

Clarion Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

	Millions of yen		Thousands of
	March 31		U.S. dollars
	2007	2006	March 31
ASSETS			
Current assets:			
Cash on hand and in banks.....	¥ 10,746	¥ 12,148	\$ 91,030
Notes and accounts receivable.....	44,598	35,454	377,789
Allowance for doubtful accounts	(1,255)	(1,285)	(10,636)
Inventories (Note 5).....	29,606	24,513	250,797
Deferred income taxes (Note 11).....	3,288	1,908	27,859
Other current assets	3,924	3,749	33,247
Total current assets	90,908	76,489	770,087
Investments in securities (Note 6)	3,300	3,750	27,962
Property, plant and equipment: (Note 4)			
Buildings and structures (Note 8)	17,129	15,938	145,103
Machinery and equipment (Note 8)	47,393	36,828	401,473
Land (Note 8)	10,496	11,265	88,918
Construction in progress.....	2,811	222	23,817
Accumulated depreciation	(51,084)	(41,322)	(432,737)
Total property, plant and equipment	26,747	22,933	226,576
Other assets:			
Intangible assets	18,141	8,647	153,674
Other (Note 4).....	10,392	10,298	88,034
Total other assets	28,533	18,946	241,709
Total assets.....	¥149,490	¥122,119	\$1,266,335

	Millions of yen		Thousands of
	March 31		U.S. dollars
	2007	2006	March 31
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term loans (Note 8).....	¥ 18,687	¥ 20,187	\$ 158,305
Notes and accounts payable.....	37,859	24,785	320,709
Accrued bonuses.....	593	614	5,024
Accrued expenses	12,054	7,656	102,113
Income taxes payable.....	302	300	2,563
Provision for warranty costs.....	2,919	1,114	24,734
Other current liabilities	6,501	6,295	55,073
Total current liabilities	78,919	60,953	668,524
Long-term liabilities:			
Long-term loans (Note 8)	22,795	14,040	193,100
Accrued pension and severance costs (Note 9)	11,334	10,413	96,013
Deferred income taxes on revaluation of land	651	651	5,518
Deferred income taxes (Note 11).....	238	167	2,019
Provision for warranty costs.....	249	10	2,113
Other long-term liabilities	1,070	1,221	9,067
Total long-term liabilities	36,339	26,504	307,833
Minority interests in subsidiaries.....	203	176	1,726
Shareholders' equity:			
Common stock, no par value			
Authorized: 450,000,000 shares			
Issued: 282,744,185 shares at March 31, 2007 and 2006	26,100	26,100	221,095
Additional paid-in capital.....	2,669	2,669	22,614
Retained earnings	7,349	8,483	62,257
Treasury stock.....	(83)	(39)	(709)
Net unrealized gain on revaluation of land (Note 10)	1,029	1,244	8,718
Gain on deferred hedge.....	7	—	61
Net unrealized gain on other securities	622	918	5,272
Foreign currency translation adjustments	(3,666)	(4,891)	(31,059)
Total shareholders' equity.....	34,027	34,484	288,250
Commitments and contingencies (Note 15)			
Total liabilities and shareholders' equity.....	¥149,490	¥122,119	\$1,266,335

The accompanying notes are an integral part of these consolidated financial statements.