

clarion



Clarion Report 2011

Company Profile / CSR Report



Clarion Co., Ltd.

Clarion

Clarion Co., Ltd.

Registered Head Office · Technology Center

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

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



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



Tatsuhiko IZUMI
President

We are currently faced with a massive wave of environmental change on a global scale. In addition to global warming, energy and food resources are becoming critical issues. Humanity is reaching a turning point, where people all over the world must now dramatically shift the way they think and implement dynamic environmental programs to meet these formidable challenges. It was also a time when Japan was hit by an earthquake and tsunami of unprecedented scale. However, if Japan is to play a leading role in promoting global progress, we will need to transform these challenges into the power to create a brighter future.

A Global Strategy that Transcends the Tides of Time

In this day and age when the world is in upheaval, various new business opportunities are developing in locations throughout the globe. More than ever in this global environment, it is necessary to gear our efforts taking each market in the world into account. Clarion has striven to be a “company that is truly needed by society” as its corporate culture. By the same token, this goal is attainable by accomplishing our mission of “swiftly responding as a company to the needs of the world.” That is why Clarion keeps its gaze fixed solidly on the future as it delivers new future-oriented products and services 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

In environmental protection, all companies that comprise the automotive industry that we are part of, are making dynamic efforts — not only in terms of actual products but also by expanding the scope of development to the infrastructure surrounding the products. EVs require new types of information such as energy flow data, navigation to charge stations, network data supporting smart grids, and so on. That is why Clarion has developed and marketed an in-vehicle information terminal that is designed for the age where eco cars such as HVs (Hybrid Vehicles) and EVs (Electric Vehicles) will become the mainstream, before our rivals. We have taken a substantial lead over the competition in accommodating EVs which are spreading worldwide, to solidify our leadership position. What’s more, to meet the current trend of an ever-evolving telecommunications environment and the spread of smart phones, we are developing a system to maximize in-vehicle user benefits by enabling the progressive integration of car entertainment equipment and smart phones. Additionally, we intend to bolster the domains that contribute to the development of a society that is safe and friendly to both people and the environment, such as driving support through image processing technology as well as integrated operation of navigation systems and vehicular controls.

Activities Geared Toward a Sustainable Society

As a result of rapid environmental change facing the world, environmental countermeasures have come to the forefront as an increasingly important issue for corporate social responsibility, aimed at the realization of a sustainable society.

At Clarion, we have positioned these environmental issues as business challenges, and are implementing environmental management throughout all aspects of our business activities. 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.

To Our Stakeholders

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

To our shareholders, I wish to report that we have radically changed our corporate structure, becoming a leaner and more robust company. Having experienced the Tohoku Earthquake and Tsunami, we will work hard to further increase our corporate value, and 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 eco cars and network services. While our business landscape is transforming at an accelerated pace, we are rapidly responding to these changes on a daily basis. It is our intent to act even more swiftly in the future. And through Clarion H.M.I. (Human Mobile Music Media Interface), our brand slogan, 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")

C O N T E N T S

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Clarion Overview

Corporate Outline (As of March 31, 2011)

Company Name	Clarion Co., Ltd.
Registered Head Office	7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-0081, Japan
Technology Center	TEL: (81) 48-601-3700
Headquarters	11-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-6030, Japan TEL: (81) 48-601-3700
Established	December 18, 1940
Paid-in Capital	¥ 26,100 million
Shares Issued	282,744 thousand shares
Net Sales	Consolidated: ¥ 178,318 million (term ended March 2011) Non-consolidated: ¥ 136,854 million (term ended March 2011)
Employees	Consolidated: 8,842 persons Non-consolidated: 1,486 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 24, 2011)

Tatsuhiko IZUMI	Representative Director, President
Tetsuro YOSHIMINE	Executive Director
Toru KANEKO	Executive Director
Seishi KASAI	Director
Hidetoshi KAWAMOTO	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, 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.

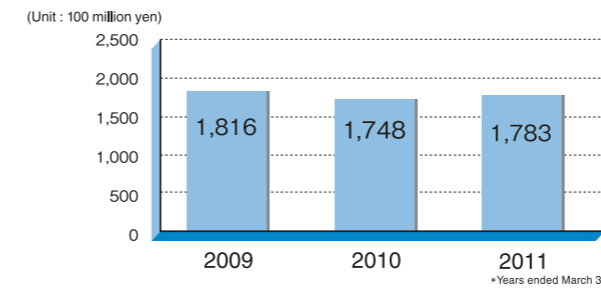
Membership Organizations

Japan Auto-Body Industries Association Inc.

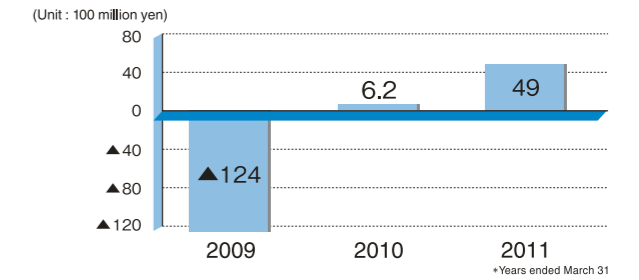
Financial Highlights

Financial Highlights (Consolidated)

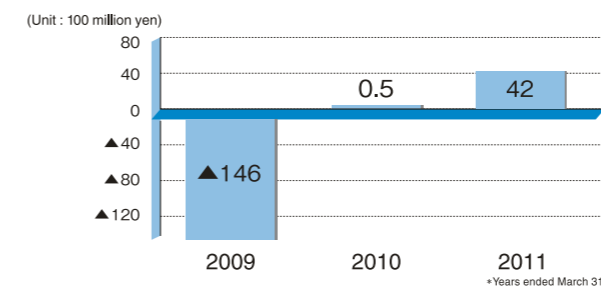
Net Sales



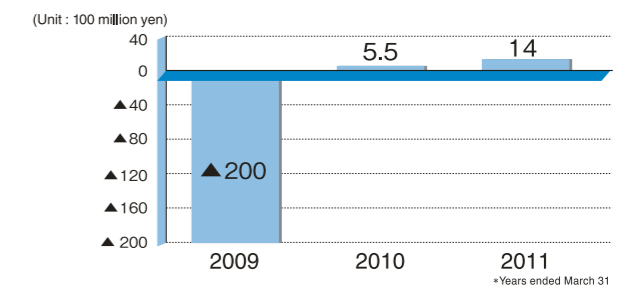
Operating Income



Ordinary Income

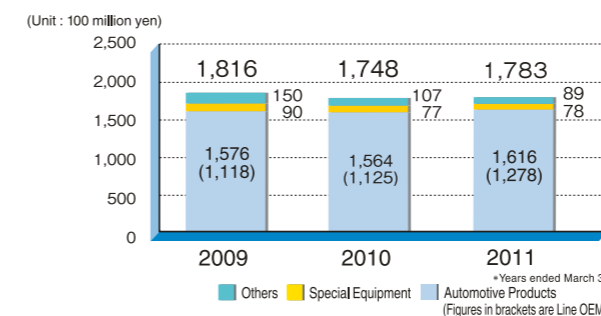


Net Income

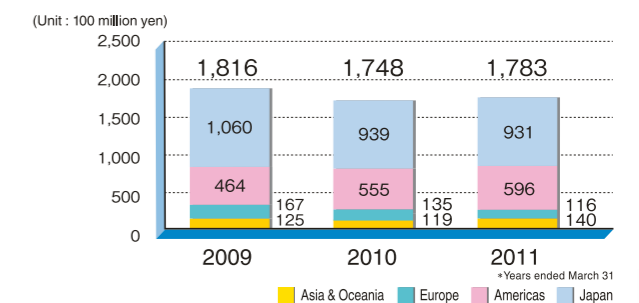


Sales Segment Information (Consolidated)

Product Segment



Geographic Segment



Clarion's Global Network Covers the Needs of the Worldwide Market.

Clarion boasts an advanced global network that covers the worldwide market, centered on the product domain of in-vehicle data communication equipment.

We are building strong relationships with customers all over the world, through high-quality products and services that accurately reflect the needs of people from various countries and regions. Furthermore, we are strengthening our local presence through improved productivity and customer relations, so that we may be better able to offer the latest products and the finest services to our worldwide clientele, wherever they may be. As a result of our consistent, proactive global strategy, the Clarion brand has gained worldwide recognition with a solid footing in markets throughout the globe.



Clarion Head Office & Technology Center

Principal Establishments/Subsidiaries and Affiliated Companies (As of July 1, 2011)

< Japan >

- Clarion Co., Ltd. (CT)
- Clarion Sales and Marketing Co., Ltd. (CSM)
- Clarion Manufacturing and Service Co., Ltd. (CMS)
- Clarion Associe Co., Ltd.

< Asia/Oceania Region >

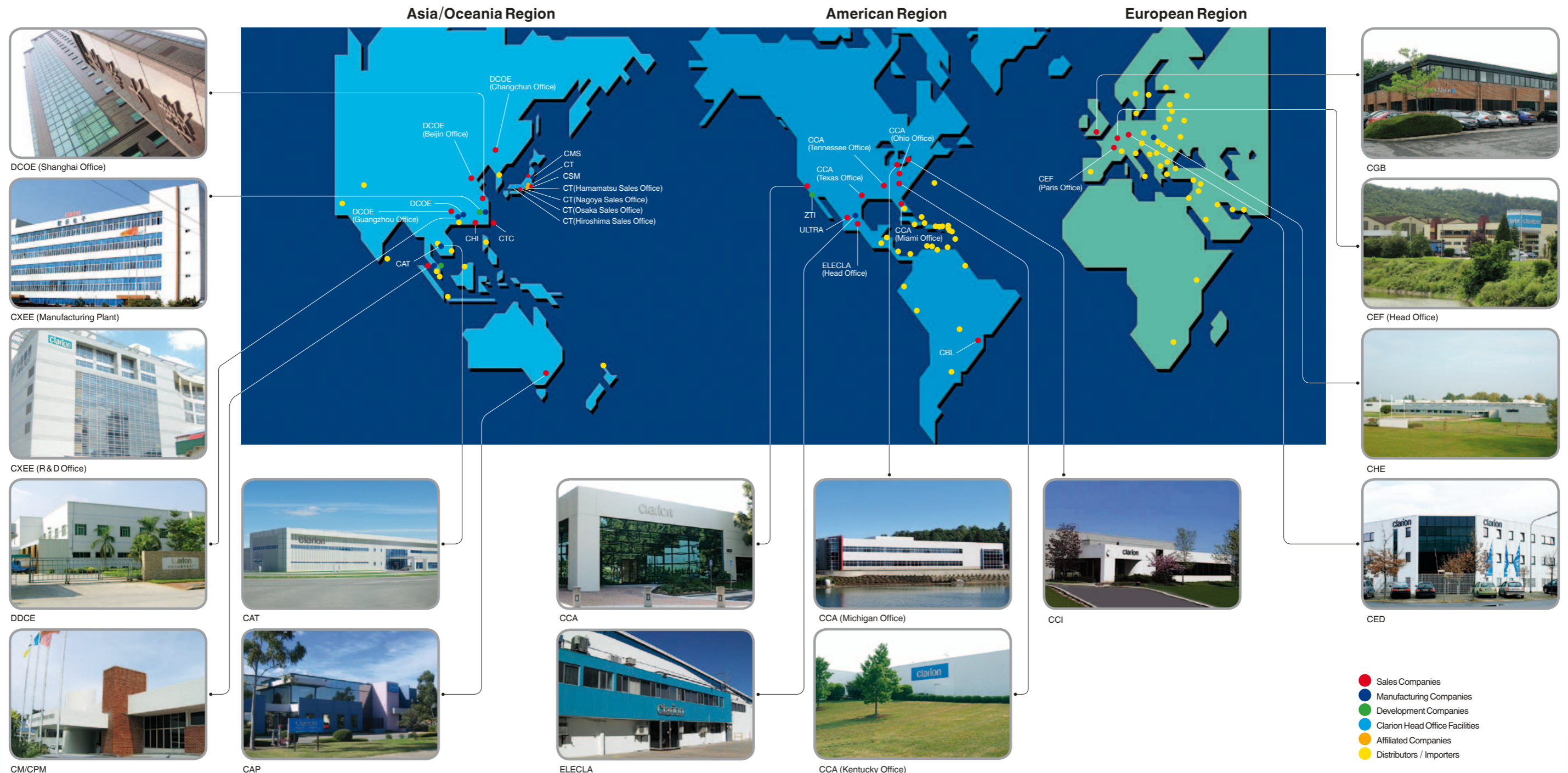
- Clarion (H.K.) Industries Co., Ltd. (CHI)
- Dongguan Dongkeng Clarion Electronics Factory (DDCE)
- Dongguan Clarion Orient Electronics Co., Ltd. (DCOE)
- Xiamen Clarion Electrical Enterprise Co., Ltd. (CXEE)
- Clarion (Malaysia) Sdn., Bhd. (CM)
- Crystal Precision (Malaysia) Sdn., Bhd. (CPM)
- Clarion Asia (Thailand) Co., Ltd. (CAT)
- Clarion (Taiwan) Manufacturing Co., Ltd. (CTC)
- Clarion Australia Pty. Ltd. (CAP)

< American Region >

- Clarion Corporation of America (CCA)
- Zandiant Technologies, Inc. (ZTI)
- Clarion Canada Inc. (CCI)
- Electronica Clarion, S.A. de C.V. (ELECLA)
- Ultra Industrial S.A de C.V. (ULTRA)
- Clarion do Brasil Ltda. (CBL)

< European Region >

- Clarion Europe S.A.S. (CEF)
- Clarion Europa G.m.b.H. (CED)
- Clarion (G.B.) Ltd. (CGB)
- Clarion Hungary Electronics Kft. (CHE)



Next Generation Products Leading the Future Auto motive Field.

Clarion, always with eyes one step ahead of the times, delivers products and services which offer not only safety, security and comfort, but also new impression and satisfaction with in-vehicle experience under Clarion H.M.I. concept. We make efforts, to create in-vehicle ambience where music and information meet with each other seamlessly, responding to the era when everyone can access to newest information from all over the world instantly. We deliver diverse products not only for everyday use but also for commercial use. These products are, to name a few, car navigation devices with full ease of use; audio devices capable of handling various music media including iPod and mobile phones and with uncompromising sound quality; and camera systems to support safe driving making full use of diverse image technologies. We never stop our advance so that we can continue to offer, as quickly as possible, products meeting the needs of each of the regions, because we see the world as markets with diversity, and to deliver you excitement in in-vehicle experience.

In-Vehicle Data Communication Equipment

Clarion responds to increasing global awareness in the environment, with diverse functionalities to contribute to energy efficiency and reduction of CO₂ emission; to name a few, "Eco-Drive Advice," "Save-energy Route Search" and "Online Traffic Information Search." Internet accessibility to high user share "Google Maps" and our map information site, "Chizu-Route-Susumu" are some of the functionalities for navigation systems in the new era. Our product development, matching to market trends, always pursues user needs and utility demands.

In-Vehicle Audio Equipment

Music experience is diversifying greatly with increase of use of portable audio players as well as of music transmission. Clarion realizes an innovative car music life whereby listeners can enjoy music seamlessly and in their own style. We also pursue impressive look cosmetic design in black offering feeling of high quality, which, combined with intuitive operation of front panels with sliding of fingers, can arouse "want to touch" desires of users. We, needless to say, do not forget our uncompromised sound quality accumulated through long years of R & D in audio technologies.

In-Vehicle Equipment for Commercial Use

Achievements of Clarion's security supporting systems with vehicle mounted cameras are well recognized. With employed top-notch technologies, our devices offer high and dependable performance in harsh environments. These cameras play active roles in various situations, not only when connected with navigation systems but also with accident analysis and safe-drive advice. Our robust and expandable navigation systems for commercial vehicles support operations with capability of customization and function expansion via communication.

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

"2010 Automotive News PACE Award" (Fiscal 2010)

Good Design Award to NX710/NX110 (Fiscal 2010)

Good Design Award to RG-9451S-A/ RG-9452S-A (Fiscal 2010)

Good Design Award to Display Center Unit (Fiscal 2010)

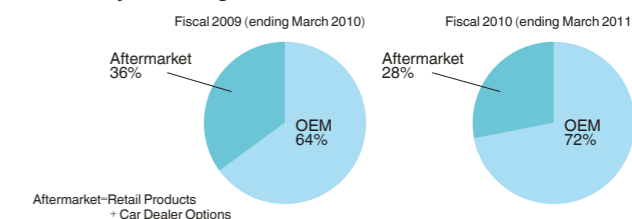
OEM Business with Excellent Achievements in the Global Market

With its superb technology and flexible production systems, Clarion is highly appreciated by the global market, and in OEM* market, in particular, it has built up secure and long lasting relationship of trust with major car manufacturers with deliveries of genuine parts programs. Our business in the OEM market started already in 1951, when we delivered our first genuine parts radios to Hino-Renault. Currently, we deliver various in-vehicle devices to customers all over the world. This segment can be stated as the back bone of our business. In the coming years, the advanced market will require more evolution in vehicle mounted devices as EVs (Electric Vehicles) and HVs (Hybrid Vehicles) become more popular. On the other hand, in the emerging markets, products matching to the diverse needs of each market are required. Clarion

strives to expand its OEM business in a global scale with its long cherished vehicle adaptation technologies and ability to propose products to meet customer needs one step ahead of the times.

* OEM:Original Equipment Manufacturing/Manufacturer

Sales by market segments



Main OEM Customers



Support to EVs with Car Navigation Systems and Telematics Units

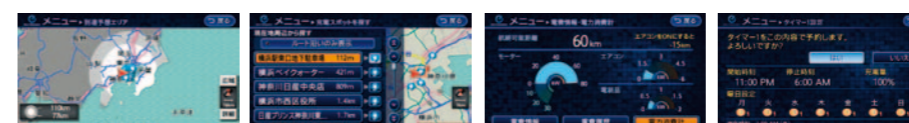
All of "Leaf", EVs (Electric Vehicles) from Nissan released in 2010 in the US, Europe and Japan are equipped with Clarion's car navigation systems. These first in the world navigation systems specifically developed and dedicated for EVs, feature multiple special functions in addition to those in conventional systems, to let drivers feel comfortable in driving an EV, such as estimated reachable distance calculated from the battery conditions, warning for expedited charging of the battery, easy search of charging stations, display of electricity consumption status and others. Clarion also delivers telematics units of own development to enable data communication with the data center and signal processing for the functions of remote control of air-conditioner and checking of

battery status from outside the vehicle as well as transmission of probe information, by making use of telematics.*

* Telematics units are delivered only in Japan.



Dedicated Navigation System for EVs



Display of Estimated Reachable Distance

Search for Charging Stations

Display of Electricity Consumption Status

Timer for Charging



Telematics Unit

"Appreciation for Excellent Performance Award" from Honda Motor Co., Ltd. (Fiscal 2010)

"Supplier's Performance Award" from Honda de Mexico S.A. de C.V.(Fiscal 2010)

"Best Partner Award" from Suzuki Motor Corporation (Fiscal 2010)

"Technical Development (Cooperation) Award" from Hino Motor Ltd.

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



● iPod, iPhone and iTunes are trademarks of Apple Inc., registered in the US and other countries.
● Google and Google Maps are registered trademarks of Google Inc.

The strong will to build up new relationship between people and cars with advanced technologies and to paint the bright future of the Earth and Environment with rich imagination; this has been driving force for Clarion to continue to let new fresh winds blow into the market with unique R&D capability backed up by flexible technologies and engineering capability as a leading manufacturer dedicated to in-car devices. There are many areas where Clarion will continue to offer sure technologies that are needed by people, cars and the Earth, always with eyes one step ahead of the times; response to new trends of cars with closer linkage with networks, building up of a more sustainable society with consideration on global warming and exhaustion of fossil fuels and so on, to name a few.

Arrival of the Age of Connectivity

Information terminals that users bring into cars have shown striking progress these years. Among these, smart phones are growing remarkably to be popular. These made it possible for users to communicate and exchange information from within the cars to outside in a timely manner. To deal with this situation, vehicle mounted devices are evolving from stand-alone devices* to those with internet connectivity. At the same time, cars themselves are changing, and next generation cars such as HVs (Hybrid Vehicles) and EVs (Electric Vehicles) will be more and more commonly used. This means more information about the car, such as battery status, must be dealt with by its vehicle mounted device. With these changes, types and amount of information that a vehicle mounted device must deal with will increase remarkably. To connect increasing information with each other more comfortably, securely and seamlessly, management of vehicle-unique controls as well as connectivity with outside infrastructure will become more important. Clarion, with its long accumulated know-how on in-vehicle devices, will respond speedily to the changes required to in-vehicle devices and continue to offer safer, more secure and more comfortable products and services. In this, working together with Hitachi with high level technology in infrastructure will be a synergetic advantage.

* stand-alone device: devices operated by itself without being connected to networks

On-Line Network



Online Network Search for the Age of Connectivity

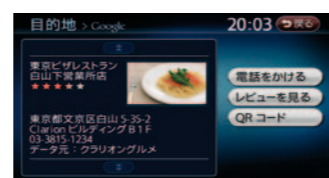
In this day and age where "anybody" can gain information "anytime" through the Internet, the ability to do it "anywhere" is demanded of new information terminals. Clarion's car navigation systems are evolving into Connected-Navigation to provide exactly this "anywhere" capability. They have been integrated 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.



Point displays using Google Maps pins



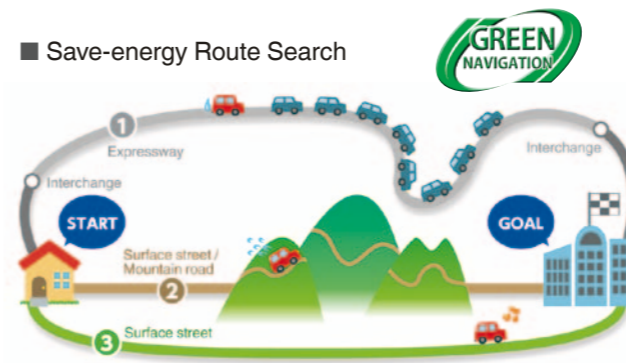
Added to navigation system's registered location list



Possible to display photos, reviews and other contributed information

Eco Driving with the Global Environment in Mind

Clarion has been promoting "Green Navigation" concept with technologies and product designs to assist more eco-friendly driving. We have introduced features such as "Save-energy Route Search" to find the route that uses the least fuel and "Eco-Drive Advice." These features bring about reduction in CO₂ emissions and fuel bills, and are friendlier to both the planet and drivers. It is foreseen that more HVs and EVs will come into use. We intend to continue developing eco-drive technologies that are a perfect match for these next-generation cars with ecological consideration in the future.



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...

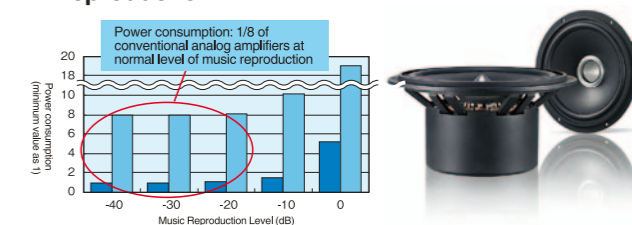
- 1 Expressway: Can reach destination fast but is long way around and is sometimes congested.
- 2 Mountain road: Shortest travel distance but lots of ups/downs require frequent acceleration/deceleration.
- 3 Surface street: Slightly longer distance but flat, with less congestion to reach destination faster.

Development of the World's First Full-Digital Speakers for Cars

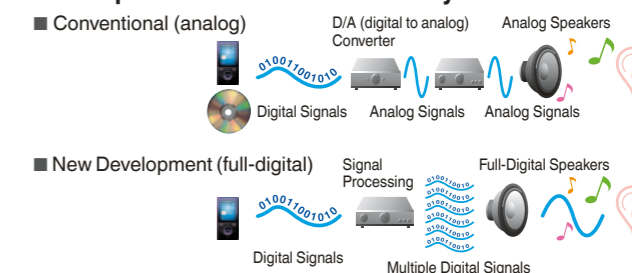
Clarion has been progressing development of full-digital speakers for new car audio systems that will fully reproduce information of digital sound sources. The development combines digital signal processing technology, "Dnote" ^{*1}, and Clarion's long nurtured in-vehicle audio technologies. This enables to reproduce digital sound quality without deterioration in high quality by feeding digital signals of, for instance CDs, directly into speakers. In addition, with the new technology, drastic saving in electric power can be achieved with driving voltage of less than a half and power consumption about 1/8 ^{*2}, both of conventional speakers. We aim to introduce high quality audio system products suitable for EVs, HVs and cars with idle reduction functions (stopping engines while idling) in which less electric consumption is required.

*1 Dnote: Registered trade mark of Trigenice Semiconductor. This is a technology to reproduce voices by feeding modulated audio signals directly into multiple speaker units or voice coils.
*2 power consumption about 1/8: comparison with our products

Comparison of power consumption at music reproduction



Comparison with Conventional Systems

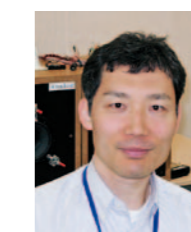


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AV Core Development Dept.
Naoki Takada

To contribute to refinement of "Clarion Sound" for next generation
Acoustics and Speaker Design Group of AV Core Development Department has responsibility in areas from advanced development of audio technologies to development of in-car sound-designing and speakers. In the project of full-digital speaker development, I am in charge of technical development of dedicated speakers most suitable to be driven by digital signals. I am working hard on the theme how actively to deploy the potential capability of this technology together with other project members in order to embody next generation "Clarion Sound."



AV Core Development Dept.
Shinichi Kuromoto

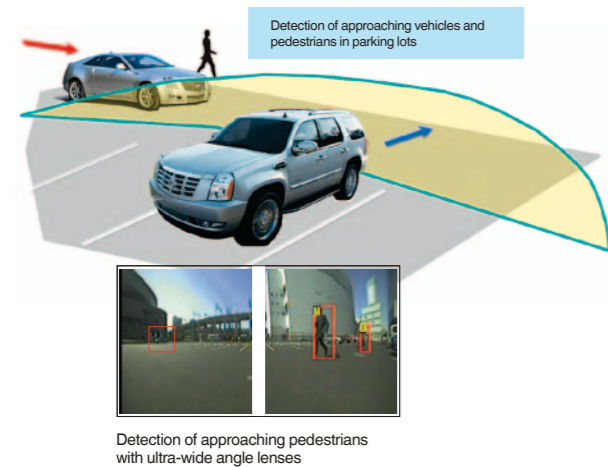
To aim to product introduction in front of competition
As a member of Acoustics and Speaker Design Group of AV Core Development Department, I engage myself in advanced development of digital audio processing. Within the project of full-digital speaker development, I am in charge of vehicle-mount custom IC (integrated circuits) dedicated to the system. As this is an opportunity to introduce Clarion's original product which no other competition has, I work hard with feeling of importance.

We try to balance two contradicting elements of 'efficiency' and 'friendliness to our environment' as we engage ourselves in technology development every day with keywords of supporting more "comfort and convenience" in driving, contributing to "safer and more secure" automobile society and at the same time considering "environment and efficiency." Our superb technologies with considerations for the users of cars, environment surrounding cars and for satisfaction of all the stakeholders are the proof of trust of customers in Clarion built up in a long time.

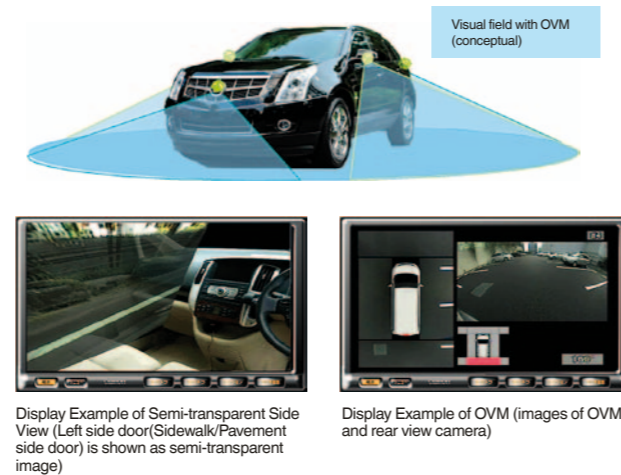
Increasingly Advanced Camera Systems for Cars (Camera Application Products)

With the goal of achieving a safer and securer automotive society, we are striving to develop "Vision System" of applied image processing and image recognition technologies to assist in the parking and driving of cars. The system includes as core technologies "Overhead View Monitor (OVM)" and sensor functions. While OVM displays information around the car, sensor technologies enable detecting of approaching pedestrians and vehicles. We, moreover, put efforts in enhancement of camera products, which are the hearts of the "Vision System." We strive to improve reliability of "Vision System" by feeding it more accurate and profound information with technologies of ultra-wide angle lenses for expanded field of vision, logic development and application of sensor elements to provide more natural images in severe light environment such as at night and/or with strong backlights.

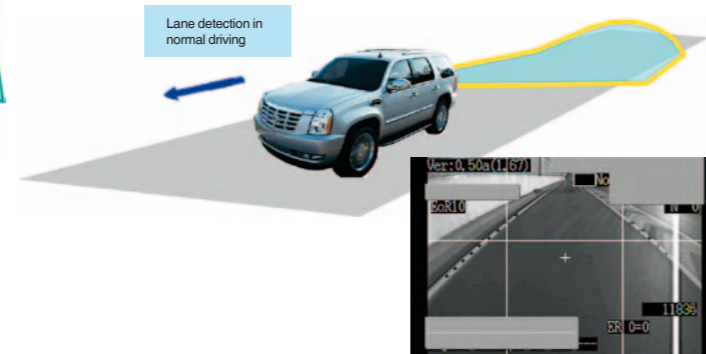
● Detection of vehicles/pedestrians using image recognition function of rear view cameras



● OVM : Overhead View Monitor



● Lane detection using image recognition function of rear view cameras



We are Clarion



Camera System Development Dept.
Motoharu Hatano

I am in charge of OVM System* platform at Camera System Development Department. The system specifications are for higher class cars as it combines image processing and recognition technologies as well as with more enhanced driving support functions. At the very beginning of the development, development of dedicated IC for image processing and prototype making were carried out in parallel and it was quite difficult to complete both without problem. As the IC design was to accommodate next generation applications, which meant there were a lot of redundant features, it was hard to ensure performance and quality. It is the time I experience enjoyment and feeling of accomplishment when OK quality assurance judgment is reached, after lengthy technical studies and trials to fulfill required specifications of customers.

* OVM: Overhead View Monitor System



Camera System Development Dept.
Kota Irie

We, at Camera System Development Department, work on vehicle mounted cameras in phases from advanced technical development to mass production designing. I am in charge of software development of image recognition to recognize approaching pedestrians or cars and give warning if needed as supporting to safety driving. We have to solve possible issues which may arise in various driving situations one by one, which is an energy consuming consuming job, but I have a lot of joy and feeling of accomplishment when the product for which I have worked is introduced in magazines and catalogs.

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 performing 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 concepts and efforts have been rewarded with high praise, including receiving the Good Design Awards, 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.

● Intuitive Operation



By employing "flick (input)" and "drag & drop," which are popularly adopted in recent smart phones, intuitive operations are facilitated.

● Newly Developed Menu



Each button in the main menu is animated and visually produces attractiveness of the product.

AV Navigation Device NX501

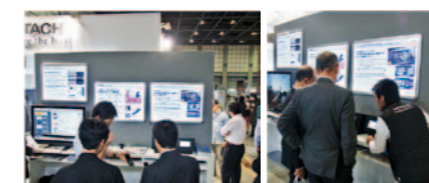
● Color Universal Design

The Color Universal Design developed for the 2009 models was certified as an ergonomic design by the Japan Ergonomics Society. We employed screen designs for 2010 models following this concept.



● Participation in IAUD

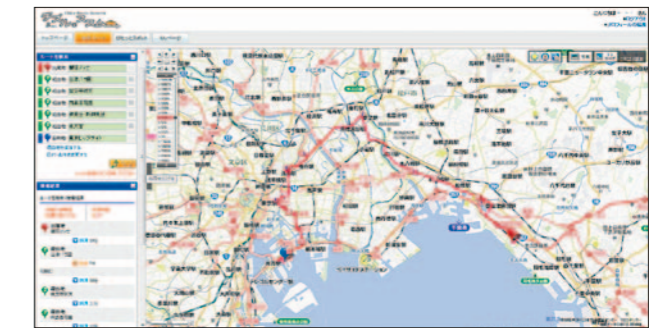
As an official full member of IAUD (International Association for Universal Design), we actively participate in promotion activities of universal designs. We work in such manner that knowledge and experience obtained from the activities are reflected on our products. (Clarion belongs to Mobile space Project.)



Nov. 2010 Exhibition at International Conference for Universal Design in HAMAMATSU

More Fun, More Convenience! MapInformation Site "Chizu-Route-Susumu"

Designed with concept of "Map community site for more exciting driving," "Chizu-Route-Susumu" 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.



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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/>



3D CAD System



Sound Analysis Laboratory



Shield Room for Vehicle

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 electromagnetic 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 aftermarkets 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 Administration System Highly Appreciated in the Global Market

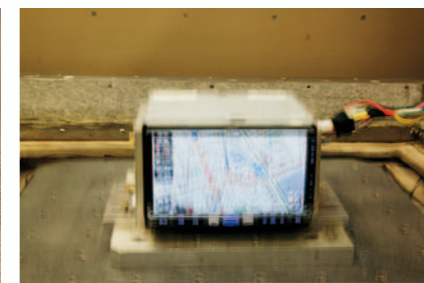
Clarion has actively introduced special programming for inspection machines that confirm correct product operation, as well as high-definition cameras and X-ray equipment to check the status of mounting on highly dense circuitry and miniaturized parts. Standardized check operations have been adopted 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 units 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.



Dust Endurance Test Equipment



Temperature & Humidity Chamber with Vibration Test Equipment



Drop Table Type Shock Test Equipment



Water Proof Test Equipment



Thermal Shock Chamber



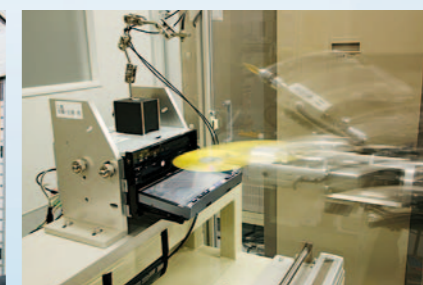
Drop Table Type Shock Test Equipment



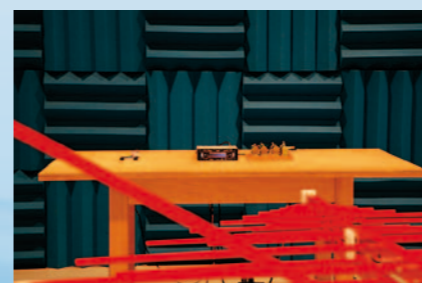
Shield Room



Temperature/Humidity Test Equipment



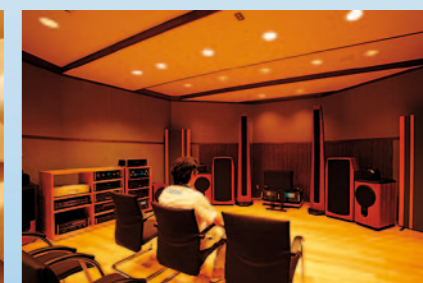
Repetitional Endurance Testing Machine



Radio Anechoic Chamber



Vibration Testing Equipment (for rattle noise check system)



Listening Room

Topics

Brief Report on Production System: "New Factory in Thailand"

Clarion is underway with restructuring its systems and organizations in the ASEAN region in order to establish an improved supply structure to deal with orders from worldwide customers. A new factory is under construction in Thailand, and Clarion aims to enhance its supply functions of products to customers throughout the world in a smooth and timely manner through managing operation stages from component procurement to production.

- It is intended that this new factory will start its full operation in April 2012 with production of audio/navigation/camera devices for cars. The planned quantity in the first year of 560 thousand units will expand to 2 million units per year in 2016.



Designers image of completed facility

Brief Report on R&D System: "Reinforcement of R&D Functions in China: From Production Center to Global R&D Center"

Clarion, with expectation of growth in emerging markets, advances reinforcement and restructuring of its global systems. We are in the process of transferring R&D and purchasing functions step by step to China aiming to expand business in China where we see most remarkable growth in the emerging countries, as well as to ensure cost competitiveness to meet demands from the global market. Currently, Chinese production operation is the kernel of Clarion's production functions with sharing about 50% of its global production. We will now make substantial reinforcement of R&D unit in Amoy (Xiamen), Fujian, China, with a view to build, in the near future, a new global R&D Center to realize drastic reduction of R&D costs and to ensure R&D activities that meet needs of various regions.



R&D Center in Amoy, Fujian Province

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."

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.
1950 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.
1960 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.
1970 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.
1980 November, 1980 / Head office moved to Shibuya-ku, Tokyo, Japan.
July, 1983 / Factory established in France (CEF).
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).
1990 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. (CHI) established in Hong Kong.
March, 1995 / ISO 9001 certification obtained for all Clarion establishments in Japan.
April, 1995 / Factory completed in China (DCEE).

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.
2001 February, 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 "bird's-eye view" camera for rear-view system supplied to Nissan Motor.
June, 2003 / HDD (Hard Disk Drive) equipped AV car navigation system marketed.
August, 2003 / Started delivering Car Audio to Shanghai General Motors, China.
October, 2003 / HDD (Hard Disk Drive) equipped AV car navigation system, compatible with "CARWINGS" of Nissan Motor Information Service.
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.

1940's - 1960's

1948 Japan's First
Car radio and PA system for buses developed and released

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

1970's - 1990's

1976
Cassette editing deck "Dubbing X" released

1981
Car stereo "City Connection" released

1992 Japan's First
Voice guidance navigation system (Map narration system) NAC-200 released

1993 Japan's First
Hybrid navigation system NAX-700 released

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

1998 World's First
Clarion AutoPC in-vehicle computer developed in collaboration with Microsoft world's first "Clarion AutoPC" released in U.S.

2000's - 2010's

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 Nav" released

2008
"CRASVIA" (NX808) Terrestrial digital TV tuner and Bluetooth equipped 7-inch wide VGA Double-DIN DVD/HDD AV-Navi System released

2008
Mobile communication terminal "ClarionMIND" released in North America

2011
6.2-inch Wide VGA 2-DIN Terrestrial Digital TV DVD/SD AV Light Navigation SD AV Light Navigation NX501 released

2005 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.
April, 2007 / Name change of Clarion M & L Co., Ltd. to Clarion Manufacturing "Protech" Co., Ltd., as production control and production engineering functions transferred from Clarion Co., Ltd.
July, 2007 / Car navigation system for use in commercial vehicles "Solid Nav" (CQ-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

2008 DVD Changer VCZ625 (both American market models) selected by NASA installation and the International Space Station (ISS).
June, 2008 / High class navigation system, "CRASVIA" series and Memory type SDD navigation system "Smooonav" 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-MEV".
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 / "Smooonav" 2010 series with Eco-Drive Advice and Save-energy Route Search functions released.
October, 2010 / Head office registration transferred to Saitama Shintoshin; name of Headquarters / Technology Center changed to "Registered Head Office / Technology Center"
March, 2011 / First in the world full digital speakers for cars developed
April, 2011 / Hakusan and Zama Offices moved to Saitama Shintoshin; Headquarters-Annex Office opened

Global Communication and Strategic Activities Link People, Businesses and Society.

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.

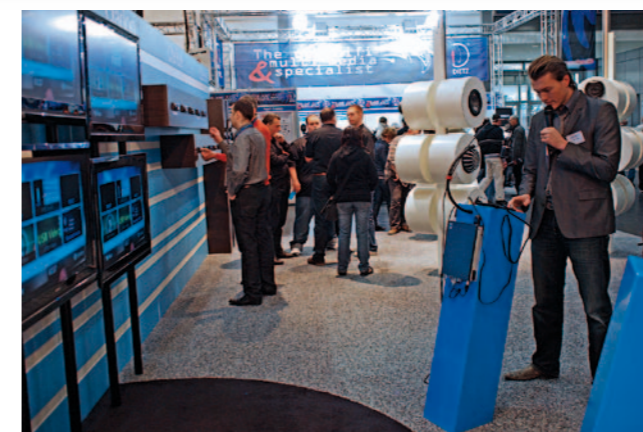
2011
Exhibition at 2011 International CES (Consumer Electronics Show)
(U.S.A.)



2011
Exhibition at My Special Car Show
(Italy)



2010
Exhibition at CRM event
(Malaysia)



2011
Exhibition at AMICOM
(Germany)

2011
Exhibition at Bus-Operators Convention
(Tokyo, Japan)



2011
Exhibition at Peugeot Tech
Show (France)



2010
Tech Show (Technical
Exhibition)
(Head Office/Technical
Center)



2010
40th Year Anniversary
Charity Lunch
(Malaysia)



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.

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 (CM)
Nora Jaaffar



Clarion U.S. (CCA)
Nikki Eppert

My name is Nikki Eppert, I have been with Clarion since September 2000 in the Sales Administration office at CCA. My job title is MP&L (Material Planning and Logistics.) Specialist. I am in charge of the Ford Audio account and responsible for ordering and delivering the radio's we supply to Ford.

I am responsible for deep root-cause analysis of product returns and defects, which are from internal PDI, customer linepulls and warranty returns in the U.S. Also, responsible for Dealer Visit Activity (visiting car dealers to investigate and confirm complains.)



Clarion U.S. (CCA)
Luke Takahashi

My name is Sebastian Meyer. I begin to work in 2005. Currently I work at CEF as the OEM Product Planning Manager. We work hard in cooperation with CT to draft out road maps for European car navigation systems, car radios and other products.



Clarion France (CEF)
Sebastian Meyer

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 21th 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 China (DCOE)
Xie YingSong

Hello! I am Xie YingSong working in the production engineering department of Clarion China (Dongguan). It is 10 years since I joined DCOE. Some of the duties of production engineering are improvement of production efficiency and daily pursuit of quality, cost and delivery. These duties at the Clarion's largest production unit, Clarion China, challenge me every day with difficulties. As Clarion products become more known in the world, higher competence and target-setting are required for me. With zealous guidance of Japanese resident staffs, I try very hard to make Clarion the world number one! Let's work together!

My name is Susan Su, I work here for 12 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.



Clarion China (CXEE)
Susan Su



Clarion France (CEF)
Rémi Mauffrey

I take charge of European After market sales & procurement administration coordinator. I'm daily window for deliveries to European agents & affiliates (Firm & forecast purchase orders from customers, stocks availabilities, instructions to warehouse for shipment preparations) I'm in charge of procurement and stocks management for retail products (Purchase orders to CT, CHE, daily communications with suppliers)

Hello! My name is Maggie Lei and I'm working at Accounting Department of Clarion Hong Kong. My main job here is administration of accounts receivable and payable. Clarion Hong Kong plays a core part of production operations in Clarion group, and its transaction amount grows every year. In these operations, administration of accounts is very important and I perform my duties with fullest attention. I'm looking forward to getting to know you through my work in the future. We are Clarion!



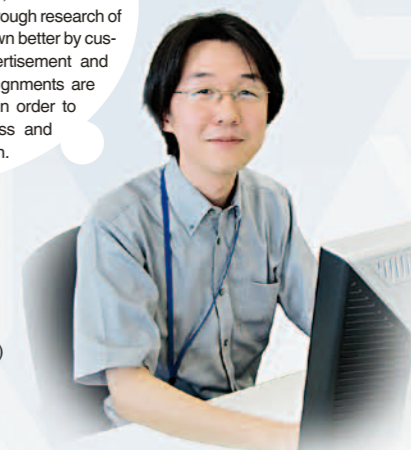
Clarion Hong Kong (CHI)
Maggie Lei

It is my 20th year with Clarion Taiwan. At moment our sales department consists of 5 sales staff. 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 (CTC)
Chen-Cheng Lu

I am in charge of drafting of marketing strategies and also of market researches at Global Strategy Department. Working together with many staffs in and outside of the company, I address issues such as, to make Clarion's business and products stay competitive with deep insight to the future market; to render more attractiveness to our product concepts through research of customer needs; to let our products known better by customers through improvement of advertisement and announcement messages. The assignments are tough, but I try various activities in order to realize stronger competitiveness and better customer satisfaction.



Clarion Japan (CT)
Noriyuki Imanishi

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 two years 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.



Clarion Japan (CT)
Mika Yamaoka

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 Brasil (CBL)
Paola Joly

I joined Clarion about 4 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 U.S. (CCA)
Katherine Winders

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

I am in charge of export and import administration. As my main job, I take care of coordination with transportation companies for air and sea shipments as well as scheduling of land transportation from French ports and airports. At the same time, I make all customs processes (handling of import declaration, bonded warehouse procedures and export declarations) making full use of IT systems. If there is any need for it, I also make insurance applications.



Clarion France (CEF)
Danièle Erard

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.



Clarion Japan (CT 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 destinations in Europe and Asia other than North America 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.



Clarion France (CEF)
Daisuke Natori

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.

I work as an Account Manager within the European OEM sales team, based in our new UK office building, helping to look after our Nissan and Land Rover business. Such tasks as you might expect involve regular customer contact and assistance from other Clarion colleagues based in France, Hungary and Japan.



Clarion UK (CGB)
Nick Grattan

Hi, there! This is Shi WenYan of Clarion Amoy. It is my 17th year since I joined Clarion. At first I was engaged in production at former CDF (Yanion Dongguan Factory), then, I moved to Amoy in 1999. Currently, I am in charge of engineering and production. I pursue every day improvement activities in order to ensure production of higher quality and lower cost car audio devices. The job is busy and tough, but I enjoy it very much. My hope in the future is to make Clarion products to be the fist in the industry with strong competitiveness.



Clarion China (CXEE)
Shi WenYan



Clarion China (DCOE)
Lijun Shi

My name is Michelle Doolan and I am an Account Manager in the Semi-OEM Sales Department in CGB (Clarion UK). I look after customers like Peugeot UK, Vauxhall, Suzuki, Hyundai and Isuzu, as well as customers in truck and agricultural machinery branches like Scania and AGCO. I am also developing new business in the field of 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 to us ...



Clarion UK
Michelle Doolan

I have been assigned to the job of the Project Manager at Clarion France since 7 years. I am entrusted with the interface between European customers and our team in Japan from the very beginning stage of development to the start of production. I also introduce to our customers Clarion's technology developments for customers' potential future project. I am convinced that my day to day efforts to improve communication with Japanese team is the best way to ensure customers' satisfaction in our products and services.



Clarion France (CEF)
Eric Aubepart

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.



Clarion China (DCOE)
Hiroyuki Suzuki

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.



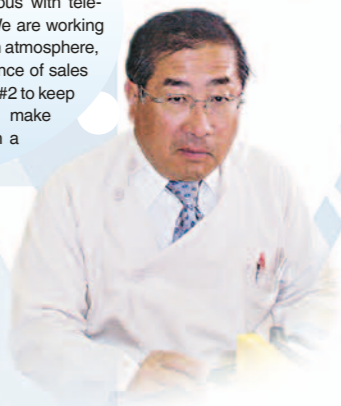
Clarion Australia (CAP)
John Fuller

My name is Yang ChunYan and I am working in Clarion China (Amoy) Design Planning Administration Dept. Since I joined this company in 2008, I am in charge of progress administration of OEM development. The main tasks are administration of progress and coordination with involved departments in stages from receipt of request for development and designing till the completion of development. My colleagues in Amoy works vigorously every day, and I hope to contribute to the growth of the company with enhanced capability of myself.



Clarion China (CXEE)
Yang ChunYan

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 42. 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.



Clarion Japan (CT Koriyama)
Minoru Aita

After spending 7-1/2 years with CCA as a Mechanical Engineer in charge of Nissan and Ford Audio, I have recently transferred to the CCA Sales team as Account Manager for Nissan Audio.



Clarion U.S. (CCA)
Eric Kendall

Hello! My name is Sophia Lai, I am working in DCOE QA since Feb 2008, and dedicated into Ford PJ since I joined in DCOE. In these 3 years, it is a hard process to study and work from Zero knowledge, but thanks to Ford PJ global team from CT, CCA and DCOE, my work is proceeding not so bad with their guidance and support. Now Clarion will have more and more overseas customers, PSA France is one of them. I will keep trying my effort on the new program. In daily life, I like to catch the weekend to do some sports especially climbing and swimming. If you like also and have a chance to come, welcome to join me!



Clarion China (DCOE)
Sophia Lai

I worked in domestic aftermarket sales at our Sapporo Office for 12 years after joining the company, and am currently assigned to the job mainly around advertising materials in the same field, working in the Business Promotion Office at CSM (Clarion Sales and Marketing). CSM is in charge of sales and marketing of aftermarket products in Japan, and the tasks of our team extend in wide range from planning/support of sales, supply administration, requests for advertising material and so on. We have sales arms throughout the country from north to south, and it is one of the attractiveness to work here to be connected with colleagues all over Japan. It is my wish to be a bridge between markets' voices and future products working together with passionate colleagues.



Clarion Japan (CSM)
Naoki Ito

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")

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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 8 Board of Directors (2 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.

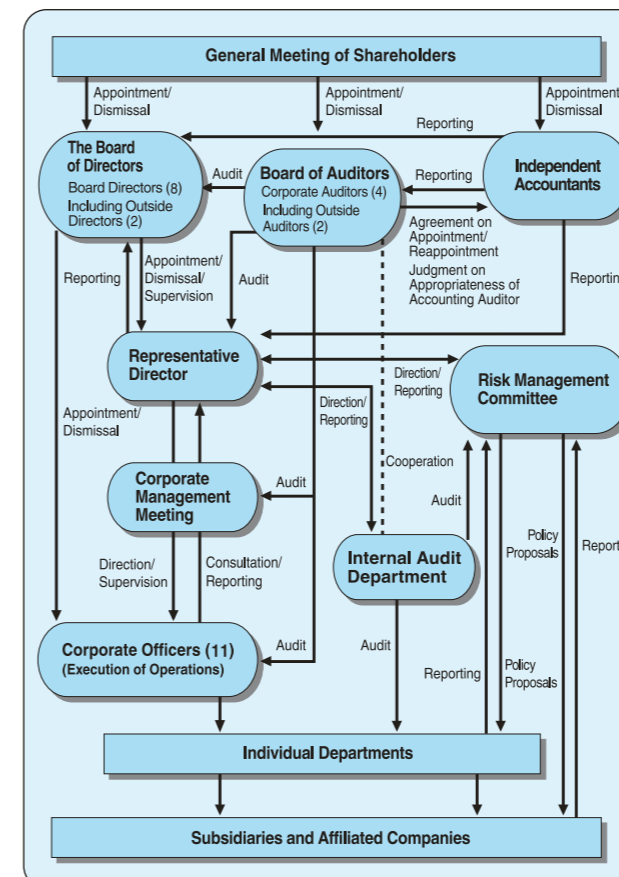
▶ Efforts to Redevelop Internal Controls

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



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.

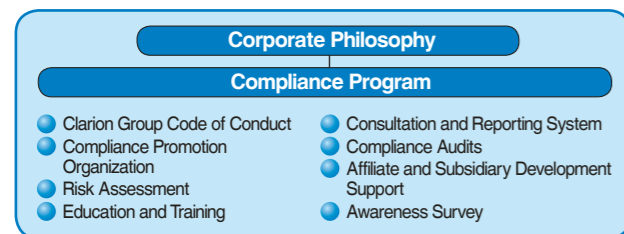
CSR Management Efforts

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

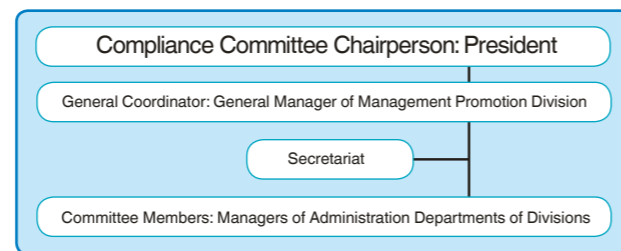


Clarion's CSR Management for achieving each of triple bottom lines of social, economic and environmental aspects.

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.



Clarion Group Code of Conduct

At the end of the fiscal year 2010, Clarion laid out the "Clarion Group Code of Conduct" replacing "Guiding Principles of Conducts and Behaviors" which had been in place since 2003. This Code is made available to all employees on our Intranet and, to public on our website.

Clarion Group Code of Conduct	
Chapter 1	Sincere and Fair Business Activities
Chapter 2	Environmental Protection
Chapter 3	Relation with Society
Chapter 4	Respect for Human Rights
Chapter 5	Management Foundations
Chapter 6	Complete Observance of Code of Conduct
Chapter 7	Responsibilities of the Management
Chapter 8	Supplementary Provision

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

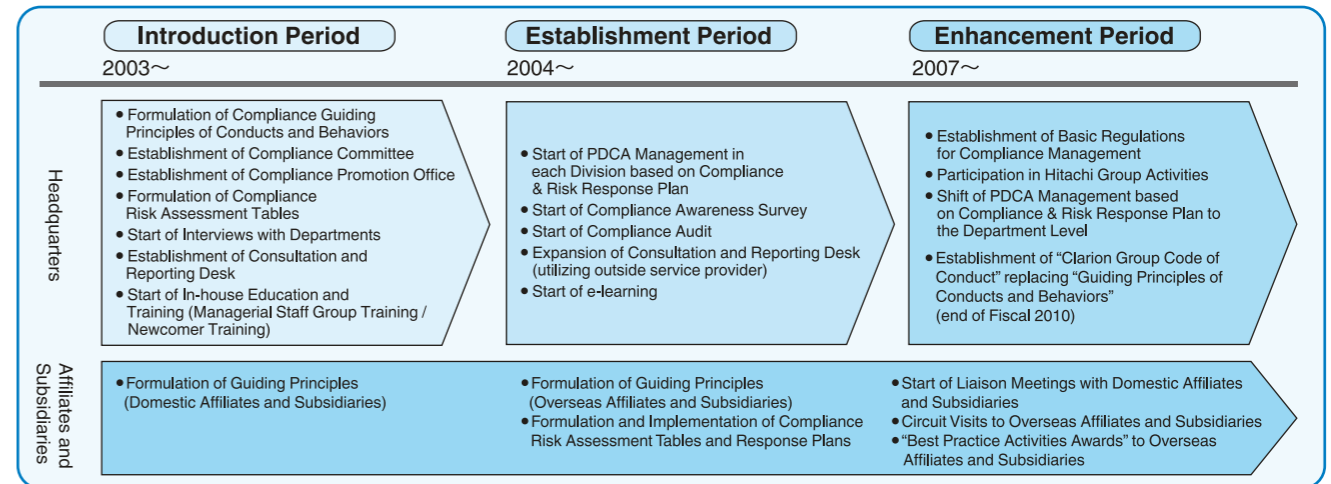
Compliance management has developed since Fiscal 2003 with the "Guiding Principles of Conducts and Behaviors" and establishing efforts of promotion systems throughout the world. Each department has promoted with PDCA cycle method* activities to mitigate compliance risks as its primary objectives. Lecture 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.

We perform regular meetings to exchange 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")

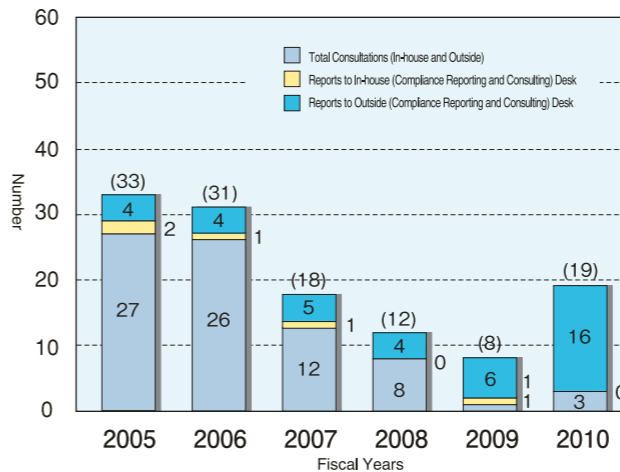
History of Compliance Management Efforts



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,

Status of Consultations and Reporting



there have been 190 consultations and reports (average 1.8 per month) since the setting up of the desk until Fiscal 2010. The fact that there have been more consultations than reports shows that this process is serving well as an in-house communication tool.

Compliance Risk Assessment Table

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	Item No. of the Code

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. Fiscal 2011 managerial program had primary topics, among others, of environment related regulations and activities, risk management and import/export control. 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 2010, covering all employees. Response rate was 90%)

Questionnaire survey questions (excerpts)	Answer	September 2008	September 2010
Is awareness of the importance of compliance well understood in your workplace?	Yes	95%	94%
Does your boss give you specific explanations, guidance, etc. about the implementation of compliance?	Yes	77%	88%
In your workplace, can you express your opinions without hesitation at meetings, etc.?	Yes	83%	85%
Do you think it would be against your interests to make a report to the Compliance Consultation and Reporting Desk?	Disagree	70%	70%
Do you know how to make a report to the Compliance Consultation and Reporting Desk?	Yes	65%	72%

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 16 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.

"Clarion Group Code of Conduct" will be integrated into each company's internal regulations and made known to each employee.

- The Guiding Principles of Conducts and Behaviors in various languages



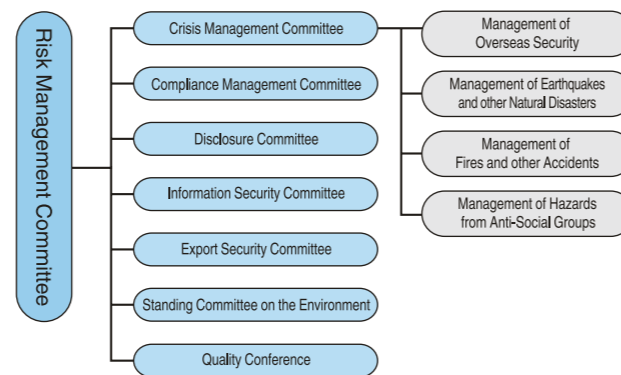
Communication

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 fifth 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 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.

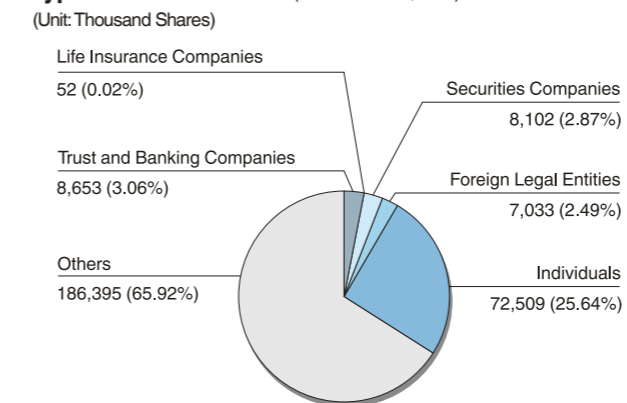
In addition, we have established a Disclosure Policy for the purpose of communicating corporate visions and business strategies to our shareholders and investors. Pursuant to this Policy, which states clearly our sincere and honest approach to the issue from viewpoints of our shareholders and investors, 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.

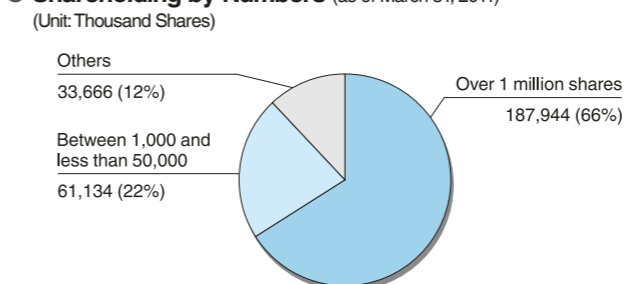
Shares and Shareholders (as of March 31, 2011)

Number of Authorized Shares: 450,000,000
 Number of Shares Outstanding: 282,744,185
 Number of Shareholders: 19,451
 Average Shareholding/person: 14,536

Types of Shareholders (as of March 31, 2011)



Shareholding by Numbers (as of March 31, 2011)



Major 10 Shareholders (As of March 31, 2011)

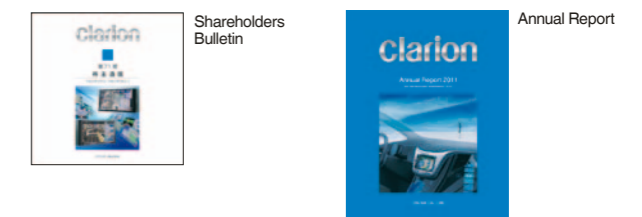
Name of the Shareholder	Shareholders' Investment in the Company	
	Number of Shares (thousands)	Percentage in Total
Hitachi, Ltd.	179,815	63.77%
Japan Trustee Services Bank, Ltd.	5,968	2.11%
Japan Securities Finance Co., Ltd.	2,884	1.02%
The Master Trust Bank of Japan Ltd.	1,694	0.60%
Clarion Stock Ownership Association	1,510	0.53%
Daiwa Securities Co., Ltd.	966	0.34%
Trust & Custody Services Bank, Ltd.	900	0.31%
Matsui Securities Co., Ltd.	888	0.31%
Monex, Inc.	813	0.28%
BNP Paribas Securities (Japan) Ltd.	719	0.25%

(note) 1. Other than above, the Company holds treasury stock of 792,769 shares.
 2. Percentage of shares is calculated after deduction of the treasury stock.
 3. 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



Human Resources & General Affairs Dept.
Masaaki Kato

It is clearly laid out in the "Clarion Group Code of Conduct" that various pieces of management information such as our business activities and financial situation must be disclosed to shareholders and investors, and that we must respond to diverse opinions from them and to promote bi-directional relationship with the society. I will, as the secretariat of "Information Disclosure Committee," to perform these duties through various IR activities.

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

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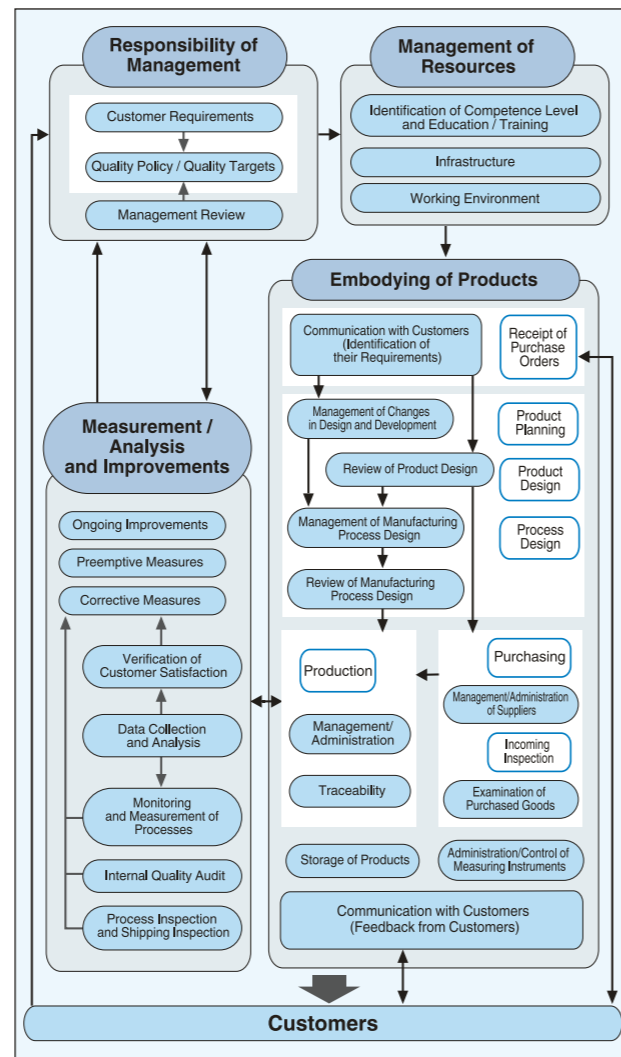
Customer Service Office
Masataka Nakazono

Our group is responsible for responding customers not only of current car navigation and car 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.

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.

At the same time, we are in the process of responding to ISO26262, which is a safety standard for vehicles scheduled to be officially announced in summer 2011. This ISO26262 aims to pre-emptively solve possible malfunctions of total vehicle systems, including software, which are getting increasingly complicated and larger in scale and render customers "safety and security."

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," "Security" and "Comfort".



For Improvement of Customer Satisfaction

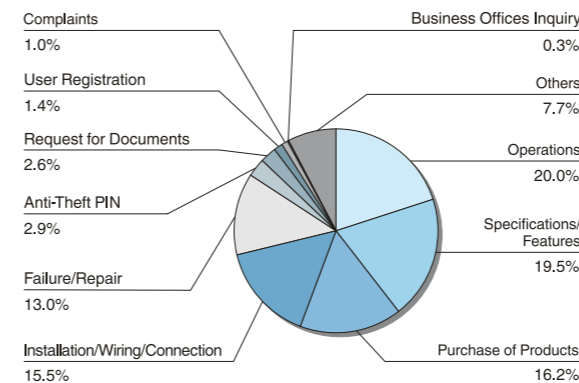
Clarion endeavors, on top of efforts on technology development and improved product quality, to "improve products and services" for better customer satisfaction (CS) through enhancement of "lines of communication between customer and the company" and "feedback system within the company" of the assessed market needs.

Communication Lines with Customers

The core of the communication lines with customer is customer support. Customer Service Office deals with customers' inquiries, requests and complaints, on nation-wide free-dial capable of handling calls from mobile phones. (Number of calls in fiscal 2010 was about 60,000.) Outside of free-dial hours, inquiries per e-mails through our website are possible. The frequently asked questions are categorized and uploaded on the "Product-related FAQs (Frequently Asked Questions)" on our website. (Number of access to FAQ in fiscal 2010 was over 1,100,000.)

The product category for which largest number of inquiries came was car-navigation systems (over 70%). Increasing portion of them should have been directed to the car manufacturers, products being their genuine parts.

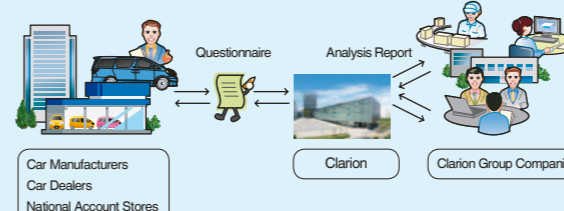
Types of Consultations/Inquiries



Topics

Offering products and services of higher quality

In order for Clarion to become more needed brand to our business partners, we launched in fiscal 2010 "BtoB Customer Questionnaire." In the first year, we asked nearly 1,000 customers for their response. This practice made it possible to unify direction of our objective-awareness through making customers actual voices on Clarion's positioning and issues that we need to address clearly seen and shared within the group.



Assessment of Customer Needs and System for Feedback within the Company

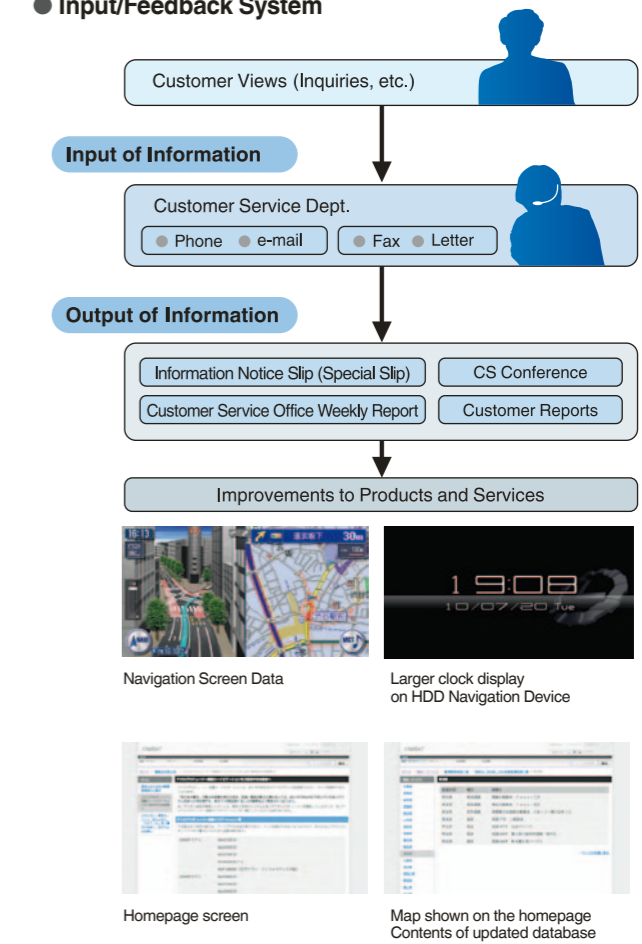
We seek to accurately understand and respond to customers' views and requests. Additionally, we issue monthly "Customer Reports" summarizing customers' views, and hold monthly "CS (Customer Satisfaction) Conferences" in order to improve product function and sales/repair/servicing systems and to implement such improvements.

With regard to car navigation systems, for which we currently receive majority of inquiries, many of the inquiries are on facility information ('POI, or point of interest' information) and guidance routes to destinations based on the installed maps and/or modification of such. Such inquiries are treated in special ledgers to be fed back to map data providers, and to be diligently checked for reflection on succeeding models.

After fiscal 2006, customer voices and the way how we address them are shared among our group companies through our Intranet.

Some examples of implemented product improvements based on the customers' voices are, optional shutting off of HDD navigation screen, enlarged clock display, on/off of operation tones, posting on website of new streets and merging of municipalities to facilitate map updating and connection method of terrestrial digital TV tuners model by model, description of window personnel at returning customer voice slip, as well as improvements on descriptions on catalogs and operation manuals.

Input/Feedback System



Responsibility Toward Product and Information Security

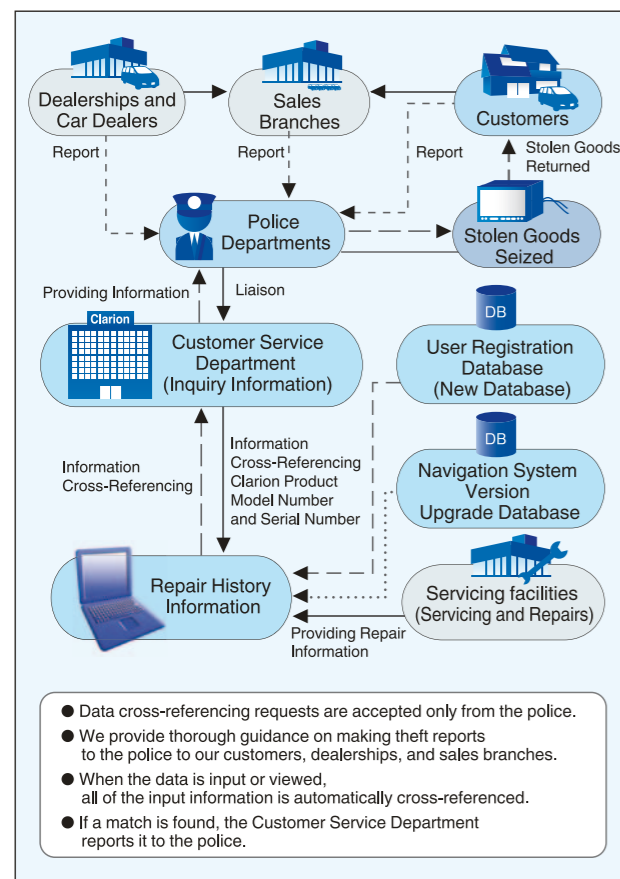
Responsibility Toward Products

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 maintenance/enhancement of their quality.

Because of recent drastic increase of thefts of navigation devices, there are increasing numbers of inquiries from police authorities regarding PIN codes of the devices, theft reports and confiscated devices.

In response to such situation, we launched an "Automatic Theft Identification System" in 2006. This system automatically cross-references the information contained in the reports of stolen products seized by police and that of our navigation device user registration, repair and map upgrading history and it contributes in quicker and more accurate identification. There were more than 50 cases of cooperation with police authorities per year, including tracking/analysis of routes recorded on the navigation devices installed in the cars involved in crimes.

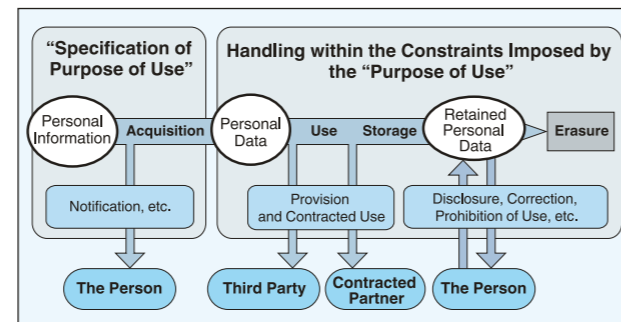
Automatic Theft Identification System



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 around information assets and their protection. The risks include, among others, information leakages, loss of corporate credibility through unauthorized use of software and computer system failures caused by illegitimate accesses.

Specifically, we have implemented physical measures, such as placing restriction on access to the server room.

With regard to access to information assets, we have technical measures for protection through authorization processes with passwords and encryption of data.

Further, we carry out company-wide education and training on risk assessment of information assets and e-learning in order to increase the security awareness. At the same time, we perform yearly regular information security audit to make early assessment of possible issues and improvement if necessary.

We are Clarion



Production Planning Management Dept.
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 has developed wide range of social contribution activities in each country with initiatives of each office, prioritizing support for areas suffering from natural disasters as well as establishment of friendly relationship with local communities.

Support to Areas Afflicted by Natural Disasters (Donation activities)

Domestic Clarion Group's support to areas hit by the Great East Japan Earthquake

[Donations]

◆ The earthquake and tsunami on March 11, 2011, caused unprecedented damages to areas centering around Tohoku (northeastern Japan). In response to this, Clarion Group staged a campaign to raise donation funds from group employees. The total donation collected from group employees amounted to 1,300,777 yen and this was donated through Japanese Red Cross Societies.

◆ Apart from employees' donation, Clarion, as a company, donated 2 million yen to the city of Koriyama, with which we have close relations.



Presentation ceremony at Koriyama Disaster Countermeasure Headquarters

[Help Goods]

◆ Hitachi Automotive Systems as a group collected help goods specifically for Sawa region in Ibaraki and Koriyama region in Fukushima. These goods in 47 cartons were delivered to these regions.

◆ One thousand units (worth 39.8 million yen) of PNDs (Personal Navigation Devices with terrestrial TV receivers) were donated to Saitama prefecture's disaster countermeasure headquarters. These devices were then donated to the city of Ishinomaki (Miyagi prefecture) and helped the people in the area very much as sources of information.

◆ Fourteen units of PNDs were donated to personnel of town office of Futabacho (Fukushima prefecture) who stayed as refugees in Saitama Super Arena due to accident in Fukushima Dai-ichi Atomic Power Plant.

[Volunteer Activities]

◆ We recruited 3 volunteers to help people from town of Futabacho who stayed as refugees in Saitama Super Arena due to accident in Fukushima Dai-ichi Atomic Power Plant, and they were engaged in the activities for total of 5 days.

Support to areas hit by the Great East Japan Earthquake from Overseas Clarion Group

Donations from overseas Clarion Groups and their employees came, converted in Japanese yen, to total of 4,413,233 yen, with remarkable sums from, among others, CM/CPM (1,644,600 yen), CCA (US\$17,605) and CHI group (483,857 yen).

Social Contribution Activities

Friendship with Local Communities

◆ Volunteers from CHE of Hungary visited a child care facility in Transylvania region of Romania. They donated 25% of Clarion Brand Award which CHE had received last year, as well as stationeries, books, CDs/DVDs, candies and washing detergents which the volunteers had purchased. The region used to be a part of Hungary and the visit was very much welcomed and appreciated.



Memorial photo after the presentation

Plaque commemorating the visit was presented

Local Social Contribution Activities

◆ CXEE in China continues steady activities contributing the local community by collecting garbage on the sea-shore with volunteers from each department.



We are Clarion



Global Strategy Dept.
Yasushi Ishizaki

My duty is to build up a mechanism for improvement of Clarion's brand value. Some thousands of people took refuge in the aftermath of the last earthquake in Saitama Super Arena which is located just next to our headquarters. I helped with deliveries of meals and at temporary schools together with many other volunteers. We have to expect that it will take some time before Japan can regain peace in our life, I hope that Clarion and myself will continue to be needed by society in this adverse situation.

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.

Proper Transactions

Purchasing Policy

Clarion aims to conduct open and fair transactions with its suppliers at all times sensibly and with sincerity. We actively seek new business partners both domestically and overseas as we expand our global purchasing/procurement activities in 9 Group manufacturing companies in 6 countries around the world. In the process of selection, we put importance on their approach to the environment and CSR in addition to their quality and R&D capabilities.

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

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.

In a briefing meeting held in June, 2011, for domestic partners, 180 companies took part in it. We also hold such meetings in China regularly.

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 2010, 7 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 of Purchasing Policy

Briefing Meeting on Purchasing

Cooperation with our business partners is essential in promoting CSR-oriented purchasing activities. We hold annually a meeting

We are Clarion



Purchasing Dept.
Nobuko Nagaoka

I am in charge of indirect material purchasing, such as expendable supplies and work contracting. It is most important to establish relationship of trust with our business partners in these purchasing operations. I always try to perform my duties sincerely, keeping in mind this trust-relationship, and it goes without mentioning that it is very important to comply with applicable laws and regulations, such as subcontract laws.

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 fiscal 2010, two staffs participated in the outside seminars.

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

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.

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 "Clarion Group Code of Conduct", 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

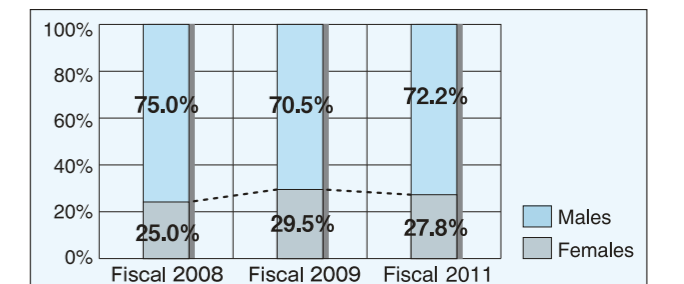
Clarion aims to expand its hiring of people with disabilities. Our employment rate of the disabled is improving year by year. The rate of employees with disabilities at the headquarters was 1.9% in Fiscal 2010, and we achieved the legal requirement of 1.8%.

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 12%, but we do not have no discrimination in recruitment by gender pursuant to the Basic Policies. The ratio of female at recruitment has reached 27.8% in Fiscal 2011 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



No new graduate recruitment in Fiscal 2010

Topics

Anniversary Event of 70th Year of our Founding

In December 2010, "Clarion Festa" commemorating the 70th anniversary of our founding was held. Clarion Group employees and their families were invited, and about 2,000 attendees celebrated the occasion. It was a grand event with attendees trying Brazilian Samba, lottery and live comic shows, as well as various booths set up by employees.



Greeting by the President

Brazilian Samba Try-out

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 role, responsibility 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 role, responsibility 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 and rank promotion.

● 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.

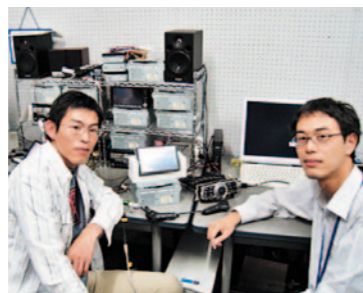
unit : person

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Achievements of the In-House Recruitment System	3	4	5
Achievements of the FA System	2	4	2

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.



IT Core Development Dept.
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.

IT Core Development Dept.
Masashi Akachi

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 to acquire necessary skills and knowledge for employees' roles	Education/Training to nurture Clarion's unique culture of strong sense of unity and spirits of meeting challenges continuously	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 offers supporting career development lectures for employees at turning points of their employment to review their current career path and relationship with the company for building up and following a future career by themselves

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.
Childcare Support	Short working hours system of 2 hours/day up to child's graduation from elementary school
Maternity Protection	Possibility to take maternity holidays from 8th week before the child birth

unit : person

	Fiscal 2008	Fiscal 2009	Fiscal 2010
Results for Childcare Leave Taken	8	7	9
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



HMI Software Design Dept.
Wenli Meng

I resumed my previous work after a childcare leave. I think Clarion has good system to provide flexible working environment such as flexitime 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

- To maintain safety and health has the utmost priority of all

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 2010 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 80 in Fiscal 2010. 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

C O N T E N T S

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Environmental Management

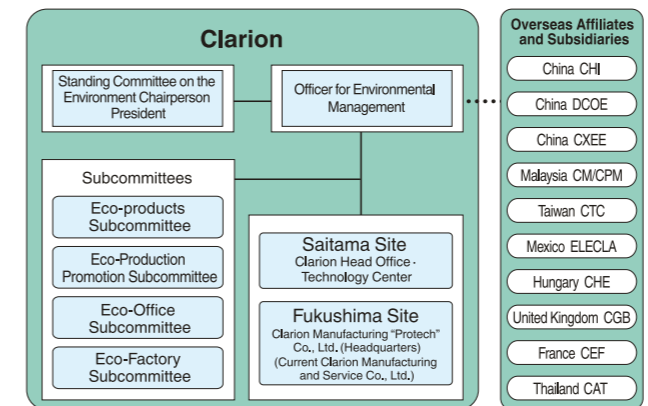
Clarion works for harmony among people, communities and nature, and promotes corporate activities for sustainable society through efforts, among others, for effective use of limited natural resources and energy. The entire Clarion Group, based on the Corporate Philosophy, continues to undertake environmental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

Environmental Policy

In order to further enhance our efforts in environmental issues, Clarion revised its Environmental Policy in March 2008. Pursuant to this policy, we will continue our group-wide activities for promoting environmental protection and offering of products and services which contribute to building up of sustainable society.

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, 10 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.

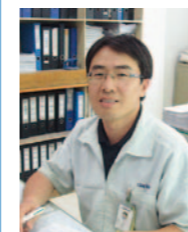
● Professional Training for Workers Engaged in Designated Tasks

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 shares a company-wide database covering major environment related laws and regulations as well as customer requirements. Furthermore, the departments responsible for promotion of environmental activities identify deviation from the reference values set by laws and regulations, as well as environment-related accidents, complaints and risks, and set up and strictly follow self-imposed standards.

We are Clarion



Clarion China, General Affairs Dept.
Chao Xia

As the department responsible for environmental administration, we set up environment objectives and targets and make full efforts for the achievement of these in cooperation with other relevant departments. DDCE launched new operation to produce escutchions. In order to prove that our factory complies with applicable Chinese laws and regulations, we perform environmental measurements.

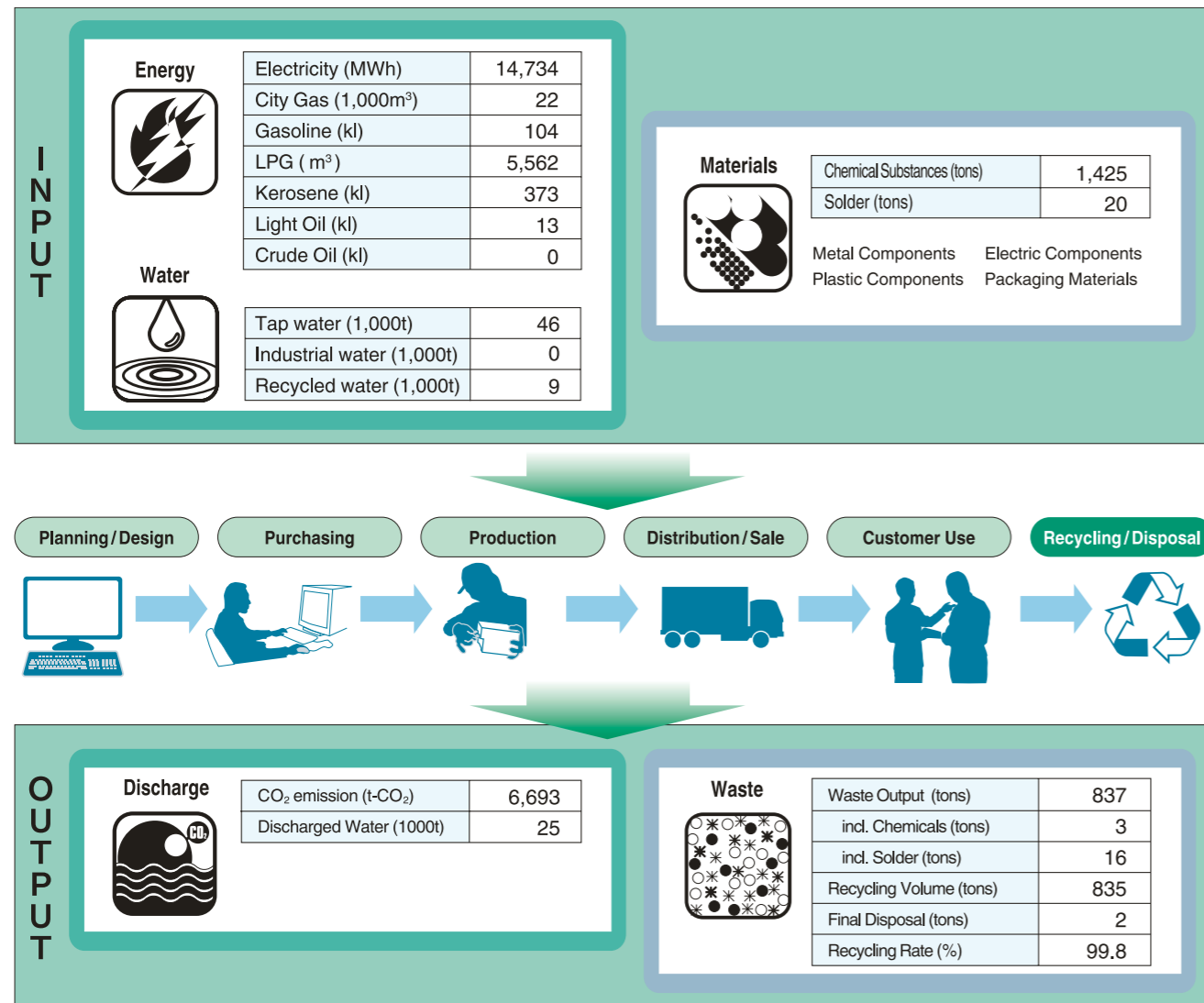
Business Activities and Environmental Impact

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 4 sites:

- Saitama Site (Saitama-shi, Saitama)
 - Clarion Co., Ltd. Head Office and Technology Center
 - Clarion Sales and Marketing Co., Ltd.
 - Clarion Associe Co., Ltd.
- Tokyo Site (Bunkyo-ku, Tokyo)
 - Clarion Co., Ltd., Hakusan 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

< Relevant Period >

• The relevant period is as follows:

From April 1, 2010 to March 31, 2011

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.

Numerical Data for Fiscal 2010

- Relevant Period: April 1, 2010 - March 31, 2011
- Sites Covered by Data: Clarion and its domestic and overseas affiliates and subsidiaries (four domestic sites and 4 major overseas production sites)

Environmental Conservation Costs (Japan)

(Unit: Millions of yen)

Item	Description	Fiscal 2008	Fiscal 2009	Fiscal 2010
Costs within business areas				
Upstream/Downstream Costs	Green-Purchasing-related costs, Recycling costs for Containers/Packaging	1	0	11
Administration Costs	Certification-related costs, education costs, etc.	3	15	15
R&D Costs	Costs for reduction of environmental impacts, weight reduction, etc., for products and processes	8	7	7
Social Activity Costs	Costs for nature conservation, afforestation, beautification, etc.	0	1	10
Environment Recovery Costs	Costs for soil pollution countermeasures	0	0	0
Total Costs		98	101	113
Total Investment		33	1	0

Economic Benefits (Japan)

(Unit: Millions of yen)

Item	Description	Fiscal 2008	Fiscal 2009	Fiscal 2010
Effects of environmental protection related to resources utilized in business activities	Utilities cost, purchasing cost of copy and EDP paper, etc.	(94)	55	(35)
Environmental impact and waste resulting from business activities	Cost of general and industrial waste disposal, etc.	23	(2)	2
Benefits related to goods and services produced by business activities	Benefits of producing lightweight products	67	54	40
Conservation effects mainly related to transportation	Gasoline and light oil usage fees, etc.	23	(1)	(1)
Sales of valuables	Sales of valuables and wastes for recycling	9	15	20
Total		28	121	26

Environmental Conservation Benefits

Category	Indicators for Environmental Conservation Benefits (unit)	Japan			Environmental Conservation Benefits	Environmental Impact including 4 Overseas Sites
		Fiscal 2008	Fiscal 2009	Fiscal 2010		
Effects generated by costs within business areas	Effects related to resources used in business activities	Amount of electricity used (MWh)	18,982	17,798	14,734	3,064
	Effects related to environmental impact and waste produced by business activities	Amount of fuel oil used (crude oil equivalent kl)	471	498	439	59
		Amount of CO ₂ emissions (t-CO ₂)	6,843	6,709	6,693	16
Effects generated by upstream/downstream costs	Effects related to goods and services produced by business activities	Amount of waste final disposal (tons)	5	3	2	1
		Amount of waste recycled (tons)	989	761	835	(125)
		Recycling rate (%)	99.5	99.6	99.8	-

We are Clarion



Clarion Mexico, Quality Assurance Dept.
Francisco Melendez

In Elecla, located in Mexico, we try to contribute environmental revitalization through planting trees as a part of nature protection activities. Not only the employees but also their families take part in this action. We are now carrying out a program of tree planting in an area of 4 hectare at a national park where thousands of butterflies, known as "Monarch Butterflies" migrate from Canada to take refuge from cold temperature. Up to now, we have planted more than 5,000 pine and other trees. This was achieved with enthusiastic participation of our employees and their families.



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.

Efforts and Achievement

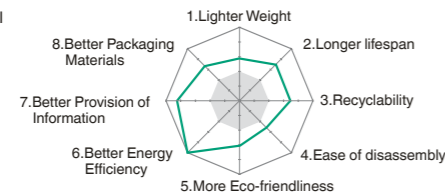
Assessment
 A: Targets achieved, continuation of good status
 B: Partial achievement and/or continued efforts
 C: Target unachieved and existence of problem(s)

Subject Area	Fiscal 2010 Targets	Fiscal 2010 Achievements	Assessments	Fiscal 2011 Targets	
Eco-Products	Product assessment	100% implementation with A/B rank (new) models (*1)	A	Expansion of products subject to environmental assessment	
	Design based on Environmental Impact Assessment	Development of eco-friendly products	Development of OEM model (1) with "Eco-Information" function	A	Development of Eco-Friendly products
		Improvement of packaging and transportation methods	Reduction of use of card-board cartons for overseas destinations (-12%) (*2)	A	Implementation of joint transportation and freight collection for purchased components
		Electronic owners' manuals	Application in Europe and North America	A	
Regulated Chemical Substances	Switching to RoHS (European) regulation materials	Assessment of use of PCV containing plastic plasticizer	A	Promotion of switching of Europe's REACH SVHC items	
	Establishment of system to deal with REACH	Implementation in response to Europe's REACH Regulation	A	Implementation in response to Europe's REACH Regulation	
Eco-Factory	Prevention of Global Warming	Reduction of CO ₂ emission by 12% (Fukushima site, against fiscal 1989)	B	Reduction of CO ₂ emission by 6% (on datum year) (Fukushima site, against Fiscal 2005)	
	Reduction of Waste Output	Continuation of zero waste output	Recycling rate 99.8% (*4)	Maintenance of zero waste output	
Eco-Management and Others	Environment Related ISO	Retention and expansion of ISO certification acquisition	Audit by a third party certification institution	Retention of ISO certification	
	Environmental Education	Implementation of environmental education programs	e-learning on environmental issues (attendee ratio of 98%)	Implementation of stratum education/training within the company	
	Environmental Information	Satisfaction of customer requirements	100% response on product environmental survey	100% response on product environmental survey	
	Environmental Conservation	Water quality after soil recovery works in Koriyama site	Continued monitoring	Continued monitoring	
	Environment-Society Activities	Promotion of afforestation	Participation in "Saitama Street Support System" and maintaining of shrubbery in front of the Headquarters building (*5)	A	Continued communication with local communities

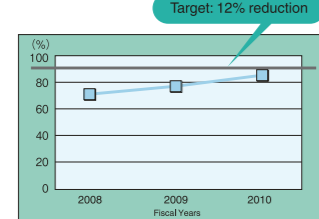
(*1) Quantitative assessment of environmental impact at each stage of product life cycle based on 8 items of environmental assessment at the stage of product designing

(*2) Change from master carton (4 units) method to pallet-size skid-packing

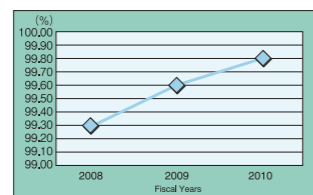
● 8 items of Environmental Assessment (Example)



(*3) CO₂ Emission at Fukushima Site
 Fluctuation in Fiscals 2009 and 2010 due to factory concentration and economy



(*4) Recycling rate
 Waste separation patrol, education and increase of sales of valued items in the waste



(*5) "Saitama Street Support System"
 Participation in "Saitama Road Support System" promoted by the city of Saitama, regular activities of cleaning and beautification of public streets in front of the Headquarters/ Technical Center buildings



We are Clarion



Clarion Hungary, Quality Assurance Dept.
Csaba Suda

We, at CHE in Hungary, are directly involved, as a production site, with compliance activities of EU Directives, such as RoHS, REACH and ELV. Naturally, we ask our suppliers to take part in these activities, and we extend these to suppliers of not only raw materials but also of stationary and expendables as well as of services of cleaning and gardening. We continue to engage ourselves in repairing activities of elementary schools, kindergartens and public health offices, for which we were honored with Clarion Brand Award. We deliver free internal environment newsletter to employees and their families and encourage more employees and families to take part in these activities.



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."

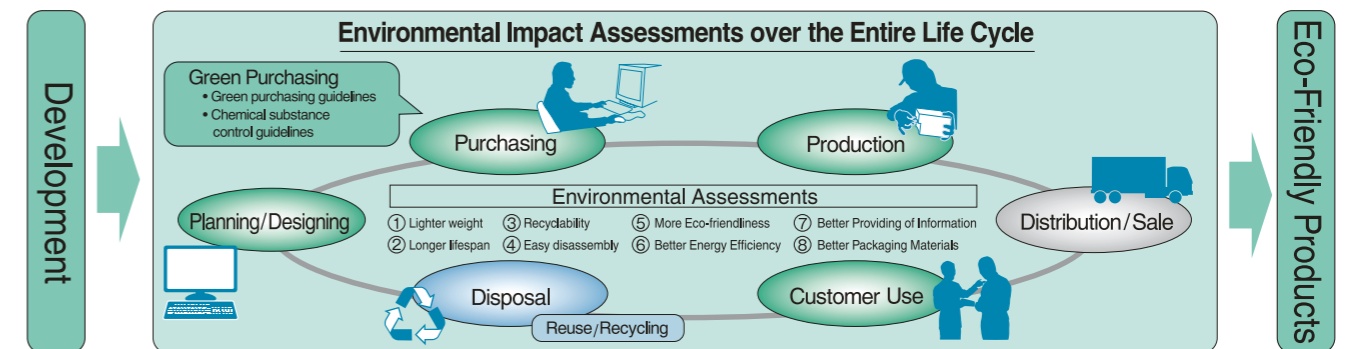
Efforts for Eco-Friendly Products

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 (Eco-Friendly Products) through LCA (life cycle assessment) approach whereby total environmental impact is assessed

throughout the entire life cycle of products.

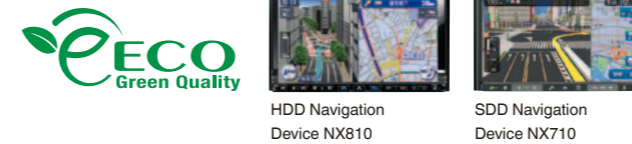
We also address the issues necessary to comply with the RoHS Directive of the European Union and other domestic and overseas laws and regulations, as well as requirements of car manufacturers. Together with these efforts and promotion of Green Purchasing, among others, we eliminate prohibited substances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



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"



Compliance with REACH Regulations

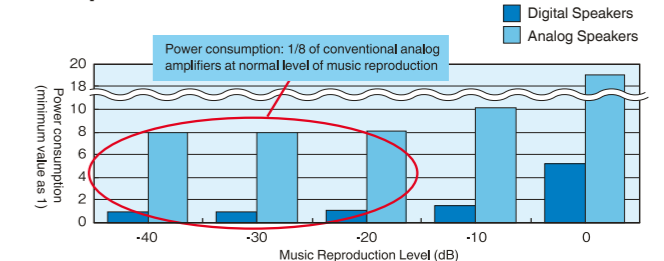
The REACH (Registration, Evaluation and Authorization of Chemicals) Regulations aim to put obligation of safety assessment of practically all chemicals in distribution within Europe and registration and evaluation of them. The regulations came into force in June 2007. They expect to minimize the impacts 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*.

* JAMA Sheet: Data sheet for ingredient analysis survey standardized by JAMA (Japan Automobile Manufacturers Association, Inc.) and JAPIA (Japan Auto Parts Industries Association)

Development of Full-Digital Speakers for Cars

Clarion has succeeded in developing the world first full-digital speakers for cars. With these speakers, drastic saving in electric power can be achieved with driving voltage of less than a half and power consumption about 1/8, of conventional speakers. We aim to introduce high quality audio system products suitable for EVs (Electric Vehicles) and HVs (Hybrid Vehicles).

Comparison of power consumption at music reproduction



Promotion of Green Purchasing

Clarion has been promoting green purchasing activities. In order to enhance purchase of goods with less environmental impact, we revised "Green Procurement Guideline" in 2010. We will continue our efforts in offering products that comply with various laws, regulations and industry standards in cooperation with suppliers.

Environment Protection Activities

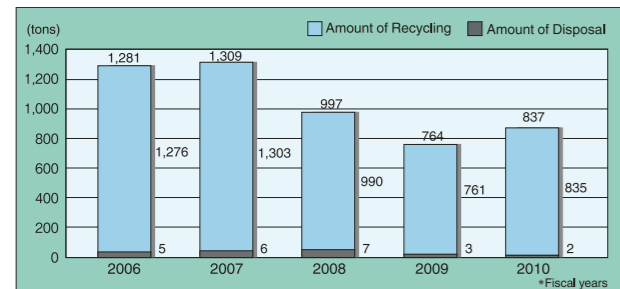
Clarion is working to reduce the environmental impact of its business activities and fulfill its responsibility as a member of society. These activities range widely from waste reduction, preservation of ecological system, prevention of global warming and other environment protection.

Effective Use of Resources

In order to contribute to building a recycling-based society, Clarion endeavors to reduce the total amount of waste generated by its business activities and promote recycling activities. Clarion defines "zero waste output" as "reducing the amount of final disposal at the sites to be less than 1%," and we are working to achieve this goal. At the same time, we promote material recycling through improvement of production processes and disassembling of waste.

Through efforts of waste separation patrol and promotion of education/training, we recycled 99.8% of output in Fiscal 2010. We shall address this issue of further reduction of environmental impact through promotion of higher level recycling and technology for re-input of waste as product resource.

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 2010, although as a whole Clarion domestic operations handled 955kg 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.

Preservation of ecological system

Clarion ECO Garden

A part of Fukushima site premise was turned to a biotope "Clarion ECO Garden" with 700 trees being planted and other greenery. It is not only actively used as relaxing area for employees and families but also contributing to measures for preservation of biodiversity.



Participation in Volunteer Clean-up Activity of Inawashiro Lake

As a part of environmental joint activity of Eco-Factory Subcommittee, we took part in Clean-up Activity of Inawashiro Lake in Fukushima. Clarion actively promotes the activities for improvement of water quality and preservation of ecological systems of Inawashiro Lake.



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.

Introduction of EVs (Electric Vehicles) as Company Cars

Clarion started deployment of EVs (Nissan "LEAF") as its company cars and built charging stations for EVs. With introduction of EVs, we further promote consideration for reduction of CO₂ emission in our business activities.

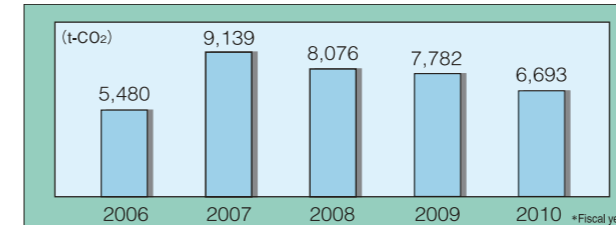


CO₂ Emission Reduction Activities

The Hitachi Group is striving to achieve two essential CO₂ emission reduction targets: Cutting its total CO₂ emission by 12% in fiscal 2010 (against fiscal 1990 level), or 25% per unit of production domestically. The total energy consumed by the Clarion Group in fiscal 2010 in terms of CO₂ emission was 6,693t-CO₂.

We shall make further efforts to reduce CO₂ emission through review of production processes, introduction of energy-saving equipment and steady activities of improvement of working environments.

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)



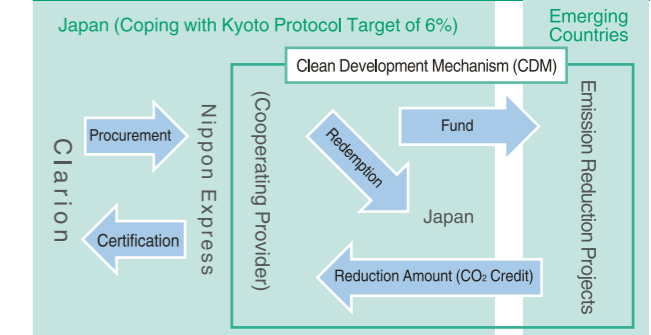
Active Use of CO₂ Credit (Emission Trading)

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

* ECC2AWB 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. In cooperation with car manufacturers, we promote modal shifts in 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 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 are 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 actively 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 reused as cushion material. We also try to reduce waste output of cardboard material by changing the cardboard dust protection rids of reusable containers to reusable plastic boards.

We are Clarion



DDCE Quality Assurance Dept.
& Promotion office Supervisor

Eva Tang

I work at Quality Assurance Promotion Office and am mainly in charge of maintenance of systems based on ISO/TS16949 and ISO14001. I engage myself in maintenance of environmental management system requesting related departments to draft out each year's environmental objectives and targets with respect to reduction of waste output and promotion of recycling.

Clarion Report 2011 Independent Review

Kunio Ito

Professor
Hitotsubashi University



It is quite notable in Clarion Report 2011, as was the case with the previous reports, that the company pays well-balanced attention toward all stakeholders of shareholders/investors, customers, local communities/their residents, trade partners and employees, and is pursuing consistent operation. This attitude is expressed in very moderate way, not in advertising or propaganda manners. The backbone that supports this is the persistence toward 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. It is impossible in these days for a company to be a sustainable and growing enterprise if it pursues only the profit. As has been stated frequently in the report, a "valuable enterprise" does not mean a company that pursues only profit; it is a company that is trusted and needed by the society. Clarion's efforts in this direction to remain being a "valuable enterprise" are presented in various parts of the report which can be highly evaluated.

The Company continues to address compliance management in higher level, and it is highly evaluated that their relevant systems and organizations are further enhanced. There is no end to the efforts in the compliance management.

The Great East Japan Earthquake this March presented a chance to review how CSR management should be promoted. In the disaster stricken Tohoku region (north-eastern Japan), various top class enterprises had been active in the *monozukuri* (manufacturing) branch, including automotive industry. These enterprises incurred huge damages, and supply chains were disrupted. Automotive industry, in particular, suddenly had to face catastrophic crises. There are companies who were directly hit by the disaster, and many others suffered because business operations of their business partners were jeopardized. Could these companies deal with the situation correctly? Could they act quickly? Were the drills and trainings in the normal times deployed correctly at the time of actual crisis? Could the employees cope with the situation in a companywide and united manner?

In view of March earthquake and tsunami having been an unprecedented disaster, Clarion could have presented in the report its actions and activities dealing with it in more details. An enterprise can not avoid "crisis." No company can be unaffected by possible "crisis." In order for a company to enhance its sustainability, it bears more importance how it addresses "crisis management." It is my wish that Clarion will further strengthen its capability in crisis management, and more details of such efforts will be presented in the future reports.

In the present days when hybrid or electric vehicles are becoming the main stream, roles that in-vehicle information terminal play are increasingly 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 the making of cars are played by these in-vehicle information terminals.

The scenes of tremendous numbers of vehicles having been washed away by the tsunami in March disaster make me feel strongly how big the potential roles of in-vehicle information terminals are. What roles do the in-vehicle information terminals perform, not only at normal and peaceful times but at times of crises? The future for the in-vehicle information terminals is broad and far reaching. I wish Clarion, who is a leading company in this field, to respond to such expectations, and to talk about its ideas and road map in the report as well.

I would like to see Clarion drive forward to strengthen its brand further and contribute to the society in Japan and world through advancing technical prowess and ever evolving CSR management.

clarion



● Editorial Policy

Clarion Report 2011 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 2010 results (from April 1, 2010 to March 31, 2011), with part of Fiscal 2011 included

● Next Publication

Year 2012

◎ This report is available on the internet.

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

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