

Clarion Co. Ltd

Internal Financial Control First for U.S. SOX, JSOX Later

The Japanese electronics giant, Clarion, chose Bsafe's logging and auditing solution as a basis to meet the demands of the U.S. Sarbanes-Oxley Act.



Team Leaders

Mr. Tatsuyoshi Inoue Clarion Co. Ltd Management Head of Promotion Director of Information Systems Division	Mr. Yukio Degawa Clarion Associe Co., Ltd. Systems Development Development / Operative group
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Evaluation Highlights

- Bsafe justifies its reputation of powerful logging and reporting functions.
- Bsafe's GUI screen is easy to work with.
- Bsafe includes sophisticated and detailed functionality.

Clarion is a leading manufacturer of in-vehicle equipment. It is part-owned by Hitachi Ltd., a publicly listed company in the U.S., whose other subsidiaries include Clarion U.S., Clarion Europe, and Clarion China.

Following a new corporate law in May 2006, the company decided to implement a policy of internal financial control. They decided on a policy that conformed initially to the U.S. SOX Law rather than the Japanese JSOX because the U.S. bill had been enacted already in 2002, and additionally, because of Clarion being a part of the

U.S. based Hitachi Ltd. The internal financial control was modeled on the standard used by the Hitachi group, based on COBIT.

Clarion management promotion headquarters information system department director: Mr. Tatsuyoshi Inoue says "At first, we planned to develop the tool by ourselves". But, following a recommendation by SOLPAC, we decided to look at Bsafe/Enterprise Security which had the capability of being able to acquire and save various logs which were important for IT internal financial control.

Based on experience in the past with mainframe systems, the Clarion IT teams had already built automated tools in-house for logging and confirming the presence of abnormal termination on their Power Systems IBM i. In addition, they had developed a message monitoring system using Message/400.

**Clarion's
implementation plan
was switched from
in-house
development to the**

However, due to tight deadlines, they did not have time to develop current requirement on their own. Mr. Inoue explains: "The requirement to work towards the new internal financial controls came unexpectedly. We needed also to consider existing projects, such as the integration of the platforms in Asian region which would require development resources and ongoing management after that".

As a result, they decided to use an available commercial tool having the compliance policy they needed.

"We evaluated several compliance tools" said Mr. Inoue. "We started with a demonstration by each vendor.

Following that, we set up a test environment and undertook repeated investigation of problems, including review and evaluation. After completing the comparison, and weighing up the advantages of each product, we chose to purchase Bsafe/Enterprise Security.

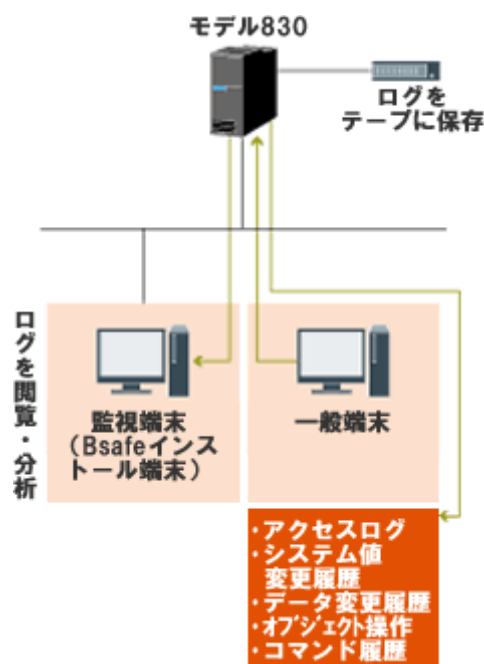
Bsafe Access Control and Access Logging Features as Tools for Internal Financial Control

Bsafe possessed various functions to achieve the necessary security requirements. First and foremost, was Bsafe's ability as a "log acquisition tool" which could meet the requirement of IT internal financial control that Clarion aimed for.

One important requirement by internal financial control was the ability to keep audit information available long after the event, combined with the ability to delete it when needed. Mr. Inoue said, "We found Bsafe to be the tool which was most able to meet the requirements of the IT internal financial control, because it acquires logs of all behavior in the system and they can be saved for as long as we need". He added, "We found the GUI interface easy and pleasant to use and this was another point in favor of Bsafe Enterprise Security".

Mr. Yukio Degawa (Systems Development Division/Development-Maintenance Group) of Clarion Associe Co. Ltd. explained; "I can set up access control and logging using the Windows-like GUI screens. They are easy and intuitive to use and we believe our security maintenance will operate smoothly after security implementation for IT internal financial control".

Furthermore, he points out that Bsafe is able to monitor the changes in data. "We can easily compare the changed data using the before and after event display of the file audit. We find this function very useful".



Using Bsafe to Keep Logs Organized and Under Control

“We started using Bsafe in June 2007”, Mr. Degawa recalls. “At first we logged too much information but soon learned to adjust the audit policy settings to log only the more important event types. This allowed us to manage the logs and handle the audit data smoothly”.

Clarion Co. Ltd. completed their primary goal of setting up their logging environment according to the U.S. SOX law. In doing so, they felt sure there would be little to change to be compliant with the demands of JSOX as well. Mr. Inoue said “We didn't know what changes would be required in our audit policy, when the JSOX law came into effect”. They had assumed important parts of the two laws would not be too different, such as handling user IDs and passwords and management of administrator rights. Their plan paid off as now, in 2009, they are implementing JSOX auditing requirements on the same basis as the U.S. SOX audit policy, done in 2007.

In formulating the internal financial control policy, an issue was identified whereby the previous year's audit data was not taken into account for the approval of the current audit program. “We wanted a process in which we can identify events that we were not able to catch previously, integrate them into our policy and so achieve total maintenance of Internal financial control”, Mr. Inoue explained.

The company is continuing to restructure their information systems by combining their Japanese, U.S. and European systems, with other platforms in the Asian regions. Bsafe was introduced into the systems for correspondence to U.S. SOX law, and is now utilized as a basis for worldwide IT internal financial control, throughout the company.



Clarion Co., Ltd.

Established: 1940

The main office: Bunkyo-ku, Tokyo, Japan

Capital: 261 hundred million yen

Gross Sales: 1283 hundred million yen(Alone) 1810 hundred million yen(Connection)

(as of March, 2007)

Number of employees: 1,086 Connection 10,774 (as of March, 2007)

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