

clarion

Annual Report 2009

For the fiscal year ended March 2009



Clarion Co., Ltd.

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 in-vehicle audio equipment to include in-vehicle data communication equipment such as car navigation systems, collision warning camera systems, networked auto-guidance systems and drive recorders.

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.




GIUGIARO

QUARANTA (ITALDESIGN-GIUGIARO)

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



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 Highlights

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

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
For the Year:			
Net sales	¥181,554	¥246,806	\$1,848,256
Operating income (loss)	(12,449)	5,465	(126,736)
Net income (loss)	(19,987)	1,378	(203,476)
At Year-end:			
Total assets	117,641	150,841	1,197,611
Total net assets	9,135	32,125	92,997
Interest-bearing borrowings	54,160	42,838	551,361
	Yen		U.S. Dollars
	2009	2008	2009
Per Share:			
Net income (loss)	¥(70.85)	¥4.88	\$(0.72)
Cash dividends	—	2.00	—

Note: U.S. dollar amounts have been translated from yen, for convenience only, at the rate of US\$1 = ¥98.23, the approximate exchange rate on March 31, 2009.

CONTENTS

	Profile
01	Financial Highlights
02	Message from the President
06	Financial Review
09	Corporate Data



Tatsuhiko Izumi
President

A handwritten signature in black ink, which appears to read 'T. Izumi'. The signature is written in a cursive, flowing style.

Review of Operations for Fiscal 2008, Ended March 31, 2009

In the automotive industry, with which we are most closely related, automobile demand declined further in fiscal 2008 due to lackluster consumer sentiment resulting from sharp appreciation of the yen and significant deterioration in the global economy. In addition, sales of new cars in Japan and abroad fell below levels recorded in the previous year, driven by a severe contraction in the global automobile market.

In light of this market environment, Clarion promoted various “B.N.1 (Be Number One)” activities to quickly realize the synergistic benefits of the alliance with Hitachi, Ltd. (Hitachi) and consolidation of Xanavi Informatics Corporation (Xanavi). We also established the Emergency Committee for Revitalization of Competitiveness to enable swift response to an ever-changing management environment as part of business reform initiatives.

Amid a difficult business climate, consolidated net sales for fiscal 2008 decreased 26.4% compared with the previous fiscal year to ¥181,554 million. In the first half, despite slumping sales in the OEM (Original Equipment Manufacturer) market in North America, we posted solid sales of car navigation systems in the option business for car dealers in the Japanese market. Sales decreased in the second half, however, due to multiple factors. The steep economic downturn forced a decline in production at car manufacturers globally in line with buyer restraint in different markets. Sales also were down in the option business for domestic car dealers, while selling prices in domestic and overseas aftermarkets dropped, leading to an overall decrease in sales volume.

With regard to income, we reduced fixed expenses and curbed capital expenditures, thereby reducing selling, general and administrative (SG&A) expenses. These efforts were offset, however, by rising raw material prices and deterioration in the cost of sales ratio caused by inventory adjustments in line with a change in product mix and reduced automobile output. As a result, Clarion posted an operating loss of ¥12,449 million in fiscal 2008 compared with operating income of ¥5,465 million in the previous fiscal year.

In other gains and losses, we recorded earnings in the amount of ¥3,429 million owing mainly to gain on reversal of patent fees in prior years and gain on reversal of claim related costs, although this was offset by a loss of ¥6,187 million due primarily to foreign currency translation loss owing to sharp appreciation of the yen as well as to business structure reform costs. We also recorded ¥4,776 million in corporate taxes, including ¥4,450 million due to reversal of deferred tax assets based on a review of collectability. As a result, net loss for fiscal 2008 amounted to ¥19,987 million compared with net income of ¥1,378 million in the previous fiscal year.

Medium- to Long-term Management Strategy

The Clarion Group is striving to establish a structure that facilitates timely response to changes in the business and management environment such as changing market conditions and technological innovation. We are also working to restructure our business portfolio and achieve corporate management with higher capital efficiency. We will focus on consolidated management, boost Group-wide profit-making capabilities and promote consolidated cash flow management to increase corporate value.

To achieve these goals, we have identified the following priority challenges under our medium-term Group management policy.

1. Improvement of Product Quality

We will implement measures to raise quality from the product planning stage and create a Group quality management system to earn the trust of our customers and bring them satisfaction.

2. Sales & Marketing Strategy

We aim to secure profitable sales, and maintain and expand orders from customers. We will introduce unique products that anticipate the changing needs of the market, realizing solutions in such ways as through service content and hardware linking information centers and in-vehicle devices/systems such as eNAVI (AV navigation through integrated platform development), ClarionMiND (Mobile Internet Navigation Device) and in-vehicle cameras.

3. Brand Strategy

We will promote activities to increase brand value, with “Clarion H.M.I. (Human Mobile Music Media Interface)” as our brand slogan.

4. R&D Strategy

We will work to strengthen technical competitiveness by seeking a 30% increase in R&D efficiency by advancing standardization through reform of the Group's R&D structure and environment while establishing core technologies in the field of safe driving support systems such as IAS (Information and Actuation Integrate Management System).

5. Improvement of Cost Management

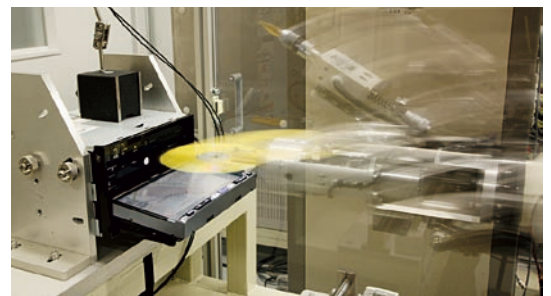
We will work to lower raw material and purchasing costs by accelerating material cost reductions through enhanced global centralized purchasing and procurement, while simultaneously promoting VEC (Value Engineering for Customers) activities. Elsewhere, we will expand overseas production of car navigation systems and work towards greater standardization, as well as overhaul the cost structure through the reform of Group logistics.

6. Enhancement of Group Organization

We will bolster activities focused on increasing speed and quality in Group businesses by pursuing synergies in organizational functions and processes following amalgamation with Xanavi and by implementing other process reforms across-the-board.

7. Commitment to CSR (Corporate Social Responsibility)

We will strive to raise awareness of our corporate philosophy and compliance to instill a strong sense of corporate ethics, as well as pursue higher quality in internal control systems.



Measures to Combat Changes in the Management Environment

In the CIS (Car Information System) industry, which is key to Clarion Group businesses, sales of in-vehicle systems, particularly car navigation systems, have dropped significantly due to a sharp decline in production at car manufacturers and the impact of respective inventory adjustments.

Clarion forecasts global automobile sales volume to fall below 60 million units in 2009, remain unchanged in 2010 and recover moderately from 2011. Conversely, we expect needs for safety/security and comfort in automobiles to grow amid ongoing evolution and expansion in automotive AV (Audio-Visual) equipment.

In response to these environmental changes and to ultimately ensure survival, the Clarion Group has positioned the two-year period from April 2009 to March 2011 as the time to pave the road to a structure that can generate profit even in times of market contraction. To this end, we will implement structural reforms aimed at making a fresh start through demonstrating preparedness. Through these efforts, we are targeting consolidated net sales of ¥188,000 million and a consolidated operating income ratio of over 5% for the fiscal year ending March 2012.

■ Appropriateness of Corporate Scale

Clarion established the Emergency Committee for Revitalization of Competitiveness in November 2008 to strengthen management foundations through structural reforms. Measures taken to date include ensuring the most appropriate number of personnel for a fixed-expense structure befitting the scale of sales, deploying policies such as elimination and consolidation of operation bases, bolstering cost management from the planning stage through VEC activities and concentrating management resources into businesses marked for strategic reinforcement.

The positive effects of measures already executed to reduce human resources and other fixed expenses have started to emerge.

1. Reduce production capacity by 30%

Clarion currently has 11 production bases in seven countries worldwide. The current plan calls for concentration of domestic production operations into Koriyama City, Fukushima Prefecture, by December 2010. Through

earlier implementation of this plan, however, we aim to promptly improve quality, increase production efficiency and reduce production. We will also defer new plant construction in Thailand and downsize, eliminate or consolidate other production bases, particularly in Asia.

2. Ensure appropriate number of Group personnel

We will reduce the Clarion Group's worldwide personnel from 12,000 to 9,000. Concrete measures in Japan include limiting contract extensions after expiration of non-regular employment contracts and expanding the optional earlier retirement program. We will also reduce remuneration paid to directors and officers as well as salaries for management and general employees.

3. Streamline aftermarket sales structure and shift resources to growing markets

In Japan, we will strengthen sales/marketing functions by concentrating the aftermarket, special equipment and option businesses as well as B2B (business-to-business) operations into Clarion Sales and Marketing Co., Ltd. (formerly Clarion Sales Co., Ltd.). At the same time, we will promote elimination and consolidation of sales sites.

Overseas, we will develop a global aftermarket sales system centered on the United States and Europe, integrating or shutting down certain sites in the process. In other efforts, we will strengthen the sales organizations in emerging nations with high growth potential, especially Eastern Europe, Asia and Latin America. Specifically, we are streamlining our aftermarket organizations in North America; and in Europe we are integrating the functions of German sites into France, closing operations in Spain and promoting shared functions and bases with Hitachi.

4. Enhance R&D efficiency

We will accelerate activities to enhance R&D efficiency by 30% by standardizing development platforms currently in use and integrating technology-based infrastructure. Concurrently, we are striving to reduce R&D costs by concentrating R&D resources into shared global strategic base-models that can be expanded across customers and regions, and shifting to and expanding R&D operations overseas.

CRASVIA



NX809
7-inch Wide VGA Screen-equipped
Double-DIN Digital TV/DVD/HDD
AV-Navigation System

SMOO
NAVI



NX609
7-inch Wide Screen-equipped
Double-DIN Digital TV/DVD/SDD
AV-Navigation System



SRT1780S
17cm Separate 2-way Speaker System



APA4360
180W x 4-ch Power Amplifier

APA2180
180W x 2-ch Power Amplifier

ClarionMIND



NR1EB
ClarionMIND



CZ109
CD/MP3/WMA Receiver



CC2011E
Ultra Compact Color CCD Camera
(Mirror Image)

5. Creation of a New Product Strategy

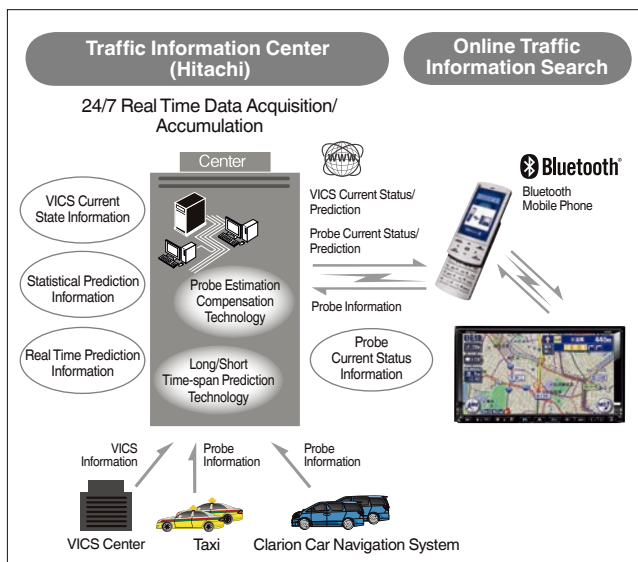
Clarion expects that it will take more time before global automobile sales rebound. However, future demand potential is growing on account of fuel-efficient hybrid cars and environmentally friendly electric cars. We also predict that safety/security, solutions and the environment will become increasingly integral concepts in the car electronics industry, and Clarion's core lineup of eNAVI, ClarionMiND and in-vehicle cameras are precisely aligned with this concept. By introducing new car navigation systems for the aftermarket through collaboration with Hitachi, we will truly be able to strengthen our business capabilities.

In June 2009, we launched two car navigation systems equipped with a next-generation navigation feature, "online traffic information search," that utilizes Hitachi's "traffic information service." Hitachi's service, which offers real-time and highly accurate traffic information every five minutes, is currently deployed in several thousand running taxis as sensors (probe cars), and in the future, will include probe information from Clarion's navigation systems. The service area will gradually be expanded nationwide.

The "online traffic information search" function enables users to search for a more precise route in light of traffic congestion information, selectively making use of real-time information from Hitachi's traffic information center in addition to conventional VICS (Vehicle Information and Communication System) data and built-in statistical traffic information in the navigation system.

Despite the continued harsh operating environment, Clarion will ensure the optimum allocation of management resources, including investments, and work to achieve safety/security and comfort through technological fusion with Hitachi, as a means to drive innovative change toward becoming a more valuable company.

"Online Traffic Information Search" Uses Real Time Information for a High Degree of Traffic Congestion Avoidance



Business Outlook

Automobile sales are expected to remain sluggish due to the ongoing global economic downturn since 2008, with recovery projected to take time. Nonetheless, we forecast potential demand to grow in the future in light of sales of fuel-efficient hybrid cars and environmentally friendly electric cars. Competition is also expected to intensify with new entrants from different industries to the market for the manufacture and sale of in-vehicle equipment.

Against this backdrop, Clarion merged with Xanavi on April 1, 2009 to initiate a new era for the Company.

We will proceed with B.N.1 activities to maximize synergies with Xanavi and strengthen initiatives in structural reforms through the Emergency Committee for Revitalization of Competitiveness. The Group will work together to promote these and other activities to transform into a highly profitable corporate structure.

For fiscal 2009, we forecast consolidated net sales of ¥168,000 million, a decrease of 7.5% year-on-year; consolidated operating income of ¥100 million; and net loss of ¥3,100 million. The exchange rates are projected to be ¥90 to the U.S. dollar and ¥120 to the euro.

Basic Approach to CSR

As stated in our 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." Based on this commitment, we are working to enhance our CSR activities. Our compliance guidelines, "Guiding Principles of Conduct and Behavior," were laid out and comprehensively applied to fulfill social responsibilities as a global corporation in the areas of quality control, environmental protection and social contribution.

Environmental issues are expected to become increasingly important in the automobile industry in particular. Clarion will strive to expand its range of eco-friendly products and develop car information systems that help make cars more environmentally friendly.

Corporate Governance

We have developed a corporate governance structure in recognition of its importance in our business operations. Through efforts to enhance our risk management system and internal control system, we strive to respond swiftly and appropriately to any kind of risk while ensuring management transparency.

To Our Shareholders and Investors

Clarion views maintaining good communication with our stakeholders as a very important responsibility. With this in mind, we aim to attain continued growth as we tackle challenges and work hard to achieve our goals.

I ask for your continued support and guidance as we move forward.

July 2009

Tatsuhiko Izumi
President

Review of Operations

During the fiscal year under review, the economic slowdown in Japan became more pronounced due to stagnant personal spending amid rising crude oil and commodity prices. Corporate earnings have declined since autumn 2008 owing primarily to decreasing share prices and severe fluctuations in exchange rates caused by the global financial crisis. These factors forced further deterioration in personal spending and the employment situation, which accelerated the economic downturn. Overseas, turmoil in financial markets persisted, triggered by the subprime loan issue, and the global financial crisis increased in severity, precipitating a global recession.

In the automotive industry, with which we are most closely related, automobile demand declined further in fiscal 2008 due to lackluster consumer sentiment resulting from sharp appreciation of the yen and a significant worsening of the global economy. In addition, sales of new cars in Japan and abroad fell below levels recorded in the previous year, resulting in a severe contraction in the global automobile market.

Consolidated net sales for fiscal 2008 amounted to ¥181,554 million, down 26.4% year-on-year. In the first half of the fiscal year, despite slumping sales in the OEM market in North America, we posted solid sales of car navigation systems in the option business for car dealers in the Japanese market. Sales decreased in the second half, however, due to multiple factors. The steep economic downturn forced a decline in production at car manufacturers in line with buyer restraint worldwide. Consequently, sales were down in the option business for domestic car dealers, while selling prices in domestic and overseas aftermarkets dropped, leading to an overall decrease in sales volume.

With regard to income, we reduced fixed expenses and curbed capital expenditures, thereby reducing SG&A expenses. These were offset, however, by rising raw material prices and deterioration in the cost of sales ratio caused by inventory adjustments in line with a change in product mix and reduced automobile output. As a result, Clarion posted an operating loss of ¥12,449 million compared with operating income of ¥5,465 million in the previous fiscal year.

In other gains and losses, we recorded earnings in the amount of ¥3,429 million, consisting mainly of ¥814 million in reversal of patent fees for prior years due to a review of estimated patent fees, ¥418 million in gain on reversal of customers claim cost and ¥280 million in cost recovery after settling the net obligation of manufacturers in service expenses. This was

offset, however, by a loss of ¥6,187 million due primarily to a foreign currency translation loss of ¥1,434 million owing to sharp appreciation of the yen and ¥2,257 million in expenses related to expansion of the optional early retirement program aimed at ensuring the most appropriate number of personnel in the Group as part of restructuring efforts. As a result, loss before income taxes and minority interests was ¥15,208 million compared with income before income taxes and minority interests of ¥4,298 million in the previous fiscal year. Consolidated net loss stood at ¥19,987 million compared with net income of ¥1,378 million in the previous fiscal year.

An overview by business segment is as follows.

■ Car Audio-Visual Equipment Segment

This segment is our core segment that involves car navigation, car audio and car multimedia devices. Sales increased in the Americas as we secured new business there, while sales were also up in the option business for car dealers in the Japanese market in the first half of the fiscal year. Despite this, the automobile market contracted severely due to the steep global economic downturn triggered by the financial crisis, and as a result, overall sales in this segment decreased 27.6% compared with the previous fiscal year to ¥157,552 million.

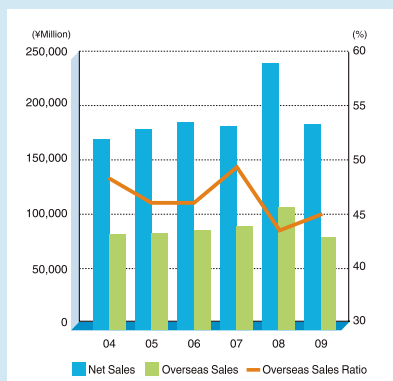
Operating loss amounted to ¥14,491 million compared with operating income of ¥4,330 million in the previous fiscal year due primarily to tough demands from customers for price reductions; a decline in production quantity due to inventory adjustments in line with lower automobile production volume; and deterioration in the cost of sales ratio caused by high raw material costs.

■ Special Equipment Segment

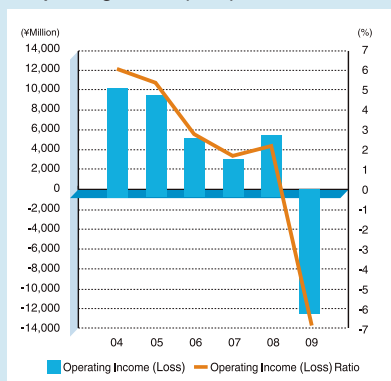
In this segment, which comprises AV equipment, Automatic Guidance Systems and Bus Location Systems for both tourist and community buses, around-the-vehicle view monitor equipment with CCD cameras and drive-recorder devices, net sales rose 2.9% to ¥8,982 million. This increase was attributable mainly to efforts to expand sales of CCD cameras in the domestic market in line with greater driving safety awareness and the start of sales to OEM customers in the United States and China.

Operating income surged 139.7% to ¥1,772 million due to the positive effects of sales growth coupled with an improvement in the cost of sales ratio.

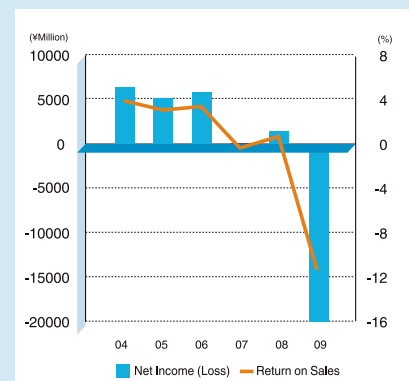
■ Net Sales, Overseas Sales and Overseas Sales Ratio



■ Operating Income (Loss) and Operating Income (Loss) Ratio



■ Net Income (Loss) and Return on Sales



■ Other Business Segment

Within this segment, we have developed EMS (Electronic Manufacturing Service) business mainly in the Americas and Europe. Net sales decreased 26.9% to ¥15,018 million due to a decline in orders for in-vehicle meter boards, in particular, impacted by the sharp decline in automobile production.

Operating income decreased 31.7% to ¥270 million due mainly to the sales decline and tough demands from customers for price reductions.

Results by geographic segment (excluding intra-Group transactions) are as follows.

■ Japan

In the domestic economy, the market cooled significantly due to the financial crisis and ensuing global economic downturn. In particular, the business environment in the automobile industry, with which the Clarion Group is most closely related, was severe, with buyer restraint becoming more pronounced, even for smaller sized cars (“kei” category cars), for which sales had been relatively brisk. These and other factors led to a low level of new car sales in Japan for the first time in 28 years, contracting to two-thirds of peak demand.

Sales in the OEM market and the aftermarket decreased in Japan due to stagnant automobile sales, while sluggish growth was reported in automobile exports. As a result, net sales in Japan amounted to ¥105,991 million, down 29.8%.

Despite a reduction in SG&A expenses, consolidated operating loss stood at ¥11,987 million compared with operating income of ¥4,165 million in the previous fiscal year. This was attributable mainly to a decrease in sales in line with lower automobile production and deterioration in the cost of sales ratio caused by selling price erosion in the aftermarket and lower capacity utilization due to inventory adjustments.

■ Americas

In the U.S. economy, demand in the automobile market dropped sharply as screening standards for car loans intensified due to the impact of the financial crisis coupled with weak consumer spending.

Despite an increase in sales due to new orders received from certain OEM customers, net sales decreased 16.3% to ¥46,440 million owing primarily to a marked decline in automobile production at Japanese car manufacturers and a decrease in orders in the EMS business.

Operating income fell 98.8% to ¥12 million due mainly to the sales decline resulting from lower automobile production and selling price erosion brought on by tough demands from customers for price reductions.

■ Asia and Australia

The OEM business in China, for which sales had been increasing steadily on the back of soaring growth in the automobile market, started to decline amid buyer restraint. Accompanied by prolonged stagnation in the Taiwanese automobile industry, net sales decreased 3.8% to ¥12,461 million.

Despite a reduction in fixed expenses, operating loss amounted to ¥74 million compared with operating income of ¥466 million in the previous fiscal year due to rising raw material prices and increases in human resources in China, and deterioration in the cost of sales ratio on account of other costs coupled with production adjustments in response to a reduction in orders.

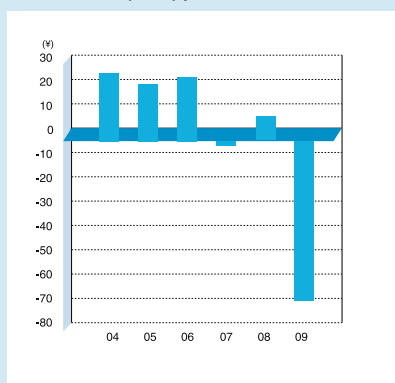
It should also be noted that the fiscal year was changed to the calendar year for consolidated subsidiaries in China and Hong Kong, thereby marking a nine-month sales period for the fiscal year under review.

■ Europe

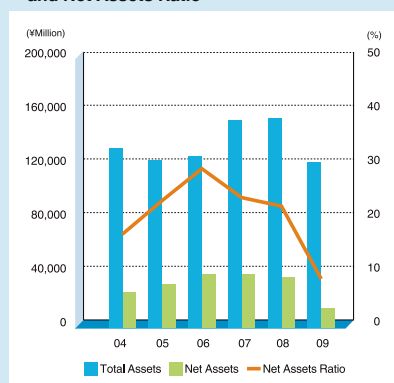
Net sales decreased 39.1% to ¥16,661 million due primarily to a decline in sales to OEM customers in line with a contraction in the automobile market, weak exports to Russia from EU nations and stagnant sales in the aftermarket.

Despite a reduction in SG&A expenses, operating loss stood at ¥208 million compared with operating income of ¥147 million in the previous fiscal year due mainly to the significant decline in sales.

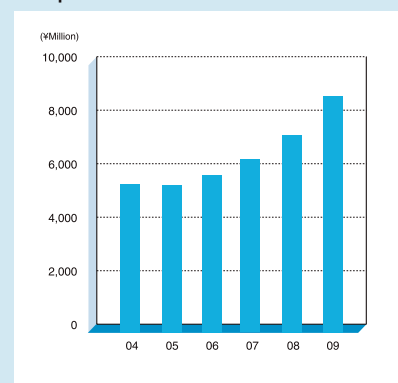
■ Net Income (Loss) per Share



■ Total Assets, Net Assets and Net Assets Ratio



■ Depreciation and Amortization



* Years ended March 31

Financial Position

Current assets at fiscal year-end were down ¥29,655 million, or 30.8%, to ¥66,561 million. The main reasons for this result were a decrease of ¥3,222 million in cash on hand and in banks to ¥9,386 million and a decrease of ¥22,844 million in notes and accounts receivable to ¥25,382 million. Inventories were down ¥2,019 million from the previous fiscal year-end to ¥25,113 million, while deferred tax assets totaled ¥2,003 million, down ¥1,696 million.

Investments in securities decreased ¥84 million, or 3.6%, from the previous fiscal year-end to ¥2,259 million, attributable mainly to securities sold and changes in fair value. Property, plant and equipment decreased ¥305 million, or 1.3%, from the previous fiscal year-end to ¥27,215 million. Other assets dipped ¥3,108 million, or 12.6%, to ¥21,604 million due primarily to reversal of deferred tax assets. As a result, total assets at year-end decreased ¥33,200 million, or 22.0%, compared with the previous fiscal year-end to ¥117,641 million.

Total liabilities decreased ¥10,209 million, or 8.6%, from the previous fiscal year-end to ¥108,506 million. Current liabilities were down ¥22,001 million, or 26.0%, to ¥62,761 million due mainly to a decrease in trade notes and accounts payable owing to a reduction in purchases caused by inventory adjustments in line with lower sales. Total long-term liabilities increased ¥11,791 million, or 34.7%, to ¥45,744 million, attributable to an increase in long-term loans for the procurement of working capital. Total net assets totaled ¥9,135 million due primarily to recording a net loss as well as the impact of foreign currency translation adjustments caused by appreciation of the yen. As a result, the net assets ratio was down 13.6 percentage points to 7.6%.

Cash Flows

Net cash used in operating activities was ¥2,851 million. This was due mainly to the recording of loss before income taxes and a decrease in notes and accounts payable, despite a decrease in notes and accounts receivable. Net cash provided at the end of the previous fiscal year was ¥10,771 million.

Net cash used in investing activities was ¥10,121 million. This was due mainly to payment for purchases of property, plant and equipment primarily for production equipment as well as payment for purchases of

intangible assets such as software, which offset a decrease in loans receivable. Net cash used at the end of the previous fiscal year was ¥9,247 million.

As a result, Clarion posted a negative cash flow of ¥12,972 million (compared with free cash flow of ¥1,524 million at the previous fiscal year-end).

Net cash provided by financing activities was ¥10,014 million due mainly to an increase in proceeds from long-term loans, despite dividends paid and a decrease in short-term loans. Net cash provided at the end of the previous fiscal year was ¥1,061 million.

As a result of these factors, cash and cash equivalents at the end of the year amounted to ¥9,039 million compared with ¥12,563 million at the previous fiscal year-end.

Outlook for Fiscal 2009, Ending March 31, 2010

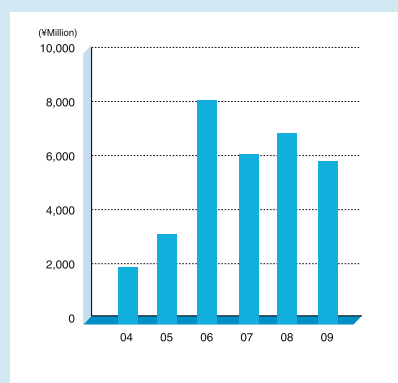
Automobile sales are expected to remain sluggish due to the ongoing global economic decline since 2008, with a recovery projected to take time. Competition is also expected to intensify with new entrants from different industries to the market for the manufacture and sale of automobile equipment.

Amid such circumstances, Clarion merged with Xanavi Informatics Corporation on April 1, 2009 to initiate a new era for the Company.

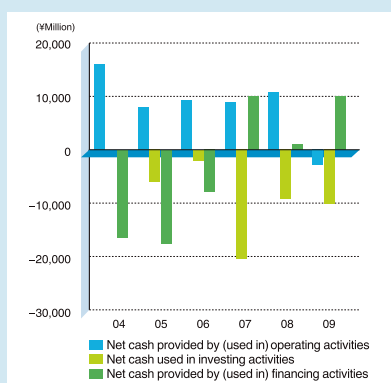
Clarion will work to secure the synergistic benefits of the consolidation, while also strengthening structural reform initiatives through the Emergency Committee for Revitalization of Competitiveness aimed at transforming into a highly profitable corporate structure.

As a result of these initiatives, for fiscal 2009 we forecast consolidated net sales of ¥168,000 million, a decrease of 7.5% year-on-year; consolidated operating income of ¥100 million; and net loss of ¥3,100 million. The exchange rates are projected to be ¥90 to the U.S. dollar and ¥120 to the euro.

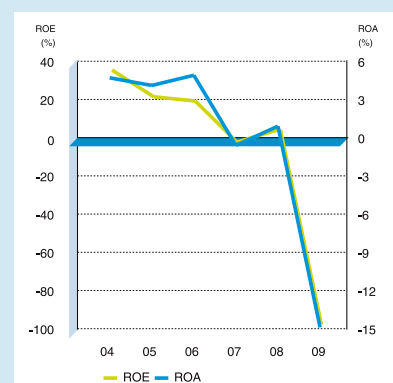
■ Capital Investment



■ Cash Flows



■ ROE and ROA



* Years ended March 31

Corporate Data

■ Company Profile (as of March 31, 2009)

Company Name:	Clarion Co., Ltd.
Headquarters & Technology Center:	7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-0081, Japan TEL: (81) 48-601-3700
Registered Head Office:	5-35-2 Hakusan, Bunkyo-ku, Tokyo, 112-8608, Japan TEL: (81) 3-3815-1121
Established:	December 1940
Paid-in Capital:	¥26,100 million
Number of Shares Outstanding:	282,744,000 shares
Stock Exchange Listing:	Tokyo Stock Exchange, First Section (Ticker Code: 6796)
Number of Shareholders:	15,668
Number of Employees:	10,132 (consolidated) 1,075 (non-consolidated)
Main Products:	Car navigation systems, car audio systems, in-vehicle cameras, visual equipment, bus equipment, communications equipment

■ Board of Directors and Corporate Auditors

(as of June 24, 2009)

Director and Chairman	Junzo Kawakami *
Director and President	Tatsuhiko Izumi
Directors	Osamu Numata Yutaka Wakamori Tetsuro Yoshimine Yasuhiko Wada Yasushi Saito Yasuhiko Honda * Masatsugu Shinozaki *
Full-time Corporate Auditors	Masayuki Kawahara Katsutoshi Takizawa Yoshio Mizuno **
Corporate Auditors	Yasuhiro Sasai ** Yuji Yuasa **

* Outside directors

** Outside auditors

■ Corporate Officers

(as of June 24, 2009)

Senior Corporate Officer	Osamu Numata
Executive Corporate Officers	Yutaka Wakamori Tetsuro Yoshimine Yasuhiko Wada Toyoji Aida Seishi Kasai Hiroyasu Kan Hidetoshi Kawamoto Nobuyuki Oyachi
Corporate Officers	Yasushi Saito Tatsuo Enokida Toru Kaneko Tadashi Wada

■ Principal Subsidiaries (as of June 24, 2009)

< Domestic >

Clarion Sales & Marketing Co., Ltd.
Clarion Manufacturing "Protech" Co., Ltd.
Clarion Associe Co., Ltd.

< European Region >

Clarion Europe S.A.S.
Clarion Europa GmbH
Clarion Hungary Electronics Kft.

< American Region >

Clarion Corporation of America
Electronica Clarion, S.A. de C.V.

< Asian Region >

Clarion (H.K.) Industries Co., Ltd.
Clarion Manufacturing Corporation of the Philippines

Clarion

Clarion Co., Ltd.

7-2 Shintoshin, Chuo-ku, Saitama-shi, Saitama 330-0081, Japan

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