

## Profile

Since its establishment in 1940, Clarion Co., Ltd. has created a number of advanced products as a pioneer connecting automobiles with music and information. In 1951, we introduced Japan's first car radio dedicated to passenger cars; in 1963, Japan's first car stereo; and in 1998, the world's first PC for automobiles (AutoPC). Our product range has expanded beyond car audio products to include car navigation systems, rear-view monitor systems and networked auto-guidance systems for community buses. Under the corporate philosophy to strive "to improve society by seeking to develop the relationship between sound, information and human interaction, and by creating products to meet those needs," Clarion will constantly pursue new fields of business for in-vehicle devices.

Clarion became a member of the Hitachi Group in December 2006. Through this structural reorganization, we aim to maximize synergies as a means to strengthen our product planning and R&D competencies as well as sales network for car navigation systems and in-vehicle entertainment systems.

# Clarion



Clarion H.M.I. "Feel So Good."



Moray

The Clarion H.M.I. concept car created by Italdesign-Giugiaro, one of the world's top automotive and industrial design firms.

GIUGIARO

Jay Kay

Vocalist for the world-famous jazz-funk band Jamiroquai.



2007 Selected world-famous musician Jay Kay of Jamiroquai, and Giugiaro Design's concept car Moray, as brand communicators to spread the Clarion brand worldwide.

MAX9700DT  
iPod® and Bluetooth® compatible  
HDD AV navigation system

MAX670  
iPod® and Bluetooth® compatible  
HDD AV navigation system

### Forward-Looking Statements

The figures contained in this annual report with respect to Clarion's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of Clarion. Such statements are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in Clarion's market.

## Financial Highlight

Clarion Co., Ltd. and its Consolidated Subsidiaries  
Years ended March 31

	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>For the Year:</b>			
Net sales	¥ 181,041	¥ 184,176	\$ 1,533,602
Operating income	3,072	5,228	26,030
Net income (loss)	(784)	5,862	(6,644)
<b>At Year-end:</b>			
Total assets	149,490	122,119	1,266,335
Shareholders' equity	34,231	34,484	289,977
Interest-bearing borrowings	41,483	34,227	351,406

	Yen		U.S. Dollars
	2007	2006	2007
<b>Per Share:</b>			
Net income (loss)	¥ (2.78)	¥ 20.76	\$ (0.024)
Cash dividends	2.00	2.00	0.017

#### Notes:

1. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of US\$1 = ¥118.05, the approximate exchange rate on March 31, 2007.
2. Shareholders' equity in the fiscal year ended March 31, 2007 in the above table represent the sum of total shareholders' equity and minority interests in subsidiaries in the consolidated balance sheets due to the adoption of a new accounting standard for the presentation of net assets in the balance sheets. In the financial section, both categories are listed separately.

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