

**Annual Report**

**2010**

**IWASAKI ELECTRIC CO., LTD**

## Profile

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Living up to our corporate philosophy of “Employing light technology to create a comfortable society and sustainable environment,” we at Iwasaki Electric Co., Ltd. have always aimed high and steadily striven to achieve our business objectives by fully exerting our foresight and creativity. The past several years have seen highly significant R&D advances in the field of new light sources, lighting equipment and control devices that cater to newly arising needs for “eco-friendly” and “visual impact enhancement” lighting. Furthermore, our advanced technology allows us to diversify into a variety of light application fields such as information display systems, UV applications, electronics, and solar simulation systems. These endeavors represent our quest to realize light’s ultimate potential and enable us to advance continually forward. We are shifting from our former identity as a general manufacturer of lighting equipment to re-emerge as a “Light and Environment-focused Company” armed with leading-edge light technologies centering around HID (High Intensity Discharge) lamps and LEDs.

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## Message from the President

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Although certain segments of the Japanese economy have shown signs of recovery following the global financial crisis, the business environment surrounding the Company remains difficult because of weak capital investment against the backdrop of uncertainty regarding the future outlook of the economy. In the fiscal year ending March 2011, the Company will be tested as to whether or not it can survive as a going concern. The patent litigations with Philips, which reached settlement in fiscal 2009, and the weak sales results of the past several terms highlight the vulnerabilities of our business structure. To address these vulnerabilities, we need to promptly start effectual reform that will enable us to produce and supply unique products in a more responsive fashion.

I worked for four decades in the manufacturing departments of the Company before becoming president. With such a background, I am determined to implement distinctive reform measures in a concrete manner.

Firstly, we will reinforce our intellectual property strategy. Now that we have learned painful lessons from the aforementioned patent litigations, we consider intellectual property management a key management task. We will put additional staff into this area and promote a proactive patent strategy.

Secondly, we will speed up product development. The Lighting Sector will focus on the promotion of the “LEDioc” line of LED illumination products. At the same time, we will develop HID products that can coexist with LED products by improving the performance of Ceralux products that have superior characteristics. The Applied Optics Sector needs to commercialize standard products that can lead the industry. Hopeful items under development include solar simulators and optics devices for liquid crystal development.

Thirdly, we will endeavor to further reduce manufacturing costs. We will expand the production innovation activities currently underway in the Company and several affiliates to the entire Group to significantly boost productivity, while further enhancing our purchasing activities toward efficient procurement from around the world. I will be directly involved in the business improvement activities of the head office, sales functions and group companies and follow them closely as they work to achieve reform goals.

Although the current difficult business environment is expected to persist in fiscal 2011, we are determined to ensure, thorough cost reduction measures and building on our accumulation of technologies and successes, that the Iwasaki Electric Group continues to grow in the fast changing market environment.

We would be grateful for your continued support.

Bunya Watanabe, President and Representative Director



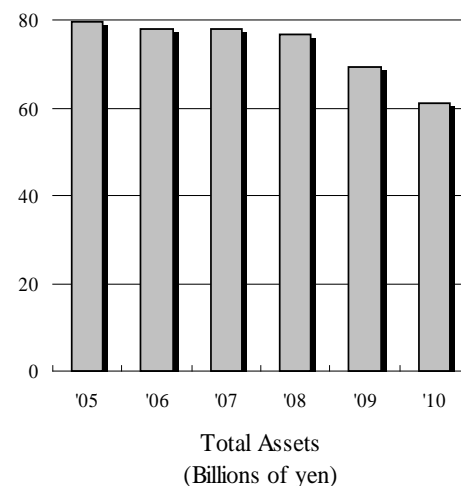
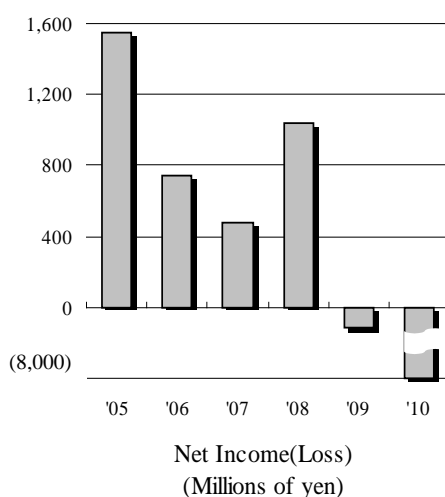
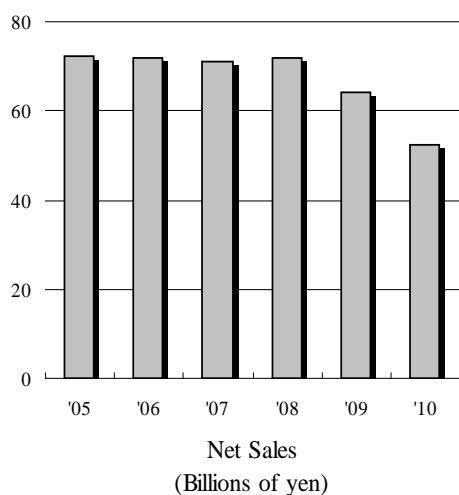
## Consolidated Six-Year Summary

	Millions of yen					
	Year ended March 31					
	2010	2009	2008	2007	2006	2005
<b>For the year:</b>						
Net sales	¥52,432	¥64,203	¥71,746	¥70,989	¥71,743	¥72,486
Net (loss) income	(8,031)	(2,397)	1,035	475	745	1,554
<b>At year-end:</b>						
Total assets	¥61,183	¥69,190	¥76,823	¥78,114	¥77,996	¥79,445
Total shareholders' equity <sup>2</sup>	17,568	25,257	29,526	30,228	30,247	28,968
Working capital	20,066	17,033	21,721	23,788	18,787	18,116
Long-term bank loans, less current portion	8,030	3,275	903	3,234	3,328	433
<b>Amounts per share:<sup>3</sup></b>						
Net (loss) income	(¥108.24)	(¥32.30)	¥13.61	¥6.10	¥9.32	¥19.43
Cash dividends	—	—	5.00	5.00	5.00	5.00

1. As permitted by accounting standards generally accepted in Japan, amounts of less than one million yen have been omitted.

2. Total shareholders' equity = Total net assets – Minority interests.

3. Per share figures are in exact yen amounts.



## Status of the Business

### Outline of the Operating Results

#### 1. Operating Results

During the consolidated fiscal year ended March 31, 2009, signs of recovery were seen in certain segments of the Japanese economy following the severe conditions triggered by the financial crisis of autumn 2008 as the economic stimulus packages adopted by several countries took effect. However, capital investment by Japanese businesses remained weak. Moreover, there were uncertainties about the future trend of public work-related orders although they have remained generally solid.

Under these circumstances, the Group implemented business improvement measures such as a total cost reduction program, review of the personnel structure and consolidation of manufacturing bases in order to ensure profitability even under the current economic situation.

As a result, this consolidated fiscal year resulted in net sales of ¥52,432 million (a 18.3% decrease from ¥64,203 million in the previous term), an operating loss of ¥412 million (a decline of ¥196 million compared to an operating loss of ¥215 million in the previous term), and an ordinary loss of ¥649 million (a slight improvement compared to an ordinary loss of ¥650 million in the previous term).

Net losses stood at ¥8,031 million (a decline of ¥5,633 million compared to a net loss of ¥2,397 million in the previous term), reflecting extraordinary income of ¥328 million as proceeds from the sale of plant, property and equipment relating to the sale of the head office building and extraordinary losses relating to the patent litigations with Philips (litigation settlement payments of ¥4,142 million and litigation expenses of ¥328 million) as well as a reversal of ¥3,309 million of deferred tax assets as a result of reconsideration of their collectibility.

Regarding the patent litigations with Philips, all proceedings were concluded by the end of the fiscal year under review.

Operating results by business segment are described below:

#### <Lighting Sector>

As a leading manufacturer of HID (High Intensity Discharge) lamp products, sales activities in this sector concentrated on products that focus on high energy efficiency and replacement market demand. The Group has also worked diligently on the development of LED products for outdoor use.

However, under the influence of sluggish construction demand and weak capital investment, new contracts for factories and commercial facilities decreased in comparison with the previous term and lamp maintenance orders for existing facilities also decreased as businesses cut costs. Sales in this sector therefore saw a year-on-year decrease. On the other hand, the Group implemented profit improvement measures such as the consolidation of manufacturing bases and discontinuance of unprofitable products.

As a result, sales and operating income for this sector amounted to ¥32,899 million (an 11.3% decrease from ¥37,094 million in the previous term) and ¥930 million (a 69.1% increase from ¥550 million in the previous term), respectively.

#### <Applied Optics Sector>

The Group continued to concentrate its management resources on the Applied Optics Sector as a growth area. However, the market environment remained generally severe as capital investment remained sluggish due to the rapid deterioration of corporate earnings since the late first half of the fiscal year, although signs of recovery have been seen (mainly orders from Asian markets) since the fourth quarter. Particularly, sales of projector light source products and optics devices for curing and cleaning applications dropped significantly, also as a result of price erosion.

As a result, sales and operating income for this sector totaled ¥19,308 million (a 26.4% decrease from ¥26,222 million in the previous term) and ¥598 million (a 51.4% decrease from ¥1,231 million in the previous term), respectively.

### <Other Sector>

Other Sector sales totaled ¥223 million (a 74.8% decrease from ¥886 million in the previous term) and an operating loss of ¥71 million (a decline of ¥83 million compared to an operating income of ¥12 million).

Operating results by geographic segment are as follows:

### <Japan>

Sales and operating income in Japan totaled ¥48,949 million (an 18.4% decrease from ¥59,959 million in the previous term) and ¥1,372 million (a 7.6% decrease from ¥1,484 million in the previous term), respectively. This was due to the slow recovery of private sector demand in both the Lighting Sector and the Applied Optics Sector, although some signs of recovery have been seen since the fourth quarter.

### <North America>

Sales and operating income in North America stood at ¥3,816 million (a 10.8% decrease from ¥4,277 million in the previous term) and ¥153 million (a 57.3% decrease from ¥358 million in the previous term), respectively. Continued sluggishness in the Applied Optics Sector offset the recovery of the Lighting Sector.

### <Asia>

Sales and operating income in Asia were ¥970 million (a 10.7% decrease from ¥1,087 million in the previous term) and ¥27 million (a 39.4% decrease from ¥45 million in the previous term), respectively. While a recovery in orders was seen in the latter half of the fiscal year, costs remained a difficult issue.

### <Europe>

Sales and operating income in Europe stood at ¥116 million (a 24.7% increase from ¥93 million in the previous term) and ¥3 million (an improvement of ¥3 million compared to an operating loss of ¥0 million), respectively, as cost reduction measures and other streamlining efforts took root in the sales structure.

## 2. Cash Flows

Cash and cash equivalents as of the end of the consolidated fiscal year increased by ¥1,046 million compared to the previous term, to ¥11,168 million.

### (1) Cash flows from operating activities

Operating activities in this consolidated fiscal year resulted in a net outflow of ¥515 million (a net inflow of ¥160 million in the previous term). Major inflow items were a ¥2,610 million decrease in trade notes and accounts receivable and ¥1,995 million in depreciation and amortization. Major outflow items were the litigation settlement payment of ¥4,142 million and a ¥695 million decrease in trade notes and accounts payable.

### (2) Cash flows from investing activities

Investment activities in this consolidated fiscal year resulted in a net inflow of ¥1,225 million (a net outflow of ¥1,938 million in the previous term). The main inflow item was the proceeds of the sale of plant, property and equipment of ¥2,054 million principally relating to the sale of the head office building. The main outflow item was the ¥718 million spent on purchases of plant, property and equipment.

### (3) Cash flows from financing activities

Financing activities in this consolidated fiscal year resulted in a net inflow of ¥272 million (a net outflow of ¥77 million in the previous term). The main inflow item was a net increase of ¥5,539 million in long-term bank loans. The major outflow items were the payment of ¥3,900 million in bond redemption and a net decrease of ¥1,197 million in short-term bank loans.

### **3. Challenges Facing the Company**

The Company's lighting business and applied optics business are its main businesses. The environment surrounding these businesses is structurally severe, characterized by shrinking public work-related demand, weak capital investment in Japan and intensifying price competition.

In the lighting business in the Japanese market, our key issue is to respond effectively to the expected drastic transformation of the industry in connection with the rapid penetration of light emitting diodes (LED), a new illumination light source. The Japanese market in this sector will expand in the short term with the penetration of LED, with intensifying competition among existing and new suppliers. The Company regards LED as one of the next-generation lighting sources and will actively proceed with the development of products and their markets. We will also enhance the performance of HID products, aiming at securing our position in the market as a supplier with strengths in both HID and LED products. Moreover, we will promote efforts to develop system products comprising light source, appliance and circuit as well as to implement sales approaches that feature such systems.

The applied optics business is regarded by the Group as a growth area and we will continue to place a high priority on it by allocating adequate management resources. The key issues facing us in this sector are that product development covers several technological fields, and that customized products make up the majority of the Group's current product portfolio. We will enhance our core technologies and review our business model to increase the ratio of standard products. At the same time, in order to respond to the geographical shift of markets for many products from Japan to overseas, particularly to other Asian countries, we need to quickly establish an effective overseas business structure which includes maintenance services. Moreover, we should integrate and reinforce product development, sales and marketing functions to speed up the commercialization of new items.

In order to address these issues, the Group sets reinforcement of the intellectual property strategy, speedier product development, reduction of manufacturing costs through efficient procurement from around the world, and reinforcement of sales functions to respond to market globalization as key business improvement objectives for both business categories. Therefore, we will focus on distributing our management resources on research and development and marketing.

To turn around the financial situation of the Group and return to profitability is our immediate priority. As litigation-related financial uncertainties no longer exist since the patent litigations with Philips reached settlement, we will first endeavor to improve our financial health and review the financial structure of existing businesses to ensure profitability. We will also actively explore the possibility of new core businesses and promote corporate social responsibility activities, in which we have lagged behind, to enhance our corporate value.

### **4. Important Business Agreements, etc.**

Not applicable.

# Financial Review

## Analyses of the Financial Position and Operating Results

### 1. Financial Position

#### (Current Assets)

Current assets as of the end of this consolidated fiscal year totaled ¥38,215 million, a decrease of ¥2,126 million from a year earlier. This was principally attributable to an increase of ¥996 million in cash and time deposits, and decreases of ¥2,600 million in trade notes and accounts receivable and ¥462 million in inventories.

#### (Noncurrent Assets)

Noncurrent assets as of the end of this consolidated fiscal year stood at ¥22,967 million, a decrease of ¥5,880 million compared to the previous fiscal year-end. This was mainly due to a decrease of ¥2,762 million in plant, property and equipment principally relating to the sale of the head office building and a decrease of ¥3,011 million in investments and other assets caused by reversal of deferred tax assets and other reasons.

#### (Current Liabilities)

Current liabilities as of the end of this consolidated fiscal year were ¥18,149 million, a decrease of ¥5,159 million compared to the previous fiscal year-end. This was mainly attributable to decreases of ¥3,900 million in the current portion of bonds and ¥1,197 million in short-term bank loans.

#### (Noncurrent Liabilities)

Noncurrent liabilities as of the end of this consolidated fiscal year were ¥24,067 million, an increase of ¥5,130 million compared to the previous fiscal year-end. This was mainly attributable to an increase of ¥4,755 million in long-term bank loans.

#### (Net Assets)

Net assets as of the end of this consolidated fiscal year totaled ¥18,967 million, a decrease of ¥7,978 million compared to the previous fiscal year-end. This was mainly due to a net loss of ¥8,031 million.

### 2. Analysis of Operating Results

#### (Gross Profit)

Gross profit for this consolidated fiscal year decreased by ¥1,910 million from the previous term, to ¥13,779 million. In the Lighting Sector, profit decreased compared to the previous term. Public works-related orders, which generally decreased during the previous term, picked up with a significant increase in road-related orders. In the private sector, however, orders for factories, commercial facilities and lamp maintenance all significantly decreased under the influence of sluggish construction demand and weak capital investments. Profit of the Applied Optics Sector also decreased compared to the previous term. The Group continued to concentrate its management resources on the Applied Optics Sector as a growth area. The market environment remained generally severe as capital investment remained sluggish due to the rapid deterioration of corporate earnings since the late first half of the fiscal year, although signs of recovery have been seen mainly in orders for Asian markets since the fourth quarter. Particularly, sales of projector light source products and optics devices for curing and cleaning applications dropped significantly, also as a result of price erosion.

#### (Operating Income)

This consolidated fiscal year resulted in an operating loss of ¥412 million, a worsening of ¥196 million compared to the previous term. The main reasons are the same as the factors explained in "Gross Profit" above, while cost reduction efforts took effect and resulted in a decrease of ¥1,713 million in selling, general

and administrative expenses.

(Ordinary Income)

This consolidated fiscal year resulted in an ordinary loss of ¥649 million, representing a slight improvement compared to the previous term. The main factors include, in addition to those described above about gross profit and operating income, a decrease of ¥336 million in foreign exchange losses.

(Income before Income Taxes and Minority Interests)

This consolidated fiscal year resulted in an income before income taxes and minority interests of ¥4,966, a worsening of ¥3,046 million compared to the previous term. This is mainly attributable to, besides the reasons described above, an increase of ¥3,303 million in extraordinary losses, which include litigation settlement payments of ¥4,142 million and litigation expenses of ¥328 million.

(Net Income)

This consolidated fiscal year resulted in a net loss of ¥8,031 million, a worsening of ¥5,633 million compared to the previous term. This is mainly attributable to, besides the reasons described above, an increase of ¥2,784 million in income taxes-deferred due to the reversal of deferred tax assets.

## Consolidated Balance Sheets

March 31, 2010 and 2009

### ASSETS

	Millions of yen	
	March 31, 2010	March 31, 2009
Current assets:		
Cash and deposits (Note 16)	¥ 12,020	¥ 11,023
Notes and accounts receivable - trade	14,533	17,134
Merchandise and finished goods	5,104	5,465
Work in process	1,676	1,669
Raw materials and supplies	3,172	3,281
Deferred tax assets	723	508
Other	1,100	1,393
Allowance for doubtful accounts	(116)	(134)
Total current assets	38,215	40,341
Property, plant and equipment		
Land (Notes 9 and 10)	10,615	12,190
Buildings and structures (Note 9)	13,183	13,853
Machinery, equipment and vehicles (Note 9)	16,792	16,414
Tools, furniture and fixtures	7,980	8,024
Construction in progress	229	847
Leased assets (Note 17)	77	60
	48,876	51,388
Accumulated depreciation	(30,722)	(30,475)
Property, plant and equipment, net	18,153	20,915
Intangible assets		
Software	526	634
Other	195	193
Intangible assets, net	721	827
Investments and other assets:		
Investment securities (Notes 2 and 8)	3,138	2,895
Long-term loans receivable	173	178
Deferred tax assets (Note 5)	403	3,619
Other	661	702
Allowance for doubtful accounts	(285)	(291)
Total investments and other assets	4,092	7,104
Deferred initial costs of business, net of accumulated amortization	—	0
Total assets	¥ 61,183	¥ 69,190

See accompanying notes to consolidated financial statements.

## Consolidated Balance Sheets

March 31, 2010 and 2009

### LIABILITIES AND NET ASSETS

	Millions of yen	
	March 31, 2010	March 31, 2009
<b>Current liabilities:</b>		
Notes and accounts payable - trade	¥ 12,675	¥ 13,367
Short-term loans payable (Note 3)	2,798	3,212
Current portion of bonds (Note 4)	–	3,900
Income taxes payable	133	139
Accrued consumption taxes	118	94
Provision for employees' bonuses	203	430
Provision for directors' bonuses	1	5
Other	2,218	2,158
<b>Total current liabilities</b>	<b>18,149</b>	<b>23,308</b>
<b>Noncurrent liabilities:</b>		
Long-term loans payable (Notes 3 and 9)	8,030	3,275
Deferred tax liabilities (Note 5)	348	–
Deferred tax liabilities for land revaluation (Note 10)	1,868	2,190
Provision for employees' retirement benefits (Note 18)	10,394	9,870
Provision for directors' retirement benefits	243	246
Other	3,182	3,353
<b>Total noncurrent liabilities</b>	<b>24,067</b>	<b>18,936</b>
<b>Total liabilities</b>	<b>42,216</b>	<b>42,244</b>
<b>Shareholders' equity</b>		
Common stock:		
Authorized: 239,000,000 shares in 2010 and 2009		
Issued and outstanding: 78,219,507 shares		
in 2010 and 2009	8,640	8,640
Capital surplus	6,174	6,174
Retained earnings	1,868	9,417
Treasury stock	(938)	(936)
<b>Total shareholders' equity</b>	<b>15,745</b>	<b>23,296</b>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	360	292
Revaluation reserve for land	2,593	3,076
Foreign currency translation adjustment	(1,132)	(1,408)
<b>Total valuation and translation adjustments</b>	<b>1,821</b>	<b>1,960</b>
<b>Minority interests</b>	<b>1,399</b>	<b>1,689</b>
<b>Total net assets</b>	<b>18,967</b>	<b>26,946</b>
Contingent liabilities (Note 19)		
<b>Total liabilities and net assets</b>	<b>¥ 61,183</b>	<b>¥ 69,190</b>

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Operations

Years ended March 31, 2010 and 2009

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
Net sales	¥ 52,432	¥ 64,203
Cost of sales (Note 11)	38,652	48,513
Gross profit	13,779	15,689
Selling, general and administrative expenses (Note 12)	14,191	15,905
Operating loss	(412)	(215)
Other income (Note 13):		
Interest and dividend income	73	129
Equity in earnings of affiliates	–	44
Amortization of negative goodwill	235	184
Reversal of allowance for claims management	–	64
Gain on sale of noncurrent assets	328	3
Gain on sale of investment securities	0	6
Other	167	145
	806	579
Other expenses (Note 14):		
Interest expenses	265	209
Loss on disposal of inventories	–	196
Foreign exchange losses	15	352
Equity in losses of affiliates	39	–
Loss on sale and retirement of noncurrent assets	73	115
Loss on valuation of investment securities	1	168
Amortization of net retirement benefit obligation at transition	312	313
Loss on litigation	328	452
Compensation for damages	–	292
Provision of allowance for doubtful accounts	3	2
Litigation settlement	4,142	–
Other	178	179
	5,360	2,284
Loss before income taxes and minority interests	(4,966)	(1,920)
Income taxes (Note 5)		
Income taxes - current	144	285
Income taxes - deferred	2,983	198
	3,128	484
Loss before minority interests	(8,093)	(2,403)
Minority interests in income	(63)	(7)
Net loss	¥ (8,031)	¥ (2,397)

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Changes in Net Assets

Years ended March 31, 2010 and 2009

	Number of shares of common stock issued	Millions of yen					Total shareholders' equity
		Shareholders' equity					
		Common stock	Capital surplus	Retained earnings	Treasury stock		
Balance at March 31, 2009	78,219,507	¥8,640	¥6,174	¥9,417	(¥936)	¥23,296	
Issuance of new shares	-	-	-	-	-	-	
Dividends from surplus	-	-	-	-	-	-	
Net loss	-	-	-	(8,031)	-	(8,031)	
Purchase of treasury stock	-	-	-	-	(1)	(1)	
Disposal of treasury stock	-	-	-	-	(0)	(0)	
Reversal of revaluation reserve for land	-	-	-	482	-	482	
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	
Net changes of items other than shareholders' equity	-	-	-	-	-	-	
Balance at March 31, 2010	78,219,507	¥8,640	¥6,174	¥1,868	(¥938)	¥15,745	
	Number of shares of common stock issued	Millions of yen					Total net assets
		Valuation and translation adjustments					
		Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total valuation and translation adjustments	Minority interests	
Balance at March 31, 2009	¥292	¥3,076	(¥1,408)	¥1,960	¥1,689	¥26,946	
Issuance of new shares	-	-	-	-	-	-	
Dividends from surplus	-	-	-	-	-	-	
Net loss	-	-	-	-	-	(8,031)	
Purchase of treasury stock	-	-	-	-	-	(1)	
Disposal of treasury stock	-	-	-	-	-	(0)	
Reversal of revaluation reserve for land	-	-	-	-	-	482	
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	
Net changes of items other than shareholders' equity	68	(482)	276	(138)	(289)	(428)	
Balance at March 31, 2010	¥360	¥2,593	(¥1,132)	¥1,821	¥1,399	¥18,967	

	Number of shares of common stock issued	Millions of yen					Total shareholders' equity
		Shareholders' equity					
		Common stock	Capital surplus	Retained earnings	Treasury stock		
Balance at March 31, 2008	78,219,507	¥8,640	¥6,175	¥12,196	(¥934)	¥26,077	
Issuance of new shares	-	-	-	-	-	-	
Dividends from surplus	-	-	-	(372)	-	(372)	
Net loss	-	-	-	(2,397)	-	(2,397)	
Purchase of treasury stock	-	-	-	-	(3)	(3)	
Disposal of treasury stock	-	-	(0)	-	1	1	
Reversal of revaluation reserve for land	-	-	-	(8)	-	(8)	
Transfer to capital surplus from retained earnings	-	-	0	(0)	-	-	
Net changes of items other than shareholders' equity	-	-	-	-	-	-	
Balance at March 31, 2009	78,219,507	¥8,640	¥6,174	¥9,417	(¥936)	¥23,296	
	Number of shares of common stock issued	Millions of yen					Total net assets
		Valuation and translation adjustments					
		Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total valuation and translation adjustments	Minority interests	
Balance at March 31, 2008	¥609	¥3,067	(¥228)	¥3,449	¥1,943	¥31,469	
Issuance of new shares	-	-	-	-	-	-	
Dividends from surplus	-	-	-	-	-	(372)	
Net loss	-	-	-	-	-	(2,397)	
Purchase of treasury stock	-	-	-	-	-	(3)	
Disposal of treasury stock	-	-	-	-	-	1	
Reversal of revaluation reserve for land	-	-	-	-	-	(8)	
Transfer to capital surplus from retained earnings	-	-	-	-	-	-	
Net changes of items other than shareholders' equity	(317)	8	(1,179)	(1,488)	(254)	(1,742)	
Balance at March 31, 2009	¥292	¥3,076	(¥1,408)	¥1,960	¥1,689	¥26,946	

See accompanying notes to consolidated financial statements.

## Consolidated Statements of Cash Flows

Years ended March 31, 2010 and 2009

	Millions of yen	
	Year ended March 31, 2010	Year ended March 31, 2009
<b>Cash Flows from Operating Activities:</b>		
Loss before income taxes and minority interests	¥ (4,966)	¥ (1,920)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,995	2,050
Amortization of negative goodwill	(235)	(184)
Increase (decrease) in provision for retirement benefits	523	350
Increase (decrease) in provision for directors' retirement benefits	(3)	(13)
Increase (decrease) in allowance for claims management	–	(68)
Increase (decrease) in provision for bonuses	(227)	(512)
Increase (decrease) in provision for directors' bonuses	(3)	(42)
Increase (decrease) in allowance for doubtful accounts	(23)	76
Interest and dividend income	(74)	(130)
Interest expenses	275	224
Foreign exchange losses (gains)	0	(11)
Loss (gain) on sales and retirement of property, plant and equipment	(255)	111
Equity in earnings or losses of affiliates	39	(44)
Loss (gain) on sales of investment securities	(0)	(5)
Loss on compensation for damages	–	292
Litigation settlement	4,142	–
Change in assets and liabilities:		
Decrease (increase) in notes and accounts receivable - trade	2,610	2,482
Decrease (increase) in inventories	474	1,022
Increase (decrease) in notes and accounts payable - trade	(695)	(2,377)
Other, net	371	(371)
Subtotal	3,947	931
Interest and dividend income received	82	151
Interest expenses paid	(233)	(227)
Litigation settlement paid	(4,142)	–
Compensation for damages paid	–	(292)
Income taxes paid	(169)	(401)
Net cash provided by (used in) operating activities	(515)	160
<b>Cash Flows from Investing Activities:</b>		
Payments into time deposits	(51)	(51)
Proceeds from withdrawal of time deposits	101	1
Purchases of property, plant and equipment	(718)	(1,697)
Proceeds from sales of property, plant and equipment	2,054	46
Purchase of intangible assets	(112)	(241)
Purchase of investment securities	(7)	(57)
Proceeds from sales of investment securities	0	9
Payments of loans receivable	(44)	(146)
Collection of loans receivable	39	142
Other, net	(35)	56
Net cash provided by (used in) investing activities	1,225	(1,938)
<b>Cash Flows from Financing Activities:</b>		
Increase in short-term loans payable	6,110	10,563
Decrease in short-term loans payable	(7,307)	(10,194)
Proceeds from long-term loans payable	5,700	2,530
Repayment of long-term loans payable	(161)	(2,371)
Proceeds from sales of treasury stock	–	1
Purchase of treasury stock	(1)	(3)
Decrease in current portion of bonds	(3,900)	–
Purchase of treasury stock of subsidiaries in consolidation	(145)	(11)
Cash dividends paid	–	(372)
Cash dividends paid to minority shareholders	(3)	(210)
Other, net	(17)	(8)
Net cash provided by (used in) financing activities	272	(77)
Effect of exchange rate change on cash and cash equivalents	63	(358)
Net increase (decrease) in cash and cash equivalents	1,046	(2,214)
Cash and cash equivalents at beginning of year	10,122	12,336
Cash and cash equivalents of the end of year	¥ 11,168	¥ 10,122

See accompanying notes to consolidated financial statements.

## Notes to Consolidated Financial Statements

March 31, 2010 and 2009

### 1. Summary of Significant Accounting Policies

#### (a) Basis of presentation

The accompanying consolidated financial statements of IWASAKI ELECTRIC Co., Ltd. (the “Company”) and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2009 to the 2010 presentation.

As permitted, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

#### (b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and all significant subsidiaries.

The investments in significant affiliates are accounted for by the equity method.

As of March 31, 2010, the numbers of consolidated subsidiaries and affiliates accounted for by the equity method were 27 and 6, respectively. As of March 31, 2009, the numbers of consolidated subsidiaries and affiliates accounted for by the equity method were 29 and 6. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are recorded based on the fair value at the time the Company acquired control of the respective subsidiaries.

All significant intercompany balances and transactions have been eliminated in consolidation.

#### (Changes in accounting policy)

Effective the year ended March 31, 2009, “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Accounting Standards Board of Japan “ASBJ” Practical Issues Task Force No.18, issued on May 17, 2006) has been applied.

This change had no effect on the consolidated financial statements for the year ended March 31, 2009.

#### (c) Accounting period

The accounting period of the Company and its domestic subsidiaries begins April 1 and ends March 31 of the following year.

The accounting period of foreign consolidated subsidiaries is a fiscal year ending on December 31. The necessary adjustments for significant transactions between the fiscal year end of the Company and the fiscal year end of consolidated foreign subsidiaries, if any, are made in the preparation of the consolidated financial statements.

#### (d) Translation of foreign currency transactions and financial statements

Monetary assets and liabilities, including non-current receivables and payables denominated in foreign currencies are translated into yen at the rates in effect at the balance sheet date. The assets, liabilities, revenue and expense of foreign consolidated subsidiaries are translated into yen at the rate of exchange in effect at the balance sheet date, except for the components of net assets excluding minority interests which are translated

at their historical exchange rates. Foreign exchange gains and losses resulting from foreign currency transactions are credited or charged to income. Translation differences resulting from the translation of the financial statements are included in net assets and minority interests.

**(e) Investment securities**

Trading securities are carried at fair market value and held-to-maturity securities are amortized or accumulated to face value.

Available-for-sale securities with a fair market value are carried at fair market value. The difference between the acquisition cost and the carrying value of available-for-sale securities is recognized in valuation difference on available-for-sale securities, net of related deferred income taxes, in net assets. Available-for-sale securities without a fair market value are stated at cost determined by the moving average method. The cost of available-for-sale securities sold is calculated based by the moving average method.

During the years ended March 31, 2010 and 2009, the Company and consolidated subsidiaries had neither trading securities nor held-to-maturity securities.

**(f) Derivatives and hedging activities**

The Company uses derivative financial instruments to manage the risks arising from fluctuations in foreign currency exchange rates and their exposures to fluctuations in interest rates. The Company does not enter into derivative transactions for trading or speculative purposes. Interest rate swaps are utilized by the Company to reduce interest rate risks. Gains or losses arising from changes in the fair value of financial instruments designated as hedging instruments are deferred as assets or liabilities and charged to gains or losses during the same period in which the gains or losses on the hedged items are recognized. If interest rate swap agreements meet certain hedging criteria, the net amount to be paid or received under the agreement is added to or deducted from the interest on the hedged items.

Trade receivables, payable and forecasted transactions hedged by qualified forward foreign exchange contracts are translated at the corresponding foreign exchange contract rates.

**(g) Inventories**

Inventories are stated at cost as determined by the weighted-average method. Balance sheet value is stated by writing down the carrying value to reflect any decline in profitability.

**(Changes in accounting policy)**

Effective the year ended March 31, 2009, "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, issued on July 5, 2006) has been applied.

As a result of this change, operating loss and loss before income taxes and minority interests increased by ¥562 million, respectively, for the year ended March 31, 2009.

Impacts of this change on segment information are explained in Note 22.

**(h) Property, plant and equipment, and depreciation (excluding leased assets)**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic subsidiaries except for buildings, but including structures attached to buildings, is principally calculated by the declining-balance method in conformity with the Corporation Tax Law of Japan. Depreciation of buildings of the Company and its domestic subsidiaries is calculated by the straight-line method. Depreciation of property, plant and equipment of foreign subsidiaries, excluding structures attached to buildings, of the Company and its domestic subsidiaries is calculated by the straight-line method.

**(Additional information)**

Effective the year ended March 31, 2009, the Company and its domestic consolidated subsidiaries have changed the useful lives of machinery and equipment as a result of reviewing their status of use based on an

amendment to the Corporation Tax Law of Japan in fiscal year 2008.

As a result of this change, operating loss and loss before income taxes and minority interests increased by ¥134 million, respectively, for the year ended March 31, 2009.

Impacts of this change segment information are explained in Note 22.

**(i) Intangible assets and long-term prepaid expenses (excluding leased assets)**

Depreciation of intangible assets of the Company and its subsidiaries are principally calculated by the straight-line method in conformity with the Corporation Tax Law of Japan.

Depreciation of software for internal use is calculated by the straight-line method over a useful life of 5 years.

**(j) Leases**

Noncancelable lease transactions that transfer substantially all risks and rewards associated with the ownership of assets are accounted for as finance leases. All other lease transactions are accounted for as operating leases and relating payments are charged to income as incurred.

Depreciation of leased assets under finance lease transactions, except for those that transfer ownership of the leased assets to the lessee, are calculated using the straight-line method over the lease term assuming no residual value.

Finance leases that commenced on or before March 31, 2008, except for those that transfer ownership of the leased assets to the lessee, are accounted for under the method applicable to operating lease transactions.

**(Changes in accounting policy)**

Until March 31, 2008, noncancelable lease transactions that do not transfer ownership of the leased assets to the lessee were accounted for under the method applicable to operating lease transactions.

Effective the year ended March 31, 2009, the Company and its consolidated subsidiaries adopted a revised accounting standard for leases and related implementation guidance. In accordance with the revised standard, noncancelable lease transactions which have been entered into on or after April 1, 2008 that do not transfer ownership of the leased assets to the lessee are accounted for as ordinary sales and purchase transactions.

The effect of this change was immaterial to the consolidated financial statements for the year ended March 31, 2009.

**(k) Allowance for doubtful receivables**

Allowance for doubtful accounts is provided based on the past experience for receivables, other than doubtful receivables, and the uncollectible amounts estimated separately for specific doubtful receivables.

**(l) Provision for employees' bonuses**

The Company and domestic subsidiaries provide for payments of bonuses to employees at estimated amounts calculated based on their payment regulations. However, at foreign subsidiaries, a provision for employees' bonuses has not been recorded.

**(m) Provision for directors' bonuses**

Provision for bonuses to directors and corporate auditors is provided for the expected payment of director and corporate auditor bonuses for the current fiscal year to those directors and corporate auditors serving at the end of the fiscal year.

**(n) Provision for employees' retirement benefits**

Provision for employees' retirement benefits are provided based on the actuarially calculated value of retirement and severance benefits obligation and the pension assets.

A transitional obligation of ¥4,682 million is being amortized using the straight-line method over 15 years from the year ended March 31, 2001. Prior service liabilities are recognized by the straight-line method

over a period not exceeding the expected average remaining working life of employees (14 years) from the fiscal year when such liabilities are identified. Actuarial gain or loss is amortized using the straight-line method over 15 years, which is within the estimated average remaining service years of employees.

Effective the year ended March 31, 2008, “Partial Amendments to Accounting Standard for Retirement Benefits (Part2)” (ASBJ Statement No. 14 issued on May 15, 2007) has been applied.

**(Changes in accounting policy)**

Effective from the year ended March 31, 2010, “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (ASBJ Statement No. 19; July 31, 2008) have been adopted.

This change had no impact on the reported operating loss, ordinary loss and net loss before income taxes and minority interests.

(Additional information)

The Company and some consolidated subsidiaries in Japan terminated their tax-qualified retirement pension plan and introduced a defined-benefit pension plan on November 1, 2009.

There was no material impact on the statement of operations from this change.

**(o) Provision for directors’ retirement benefits**

Provision for retirement benefits for directors and corporate auditors are provided for at an amount based upon internal rules at the balance sheet date.

**(p) Allowance for claims management**

Allowance for claims management is provided for free checkup and replacement expenses arising from any faults in “CERALUX” lamps at the end of the fiscal year.

**(q) Accounting for significant revenues and expenses**

Accounting for revenues and costs of completed construction work

a) Construction contracts in which the outcome of the part completed by the period end can be estimated reliably.

Percentage-of-completion method (The percentage of completion is estimated based on the cost incurred as a percentage of the estimated total contract cost.)

b) Other construction contracts

Completed contract method

**(Changes in accounting policy)**

Revenues relating to construction contracts were previously accounted for by the completed contract method. Effective from the year ended March 31, 2010, the “Accounting Standard for Construction Contracts” (ASBJ Statement No. 15; December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (ASBJ Guidance No. 18; December 27, 2007) have been adopted. With respect to construction contracts started in the year ended March 31, 2010 or later, those in which the outcome of the completed part of the contract can be estimated reliably are accounted for by the percentage-of-completion method (The percentage of completion is estimated based on the cost incurred as a percentage of the estimated total contract cost.) and other contracts are accounted for by the completed contract method.

This change has no impact on the statement of operations.

**(r) Amortization of negative goodwill**

Negative goodwill is amortized by the straight-line method over a period of five years. Negative goodwill that is immaterial is credited to income in the year of acquisition.

**(s) Consumption taxes**

Consumption taxes are calculated by the tax exclusion method.

### (t) Cash and cash equivalents

Cash and cash equivalents in the cash flow statements consist of cash on hand, demand deposits and liquid short-term investments with maturity of three months or less from acquisition dates, which can easily be converted to cash and are subject to little risk of change in value.

### (u) Comparatives

Certain accounts in the consolidated financial statements for the year ended March 31, 2009, have been reclassified to conform to the 2010 presentation.

### (v) Litigation settlements

The patent litigation with Philips, which was pending in Germany and the United States, was settled with the Company paying Philips Corporate Intellectual Property & Standards GmbH ¥639 million on October 29, 2009; and the Company paying U.S. Philips Corporation ¥3,502 million on January 7, 2010. The patent litigation concluded upon completion of the procedures relating to the said settlements.

This resulted in the inclusion of litigation settlement payments of ¥4,142 million in other expenses reported for the year ended March 31, 2010.

## 2. Investment Securities

Information regarding investment securities classified as available-for-sale securities with fair market value at March 31, 2010 and 2009 is summarized as follows:

	Millions of yen					
	2010			2009		
	Acquisition cost	Carrying amount (Fair market value)	Unrealized gain (loss)	Acquisition cost	Carrying amount (Fair market value)	Unrealized gain (loss)
Securities whose carrying amount (fair market value) exceeds their acquisition cost:						
Equity securities	¥1,050	¥1,710	¥659	¥881	¥1,421	539
Debt securities						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	1,050	1,710	659	881	1,421	539
Securities whose acquisition cost exceeds their carrying amount (fair market value):						
Equity securities	350	298	(51)	513	465	(47)
Debt securities						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	350	298	(47)	513	465	(47)
Total	¥1,401	¥2,008	¥607	¥1,395	¥1,887	¥492

Proceeds from sales of securities classified as available-for-sale securities totaled ¥0 million and ¥9 million for the years ended March 31, 2010 and 2009, respectively, with a gross realized gain of ¥0 million and ¥6 million for the years ended March 31, 2010 and 2009, respectively.

Securities whose fair market value was not available at March 31, 2009 were as follows:

	Millions of yen	
	2009	
Available-for-sale securities:		
Non-marketable equity securities	¥418	
Total	¥418	

### 3. Short-Term Loans, Long-Term Loans and Other Long-Term Liabilities with Interest

Short-term loans from banks at an average interest rate of 1.05% amounted to ¥1,868 million and ¥3,066 million at March 31, 2010 and 2009, respectively.

Long-term loans, lease obligations and deposits received classified as other long-term liabilities with interest at March 31, 2010 and 2009 consisted of the following:

	Millions of yen	
	2010	2009
Loans, principally from banks, maturing in installments through 2012 with an average interest rate of 1.98%	¥8,960	¥3,421
Less current portion of loans	(930)	(146)
Net loans	8,030	3,275
Lease obligations	90	78
Less current portion of lease obligations	(20)	(14)
Net lease obligations	70	64
Deposits received with an average interest rate of 3.11%	2,790	2,788
Total	¥10,620	¥6,127

The annual maturities of long-term loans and lease obligations subsequent to March 31, 2010 are summarized as follows:

	Loans	Lease obligations
	Millions of yen	Millions of yen
Year ending March 31,		
2011	¥2,745	¥20
2012	4,900	18
2013	200	16
2014 and thereafter	185	16

#### 4. Bonds

Bonds at March 31, 2010 and 2009 consisted of the following:

	Millions of yen	
	2010	2009
Unsecured straight bond, issued on October 11, 2006, due October 9, 2009 with an interest rate of 1.29%	—	¥1,600
Unsecured straight bond, issued on October 10, 2006, due October 9, 2009 with an interest rate of 1.25%	—	1,200
Unsecured straight bond, issued on October 12, 2006, due October 9, 2009 with an interest rate of 1.15%	—	500
Unsecured straight bond, issued on October 12, 2006, due October 9, 2009 with an interest rate of 1.08%	—	300
Unsecured straight bond, issued on October 10, 2006, due October 9, 2009 with an interest rate of 1.34%	—	300
Total	—	¥ 3,900
Less current portion	—	(3,900)
	—	—

The aggregate annual maturities of bonds subsequent to March 31, 2010 are summarized as follows:

	Millions of yen
Year ending March 31, 2011 and thereafter	—

#### 5. Income Taxes

The tax effects of temporary differences that give rise to a significant portion of the deferred tax assets and deferred tax liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Deferred tax assets:		
Loss carryforward for tax purposes	¥3,273	¥1,693
Provision for retirement benefits	4,048	3,872
Unrealized loss on available-for-sale securities	20	18
Other	834	848
Gross deferred tax assets	8,177	6,432
Valuation allowance	(6,992)	(1,939)
Total deferred tax assets	¥1,184	¥4,493
Deferred tax liabilities:		
Land revaluation	(114)	(114)
Unrealized gain on available-for-sale securities	(263)	(215)
Other	(27)	(35)
Gross deferred tax liabilities	(405)	(366)
Net deferred tax assets	¥778	¥4,127

No reconciliation of the Japanese statutory tax rate and the actual tax rate applicable to the Company for the year ended March 31, 2010 and 2009 is provided because the fiscal year resulted in a net loss before income taxes and minority interests.

## 6. Rental Properties

For the year ended March 31, 2010

No description is provided because the total amount of rental properties is immaterial.

(Additional information)

Effective from the year ended March 31, 2010, the “Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Statement No. 20; November 28, 2008) and the “Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property” (ASBJ Guidance No. 23; November 28, 2008) have been adopted.

## 7. Shareholders' Equity

The Corporation Law of Japan (hereafter, the “Law”) provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the sum of the reserve and the additional paid-in capital account, which is included in capital surplus in consolidated balance sheet, equals 25% of the common stock account. The Law provides that neither additional paid-in capital nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock upon approval by the Board of Directors. Accordingly, the Law provides that if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

## 8. Investments in Affiliates

Investments in affiliates at March 31, 2010 and 2009 amounted to ¥712 million and ¥589 million, respectively, and are accounted for principally by the equity method.

## 9. Pledged Assets

A summary of assets pledged as collateral for long-term loans in the amount of ¥2,300 million and ¥1,100 million at March 31, 2010 and 2009, respectively, is presented below:

	Millions of yen	
	2010	2009
Buildings and structures	¥1,263	¥751
Machinery, equipment and vehicles	1,382	1,124
Land	7,354	3,090
Total	¥10,000	¥4,966

## 10. Land Revaluation

Based on the Law Concerning Land Revaluation, promulgated on March 31, 1998, the Company revalued its land used for business purposes as of March 31, 2000, in accordance with the revaluation method as stated in Article 3-3.

The value of land is based on the official notice prices calculated as directed by public notification of the Commissioner of the National Tax Administration and as provided for in the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Government Ordinance No. 119, promulgated March 31, 1998), after making reasonable adjustments.

The differences between the revalued carrying amount and the fair value as of March 31, 2010 and 2009 of lands revalued pursuant to Article 10 of the law were ¥1,945 million and ¥1,808 million, respectively.

The amount of tax effect on the revaluation differences is reported as deferred tax liabilities for land revaluation. The revaluation difference less this tax liability is reported as revaluation reserve for land in valuation and translation adjustments.

### 11. Cost of Sales

Gain on valuation of inventories of ¥86 million was included in cost of sales for the year ended March 31, 2010, after writing down the carrying values to reflect declines in profitability.

### 12. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2010 and 2009 were as follows. The figures in the following table have been offset against reversals.

	Millions of yen	
	2010	2009
Salaries	¥5,246	¥5,677
Packing and transportation costs	1,678	1,831
Provision for employees' retirement benefits	747	654
Provision for employees' bonuses	112	214
Provision of allowance for doubtful accounts	41	81

Research and development expenses included in general and administrative expenses for the years ended March 31, 2010 and 2009 amounted to ¥448 million and ¥453 million, respectively.

### 13. Other Income

Gain on sale of noncurrent assets includes a gain on sale of land, etc., of ¥328 million.

### 14. Other Expenses

For the year ended March 31, 2010

Loss on sales and retirement of noncurrent assets primarily resulted from loss on sales of buildings of ¥15 million, loss on retirement of buildings of ¥15 million, loss on sales of machinery and equipment of ¥3 million, loss on retirement of machinery and equipment of ¥18 million, loss on retirement of tools, furniture and fixtures of ¥12 million, and loss on sales of land of ¥7 million.

Loss on litigation settlement including attorney's fees, represents the cost of concluding all proceedings at patent court. For the settlement, these patent court procedures have been completed.

For the year ended March 31, 2009

Loss on sales and retirement of noncurrent assets primarily resulted from loss on sales of buildings of ¥13 million, loss on sales of machinery and equipment of ¥19 million, loss on retirement of machinery and equipment of ¥41 million, loss on retirement of tools, furniture and fixtures of ¥22 million, and loss on sales of land of ¥9 million.

Loss on litigation, including attorney's fees, represents the cost of protecting certain of the Company's intellectual property rights.

Loss on disposal of inventories of ¥196 million was incurred as a result of the discontinuance of fluorescent lamp assemblies for industrial use, including finished goods of ¥128 million, materials of ¥50 million, and work in process of ¥18 million.

## 15. Supplemental Information of Consolidated Statements of Changes in Net Assets

### (a) Type and number of issued shares and treasury stock

For the year ended March 31, 2010

	Number of shares (thousand)			
	March 31, 2009	Increase	Decrease	March 31, 2010
Type of issued shares				
Common stock	78,219	–	–	78,219
Total	78,219	–	–	78,219
Type of treasury stock				
Common stock	4,011	10	–	4,021
Total	4,011	10	–	4,021

Note: With respect to the increase of 10,464 shares of common stock in treasury, the increase of 10,250 shares was due to the repurchase of fractional shares and the increase of 214 shares was due to changes in equity.

For the year ended March 31, 2009

	Number of shares (thousand)			
	March 31, 2008	Increase	Decrease	March 31, 2009
Type of issued shares				
Common stock	78,219	–	–	78,219
Total	78,219	–	–	78,219
Type of treasury stock				
Common stock	3,999	16	6	4,011
Total	3,999	18	6	4,011

### (b) Matters related to dividends

Not applicable.

## 16. Supplemental Cash Flow Information

A reconciliation of cash and cash equivalents as of March 31, 2010 and 2009 to cash and deposits in the accompanying consolidated balance sheets was as follows:

	Millions of yen	
	2010	2009
Cash and deposits	¥12,020	¥11,023
Time deposits with maturity in excess of three months	(851)	(901)
Cash and cash equivalents	¥11,168	¥10,122

## 17. Leases

Finance lease transactions, except for those that transfer ownership of leased assets to the lessee, are accounted for as explained in Note 1 (j).

Leased assets include production equipment (machinery and equipment) as property, plant and equipment, and software as intangible assets.

Finance lease transactions that commenced on or before March 31, 2008, except for those that transfer

ownership of leased assets to the lessee, are accounted for under the method applicable to operating lease transactions. Details are as follows:

- (1) A summary of pro forma amounts (inclusive of the imputed interest expense portion) of acquisition cost, accumulated depreciation and net book value at March 31, 2010 and 2009, of mainly leased tools, furniture and fixtures on an “as if capitalized” basis is as follows:

	Millions of yen	
	2010	2009
Acquisition cost	¥816	¥1,024
Accumulated depreciation	577	634
Net book value	¥238	¥390

- (2) A summary of future minimum lease payments (inclusive of imputed interest expense portion), required under non-cancelable operating leases at March 31, 2010 and 2009 was as follows:

	Millions of yen	
	2010	2009
Due in one year or less	¥94	¥166
Due after one year	143	223
Total	¥238	¥390

- (3) Lease payments and pro forma depreciation for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Lease payments	¥151	¥182
Depreciation expense	151	182

- (4) Depreciation charges are calculated using the straight-line method over the lease term assuming no residual value.

- (5) There was no impairment loss on leased assets.

## 18. Employees' Retirement Benefits

The Company and certain of its domestic subsidiaries have a defined benefit plan covering substantially all of their employees. The plan includes the lump sum payment plan and the tax-qualified pension plan. In addition, the Company has a multi-employer welfare pension fund plan, established by participating companies. Certain of its domestic subsidiaries participate in the Cooperative for Retirement Benefits for Medium-Sized and Small Companies and a defined contribution pension plan.

The company and some consolidated subsidiaries in Japan terminated their tax-qualified pension plan and introduced a defined-benefit pension plan on November 1, 2009.

The plans' funded status and amount recognized in the accompanying consolidated balance sheets at March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Projected benefit obligation	¥ (15,553)	¥ (15,821)
Plan assets at fair value	2,290	2,205
Projected benefit obligation in excess of plan assets	(13,263)	(13,615)
Unrecognized transitional obligation	1,560	1,879
Unrecognized actuarial loss	1,275	1,865
Unrecognized past service liabilities	33	–
Accrued employees' retirement benefits	¥ (10,394)	¥ (9,871)

Note: Certain consolidated subsidiaries adopted a simplified method in the calculation of their projected benefit obligation.

The components of net periodic benefit costs of employees' retirement benefits for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Service cost	¥ 935	¥ 831
Interest cost	278	281
Expected return on plan assets	(60)	(55)
Amortization of actuarial loss	242	178
Amortization of transitional obligation	318	313
Past service liabilities recognized as expense	1	–
Net periodic benefit costs	¥ 1,715	¥ 1,549
Gain on dissolution of the contributory defined benefit pension plan	1	–
Total	¥ 1,715	¥ 1,549

Note: Service cost contains benefit costs of certain consolidated subsidiaries of which projected benefit obligations are calculated by a simplified method.

In addition, the Company paid ¥584 million for the year ended March 31, 2010 and ¥736 million for the year ended March 31, 2009 for the multi-employer welfare pension fund plan. The actuarial assumptions used in accounting for the pension plans for the years ended March 31, 2010 and 2009 were as follows:

	2010	2009
Periodic allocation method for projected benefits	Straight-line method	Straight-line method
Discount rate	1.9%	1.9%
Expected return on plan assets	2.9%	2.3%
Amortization period of actuarial gain/loss	14 years	15 years
Amortization period of transitional obligation	15 years	15 years

The total funded status of the multi-employer welfare pension fund plan for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Projected benefit obligations under pension funding computation	¥328,394	¥327,524
Plan assets at fair value	235,665	299,283
Projected benefit obligation in excess of plan assets	¥92,729	¥28,241

Notes: The ratio of the group's contribution to total contributions of the plan above was 4.16% for the year ended March 31, 2010 and 3.98% for the year ended March 31, 2009.

The main component of projected benefit obligation in excess of plan assets was prior service cost of ¥20,109 million for the year ended March 31, 2010 and ¥21,928 million for the year ended March 31, 2009. Prior service cost is amortized by the straight-line method over a period of 20 years.

## 19. Commitment and Contingent Liabilities

(a) The Company has entered into commitment line contracts with six banks in order to ensure the timeliness of financing.

Relevant figures as of March 31, 2010 are as follows:

Commitment lines extended	¥5,000 million
Loans payable	¥ -
Unused balance	¥5,000 million

(b) Restrictive financial covenants

A commitment line contract entered into on March 30, 2010 includes restrictive financial covenants that require the Company to maintain net assets of at least ¥13.8 billion or, if losses or allowances are posted as restructuring costs relating to an early retiree support program, employee transfers, etc., ¥12.0 billion, on the consolidated balance sheet as of the end of each quarter of each fiscal year; to not conclude the year ending March 31, 2011 with a consolidated ordinary loss; to not allow the consolidated ordinary loss as of the end of the second quarter of the year ending March 31, 2011 (July through September 2010) to exceed ¥1.5 billion; and to not allow the total amount of interest-bearing liabilities (except lease liabilities) on the consolidated balance sheet as of the end of the year ending March 31, 2011 to exceed ¥16.0 billion.

## 20. Financial Instruments

For the year ended March 31, 2010

1. Matters relating to the status of financial instruments

(1) Policy toward financial instruments

In light of its capital investment plans, the Group procures necessary funds for business operations related to manufacturing and sales of lighting fixtures mainly through bank loans. Temporary surplus funds are kept in highly liquid, secure financial assets and short-term operating funds are procured by bank loans. The Company uses derivative transactions to manage foreign exchange risks and interest rate risks. It is the policy of the Company not to enter into derivative transactions for speculative purposes.

(2) Details of financial instruments, associated risks and risk control measures

Trade notes and accounts receivable carry customer credit risks. These risks are addressed in accordance with the Group's credit management rules by controlling the due dates and balances for each customer and investigating the credit status of major customers every three months.

Stocks carry market risks. Most stocks are those of companies which have business relationships with the Company and their market prices are regularly reported to the officer in charge of finance. Most trade notes and accounts payable are due in one year or less.

Short-term loans payable are borrowed mainly as operating funds and long-term loans payable (in principle, due in five years or less) are borrowed mainly as funds for capital investments. Floating-rate loans carry interest rate fluctuation risk and each contract is hedged by using a derivative contract (interest rate swap) to mitigate its interest risk and stabilize interest expense. Examination of hedging effectiveness is omitted as hedging contracts have been judged to satisfy the requirements for special treatment of interest rate swaps.

Derivative transactions are executed and managed by the Company's financing department with the approval of the responsible officer, in accordance with the internal rules that stipulate the authorized individuals and trading limits. In order to mitigate credit risks, all derivative transactions are undertaken with highly creditworthy financial institutions.

(3) Supplemental explanation regarding fair value, etc., of financial instruments

The fair value of financial instruments includes values based on market prices and, with respect to financial instruments without a market price, value determined by reasonable calculation. Such calculation can include factors with variable parameters and different fair values are possible if different assumptions are employed. In “2. Matters relating to fair value, etc., of financial instruments,” contract amounts, etc., of derivatives do not represent their market risks.

2. Matters relating to fair value, etc. of financial instruments

The carrying amounts and fair values as of March 31, 2010 and differences are as follows. Financial instruments whose fair value is not readily determinable are not included in the following table (See Note 2).

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥12,020	¥12,020	—
(2) Notes and accounts receivable – trade	14,533	14,533	—
(3) Investment securities	2,008	2,008	—
Total assets	28,562	28,562	—
(4) Notes and accounts payable – trade	12,675	12,675	—
(5) Short-term loans payable	1,868	1,868	—
(6) Long-term loans payable	8,960	9,065	105
Total liabilities	23,504	23,610	105
Derivatives	—	—	—

(Notes)

1. Calculation method for fair value of financial instruments and matters relating to securities and derivatives

Assets

“(1) Cash and deposits” and “(2) Notes and accounts receivable - trade”

Book value is used as fair value because these items are to be settled in a short period of time and fair value is almost equal to book value.

“(3) Investment securities”

For stocks, the exchange price is used as fair value. Notes relating to securities held for different purposes are described in notes under “2. Investment Securities.”

Liabilities

“(4) Notes and accounts payable - trade” and “(5) Short-term loans payable”

Book value is used as fair value because these items are to be settled in a short period of time and fair value is almost equal to book value.

“(6) Long-term loans payable”

The fair value of long-term loans payable is determined by discounting the total amount of principal and interest of a loan by the interest rate applicable for a similar new loan. Floating-rate long-term loans are subject to the special treatment of interest rate swaps, in which the fair value is determined by discounting the amount of principal and interest, which factors in the relevant interest rate swap, by the interest rate reasonably estimated for a similar loan.

Derivatives

See note “21. Derivatives.”

2. Financial instruments whose fair values are not readily determinable are as follows:

Category	Carrying amount (Millions of yen)
Unlisted equity securities	1,130

These financial instruments do not have a market price and excessive costs would be incurred in estimating their future cash flows. Therefore, they are not included in “(3) Investment securities” as the fair value is not readily determinable.

3. Monetary claims with maturity dates subsequent to March 31, 2010 are summarized as follows:

	Due in one year or less (Millions of yen)	Due after one year (Millions of yen)
(1) Cash and deposits	12,020	—
(2) Notes and accounts receivable - trade	14,533	—
Total monetary claims	26,553	—

(Additional information)

Effective from the year ended March 31, 2010, the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10; last revised on March 10, 2008) and the “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19; March 10, 2008) have been adopted.

## 21. Derivatives

The Company has entered into forward exchange contracts for the purpose of hedging its exposure to adverse fluctuations in foreign exchange rates related to its trade receivables, payables and forecasted transactions denominated in foreign currencies. The Company also has entered into an interest rate swap agreement to reduce its exposure to future adverse fluctuations in interest rates on its debt instruments. It is the policy of the Company and its subsidiaries not to enter into speculative derivative transactions.

As the Company enters into contracts with banks with high credit ratings, the Company does not anticipate any risk of nonperformance by these counterparties.

In addition, the execution and control of derivative transactions are carried out by the finance division based on the approval by the authorized person in accordance with the Company’s internal control policy in terms of the nature and maximum amount of transactions and authorization.

As of March 31, 2010 and 2009, there were no derivative transactions outstanding for which hedge accounting has not been applied.

The notional amounts and the fair value of the derivative instruments outstanding as of March 31, 2010, for which hedge accounting has been applied are summarized as follows:

	Notional Amount(Millions of yen)		Fair value(Millions of yen)
	Maturing within one year	Maturing after one year	
Interest rate swap hedging long-term loans payable, accounted for short-cut method:			
Receiving/floating and pay/fixed	¥5,395	¥5,215	*1

\*1 The fair value is included in the fair value of long-term loans payable, since the shortcut method is applied.

See note “20. Financial instruments.”

## 22. Segment Information

The industry and geographic segments for the years ended March 31, 2010 and 2009 are summarized as follows:

	Millions of yen	
	2010	2009
(a) Industry Segments		
Sales:		
Lighting Sector	¥ 32,899	¥ 37,094
Applied Optics Sector	19,308	26,222
Other Sector	223	886
	52,432	64,203
Corporate and eliminations	—	—
	¥ 52,432	¥ 64,203
Operating costs:		
Lighting Sector	¥ 31,969	¥ 36,544
Applied Optics Sector	18,710	24,991
Other Sector	294	874
	50,974	62,409
Corporate and eliminations	1,869	2,009
	¥ 52,844	¥ 64,418
Operating (loss) income:		
Lighting Sector	¥ 930	¥ 550
Applied Optics Sector	598	1,231
Other Sector	(71)	12
	1,457	1,793
Corporate and eliminations	(1,869)	(2,009)
	¥ (412)	¥ (215)
Assets:		
Lighting Sector	¥ 28,503	¥ 28,843
Applied Optics Sector	22,902	25,440
Other Sector	712	873
	52,118	55,157
Corporate and eliminations	9,064	14,033
	¥ 61,183	¥ 69,190
Depreciation:		
Lighting Sector	¥ 1,290	¥ 1,263
Applied Optics Sector	665	741
Other Sector	2	1
	1,958	2,006
Corporate and eliminations	37	44
	¥ 1,995	¥ 2,050
Capital expenditures:		
Lighting Sector	¥ 630	¥ 1,378
Applied Optics Sector	198	502
Other Sector	0	—
	829	1,881
Corporate and eliminations	0	57
	¥ 830	¥ 1,938

Industry segments include the Lighting Sector, Applied Optics Sector and Others.

1. Industry segments are defined by similarity of products.
2. The main products in each industry segment include:

Lighting Sector	HID lamps and Luminaires/Incandescent lamps and Luminaires/Fluorescent lamps and Luminaires
Applied Optics Sector	Information Display Systems/UV Curing Systems/EB Radiation Systems
Other Sector	Shop & Home Facilities and Agency Services for EYE Group
3. Unallocatable operating costs included in “Corporate and eliminations” are incurred mainly in corporate division of the Company.
4. Assets included in “Corporate and eliminations” are mainly composed of “Cash and deposits,” “Investment securities” and assets used in the corporate division in the Company.
5. Changes in accounting policy

(Accounting standard for measurement of inventories)

As explained in Note 1 (g), effective the year ended March 31, 2009, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, issued on July 5, 2006) has been applied.

This change resulted in decreases in operating income of ¥441 million in the Lighting Sector and ¥121 million in the Applied Optics Sector, as compared to the amounts that would have been recorded under the accounting method applied previously.

	Millions of yen			
	March 31, 2010		March 31, 2009	
<b>(b) Geographic Segments</b>				
<b>Sales:</b>				
Japan	¥	48,949	¥	59,959
North America		3,816		4,277
Asia		970		1,087
Europe		116		93
		53,852		65,417
Corporate and eliminations		(1,420)		(1,213)
	¥	52,432	¥	64,203
<b>Operating costs</b>				
Japan	¥	47,577	¥	58,474
North America		3,663		3,918
Asia		943		1,042
Europe		113		94
		52,297		63,529
Corporate and eliminations		547		889
	¥	52,844	¥	64,418
<b>Operating income</b>				
Japan	¥	1,372	¥	1,484
North America		153		358
Asia		27		45
Europe		3		–
		1,555		1,887
Corporate and eliminations		(1,968)		(2,103)
	¥	(412)	¥	(215)
<b>Assets:</b>				
Japan	¥	48,390	¥	50,763
North America		2,805		3,223
Asia		1,362		1,473
Europe		116		97
		52,675		55,558
Corporate and eliminations		8,507		13,632
	¥	61,183	¥	69,190

Geographic segments are defined by geographical proximity.

- Each region consists principally of the countries as follows:  
North America - U.S.A.  
Asia - China, Singapore and Malaysia  
Europe - the United Kingdom
- Unallocatable operating costs included in “Corporate and eliminations” are incurred mainly in the corporate division of the Company.
- Assets included in “Corporate and eliminations” are mainly composed of “Cash and deposits,” “Investment securities” and assets used in the corporate division in the Company.
- Changes in accounting policy  
(Accounting standard for measurement of inventories)

As explained in Note 1 (g), effective from the year ended March 31, 2009, “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9, issued on July 5, 2006) has been applied.

This change resulted in decreases in operating income of ¥562 million, as compared to the amounts that would have been recorded under the accounting method applied previously.

Overseas sales by region and as a percentage of consolidated sales for the years ended March 31, 2010 and 2009 are summarized as follows:

	Millions of yen	
	2010	2009
(c) Overseas sales		
Sales:		
To North America	¥ 3,909	¥ 4,476
To Asia	6,043	8,931
To Europe	353	451
To other	387	493
	¥ 10,694	¥ 14,353
Ratio to consolidated net sales:		
To North America	7.5 %	7.0 %
To Asia	11.5	13.9
To Europe	0.7	0.7
To other	0.7	0.8
	20.4 %	22.4 %

- Each region consists principally of the following countries:
  - North America - U.S.A.
  - Asia - China, Singapore, Taiwan and Korea
  - Europe - the United Kingdom
  - Other - Australia
- Overseas sales include the export sales of the parent company and domestic subsidiaries and the domestic sales of overseas subsidiaries.

### 23. Amounts per Share

Per share information for the years ended March 31, 2010 and 2009 was as follows:

	Yen	
	2010	2009
Net loss	(¥108.24)	(¥32.30)
Net assets	236.77	340.35

The basis of the computation of net (loss) income per share for the years ended March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Net loss per share		
Net loss	(¥8,031)	(¥2,397)
Amount of not attributable to normal shareholders	—	—
Net	(¥8,031)	(¥2,397)
Average number of shares For the period (shares)	74,202,955	74,214,201

### 24. Business Combinations

Not Applicable.

### 25. Related Party Transactions

For the year ended March 31, 2009

Not applicable.

Effective the fiscal year ended March 31, 2009, “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11 issued on October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13 issued on October 17, 2006) have been applied. This change did not involve any change in the scope of disclosure.

For the year ended March 31, 2010

Not Applicable.

## Report of Independent Auditors

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The Board of Directors  
IWASAKI ELECTRIC Co., Ltd.

We have audited the accompanying consolidated balance sheets of IWASAKI ELECTRIC Co., Ltd. and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IWASAKI ELECTRIC Co., Ltd. and consolidated subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

June 29, 2010

*Ernst & Young Shin Nihon LLC*

## Board of Directors and Corporate Data

President  
Bunya Watanabe  
Representative Director

IWASAKI ELECTRIC CO., LTD.  
Date of Establishment: August 18, 1944

Managing Directors  
Noriaki Yamauchi

Bakurocho-daiichi Bldg. 1-4-16,  
Nihonbashi-bakurocho, Chuo-ku,  
Tokyo 103-0002, Japan  
Phone: (03)5847-8611

Zentaro Takahashi

<http://www.eye.co.jp/>

Masuaki Atsumi

Capital: ¥8,640 million

Directors

Hiroyuki Fujita

Common Stock  
Authorized: 239,000,000 shares  
Issued: 78,219,507 Shares

Shunichi Sasaki

Number of Shareholders: 9,107

Masanobu Inoue

Hideya Fujii

Corporate Auditors  
Yoshiaki Iio

Kazuei Aima

Major Shareholders	% of Total
Mizuho Corporate Bank, Ltd.	3.62
The Sumitomo Mitsui Banking Corp.	3.43
The Meiji Yasuda Life Insurance Company	3.23
Sompo Japan Insurance Inc.	2.53
The Master Trust Bank of Japan ,Ltd.	2.43
EYE LAMP employee stock ownership plan	2.10
Japan Trustee Services Bank, Ltd.(Trust Account)	1.96
The Dai-Ichi Mutual Life Insurance Company	1.91
Iwasaki Electric Cooperative Association Stock Ownership Plan	1.85
CBNY DFA INT'L CAP VALUE PORTFOLIO	1.72

Auditors  
Hirokazu Hyodo

Stock Exchange Listings  
Tokyo Stock Exchange 1st Section

Ryouhei Nakasu

(As of July 1, 2010)

Correspondent Bank  
Mizuho Corporate Bank, Ltd.  
Sumitomo Mitsui Banking Corp.  
The Bank of Yokohama, Ltd.  
Resona Bank, Ltd.  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Independent Certified Public Accountants  
Ernst & Young ShinNihon

# Directory

## Domestic Plants and Offices

### Head Office

Bakurocho-daiichi Bldg. 1-4-16,  
Nihonbashi-bakurocho, Chuo-ku,  
Tokyo 103-0002, Japan  
Phone: (03)5847-8611

### International Sales Department

Bakurocho-daiichi Bldg. 1-4-16,  
Nihonbashi-bakurocho, Chuo-ku,  
Tokyo 103-0002, Japan  
Phone: (03)5847-8630  
Facsimile: (03)5847-8647

### Domestic Sales

& Marketing Department  
Bakurocho-daiichi Bldg. 1-4-16,  
Nihonbashi-bakurocho, Chuo-ku,  
Tokyo 103-0002, Japan  
Phone: (03)5847-8623  
Local Offices: 43 locations

### Light Source Sales Department

3361, Shimooshi, Konosu City,  
Saitama 369-0113, Japan  
Phone: (048)598-5880

### Projection Lighting Sales Department

3361, Shimooshi, Konosu City,  
Saitama 369-0113, Japan  
Phone: (048)598-5882

### Applied Optics Sales Department

3361, Shimooshi, Konosu City,  
Saitama 369-0113, Japan  
Phone: (048)598-5885

### Research and Development Corporate Advanced Technology Center

### Development and Production

Saitama Plant  
Honjo Factory  
Kawasato Factory

## Domestic Affiliates

### ●Manufacture

#### EYE LIGHTING SYSTEMS CORPORATION

A joint venture with GE,  
established in 1973  
Manufacture of lighting luminaires,  
power sources, ballasts and circuits

#### TSUKUBA IWASAKI CO., LTD.

Established in 1961  
Manufacture and sales of luminaires  
and electrical appliances

#### CHICHIBU IWASAKI CO., LTD.

Established in 1985  
Manufacture of Halogen lamps,  
Thin film products, etc.

#### KAN-ETSU IWASAKI CO., LTD.

Established in 1985  
Manufacture of high-pressure sodium lamp  
arc tubes and quartz tubes (cutting)

#### EYE ELECTRON BEAM CO., LTD.

Established in 1986  
Manufacture and sales of EB products,  
EB equipment maintenance and  
EB irradiation services

#### EYE THREE MFG. CO., LTD.

Established in 1988  
Manufacture and sales of light poles,  
stands and customized lighting luminaires

#### ITO DENKI CO., LTD.

Acquired in 1997  
Manufacture of explosion proof luminaires

### ●Sales and Administration

#### EYE GRAPHICS CO., LTD.

Established in 1977  
Sales of UV applied equipment and printing  
platemakers

#### LIGHT CUBE CO., LTD.

Established in 1978  
Design, manufacture, sales and application  
of luminaires and allied products

#### KINKI LIGHT CUBE CO., LTD.

Established in 1995  
Design, manufacture and sales of luminaires  
including for emergency exit sign and of  
components

#### ITO DENKI HANBAI CO., LTD.

Established in 1999  
Sales of explosion proof luminaires

#### IWASAKI ELECTRIC ENGINEERING SERVICE CO., LTD.

Established in 1994  
Maintenance & inspection, troubleshooting  
and remedy proposal of electric equipment

#### TEITO DENKI CO., LTD.

Established in 1966  
Electrical work, and maintenance  
management of buildings and road facilities

#### EYE ONE CO., LTD.

Established in 1987  
Service trade for the Iwasaki Group, such as  
insurance agency operations

#### EYE TRADING CO., LTD.

Established in 1988  
Import of raw materials and materials, and  
export of products other than luminaires

#### WEST LOGISTICS CO., LTD.

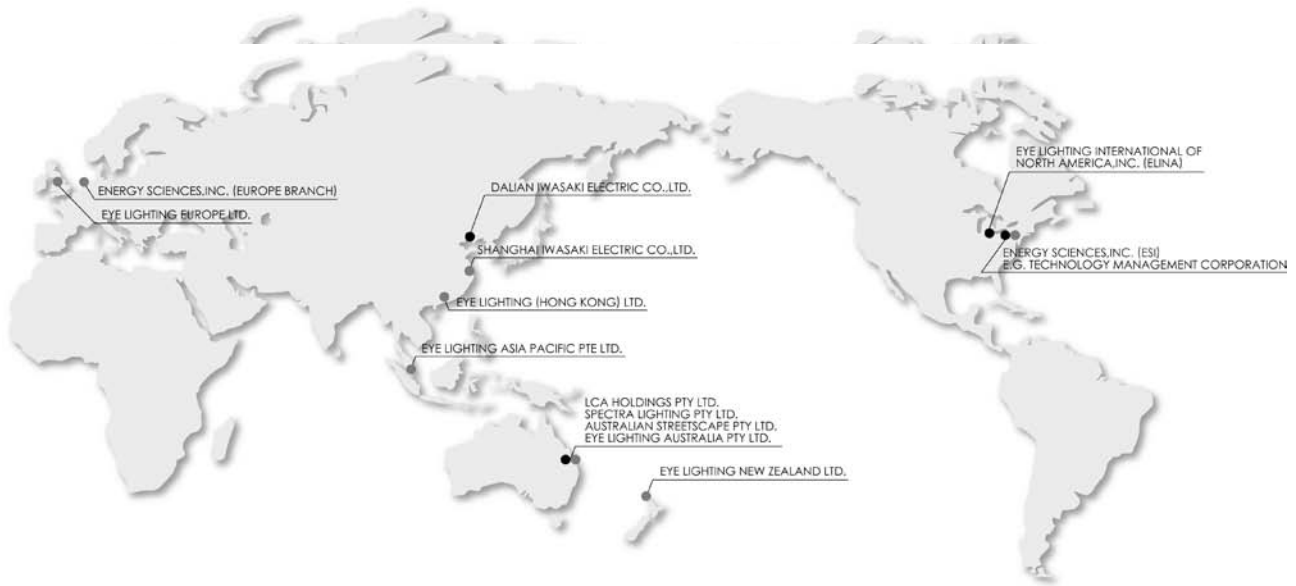
Established in 1996  
Autotruck carrier business and joint delivery

#### EAST LOGISTICS CO., LTD.

Established in 1996  
Autotruck carrier business and Joint delivery

(As of July 31, 2010)

## Global Network



### ●Manufacture

**ENERGY SCIENCES, INC. (ESI)**  
Acquired in 1988  
42 Industrial Way, Wilmington,  
MA 01887, U.S.A.  
Phone: (978) 694-9000  
Facsimile: (978) 694-9046  
Manufacture and sales of EB & UV  
irradiation equipment and electric equipment

**EYE LIGHTING INTERNATIONAL OF  
NORTH AMERICA, INC. (ELINA)**  
Established in 1989  
9150 Hendricks Road, Mentor,  
OHIO44060, U.S.A.  
Phone: (440) 350-7000  
Facsimile: (440) 350-7001  
Manufacture and sales of HID lamp,  
arc tubes and outer bulbs

**DALIAN IWASAKI ELECTRIC CO., LTD.**  
Established in 1995  
Zheng Pong Industrial Area I-8-3, Dalian  
Development Zone, Dalian, 116600, P.R. China  
Phone: (411) 8751-4186  
Facsimile: (411) 8751-4189  
Manufacture of HID lamps, stems and UV lamps

**SPECTRA LIGHTING PTY LTD.**  
Acquired in 1999  
15 Industrial Avenue Wacol QLD 4076,  
Australia  
Phone: (7) 3335-3500  
Facsimile: (7) 3335-3550  
Manufacture and sales of luminaries

**AUSTRALIAN STREETSCAPE PTY LTD.**  
Acquired in 1999  
15 Industrial Avenue Wacol QLD 4076,  
Australia  
Phone: (7) 3335-3502  
Facsimile: (7) 3335-3533  
Manufacture and sales of streetscape luminaries

### ●Sales and Administration

**E.G. TECHNOLOGY MANAGEMENT  
CORPORATION**  
Established in 1992  
42 Industrial Way, Wilmington,  
MA 01887, U.S.A.  
Phone: 978(694) 9000  
Facsimile: 978(694) 9069  
Management of EB technology-related patent

**ENERGY SCIENCES, INC.  
(EUROPE BRANCH)**  
Established in 2000  
Nijverheidsweg Noord 131  
NL-3812 PL Amersfoort The Netherlands  
Phone: (33)422-7288  
Facsimile: (33)422-7280  
Import and distributor of electron-beam  
processors

**EYE LIGHTING ASIA PACIFIC PTE LTD.**  
Established in 1988  
21 Kaki Bukit Place, Eunos Techpark  
Singapore 416199, Singapore  
Phone: 6742-3611  
Facsimile: 6743-5202  
Sales of lamps, luminaires and electric equipment

**EYE LIGHTING (HONG KONG) LTD.**  
A joint venture with Hosoda  
Trading Company, established in 1992  
Room 609, Silvercord Tower 2, 30 Canton Road,  
Tsimshatsui, Kowloon, Hong Kong  
Phone: 2368-8782  
Facsimile: 2481-2661  
Sales of lamps, luminaires and electric equipment

**LCA HOLDINGS PTY LTD.**  
A joint venture with Marubeni Corporation,  
established in 2000  
15 Industrial Avenue Wacol QLD 4076,  
Australia  
Phone: (7) 3335-3555  
Facsimile: (7) 3335-3522  
Holding company

**EYE LIGHTING AUSTRALIA PTY LTD.**  
Established in 1974  
15 Industrial Avenue Wacol QLD 4076,  
Australia  
Phone: (7) 3335-3588  
Facsimile: (7) 3335-3533  
Sales of lamps, luminaires and electric  
equipment

**EYE LIGHTING NEW ZEALAND LTD.**  
Established in 1989  
18 Levene Place, Mt. Wellington. Auckland,  
NEW ZEALAND  
Phone: (9) 276-8099  
Facsimile: (9) 276-3474  
Sales of lamps, luminaires and electric  
equipment

**EYE LIGHTING EUROPE LTD.**  
Established in 2007  
Unit2, Chartridge Development, Eskdale  
Road, Uxbridge, Middlesex UB8 2RT, U.K.  
Phone: (1895) 814418  
Facsimile: (1895) 814666  
Sales of lamps, luminaires and electric  
equipment

**SHANGHAI IWASAKI  
ELECTRIC CO.,LTD.**  
Established in 2007  
Room2512 Bldg."B"Far East International  
Plaza No.317 Xianxia Road,Shanghai,  
200051, P.R. China  
Phone: 21-6235-1352  
Facsimile: 21-6235-1353  
Materials procurement in China,  
inspection and exports  
Sales in China of lamps, luminaries  
and electric equipment

(As of July 31, 2010)



# IWASAKI ELECTRIC CO., LTD.

Bakurocho-daiichi Bldg. 1-4-16, Nihonbashi-bakurocho,  
Chuo-ku, Tokyo 103-0002, Japan  
<http://www.eye.co.jp/>