). Companies have a fundamental ethical responsibility to transform their business performance by meeting the needs and demands of society. The aptness of these principles has been eloquently expressed in the efforts of the automotive industry to improve safety and reduce pollution.

When viewed from the perspective of Drucker's three principles, as demonstrated by Clarion's approach to environmental problems, the company is complying with the first principle, impact prediction, through the introduction material flow, environmental accounting and other initiatives that contribute to transparency, which in turn is linked with the second principle, impact prevention. We can see the third business opportunity principle at work in core company products, such as the multifaceted car navigation systems, that contribute to improving the global environment.

Looking at problems faced by Japanese car manufacturers abroad, we can not stress too much the importance of compliance and risk management. It is regarded that Clarion has achieved appropriate level of performance in compliance audits and risk management systems. It is, however, very much hoped that it will continue to strive for improvements in these fields.

The global environmental situation worsens day by day. I would like to see Clarion drive forward to create more and more core Clarion fans in the world through furthering technical prowess and evolved CSR management.



● Editorial Policy

Clarion Report 2010 is constituted in two parts of "Company Profile" and "CSR Report". Our editorial policy is to inform Clarion's "corporate power" and our efforts in fulfilling corporate social responsibility (CSR) in a manner easy to understand.

● Sites Covered by the Report

Clarion and its domestic and overseas consolidated affiliated companies

● Report Period

Fiscal 2009 results (from April 1, 2009 to March 31, 2010), with part of Fiscal 2010 included

● Next Publication

Year 2011

◎ This report is available on the internet.

< URL > <http://www.clarion.com/jp/en/company/effort/index.html>

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