Annual Report 2021

IWASAKI ELECTRIC CO., LTD.

Profile

Living up to our corporate philosophy of "Employing optical technologies to create a comfortable society and sustainable environment," we at Iwasaki Electric Co., Ltd. have always set ambitious visions and striven to achieve our business objectives steadily by exerting our foresight and creativity. As the nation's first company that developed a reflective incandescent lamp, we are committed to contribute to the society by developing, manufacturing and selling various light sources by ourselves, ahead of the competition, as the fundamental policy of our business. Toward a brighter future, we will endeavor to realize the full potential of lights and to make effective use of our leading-edge optical technologies as the "Light & Environment Company."

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Message from the President

First, I’d like to outline the Iwasaki Electric Group’s financial results for the fiscal year ended March 31, 2021. While net sales in the Lighting segment decreased and net sales in the Applied Optics and Environment segment increased slightly, the Group’s overall net sales, operating income, and ordinary income declined, all on a year-on-year basis.

In the Lighting segment, sales of tunnel lighting equipment increased as we responded to infrastructure renewal demand from the national and local governments. However, sales of LED lighting, which had been growing steadily, declined due to the curtailment of corporate capital expenditures in response to the COVID-19 pandemic and the reaction to demand related to the Tokyo Olympics and Paralympics during the previous fiscal year. As a result, net sales in the Lighting segment decreased year on year.

In our business in the Applied Optics and Environment segment, sales decreased in the UV-curing systems and environmental testing equipment fields due to movements toward freezing and postponing capital investment. However, in the sterilization field, sales of the “AIRLIA” series, which are airflow UV purification systems using UV technologies, grew significantly due to demand related to the prevention of COVID-19. As a result, net sales in the Applied Optics and Environment segment increased year on year. We have launched new products in the “AIRLIA” series targeting not only industries but also individual customers, with a plan to further expand product variations.

The UV business is a field in which we have been active for a long period of time, and while the competition has been growing since the beginning of the current fiscal year under review, we intend to develop it as a steady business to seize this opportunity.

Next, let’s look at the management environment and business outlook for the Iwasaki Electric Group. Engaged in business operations in the Lighting segment and the Applied Optics and Environment segment, the Group aims to provide solutions businesses, including peripheral businesses, in both segments by combining existing optical technologies with new technologies.

Turning to the future outlook, economic sentiment varies depending on region and industry in Japan and overseas, and the recovery in overall capital investment has slowed down. These trends are increasing uncertainties about the future more than ever. Amid such circumstances, we will respond promptly to changes in our existing businesses and work to expand with a focus on increasing market share.

In addition, due to growing efforts to create a decarbonized society, businesses aimed at energy conservation and environmental impact mitigation may accelerate. Taking advantage of this opportunity, we will strive to increase corporate value by providing products and services with even higher added value.

The Company’s capital policy is based on providing stable dividends to its shareholders. As we are undergoing a period of major changes in our business structure, we maintain a balanced capital policy that places top priority on financial soundness for reforms, and to steadily invest for sustainable growth with an emphasis on improving capital efficiency. In addition, we started the acquisition of treasury stock of up to 500 million yen on May 20, 2021. We will continue to implement flexible and balanced capital policies in the future to build a corporate structure that will achieve sustainable growth.

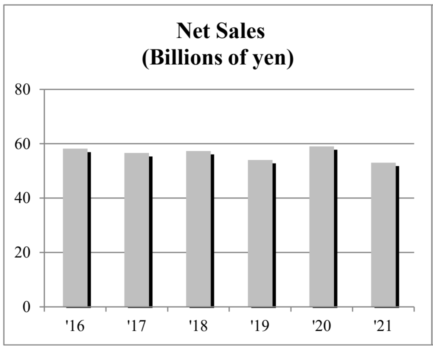
We greatly appreciate and look forward to your continued understanding and support.

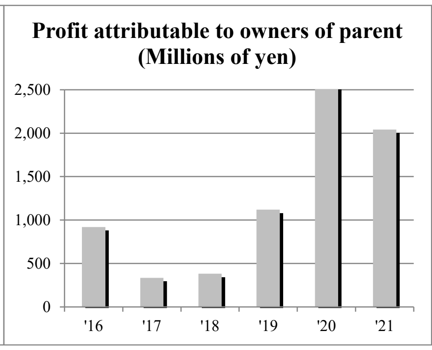
Yoshitake Ito
President and Chief Executive Officer

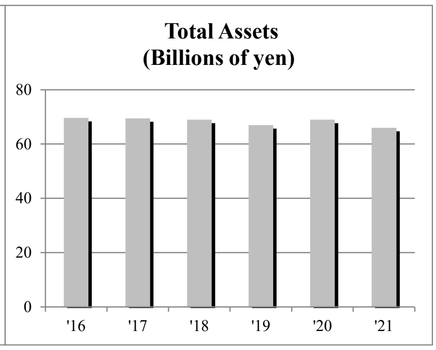
Consolidated Six-Year Summary

	Millions of yen					
	Year ended March 31					
	2016	2017	2018	2019	2020	2021
For the year:						
Net sales	¥58,206	¥56,611	¥57,328	¥54,006	¥59,274	**¥53,587**
Profit attributable to owners of parent	920	335	381	1,119	2,681	**2,041**
At year-end:						
Total assets	¥69,636	¥69,463	¥69,625	¥67,288	¥69,450	**¥66,970**
Total shareholders' equity[2]	24,722	25,791	26,342	26,921	28,982	**31,325**
Working capital	27,862	25,777	22,133	25,448	27,528	**25,352**
Long-term bank loans, less current portion	2,350	2,816	2,500	5,300	4,400	**600**
Amounts per share:[3]						
Profit attributable to owners of parent	¥12.38	¥44.34	¥49.31	¥144.75	¥348.63	**¥269.07**
Cash dividends	4.00	4.00	40.00	40.00	40.00	**40.00**

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 – Non-controlling interests.
3. Per share figures are in exact yen amounts.







Status of the Business

1. Management Policy, Business Environment, and Challenges Facing the Company

Forward-looking statements contained in this report are based on the assumptions of the Iwasaki Electric Group as of the end of the current consolidated fiscal year.

(1) Management Policy

The Iwasaki Electric Group upholds the corporate philosophy of “Employing optical technologies to create a comfortable society and sustainable environment” and the management policy to become a “Light & Environment Company” that contributes to energy saving and a safe environment by realizing the full potential of light and maximizing its leading edge optical technologies.

(2) Business Environment

The global and Japanese economies are still subject to uncertainty as it remains unclear when the novel coronavirus pandemic will end. However, we do expect that capital investment, which has been restrained in the current fiscal year in some regions and industries, will rebound and the economy will recover as normal social and economic activities resume.

Under these business conditions, in the Lighting segment, governmental initiatives for energy conservation are expected to accelerate toward the realization of a decarbonized society, which will promote the introduction of LED lighting and stock demand. For the Applied Optics and Environment segment, in the sterilization business, hygiene awareness has increased due to the spread of infectious diseases. In the UV cure business, demand for measures to reduce environmental impacts is expected. We will promote business activities responding to these market environments.

(3) Management Strategy, and Business and Financial Issues to Be Prioritized

The Group’s Lighting segment and Applied Optics and Environment segment will deliver products and services with more added value by combining the optical technology cultivated so far with new technologies to create unique products and develop solution businesses, including peripheral businesses.

(Lighting Segment)

Our business in the Lighting segment will pursue the development of high-value-added products that meet market needs as well as the total solution business including peripheral businesses in the fields of facility lighting and industrial lighting.

The LED lighting equipment business will further enhance the energy-saving performance of LEDs by combining a control system. We believe that we can create comfortable and enjoyable lighting environments by improving the quality of light and designing the color rendition. In product development, we further develop lighting systems with high energy-saving performance and less environmental impact by combining our technologies in light distribution and circuit control with technologies of external parties. We are also focusing on developing high-value-added products, including applications to connect people through lighting.

Moreover, as we have had more natural disasters in recent years, outdoor lighting and facility lighting need to play more diverse roles and meet diverse needs. We will also work on appealing to the market for disaster prevention and mitigation lighting systems so that in the event of a disaster-related power outage we can provide safety and peace of mind through the illumination of roads, sidewalks, shelters, and many other environments.

To respond to these changes in the environment and the diverse needs of the market, we will strengthen our ability to procure equipment and devices. We also promote research and development that can achieve technologies and solutions incorporating related software and new services in addition to the hardware.

(Applied Optics and Environment Segment)

Our Applied Optics and Environment segment seeks growth in the fields of sterilization, environmental testing, and UV/EB curing by applying the Group’s various lighting technologies, such as those related to UV rays and electron beams. In the sterilization domain, it has been confirmed that the ultraviolet light source installed in AIRLIA, our air circulation sterilization unit using UV rays, is highly effective at inactivating the novel coronavirus. We will continue the speedy development of products that combine our highly reliable technology with external technologies to help customers improve the hygienic environment and prevent the spread of infectious diseases.

The environmental testing business strives to maintain and expand sales by developing new test equipment and a light radiation system and strengthening activities in both domestic and international markets. In the UV/EB cure business, we perform R&D and develop specific products for conventional industries and also develop new markets and new applications.

The Applied Optics and Environment segment will follow a medium- to long-term plan, as well as short-term plans, to pioneer new business domains dedicated to the prevention of global warming and reduction of environmental impact by maximally utilizing the basic lighting technologies of the Group in combination with peripheral technologies.

In promoting the Lighting segment and the Applied Optics and Environment segment, the Iwasaki Electric Group will allocate its management resources intensively to R&D for solution businesses, DX, and reforming the value chain, and strive to provide added value by combining optical technology with new technologies. We will also enhance our corporate value by creating new businesses that will help solve social issues and contribute to sustainability, including the SDGs.

2. Outline of the Operating Results, etc.

Financial position, operating results and cash flows (hereinafter, “Operating Results, etc.”) of the Iwasaki Electric Group (Iwasaki Electric Co., Ltd. and its consolidated subsidiaries and affiliates accounted for by the equity method) are as follows.

(1) Financial Position and Operating Results

The global economy in the current consolidated fiscal year was sluggish due to the spread of the novel coronavirus. Because economic and social activities were intermittently restricted, corporate capital investment and personal spending have declined. Economic situations vary from region to region. While there are signs of recovery in the United States and some other countries, restrictions on economic activities continue in Europe as COVID-19 case numbers start rising once again. In China, where the spread of COVID-19 was contained at an early stage, the pace of economic recovery is modest. In Japan, the cycle of gradual resumption of economic activities followed by a rise in the number of new coronavirus cases has been repeated. Capital investment has been weak, and recovery of the employment environment has been slow. The outlook remains uncertain as the economy continues to stop and start.

Under these circumstances, the Iwasaki Electric Group has conducted its business following the corporate philosophy of “Employing optical technologies to create a comfortable society and sustainable environment.” We promote the integration of the optical technology and related technologies cultivated in our Lighting segment and Applied Optics and Environment segment to provide unique products and pursue the total solution business, including peripheral fields. In the current consolidated fiscal year, we were forced to cancel trade shows and had fewer opportunities to talk with customers in person due to the spread of the coronavirus pandemic. As a result of these overall restrictions on business activities, expenditures were curtailed. Under these circumstances, the Group has endeavored to expand sales by proposing products and designs via web conference, video presentation of products, and other approaches. We also promoted remote work and staggered shifts among employees to maintain and improve work efficiency and productivity and reduce costs.

As a result, net sales amounted to ¥53,587 million (a 9.6% decrease from the ¥59,274 million recorded in the previous fiscal year). Operating income decreased to ¥2,941 million (a 19.7% decrease from the ¥3,661 million recorded in the previous fiscal year). Ordinary income totaled ¥3,191 million (a 17.9% decrease from the ¥3,885 million recorded in the previous fiscal year). Profit attributable to owners of parent decreased to ¥2,041 million (a 23.9% decrease from the ¥2,681 million recorded in the previous fiscal year).

Operating results by business segment are described below.

Lighting Segment

The Lighting segment worked to improve the light quality of LED lighting fixtures for both indoor and outdoor settings and to develop wireless lighting control system equipment for added convenience to enhance the product lineup. In Japan, sales of tunnel lighting fixtures increased, supported by the renewal demand for public lighting infrastructure. On the other hand, sales of high ceiling lighting fixtures and other products for factories and commercial buildings decreased as businesses held back capital investment due to COVID-19. Sales of floodlights and landscape and staging lights decreased from the previous year, in which we had strong demand related to the Tokyo Olympics and Paralympics. In the overseas market, sales in North America were strong.

As a result, this segment reported net sales of ¥37,150 million (a 14.0% decrease from the ¥43,189 million recorded in the previous fiscal year) and operating income of ¥3,510 million (a 24.5% decrease from the ¥4,651 million recorded in the previous fiscal year).

Applied Optics and Environment Segment
The Applied Optics and Environment segment actively made proposals for environmental hygiene improvements. Its sterilization business developed a new model of the AIRLIA, our air circulation sterilization unit using UV rays that effectively prevents the spread of infectious diseases. We also released a new product that sterilizes both air and surfaces by combining ultraviolet technology and ozone technology.

Sales in the sterilization business increased as a result of these efforts. However, sales in the UV cure and the environmental test equipment businesses decreased as customers—mainly those in the printing equipment and automobile industries—suspended or postponed capital investment. Sales in the information equipment business remained flat as the demand for uninterruptible power supply systems was not as strong as in the previous year, while deliveries of projects related to information display devices increased from the previous year.

As a result, this segment reported net sales of ¥16,481 million (a 2.0% increase from the ¥16,159 million recorded in the previous fiscal year) and operating income of ¥1,136 million (a 22.9% increase from the ¥924 million recorded in the previous fiscal year).

The financial position as of March 31, 2021 was as follows:

Total assets as of March 31, 2021 totaled ¥66,970 million, a decrease of ¥2,479 million compared to the previous fiscal year-end.

Current Assets
Current assets as of March 31, 2021 totaled ¥45,195 million, a decrease of ¥2,227 million compared to the previous fiscal year-end. Major factors were a decrease of ¥3,135 million in trade notes and accounts receivable and electronically recorded monetary claims (operating), a decrease of ¥903 million in commodities and products, and an increase of ¥2,241 million in cash and deposits.

Noncurrent Assets
Non-current assets as of March 31, 2021 totaled ¥21,774 million, a decrease of ¥251 million compared to the previous fiscal year-end. Major factors were a decrease of ¥928 million in tangible and intangible non-current assets, mainly because depreciation/amortization expenses were higher than the total value of the newly acquired assets, and an increase of ¥529 million in investments and other assets due to an increase in securities.

Current Liabilities
Current liabilities as of March 31, 2021 totaled ¥19,842 million, a decrease of ¥51 million compared to the previous fiscal year-end. Major factors were a decrease of ¥2,488 million in notes and accounts payable and electronically recorded obligations (operating), a decrease of ¥623 million in income taxes payable and accrued consumption taxes, and an increase of ¥3,300 million in the current portion of long-term loans payable.

Noncurrent Liabilities
Non-current liabilities as of March 31, 2021 totaled ¥15,785 million, a decrease of ¥4,770 million compared to the previous fiscal year-end. Major factors were a decrease of ¥3,800 million in long-term loans payable due to the transfer of the current portion to current liabilities and a decrease of ¥1,050 million in retirement benefit liabilities.

Net Assets

Net assets as of March 31, 2021 totaled ¥31,342 million, an increase of ¥2,342 million compared to the previous fiscal year-end.

Under shareholders' equity, retained earnings increased by ¥1,796 million. Major factors were recognition of profit attributable to owners of parent of ¥2,041 million and dividend payment of ¥307 million.

Accumulated other comprehensive income increased by ¥571 million. Major factors were an increase of ¥345 million in valuation difference on available-for-sale securities and an increase of ¥423 million in remeasurements of defined benefit plans.

(2) Cash Flows

Cash and cash equivalents as of March 31, 2021 increased by ¥2,243 million to ¥18,503 million compared to the end of the previous fiscal year.

Cash flows from operating activities

Operating activities in the current fiscal year resulted in a net cash inflow of ¥4,094 million compared to the net cash inflow of ¥3,916 million in the previous fiscal year.

The main inflows were ¥2,792 million in income before income taxes and minority interest, ¥1,422 million in depreciation expenses, and a decrease of ¥3,092 million in trade receivables. The main outflows were a decrease of ¥2,459 million in trade payables and income tax payment of ¥1,284 million.

Cash flows from investment activities

Net cash used in investment activities amounted to ¥747 million compared to a net cash outflow of ¥363 million in the previous fiscal year.

The major factors were payment of ¥672 million for the purchase of property, plant and equipment and payment of ¥54 million for the purchase of intangible assets.

The proceeds from sales of tangible non-current assets were ¥13 million, a decrease of ¥411 million from the ¥425 million recorded in the previous year. This decrease was because we had proceeds from the sale of land in the previous fiscal year.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥1,060 million compared to the net cash outflow of ¥2,030 million in the previous fiscal year.

The major factors were a net outflow of ¥500 million in proceeds from long-term borrowings and repayment of long-term loans payable, a net decrease of ¥130 million in short-term loans payable, and payment of ¥307 million for dividend distribution.

3. Management's Analysis and Discussion of Operating Results, etc.

Management's recognition, analysis and discussion of the Iwasaki Electric Group's Operating Results, etc. are as follows.

Forward-looking statements in the document are based on the judgments as of the end of the fiscal year ended March 2021.

(1) Significant Accounting Estimates and Assumptions Used for the Estimation

The consolidated financial statements of the Iwasaki Electric Group are prepared in accordance with the generally accepted accounting principles of Japan. Significant accounting estimates used in preparing these consolidated financial statements and the assumptions used in those estimates are described in "Notes to Consolidated Financial Statements, 2. Significant Accounting Estimates."

For accounting estimates associated with the spread of COVID-19, please refer to "Notes to Consolidated Financial Statements, 5. Additional Information."

(2) Recognition, Analysis and Discussion of Operating Results, etc. for the Fiscal Year Ended March 2021

• Business results

Gross profit

Gross profit for the year ended March 31, 2021 decreased by ¥1,644 million from the previous fiscal year to ¥16,950 million. The major factors for this decrease were lower sales in the Lighting segment due to the curbing of capital investment in the private sector because of the coronavirus crisis and a negative rebound from the strong demand related to the Tokyo Olympics and Paralympics in the previous fiscal year. On the other hand, sales in the Applied Optics and Environment segment increased, supported by the launch of a new model of AIRLIA, the air circulation sterilization unit using UV ray technology, in the sterilization business. As a result, overall sales were ¥53,587 million, a decrease of ¥5,686 million from the previous consolidated fiscal year, resulting in a decrease in gross profit.

Operating income

Operating income for the year ended March 31, 2021 decreased by ¥719 million from the previous fiscal year to ¥2,941 million. The main factors were the decrease in gross profit mentioned above, partially offset by a decrease in sales and general and administrative expenses of ¥925 million due to cancellation of trade shows, fewer opportunities to talk with customers in person, and other restrictions on general business activities caused by the novel coronavirus pandemic, and our cost reduction efforts to improve work efficiency and productivity.

Ordinary income

Ordinary income for the year ended March 31, 2021 decreased by ¥694 million from the previous fiscal year to ¥3,191 million. The main factors were the decrease in gross profit and operating income mentioned above and a decrease in non-operating income of ¥82 million from the previous fiscal year. In the previous fiscal year, compensation of ¥215 million was received for the relocation of the head office of the reporting company, while we received subsidies of ¥155 million in the current year.

Non-operating expenses decreased by ¥107 million, mainly because we had reported ¥57 million in office relocation expenses for the relocation of the head office and ¥46 million in losses for investments reported by the equity method in the previous fiscal year, which we did not have for the current year.

Profit attributable to owners of parent
Profit attributable to owners of parent totaled ¥2,041 million in the year ended March 31, 2021, a decrease of ¥639 million compared to the previous fiscal year. Major factors were decreases in profit as mentioned above, the extraordinary loss of ¥187 million for business structural reform, and the impairment loss of ¥214 million.

Business structural reform costs included disposal of materials and restructuring costs at the mercury-lamp producing subsidiary upon the termination of the production of mercury lamps.

As explained for the business structural reform costs, impairment loss included the impairment of the mercury lamp production facilities due to the termination of mercury lamp production and the impairment related to the closing of the company housing of the reporting company.

• Capital resources and liquidity of funds
The analysis of cash flow for the current fiscal year is described in (2) Cash Flows under "2. Outline of the Operating Results, etc."

The Iwasaki Electric Group mainly uses its own funds internally earned through its business activities as working capital, and also raises funds by borrowings from financial institutions and private placement of corporate bonds.

Group companies use intra-group loans from Iwasaki Electric Co., Ltd., in addition to loans from financial institutions, as appropriate according to their cash plans, which are developed based on their respective operation policies and the reduction of financing costs such as interest.

The Company secures cash on hand at a level of sales revenues for one to two months and also has concluded credit line agreements with financial institutions to maintain liquidity in order to respond to an urgent cash demand and changes in the economic environment.

The Company procured no new financing during the current consolidated fiscal year. The balance of loans from financial institutions at the end of the current fiscal year was ¥5,500 million, a decrease of ¥630 million from the end of the previous fiscal year. The balance of cash and cash equivalents as of the end of the current fiscal year increased by ¥2,243 million to ¥18,503 million.

The Company implemented buybacks of its shares in the current fiscal year.

The Company will use cash on hand for growth strategies, returns to shareholders, and reduction of interest-bearing debts. While paying close attention to moves related to the spread of the novel coronavirus, we will secure sufficient cash on hand in consideration of the need to strike a balance between management safety and investment.

In the research and development area, R&D expenses for the year ended March 31, 2021 were ¥451 million.

The Lighting segment will continue pursuing energy-saving performance and developing high-value-added products, such as lighting systems with less environmental burden and applications for integrating lighting more closely into everyday life, by combining the Group's light distribution technology and circuit control technology with external technology. In the Applied Optics and Environment segment, the environmental testing business will develop new testing equipment and build light irradiation systems. The UV/EB cure business will strive to develop new markets and new applications in addition to the R&D and sales of specific products for the conventional industries.

Capital investment in the year ended March 31, 2021 was ¥726 million.

We expect that large-scale investments in production facilities will decrease in the future as structural changes are expected in the Lighting segment such as a shift to LEDs.

We plan to cover future capital investments with our own funds.

4. Important Business Agreements
Not Applicable.

Consolidated Balance Sheet

At March 31, 2021 and 2020

ASSETS

	Millions of yen	
	March 31, 2021	March 31, 2020
Current assets		
Cash and deposits (Notes 23 and 26)	¥ 18,503	¥ 16,261
Notes and accounts receivable - trade (Note 26)	12,238	14,433
Electronically recorded monetary claims - operating (Note 26)	1,897	2,837
Merchandise and finished goods	6,085	6,989
Work in process	1,451	1,593
Raw materials and supplies	4,490	4,729
Other	566	611
Allowance for doubtful accounts	(37)	(33)
Total current assets	45,195	47,423
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (Note 13)	15,689	15,752
Machinery, equipment and vehicles (Note 13)	14,338	14,715
Tools, furniture and fixtures	8,025	8,095
Land (Notes 13 and 14)	9,248	9,337
Leased assets (Note 24)	117	144
Construction in progress	89	64
	47,507	48,109
Accumulated depreciation	(31,726)	(31,644)
Property, plant and equipment, net	15,781	16,465
Intangible assets		
Software	283	465
Other	186	248
Intangible assets, net	469	713
Investments and other assets		
Investment securities (Notes 6, 12 and 26)	4,611	4,081
Deferred tax assets (Note 9)	432	279
Other	497	510
Allowance for doubtful accounts	(15)	(23)
Total investments and other assets	5,524	4,847
Total noncurrent assets	21,774	22,026
Total assets	¥ 66,970	¥ 69,450

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheet

At March 31, 2021 and 2020

LIABILITIES AND NET ASSETS

	Millions of yen	
	March 31, 2021	March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade (Note 26)	¥ 5,808	¥ 7,582
Electronically recorded obligations - operating (Note 26)	5,155	5,870
Short-term loans payable (Notes 7 and 26)	700	830
Current portion of long-term loans payable (Notes 7, 13 and 26)	4,200	900
Income taxes payable	537	941
Accrued consumption taxes	350	569
Provision for employees' bonuses	756	794
Provision for repair claims	111	178
Other	2,222	2,227
Total current liabilities	19,842	19,894
Noncurrent liabilities		
Long-term loans payable (Notes 7, 13 and 26)	600	4,400
Deferred tax liabilities (Note 9)	182	29
Deferred tax liabilities for land revaluation (Note 14)	1,118	1,145
Liability for retirement benefits (Note 25)	12,150	13,200
Asset retirement obligations (Note 8)	134	134
Provision for share-based remuneration for directors (and other officers)	69	51
Other	1,530	1,593
Total noncurrent liabilities	15,785	20,555
Total liabilities	35,628	40,450
Net assets (Note 22)		
Shareholders' equity (Note 11)		
Common stock:	8,640	8,640
Authorized: 23,900,000 shares in 2020 and 2021		
Issued: 7,821,950 shares in 2020 and 2021		
Capital surplus	2,069	2,069
Retained earnings	18,262	16,466
Treasury stock	(323)	(298)
Total shareholders' equity	28,649	26,877
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,891	1,546
Revaluation reserve for land (Note 14)	2,348	2,410
Foreign currency translation adjustments	(515)	(378)
Retirement benefits liability adjustments	(1,048)	(1,472)
Total accumulated other comprehensive income	2,675	2,104
Non-controlling interests	16	17
Total net assets	31,342	28,999
Total liabilities and net assets	¥ 66,970	¥ 69,450

See accompanying notes to consolidated financial statements.

Consolidated Statement of Income

Years ended March 31, 2021 and 2020

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Net sales	¥ 53,587	¥ 59,274
Cost of sales (Note 15)	36,636	40,678
Gross profit	16,950	18,595
Selling, general and administrative expenses (Note 16)	14,009	14,934
Operating income	2,941	3,661
Other income (Note 17)		
Interest income	4	5
Dividend income	101	94
Rental income	10	11
Dividend income of insurance	24	26
Share of profit of entities accounted for using the equity method	2	–
Compensation income	–	215
Subsidy income	155	–
Gain on sales of noncurrent assets	6	15
Gain on sales of investment securities	–	10
Other	61	92
Total other income	367	471
Other expenses (Note 18)		
Interest expenses	87	100
Foreign exchange losses	1	4
Share of loss of entities accounted for using equity method	–	46
Office relocation related expenses	–	57
Settlement package	15	–
Loss on sale and retirement of noncurrent assets	3	36
Loss on valuation of investment securities	–	2
Business restructuring expenses (Note 19)	187	–
Impairment losses (Note 20)	214	–
Other	6	9
Total other expenses	516	257
Profit before income taxes	2,792	3,874
Income taxes (Note 9)		
Income taxes - current	923	1,087
Income taxes - deferred	(173)	105
Total income taxes	750	1,192
Profit	2,041	2,682
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	¥ 2,041	¥ 2,681

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2021 and 2020

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit	¥ 2,041	¥ 2,682
Other comprehensive income (Note 21)		
Valuation difference on available-for-sale securities	345	(34)
Foreign currency translation adjustments	(150)	(62)
Retirement benefits liability adjustments	423	(27)
Share of other comprehensive income of affiliates accounted for by equity method	14	(25)
Total other comprehensive income	633	(149)
Comprehensive income	2,675	2,532
Comprehensive income attributable to:		
Owners of parent	2,674	2,531
Non-controlling interests	¥ 0	¥ 0

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Years ended March 31, 2021 and 2020

	Number of shares of common stock issued	Millions of yen				
		Shareholders' equity				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2020	7,821,950	¥8,640	¥2,069	¥16,466	(¥298)	¥26,877
Dividends of surplus	–	–	–	(307)	–	(307)
Profit attributable to owners of parent	–	–	–	2,041	–	2,041
Purchase of treasury shares	–	–	–	–	(32)	(32)
Disposal of treasury shares	–	–	–	–	7	7
Reversal of revaluation reserve for land	–	–	–	61	–	61
Net changes of items other than shareholders' equity	–	–	–	–	–	–
Total changes during period	–	–	–	1,796	(24)	1,771
Balance at March 31, 2021	7,821,950	¥8,640	¥2,069	¥18,262	(¥323)	¥28,649

	Millions of yen						
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2020	¥1,546	¥2,410	(¥378)	(¥1,472)	¥2,104	¥17	¥28,999
Dividends of surplus	–	–	–	–	–	–	(307)
Profit attributable to owners of parent	–	–	–	–	–	–	2,041
Purchase of treasury shares	–	–	–	–	–	–	(32)
Disposal of treasury shares	–	–	–	–	–	–	7
Reversal of revaluation reserve for land	–	–	–	–	–	–	61
Net changes of items other than shareholders' equity	345	(61)	(136)	423	571	(0)	570
Total changes during period	345	(61)	(136)	423	571	(0)	2,342
Balance at March 31, 2021	¥1,891	¥2,348	(¥515)	(¥1,048)	¥2,675	¥16	¥31,342

	Number of shares of common stock issued	Millions of yen				
		Shareholders' equity				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2019	7,821,950	¥8,640	¥2,069	¥13,955	(¥140)	¥24,524
Dividends of surplus	–	–	–	(312)	–	(312)
Profit attributable to owners of parent	–	–	–	2,681	–	2,681
Purchase of treasury shares	–	–	–	–	(158)	(158)
Reversal of revaluation reserve for land	–	–	–	142	–	142
Net changes of items other than shareholders' equity	–	–	–	–	–	–
Total changes during period	–	–	–	2,511	(158)	2,353
Balance at March 31, 2020	7,821,950	¥8,640	¥2,069	¥16,466	(¥298)	¥26,877

	Millions of yen						
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2019	¥1,581	¥2,552	(¥291)	(¥1,445)	¥2,396	¥16	¥26,937
Dividends of surplus	–	–	–	–	–	–	(312)
Profit attributable to owners of parent	–	–	–	–	–	–	2,681
Purchase of treasury shares	–	–	–	–	–	–	(158)
Reversal of revaluation reserve for land	–	–	–	–	–	–	142
Net changes of items other than shareholders' equity	(34)	(142)	(87)	(27)	(292)	1	(291)
Total changes during period	(34)	(142)	(87)	(27)	(292)	1	2,062
Balance at March 31, 2020	¥1,546	¥2,410	(¥378)	(¥1,472)	¥2,104	¥17	¥28,999

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years ended March 31, 2021 and 2020

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities:		
Profit before income taxes	¥ 2,792	¥ 3,874
Adjustments to reconcile profit to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,422	1,532
Impairment losses	214	–
Increase (decrease) in provision for employee’s bonuses	(38)	62
Increase (decrease) in allowance for doubtful accounts	(2)	(30)
Increase (decrease) in liability for retirement benefits	(842)	182
Interest and dividend income	(105)	(100)
Interest expenses	87	100
Foreign exchange losses (gains)	(3)	21
Loss (gain) on sales and retirement of property, plant and equipment	(3)	21
Equity in (earnings) losses of affiliates	(2)	46
Loss (gain) on sales of investment securities	–	(10)
Changes in assets and liabilities:		
Decrease (increase) in notes and accounts receivable - trade	3,092	(2,355)
Decrease (increase) in inventories	1,183	190
Increase (decrease) in notes and accounts payable - trade	(2,459)	1,837
Other	26	(916)
Subtotal	5,361	4,456
Interest and dividends income received	105	102
Interest expenses paid	(88)	(110)
Income taxes paid	(1,284)	(531)
Net cash provided by operating activities	4,094	3,916
Cash flows from investing activities:		
Purchases of property, plant and equipment	(672)	(757)
Proceeds from sales of property, plant and equipment	13	425
Purchases of intangible assets	(54)	(77)
Purchases of investment securities	(39)	(10)
Proceeds from sales of investment securities	–	13
Other	5	43
Net cash used in investing activities	(747)	(363)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(130)	(150)
Proceeds from long-term loans payable	400	–
Repayment of long-term loans payable	(900)	(1,300)
Purchases of treasury shares	(32)	(158)
Cash dividends paid	(307)	(312)
Other	(91)	(109)
Net cash used in financing activities	(1,060)	(2,030)
Effect of exchange rate changes on cash and cash equivalents	(42)	(36)
Net increase (decrease) in cash and cash equivalents	2,243	1,487
Cash and cash equivalents at the beginning of the year	16,260	14,773
Cash and cash equivalents at the end of the year (Note 23)	¥ 18,503	¥ 16,260

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

At March 31, 2021 and 2020

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, 2020 to the 2021 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 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.

At March 31, 2021, the numbers of consolidated subsidiaries and affiliates accounted for by the equity method were 22 and 7, respectively. 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. The Company, consolidated subsidiaries and affiliates accounted for by the equity method are collectively referred to as the “Group” within these consolidated financial statements.

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

In the current consolidated fiscal year, Tsukuba Iwasaki Co., Ltd. has been excluded from the scope of consolidation due to the absorption-type merger by EYE Lighting Systems Corporation, a consolidated subsidiary of the Company.

(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 non-controlling 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 non-controlling interests.

(e) Securities and investment securities

Trading securities are carried at fair market value and held-to-maturity securities are carried at amortized cost.

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 tax effects, 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, 2021 and 2020, 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) Cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are easily convertible into cash and exposed to little price fluctuation risk.

(h) 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.

(i) Property, plant and equipment, and depreciation (excluding leased assets)

Amortization of property, plant and equipment assets of the Company and its subsidiaries are principally calculated by the declining balance method.

However, buildings acquired by the Company and its domestic subsidiaries (excluding attached facilities), attached facilities and structures acquired on or after April 1, 2016 and assets of overseas subsidiaries are depreciated by the straight-line method.

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

Amortization of intangible assets of the Company and its subsidiaries are principally calculated by the straight-line method.

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

(k) Leases

Noncancellable 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.

(l) Allowance for doubtful accounts

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.

(m) 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.

(n) Provision for repair claims

Provision for repair claims is provided for the amount recognized as of the end of the current fiscal year for free inspections, and product exchanges, etc. due to product defects.

(o) Provision for share-based remuneration for directors (and other officers)

To prepare for the issuance of the Company's shares by a trust related to the share compensation system for directors (excluding outside directors), the estimated value of such shares to be issued is provided according to the points assigned to the directors based on the Regulations for Share Issuance to Officers.

(p) Retirement benefits

a) Method of attributing the estimated retirement benefit obligation to periods
The straight-line method is used to attribute the estimated amount of retirement benefits to periods up to the current fiscal year.

b) Amortization of actuarial gain or loss and prior service costs
Prior service costs are amortized as incurred by the straight-line method over a period not exceeding the expected average remaining service years of employees (13 years).
Actuarial gain or loss is amortized from the following fiscal year after recognition using the straight-line method over a period not exceeding the expected average remaining service years of employees (12 years).

c) Adoption of simplified method for small enterprises, etc.
Certain consolidated subsidiaries adopt a simplified method in calculating the retirement benefit obligation and retirement benefit expenses. Specifically, as for the lump-sum payment plan, the amount of retirement benefits payable assuming the voluntary retirement of all employees at fiscal year-end is assumed to be equal to retirement benefit obligations. With regard to the corporate pension plan, the latest amount of actuarial obligations under pension accounting is assumed to be equal to the retirement benefit obligations.

(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 year 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

(r) Consumption taxes

Consumption taxes are calculated by the tax exclusion method.

2. Significant Accounting Estimates

Recognition of impairment of tangible and intangible non-current assets

(1) Amounts recorded in the consolidated financial statements for the current fiscal year
Tangible and intangible non-current assets: ¥16,250 million (including ¥13,659 million in the Lighting and the Applied Optics and Environment segments of the Company)
Impairment loss: ¥-- million (excluding assets to be disposed of and idle assets)

(2) Information on the significant accounting estimates for the identified items

(i) Calculation method
The Iwasaki Electric Group categorizes its assets into groups corresponding to business segment where they are used. When withdrawal from a business associated with a group or any other similar transaction is decided, the assets to be disposed of and idle assets related to that transaction will be transferred to a separate group formed for each transaction.

In the current fiscal year, the Company identified signs of impairment in the asset group in the Lighting segment and Applied Optics and Environment segment of the Company (¥13,659 million) , including tangible and intangible fixed assets, due to the market values of some land having declined significantly. However, in accordance with the Company's criteria for recognizing impairment loss, no impairment loss was recorded for this asset group because the total amount of undiscounted future cash flows from the asset group exceeded its carrying amount.

Future cash flows are estimated based on the Company's profit and loss ("P&L") plan approved by the Board of Directors for the following year and the growth rate estimated within the long-term average growth rate for the second and subsequent years.

(ii) Major assumptions
Major assumptions used for estimation of the future cash flow estimates are sales by business segment based on the demand forecast and gross profit margin that underlie the P&L plan, and the growth rate after the P&L plan.

(iii) Impact on the next fiscal year
These major assumptions (sales by business segment, gross profit margin, and growth rate after the P&L plan) are subject to a high level of uncertainty. In the event that they fluctuate in the future due to unexpected economic conditions and other factors, the consolidated financial statements for the next fiscal year may be affected.

3. Accounting Standards Issued But Not Yet Effective

- Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020)
- Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Implementation Guidance No. 30, March 26, 2021)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Implementation Guidance No. 19, March 31, 2020)

(1) Outline
The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed comprehensive accounting standards for revenue recognition, and published "Revenue from Contracts with Customers" (IFRS 15 at IASB, Topic 606 at FASB) in May 2014. Considering that IFRS 15 would be effective for fiscal years beginning on or after January 1, 2018, and Topic 606 would be effective for fiscal years starting after December 15, 2017, the ASBJ developed the comprehensive accounting standard for revenue recognition and published it with the implementation guidance.

When the ASBJ developed the accounting standard for revenue recognition, the basic policy was to set accounting standards that incorporate the basic principles of IFRS 15, from the viewpoint of ensuring the comparability between financial statements, which is one of the benefits of maintaining consistency with IFRS 15. The standards also indicate that an alternative treatment may be added as long as comparability is not impaired, considering the circumstances that special consideration should be given to the conventional accounting practices that have been adopted in Japan.

(2) Scheduled date of adoption
The Company and its domestic subsidiaries will adopt this standard from the fiscal year starting on April 1, 2021.

(3) Impact of adopting the accounting standard and guidance
The Company is currently evaluating the effect of adopting the Accounting Standard for Revenue Recognition and the related implementation guidance on its consolidated financial statements.

- Accounting Standard for Fair Value Measurement (ASBJ Statement No.30, July 4, 2019)
- Accounting Standard for Measurement of Inventories (ASBJ Statement No.9, July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, July 4, 2019)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Implementation Guidance No.19, March 31, 2020)

(1) Outline
Regarding fair value measurement, the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB) issued IFRS 13 “Fair Value Measurement” (by the IASB), and Accounting Standards Codification Topic 820 “Fair Value Measurement” (by the FASB). In light of this, the ASBJ worked to ensure that the Japanese standards are consistent with the international accounting standards, mainly regarding the guidance and disclosure of fair value of financial instruments, and issued “Accounting Standard for Fair Value Measurement” and other statements.

The basic policy of the ASBJ in developing accounting standards for fair value measurement is to adopt all the provisions of IFRS 13 and to determine treatment for individual items so that comparability between financial statements is not significantly impaired, from the viewpoint of improving the comparability of financial statements between domestic and foreign companies by using a uniform measurement method while considering conventional accounting practices in Japan.

(2) Scheduled date of adoption
The Company and its domestic subsidiaries will adopt this standard from the fiscal year starting on April 1, 2021.

(3) Impact of adopting the accounting standard and guidance
The effect of adopting the Accounting Standard for Fair Value Measurement and the related implementation guidance on its consolidated financial statements is undetermined at the present time.

4. Change in Presentation

Application of Accounting Standard for Disclosure of Accounting Estimates
The Company adopted the Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) in preparing the consolidated financial statements from the end of the current fiscal year. In accordance with the standard, the Company has disclosed notes on significant accounting estimates in the notes to the consolidated financial statements.

However, the notes did not include comparative information for the previous fiscal year, in accordance with the transitional treatment stipulated in the proviso of Section 11 of the same accounting standard.

5. Additional Information

Accounting estimates associated with the spread of the novel coronavirus

The effects of the novel coronavirus pandemic are expected to extend to the next fiscal year. However, assuming that there will be no significant decline in its business performance, the Iwasaki Electric Group estimates the recoverability of deferred tax assets, impairment accounting for non-current assets, and other accounting estimates.

The assumptions used for these estimates are highly uncertain. If the impact of the novel coronavirus infection is prolonged or becomes more serious in the future, it may affect the Group's business performance and financial position for the next year and beyond.

6. Securities and Investment Securities

Information regarding securities and investment securities classified as available-for-sale securities with fair market value at March 31, 2021 and 2020 is summarized as follows:

	Millions of yen					
	March 31, 2021			March 31, 2020		
	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	¥1,081	¥3,811	¥2,730	¥923	¥3,166	¥2,243
Debt securities						
Government bonds	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Subtotal	1,081	3,811	2,730	923	3,166	2,243
Securities whose acquisition cost exceeds their carrying amount (fair market value):						
Equity securities	55	43	(11)	202	181	(20)
Debt securities						
Government bonds	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Subtotal	55	43	(11)	202	181	(20)
Total	¥1,136	¥3,855	¥2,718	¥1,126	¥3,348	¥2,222

Notes: 1. Unlisted equity securities and investments in limited liability partnership are not included in available-for-sale securities listed above as they do not have market prices and their fair values are not readily determinable.

2. Securities for which impairment losses were recognized
For the year ended March 31, 2021, no impairment losses were recognized.
For the year ended March 31, 2020, an impairment loss of ¥2 million was recorded in securities (¥2 million in shares under available-for-sale securities).

In cases where the fair market value of a security at the end of the fiscal year has declined 50% or more from its acquisition cost, an impairment loss is recognized for the full amount. In cases where the fair market value of a security at the end of the fiscal year has declined 30% or more but less than 50% from its acquisition cost, an impairment loss is recognized for the amount deemed necessary in consideration of the possibility of restoration, etc., on a case-by-case basis.

Information regarding the sales of investment securities classified as available-for-sale securities with fair market value for the year ended March 31, 2021 and the year ended March 31, 2020 is summarized as follows:

	Millions of yen					
	March 31, 2021			March 31, 2020		
	Proceeds from sales	Gross realized gain	Gross realized loss	Proceeds from sales	Gross realized gain	Gross realized loss
Equity securities	–	–	–	¥13	¥10	–
Debt securities						
Government bonds	–	–	–	–	–	–
Corporation bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	–	–	–	¥13	¥10	–

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

Short-term loans from banks at an average interest rate of 0.52% amounted to ¥700 million and ¥830 million at March 31, 2021 and 2020, respectively.

Long-term loans, lease obligations and deposits received classified as other long-term liabilities with interest at March 31, 2021 and 2020 consisted of the following:

	Millions of yen	
	March 31, 2021	March 31, 2020
Loans, principally from banks, maturing in installments through 2025 with an average interest rate of 0.90%	¥4,800	¥5,300
Less current portion of loans	(4,200)	(900)
Net	600	4,400
Lease obligations	109	200
Less current portion of lease obligations	(72)	(90)
Net	36	110
Deposits received with an average interest rate of 2.22%	1,409	1,408
Total	¥2,046	¥5,919

The annual maturities of long-term loans and lease obligations subsequent to March 31, 2021 are summarized as follows:

	Long-term loans	Lease obligations
	Millions of yen	Millions of yen
Year ending March 31,		
2023	¥200	¥32
2024	–	3
2025	–	0
2026 and thereafter	400	–

8. Asset Retirement Obligations

No description is provided pursuant to the provisions of Article 92-2 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements because the amount of asset retirement obligations at April 1, 2020 and March 31, 2021 accounted for less than 1% of total liabilities and net assets at the beginning and the end of the fiscal year.

9. Income Taxes

(1) 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, 2021 and 2020 were as follows:

	Millions of yen	
	March 31, 2021	March 31, 2020
Deferred tax assets:		
Provision for bonuses	¥228	¥237
Losses carried forward for tax purposes*1	683	410
Liability for retirement benefits	3,396	3,588
Other	1,006	959
Gross deferred tax assets	5,315	5,196
Valuation allowance for tax loss carryforward*1	(626)	(389)
Valuation allowance for total future deductible temporary differences	(3,470)	(3,746)
Valuation reserve subtotal	(4,096)	(4,136)
Total deferred tax assets	1,219	1,060
Deferred tax liabilities:		
Unrealized gain on available-for-sale securities	(823)	(678)
Other	(145)	(132)
Gross deferred tax liabilities	(969)	(811)
Net deferred tax assets	¥249	¥249

*1. Tax loss carryforwards and valuation allowance expire as follows:

At March 31, 2021

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 2 years or less (Millions of yen)	Due after 2 years and in 3 years or less (Millions of yen)	Due after 3 years and in 4 years or less (Millions of yen)	Due after 4 years and in 5 years or less (Millions of yen)	Due after 5 years (Millions of yen)	Total (Millions of yen)
Tax loss carryforwards*1	¥107	¥19	¥29	¥–	¥67	¥458	¥683
Valuation allowance	(107)	(19)	(29)	–	(67)	(401)	(626)
Deferred tax assets	¥–	¥–	¥–	¥–	¥–	¥57	¥57*2

*1. Tax loss carryforwards are determined by using the statutory effective tax rate.

*2. Based on comprehensive consideration of past business performance, tax payment status, and future business performance forecast, the Company has determined that the deferred tax assets recognized for the tax loss carryforwards are recoverable.

At March 31, 2020

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 2 years or less (Millions of yen)	Due after 2 years and in 3 years or less (Millions of yen)	Due after 3 years and in 4 years or less (Millions of yen)	Due after 4 years and in 5 years or less (Millions of yen)	Due after 5 years (Millions of yen)	Total (Millions of yen)
Tax loss carryforwards*3	¥57	¥111	¥14	¥29	¥0	¥196	¥410
Valuation allowance	(57)	(111)	(14)	(29)	(0)	(174)	(389)
Deferred tax assets	¥–	¥–	¥–	¥–	¥–	¥21	¥21*4

*3. Tax loss carryforwards are determined by using the statutory effective tax rate.

*4. Based on comprehensive consideration of past business performance, tax payment status, and future business performance forecast, the Company has determined that the deferred tax assets recognized for the tax loss carryforwards are recoverable.

(2) The reconciliation of the Japanese statutory tax rate and the effective tax rate applicable to the Company for the years ended March 31, 2021 and 2020 was as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Japanese statutory tax rate	30.6%	30.6%
(Adjustments)		
Permanent non-deductible differences, including entertainment, etc.	0.9	0.8
Permanent non-taxable differences, including dividend income	(0.2)	(0.2)
Inhabitants taxes per capita, etc.	2.2	1.6
Changes in valuation reserve	(1.4)	2.5
Special deduction amount for income taxes	(5.5)	(4.5)
Differences in tax rate from overseas subsidiaries	(2.6)	(0.6)
Other	2.9	0.5
Effective tax rate	26.9	30.8

10. Rental Properties

For the years ended March 31, 2021 and 2020
No description is provided because the total amount of rental properties is immaterial.

11. Shareholders' Equity

The Companies 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.

12. Investments in Affiliates

Investments in affiliates at March 31, 2021 and 2020 amounted to ¥522 million and ¥503 million, respectively, and are accounted for principally by the equity method.

13. Pledged Assets and Secured Liabilities

A summary of assets pledged as collateral and secured liabilities at March 31, 2021 and 2020 is presented below:

	Millions of yen	
	March 31, 2021	March 31, 2020
Pledged assets		
Buildings and structures	¥2,002	¥2,070
Machinery, equipment and vehicles	106	152
Land	2,579	2,579
Total	¥4,688	¥4,801
Secured liabilities		
Current portion of long-term loans payable	¥2,480	¥180
Long-term loans payable	119	2,599
Total	¥2,599	¥2,779

14. Land Revaluation

Based on the Law Concerning Land Revaluation, promulgated on March 31, 1998, the Company revalued its land used for business purposes at 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 Public Notice of Land Prices Act, 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 at March 31, 2021 and 2020 of land revalued pursuant to Article 16 of the law were ¥2,062 million and ¥2,235 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.

15. Cost of Sales

Loss on valuation of inventories of ¥176 million and ¥35 million, net of the amount of the reversal, was included in cost of sales for the years ended March 31, 2021 and 2020, respectively after writing down the carrying values to reflect declines in profitability.

16. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2021 and 2020 were as follows. The figures in the following table have been offset against reversals.

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries	¥5,165	¥5,247
Packing and transportation costs	1,709	1,731
Provision for employees' retirement benefits	685	734
Provision for employees' bonuses	427	445
Provision (reversal) of allowance for doubtful accounts	0	(6)

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2021 and 2020 amounted to ¥451 million and ¥547 million, respectively.

17. Other Income

Gain on sales of noncurrent assets for the years ended March 31, 2021 and 2020 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Machinery, equipment and vehicles	¥5	¥2
Tools, furniture and fixtures	0	–
Land	–	13
Total	¥6	¥15

18. Other Expenses

Loss on sales and retirement of noncurrent assets for the years ended March 31, 2021 and 2020 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Buildings and structures	¥0	¥14
Machinery, equipment and vehicles	0	3
Tools, furniture and fixtures	0	5
Land	–	12
Other	1	0
Total	¥3	¥36

19. Business Restructuring Expenses

Current fiscal year (April 1, 2020 to March 31, 2021)

In the current fiscal year, the Group implemented business structural reforms upon the termination of mercury lamp production in the Lighting segment. The costs were recorded as business restructuring expenses.

They included special severance payments of ¥135 million, inventory valuation losses of ¥47 million, and other costs of ¥4 million.

20. Impairment Loss

Current fiscal year (April 1, 2020 to March 31, 2021)

In the current fiscal year, the Group recorded impairment losses for the following asset groups.

Purpose	Location	Type	Impairment loss (million yen)
Mercury lamp production facilities	Dalian, China	Buildings and structures	¥1
		Machinery, equipment and vehicles	46
		Tools, furniture and fixtures	2
Company housing for employees	Gyoda City, Saitama Prefecture	Buildings and structures	75
		Land	89
Total			¥214

The Iwasaki Electric Group categorizes its assets into groups corresponding to business units where they are used. When withdrawal from a business associated with a group or any other similar transaction is decided, the assets to be disposed of and idle assets related to that transaction will be transferred to a separate group formed for each transaction.

In the Lighting segment, the book values of mercury lamp production facilities and some other assets at Dalian Iwasaki Electric Co., Ltd., the Group’s production site, have been reduced to their recoverable values upon the termination of the mercury lamp production.

The book value of the company housing for employees was reduced to the recoverable amount because the housing was closed.

The recoverable value for land is calculated based on the net sale price. The recoverable value for other assets is calculated based on the value in use. The value in use is set to zero because future cash flows cannot be expected.

21. Statement of Comprehensive Income

Reclassification adjustments relating to other comprehensive income for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Valuation difference on available-for-sale securities:		
Amount arising during the year	¥490	¥(51)
Reclassification adjustments for gain (loss) included in profit	–	2
Total	490	(49)
Foreign currency translation adjustments:		
Amount arising during the year	(150)	(62)
Reclassification adjustments for gain (loss) included in profit	–	–
Total	(150)	(62)
Retirement benefits liability adjustments:		
Amount arising during the year	207	(219)
Reclassification adjustments for gain (loss) included in profit	216	191
Total	423	(27)
Share of other comprehensive income of affiliates accounted for by equity method:		
Amount arising during the year	14	(25)
Total amount before income taxes	778	(164)
Income taxes	(145)	14
Total other comprehensive income	¥633	¥(149)

Tax effects relating to other comprehensive income for the years ended March 31, 2021 and 2020 were as follows:

	Millions of yen	
	March 31, 2021	March 31, 2020
Valuation difference on available-for-sale securities		
Before tax effect	¥490	¥(49)
Tax effect	(145)	14
After tax effect	345	(34)
Foreign currency translation adjustments		
Before tax effect	(150)	(62)
Tax effect	–	–
After tax effect	(150)	(62)
Retirement benefits liability adjustments		
Before tax effect	423	(27)
Tax effect	–	–
After tax effect	423	(27)
Share of other comprehensive income of affiliates accounted for by equity method		
Before tax effect	14	(25)
Tax effect	–	–
After tax effect	14	(25)
Total other comprehensive income		
Before tax effect	778	(164)
Tax effect	(145)	14
After tax effect	¥633	¥(149)

22. 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, 2021

	Number of shares (Thousand)			
	April 1, 2020	Increase	Decrease	March 31, 2021
Type of issued shares				
Common stock	7,821	–	–	7,821
Total	7,821	–	–	7,821
Type of treasury stock				
Common stock*1, *2, *3	214	25	4	234
Total	214	25	4	234

*1. The increase of 25 thousand common shares in treasury shares was due to an increase of 25 thousand shares by buybacks based on the Board's resolutions, and an increase of 0 thousand shares by the repurchase of fractional shares.

*2. The decrease of 4 thousand shares of common treasury shares is due to the distribution from the Board Benefit Trust (BBT).

*3. The number of treasury shares as of March 31, 2021 includes 75 thousand shares held by the Board Benefit Trust (BBT).

For the year ended March 31, 2020

	Number of shares (Thousand)			
	April 1, 2019	Increase	Decrease	March 31, 2020
Type of issued shares				
Common stock	7,821	–	–	7,821
Total	7,821	–	–	7,821
Type of treasury stock				
Common stock*1, *2	87	126	–	214
Total	87	126	–	214

*1. The increase of 126 thousand common shares in treasury shares was due to an increase of 126 thousand shares by buybacks based on the Board's resolutions, and an increase of 0 thousand shares by the repurchase of fractional shares.

*2. The number of treasury shares as of March 31, 2020 includes 80 thousand shares held by the Board Benefit Trust (BBT).

(b) Matters related to dividends

1. Amount of dividends

For the year ended March 31, 2021

(Resolution)	Type	Total dividends paid (Millions of yen)	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2020	Common stock	¥307	¥40	March 31, 2020	June 26, 2020

Note: "Total dividends paid" include dividends of ¥3 million corresponding to shares held by the Board Benefit Trust (BBT).

For the year ended March 31, 2020

(Resolution)	Type	Total dividends paid (Millions of yen)	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2019	Common stock	¥312	¥40	March 31, 2019	June 28, 2019

Note: "Total dividends paid" include dividends of ¥3 million corresponding to shares held by the Board Benefit Trust (BBT).

2. Dividends with the cut-off date in the year under review and the effective date in the following year

For the year ended March 31, 2021

(Resolution)	Type	Total dividends paid (Millions of yen)	Source of dividends	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2021	Common stock	¥306	Retained earnings	¥40	March 31, 2021	June 28, 2021

Note: "Total dividends paid" include dividends of ¥3 million corresponding to shares held by the Board Benefit Trust (BBT).

For the year ended March 31, 2020

(Resolution)	Type	Total dividends paid (Millions of yen)	Source of dividends	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders on June 25, 2020	Common stock	¥307	Retained earnings	¥40	March 31, 2020	June 26, 2020

Note: "Total dividends paid" include dividends of ¥3 million corresponding to shares held by the Board Benefit Trust (BBT).

23. Supplemental Cash Flow Information

A reconciliation of cash and cash equivalents at March 31, 2021 and 2020 to cash and deposits in the accompanying consolidated balance sheets was as follows:

	Millions of yen	
	March 31, 2021	March 31, 2020
Cash and deposits	¥18,503	¥16,261
Time deposits with maturity in excess of three months	–	(1)
Cash and cash equivalents	¥18,503	¥16,260

24. Leases

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

Leased assets include production equipment (machinery and equipment) and dies and molds (tools, furniture and fixtures) as property, plant and equipment, and software as intangible assets.

25. Employees' Retirement Benefits

1. Outline of employees' retirement benefit plans adopted by the Company

The Company and some of its domestic consolidated subsidiaries have two types of defined benefit plan, namely, a defined benefit corporate pension plan (based on reserved funds) and a lump sum payment plan (non-reserved funds). At the same time, some of other consolidated subsidiaries participate in the Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Scheme and a defined contribution pension plan.

In addition, the Company has a multi-employer welfare pension fund plan, established by participating companies. Since the amount of plan assets corresponding to the Company's contribution cannot be reasonably calculated, the amount is recognized in the same way as the defined contribution pension plan.

With regard to the defined-benefit pension plan and the lump-sum payment plan adopted by certain consolidated subsidiaries, a simplified method is used in the calculation of net retirement benefit liabilities and retirement benefit expenses.

2. Retirement benefit plan (excluding the plan using the simplified method)

(1) The changes in the retirement benefit obligations

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Retirement benefit obligations at April 1	¥15,096	¥14,985
Service costs	636	649
Actuarial loss	115	65
Retirement benefits paid	(1,017)	(604)
Change due to personnel transfer	1,095	–
Others	(5)	–
Retirement benefit obligations at March 31	¥15,920	¥15,096

(2) The changes in plan assets

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Plan assets at April 1	¥3,339	¥3,318
Expected return on plan assets	58	76
Actuarial gain	323	(154)
Contributions by the Company	789	347
Retirement benefits paid	(384)	(248)
Change due to personnel transfer	259	–
Others	(5)	–
Plan assets at March 31	¥4,379	¥3,339

(3) The funded status of the plans and the amounts recognized in the consolidated balance sheet at the end of year

	Millions of yen	
	March 31, 2021	March 31, 2020
Funded retirement benefit obligations	¥6,187	¥5,866
Plan assets	(4,379)	(3,339)
	1,807	2,527
Unfunded retirement benefit obligations	9,733	9,229
Net liability for retirement benefits in the consolidated balance sheet	11,540	11,756
Liability for retirement benefits	11,540	11,756
Net liability for retirement benefits in the consolidated balance sheet	¥11,540	¥11,756

(4) The components of retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Service costs	¥636	¥649
Expected return on plan assets	(58)	(76)
Amortization of actuarial loss	213	189
Amortization of prior service costs	2	2
Retirement benefit expenses	¥794	¥765

(5) Retirement benefits liability adjustments included in other comprehensive income (before adjusting tax effects)

The components of retirement benefits liability adjustments included in other comprehensive income (before adjusting tax effects) were as follows:

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Prior service costs	¥2	¥2
Actuarial loss	421	(30)
Total	¥423	¥(27)

(6) Retirement benefits liability adjustments included in accumulated other comprehensive income (before adjusting tax effects)

The components of retirement benefits liability adjustments included in accumulated other comprehensive income (before adjusting tax effects) were as follows:

	Millions of yen	
	March 31, 2021	March 31, 2020
Unrecognized prior service costs	¥4	¥7
Unrecognized actuarial loss	1,044	1,465
Total	¥1,048	¥1,472

(7) Plan assets

(i) Major components of plan assets

The ratio of major components against the total plan assets was as follows:

	%	
	March 31, 2021	March 31, 2020
General accounts	49%	48%
Stocks	24	20
Bonds	25	30
Others	2	2
Total	100%	100%

(ii) Determining long-term expected return on plan assets

The long-term expected return on plan assets has been estimated based on the current and projected pension asset allocations and the current and projected return on various assets comprising plan assets.

(8) Assumptions used in accounting for the plans

Primary assumptions used in accounting for the plans

	%	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	0.0%	0.0%
Long-term expected return on plan assets	1.8%	2.3%
Anticipated salary increase rate	0.0%–3.0%	0.0%–4.4%

3. Defined benefit plan using the simplified method

(1) The changes in the liability for retirement benefits calculated using the simplified method

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Liability for retirement benefits at April 1	¥1,444	¥1,351
Retirement benefit expenses	57	172
Retirement benefits paid	(31)	(32)
Plan contributions	(24)	(47)
Change due to personnel transfer	(835)	–
Liability for retirement benefits at March 31	¥609	¥1,444

(2) The funded status of the plans and the amounts recognized in the consolidated balance sheet for the plans

	Millions of yen	
	March 31, 2021	March 31, 2020
Funded retirement benefit obligations	¥160	¥556
Plan assets	(175)	(411)
	(14)	145
Unfunded retirement benefit obligations	624	1,298
Net liability for retirement benefits in the consolidated balance sheet	609	1,444
Liability for retirement benefits	609	1,444
Net liability for retirement benefits in the consolidated balance sheet	¥609	¥1,444

(3) Retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Retirement benefit expenses calculated using the simplified method	¥57	¥172

4. Defined contribution plan

Required amounts of contribution to the defined contribution plan for consolidated subsidiaries were ¥51 million for the year ended March 31, 2021 and ¥23 million for the year ended March 31, 2020.

5. Multi-employer plan

Required contributions to the multi-employer corporate pension fund plan, which are recognized in the same way as the defined contribution pension plan, were ¥255 million for the year ended March 31, 2021 and ¥227 million for the year ended March 31, 2020.

(1) Total funded status of the multi-employer plan

	Millions of yen	
	March 31, 2020	March 31, 2019
Plan assets at fair value	¥119,769	¥127,216
Actuarial obligations for the pension financing accounting	136,406	141,568
Projected benefit obligations in excess of plan assets	¥(16,637)	¥(14,351)

(2) Ratio of the Group’s contribution to total contributions of the multi-employer plan

For the year ended March 31, 2020 3.67%

For the year ended March 31, 2019 3.63%

(3) Supplementary explanation

The main component of projected benefit obligation in excess of plan assets listed under (1) above was prior service costs under pension accounting (¥14,756 million for the year ended March 31, 2020 and ¥16,886 million for the year ended March 31, 2019). Prior service costs are amortized by the straight-line method over a period of 20 years under this plan.

26. Financial Instruments

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

Notes and accounts receivable - trade and electronically recorded monetary claims - operating 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.

Notes and accounts payable - trade and electronically recorded obligations - operating are due in one year or less.

Short-term loans payable are borrowed mainly as operating funds, 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.

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

The carrying amounts and fair values at March 31, 2021 and 2020 and differences are as follows. Financial instruments whose fair value is not readily determinable are not included in the following table (See Note 2).

At March 31, 2021

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥18,503	¥18,503	¥–
(2) Notes and accounts receivable - trade	12,238	12,238	–
(3) Electronically recorded monetary claims - operating	1,897	1,897	–
(4) Investment securities	3,855	3,855	–
Total assets	¥36,494	¥36,494	¥–
(5) Notes and accounts payable - trade	¥5,808	¥5,808	¥–
(6) Electronically recorded obligations - operating	5,155	5,155	–
(7) Short-term loans payable	700	700	–
(8) Long-term loans payable	4,800	4,811	11
Total liabilities	¥16,464	¥16,475	¥11
Derivatives	¥–	¥–	¥–

At March 31, 2020

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥16,261	¥16,261	¥–
(2) Notes and accounts receivable - trade	14,433	14,433	–
(3) Electronically recorded monetary claims - operating	2,837	2,837	–
(4) Investment securities	3,348	3,348	–
Total assets	¥36,881	¥36,881	¥–
(5) Notes and accounts payable - trade	¥7,582	¥7,582	¥–
(6) Electronically recorded obligations - operating	5,870	5,870	–
(7) Short-term loans payable	830	830	–
(8) Long-term loans payable	5,300	5,331	31
Total liabilities	¥19,583	¥19,614	¥31
Derivatives	¥–	¥–	¥–

(Notes)

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

Assets

“(1) Cash and deposits,” “(2) Notes and accounts receivable - trade,” and “(3) Electronically recorded monetary claims - operating”

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.

“(4) Investment securities”

Investment securities are reported at the current market prices quoted by stock exchanges. Notes relating to securities held for different purposes are described in notes under “6. Securities and Investment Securities.”

Liabilities

“(5) Notes and accounts payable - trade,” “(6) Electronically recorded obligations - operating,” and “(7) 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.

“(8) 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 “27. Derivatives.”

2) Financial instruments whose fair values are not readily determinable at March 31, 2021 and 2020 are as follows:

Category	Millions of yen	
	March 31, 2021	March 31, 2020
Unlisted equity securities	¥730	¥683
Investments in limited liability partnership	¥25	¥49

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 “(4) Investment securities” as the fair value is not readily determinable.

3) Monetary claims with redemption dates subsequent to March 31, 2021 and 2020 are summarized as follows:

At March 31, 2021

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 5 years or less (Millions of yen)
(1) Cash and deposits	¥18,503	¥–
(2) Notes and accounts receivable - trade	12,238	–
(3) Electronically recorded monetary claims - operating	1,897	–
Total	¥32,639	¥–

At March 31, 2020

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 5 years or less (Millions of yen)
(1) Cash and deposits	¥16,261	¥–
(2) Notes and accounts receivable - trade	14,433	–
(3) Electronically recorded monetary claims - operating	2,837	–
Total	¥33,533	¥–

4) Bonds payable, long-term loans payable and other interest-bearing liabilities with repayment dates subsequent to March 31, 2021 and 2020 are summarized as follows:

At March 31, 2021

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 2 years or less (Millions of yen)	Due after 2 years and in 3 years or less (Millions of yen)	Due after 3 years and in 4 years or less (Millions of yen)	Due after 4 years and in 5 years or less (Millions of yen)	Due after 5 years (Millions of yen)
Short-term loans payable	¥700	¥–	¥–	¥–	¥–	¥–
Long-term loans payable	4,200	200	–	–	400	–
Total	¥4,900	¥200	¥–	¥–	¥400	¥–

At March 31, 2020

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 2 years or less (Millions of yen)	Due after 2 years and in 3 years or less (Millions of yen)	Due after 3 years and in 4 years or less (Millions of yen)	Due after 4 years and in 5 years or less (Millions of yen)	Due after 5 years (Millions of yen)
Short-term loans payable	¥830	¥–	¥–	¥–	¥–	¥–
Long-term loans payable	900	4,200	200	–	–	–
Total	¥1,730	¥4,200	¥200	¥–	¥–	¥–

27. Derivatives

At March 31, 2021 and 2020, 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 at March 31, 2021 and 2020 for which hedge accounting has been applied are summarized as follows:

At March 31, 2021

	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 by short-cut method:			
Receive/floating and pay/fixed	¥250	¥–	*1

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

At March 31, 2020

	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 by short-cut method:			
Receive/floating and pay/fixed	¥250	¥250	*1

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

28. Segment Information

Segment Information (For the years ended March 31, 2021 and 2020)

1. General Information about Reportable Segments

   The reportable segments of the Company are business segments of the Group for which the Company is able to obtain separate individual financial information allowing the board of directors to conduct periodic analysis to evaluate their business performance and determine the optimum distribution of management resources.

   The Group has two reportable business segments, the “Lighting Segment” engaging in the manufacture and sales of a wide range of light sources such as lamps and luminaires, and the “Applied Optics and Environment Segment” engaging in the manufacture and sales of applied optics products and environmental products.

2. Method for Calculating Net Sales, Income or Loss, Assets, Liabilities, and Other Items in Each Reportable Segment

   In general, the method for the accounting of reportable business segments is the same as that described in the basis of presentation of the consolidated financial statements. Income in the reportable segments is operating income. Inter-group net sales or transfers are based on actual market prices.

3. Information on Net Sales, Income or Loss, Assets, and Other Items in Each Reportable Segment

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Sales:		
Lighting Segment	¥ 37,127	¥ 43,164
Applied Optics and Environment Segment	16,459	16,109
	53,587	59,274
Corporate and eliminations:		
Lighting Segment	22	24
Applied Optics and Environment Segment	21	49
	44	74
Adjustments	(44)	(74)
	¥ 53,587	¥ 59,274
Segment Income (loss):		
Lighting Segment	¥ 3,510	¥ 4,651
Applied Optics and Environment Segment	1,136	924
	4,647	5,576
Adjustments	(1,705)	(1,915)
	¥ 2,941	¥ 3,661
Segment Assets:		
Lighting Segment	¥ 34,287	¥ 39,127
Applied Optics and Environment Segment	16,930	17,546
	51,218	56,673
Adjustments	15,751	12,776
	¥ 66,970	¥ 69,450
Depreciation and Amortization:		
Lighting Segment	¥ 1,003	¥ 1,060
Applied Optics and Environment Segment	419	471
	1,422	1,532
Adjustments	–	–
	¥ 1,422	¥ 1,532
Increase in Property, Plant and Equipment and Intangible Assets:		
Lighting Segment	¥ 430	¥ 585
Applied Optics and Environment Segment	295	320
	726	906
Adjustments	–	–
	¥ 726	¥ 906

Notes: 1. The adjustments for segment income (loss) of ¥ (1,705) million and ¥ (1,915) million at March 31, 2021 and 2020, respectively, include corporate costs, etc., which have not been allocated to the reportable segments.

2. The adjustments for segment assets of ¥15,751 million and ¥12,776 million at March 31, 2021 and 2020 respectively, include financial assets, etc., of the Company, which have not been allocated to the reportable segments.

Related Information

For the years ended March 31, 2021 and 2020

1. Information by Product and Service

No description is provided because information on segments by product and service is the same as that of the reportable segments.

2. Information by Country or Region

(1) Net Sales

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Japan	¥46,353	¥52,103
North America	4,527	4,626
Asia	2,461	2,241
Other	244	303
Total	¥53,587	¥59,274

(2) Property, Plant and Equipment

No description is provided because property, plant and equipment in Japan at March 31, 2021 and 2020 account for more than 90% of property, plant and equipment in the consolidated balance sheets.

3. Information on Each Major Customer

No description is provided because no individual external customer accounts for 10% or more of net sales for the years ended March 31, 2021 and 2020 in the consolidated statements of income.

29. Information on impairment loss on non-current assets by reporting segment

For the year ended March 31, 2021

Impairment losses on non-current assets were recorded in the following segments for the current fiscal year: ¥50 million in the Lighting segment and ¥164 million in the Corporate segment.

For the year ended March 31, 2020

Not applicable.

30. Amounts per Share

Per share information at and for the years ended March 31, 2021 and 2020 was as follows:

	Yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to owners of parent	¥269.07	¥348.63
Net assets	4,128.69	3,809.58

Notes: 1. Since there were no potential shares that would have dilutive effect if issued, data on diluted net income per share is not presented.

2. For the purpose of calculating net assets per share, the Company's shares held by the Board Benefit Trust (BBT) are included in treasury shares excluded from the total number of outstanding shares as of the fiscal year-end (80,000 shares for the previous fiscal year and 75,000 shares for the current fiscal year).
For the purpose of calculating net income per share, these shares held by BBT were included in treasury shares excluded from the calculation of the average number of outstanding shares during the fiscal year (80,000 shares for the previous fiscal year and 76,000 shares for the current fiscal year).

The basis of the computation of profit attributable to owners of parent per share for the years ended March 31, 2021 and 2020 is as follows:

	Millions of yen	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to owners of parent	¥2,041	¥2,681
Amount not attributable to normal shareholders	–	–
Profit attributable to owners of parent allocable to common shares	¥2,041	¥2,681
Average number of common shares for the period (shares)	7,587,788	7,691,651

31. Business Combinations

Merger of a consolidated subsidiary

1. Outline of the business combination

(1) Names and business description of combined companies

Surviving company in the absorption-type merger

Name: EYE Lighting Systems Corporation

Business description: Manufacture of lighting equipment and electrical appliances

Absorbed company in the absorption-type merger

Tsukuba Iwasaki Co., Ltd.

Business description: Manufacture of lighting equipment and electrical appliances

(2) Date of business combination

May 12, 2020

(3) Legal form of business combination

Absorption-type merger where EYE Lighting Systems Corporation is the surviving company and Tsukuba Iwasaki Co., Ltd. is the absorbed company

(4) Purpose of business combination

To build an optimal production structure by improving the efficiency of administrative departments and improving production efficiency

2. Outline of accounting treatment

This transaction was accounted for as a "transaction under common control," in accordance with "Accounting Standard for Business Combinations" and "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" issued by the ASBJ.

32. Related Party Transactions

For the year ended March 31, 2021
Not Applicable.

For the year ended March 31, 2020
Not Applicable.

33. Stock Options

For the year ended March 31, 2021
Not Applicable.

For the year ended March 31, 2020
Not Applicable.

34. Significant Subsequent Events

Buyback of Company shares
At the meeting of the Board of Directors on May 19, 2021, the Company resolved matters related to the buyback of Company shares in accordance with the provisions of Article 156 of the Companies Act as applied pursuant to Article 165, paragraph 3 of the same Act.

1. Reason for buy back of Company shares
   To implement capital policies in order to quickly respond to changes in the business environment.

2. Details of the buyback
   (i) Types of shares to be bought back
   Common shares of the Company
   (ii) Total number of shares that can be bought back
   330,000 shares (upper limit)
   (4.35% of the total number of issued and outstanding shares (excluding already-held treasury shares))
   (iii) Total value of the buyback shares
   ¥500,000,000 (upper limit)
   (iv) Buyback period
   From May 20, 2021 to March 31, 2022

3. Status of the buyback of Company shares
   (i) Buyback period
   From May 20, 2021 to May 31, 2021 (contract basis)
   (ii) Types of shares bought back
   Common shares of the Company
   (iii) Total number of acquired shares
   19,000 shares
   (iv) Total value of the buyback shares
   ¥32,265,100
   (v) Acquisition method
   Purchase on the Tokyo Stock Exchange market
   Shares bought back from June 1, 2021 to the date of submitting the securities report are not included.

Independent Auditor’s Report

The Board of Directors
IWASAKI ELECTRIC Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of IWASAKI ELECTRIC Co., Ltd. (“the Company”) and its consolidated subsidiaries (“the Group”), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters.

Determination of the necessity for impairment recognition of property, plant and equipment and intangible assets of the Company	
Description of Key Audit Matter	Auditor's Response
Property, plant and equipment and intangible assets in the amount of ¥16,250 million, accounting for 24% of total assets, was recorded in the consolidated balance sheet as of March 31, 2021. As described in the notes to the consolidated financial statements (Significant Accounting Estimates), for the fiscal year under review, the Company determined that there were indications of impairment for the asset group including property, plant and equipment and intangible assets in the amount of ¥13,659 million in the Company's Lighting and the Applied Optics and Environment business segment, because certain land showed signs a significant decline in market value. However, the Company did not recognize an impairment loss because the total undiscounted future cash flows from the asset group exceeded the carrying amount in determining the necessity of recognition for impairment losses. Estimates of future cash flows arising from the continued use of an asset group are based on the Company's profit and loss plan approved by the Board of Directors for the following fiscal year and growth rates for the second and subsequent years which are estimated within the range not exceeding the long-term average growth rate. As described in the notes (Significant Accounting Estimates), the major assumptions used in estimating future cash flows include sales by business segment based on the demand forecasts and gross profit margin which serve as the basis of the profit and loss plan, as well as the growth rate for subsequent periods not covered by the profit and loss plan. Given that the major assumptions used to the estimates of future cash flows are subject to uncertainties and require management judgment, we determined determination of the necessity for impairment recognition of property, plant and equipment and intangible assets of the Company to be a key audit matter.	The audit procedures we performed for the Company's estimates of total undiscounted future cash flows used in determining the necessity of recognition for impairment losses on property, plant and equipment and intangible assets principally are as follows: ・We compared the estimated periods of future cash flows with the economic remaining useful lives of major assets. ・We examined the consistency of future cash flows with the Company's profit and loss plan approved by the Board of Directors. ・We compared the Company's profit and loss plan for prior years with actual results to evaluate the effectiveness of the management's estimation process. ・We assessed the major assumptions including the level of sales by business segment based on demand forecasts and gross profit margin that serve as the basis of the Company's profit and loss plan, by discussing with the management. Also, we compared the outcome of trend analysis based on past performance to the level of sales by business segment and gross profit margin. In addition, we conducted a sensitivity analysis, taking into account the fluctuation caused by future uncertainties. ・We assessed the growth rate for the subsequent periods not covered by the Company's profit and loss plan by reviewing the third party report. We also assessed the management's evaluation of future uncertainty.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

・Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

・Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.

・Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

・Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

・Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

・Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 25, 2021

植村文雄

Fumio Uemura
Designated Engagement Partner
Certified Public Accountant

滑川雅臣

Masato Namekawa
Designated Engagement Partner
Certified Public Accountant

Board of Directors and Corporate Data

President and Chief Executive Officer
Yoshitake Ito

Director and Senior Executive Officer
Masanori Kato

Director and Senior Executive Officer
Makoto Inamori

Director and Senior Executive Officer
Sumio Uehara

Director and Senior Executive Officer
Seiji Aoyama

Outside Director
Kenji Oya

Outside Director
Tsuneo Tanai

Outside Director
Junko Sunaga

Audit & Supervisory Board Member
Hiroaki Kato

Audit & Supervisory Board Member
Haruhiko Hoshino

Outside Audit & Supervisory Board Member
Naoto Suzuki

Outside Audit & Supervisory Board Member
Takashi Inagaki

Senior Executive Officer
Tomohiko Yamada

Executive Officer
Akira Urushibara

Executive Officer
Hidemi Orito

Executive Officer
Kenji Ikeda

Executive Officer
Tadashi Mizusawa

Executive Officer
Masahiko Ishihara

Executive Officer
Hiroyuki Hayakawa

(As of June 25, 2021)

IWASAKI ELECTRIC Co., Ltd.

Date of Establishment: August 18, 1944

1-1-7, Higashinihonbashi, Chuo-ku,
Tokyo 103-0004, Japan
Phone: +81-3-5846-9010

https://www.eye.co.jp/

Capital: ¥8,640 million

Common Stock
Authorized: 23,900,000 shares
Issued and Outstanding: 7,821,950 shares
(Including 159,710 shares of treasury stock)
Number of Shareholders: 7,105
Number of employees: 1,775 (Consolidated)

Major Shareholders	% of Total
The Master Trust Bank of Japan, Ltd.	6.51
Minebea Mitsumi Inc.	3.92
Custody Bank of Japan, Ltd. (Trust account)	3.25
Iwasaki Electric Cooperative Association Stock Ownership Plan	2.81
Mizuho Bank, Ltd.	2.40
The Meiji Yasuda Life Insurance Company	2.35
The Sumitomo Mitsui Banking Corp.	2.20
EYE LAMP employee stock ownership plan	2.18
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank)	2.06
NIPPON TOCHI-TATEMONO Co., Ltd.	2.02

Stock Exchange Listings
Tokyo Stock Exchange 1st Section

Correspondent Bank
Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corp.
The Bank of Yokohama, Ltd.
Resona Bank, Ltd.
MUFG Bank, Ltd.

Independent Certified Public Accountants
Ernst & Young ShinNihon LLC

Directory

Domestic Plants and Offices

Head Office
1-1-7, Higashinihonbashi,
Chuo-ku, Tokyo 103-0004, Japan
Phone: +81-3-5846-9010

Lighting Business Unit
Phone: +81-3-5846-9021

Applied Optics and
Environment Sales Division
Phone: +81-3-5846-9027

Global Sales &
Marketing Department
Phone: +81-3-5846-9025

Private Sector Sales Division
9-9, Nihonbashi-hisamatsucho,
Chuo-ku, Tokyo 103-0005, Japan
Phone: +81-3-5847-8632

Saitama Plant
1-1, Ichiriyama-cho, Gyoda City,
Saitama 361-8505, Japan
Phone: +81-48-554-1111

Domestic Affiliates

●Manufacture

EYE LIGHTING SYSTEMS CORPORATION
Established in 1973
Manufacture of lighting luminaires, power sources, ballasts and circuits

CHICHIBU IWASAKI CO., LTD.
Established in 1985
Manufacture of Halogen lamps and pellicle products

KAN-ETSU IWASAKI CO., LTD.
Established in 1985
Manufacture of arc tubes for high-pressure sodium lamps, UV lamps, and UV irradiation units

EYE ELECTRON BEAM CO., LTD.
Established in 1986
Manufacture 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

EYE GRAPHICS CO., LTD.
Established in 1977
Sales of UV applied equipment and printing platemakers

EYE GRAPHIC SERVICE CO., LTD.
Established in 1980
Installation / relocation / maintenance for UV applied equipment and printing platemakers

LIGHT CUBE CO., LTD.
Established in 1978
Design, manufacture, sales and application of luminaires and allied products

EYE ONE CO., LTD.
Established in 1987
Service trade for the Iwasaki Group, such as insurance agency operations

EYE LIGHTING DEVICE CO., LTD.
Established in 1988
Sales of a variety of light sources and lighting luminaires

IWASAKI ELECTRIC ENGINEERING SERVICE CO., LTD.
Established in 1994
Inspection of lighting luminaires and electrical machinery and maintenance of applied optics and environment diagnostic equipment

KINKI LIGHT CUBE CO., LTD.
Established in 1995
Sales of lighting equipment for commercial and industrial use

EYE LOGISTICS CO., LTD.
Established in 1996
Autotruck carrier business and Joint delivery

ITO DENKI HANBAI CO., LTD.
Established in 1999
Sales of explosion proof luminaries

(As of June 25, 2021)

Global Network

◆Sales Office
Global Sales & Marketing Department

●Manufacture

ENERGY SCIENCES, INC. (ESI)
Acquired in 1988
42 Industrial Way, Wilmington,
Massachusetts. 01887, U.S.A.
Phone: +1-978-694-9000
Facsimile: +1-978-694-9046
Manufacture and sales of EB & UV irradiation equipment and electric equipment

EYE LIGHTING INTERNATIONAL OF NORTH AMERICA, INC. (ELINA)
Established in 1991
9150 Hendricks Road, Mentor,
OHIO. 44060, U.S.A.
Phone: +1-888-665-2677
Facsimile: +1-440-350-7001
Manufacture and sales of HID lamp, arc tubes and outer bulbs

DALIAN IWASAKI ELECTRIC CO., LTD.
Established in 1995
Zhenpeng Industrial Area I-8-3, Dalian Development Zone, Dalian, 116600,
P.R. CHINA
Phone: +86-411-8751-4186
Facsimile: +86-411-8751-4189
Manufacture of HID lamps, stems and UV lamps

SPECTRA LIGHTING PTY LTD.
Acquired in 1999
15 Industrial Avenue Wacol Queensland, 4076,
AUSTRALIA
Phone: +61-7-3335-3500
Facsimile: +61-7-3335-3550
Manufacture and sales of luminaries

SPECTRA MANUFACTURING PTY LTD.
Acquired in 1999
15 Industrial Avenue Wacol Queensland, 4076,
AUSTRALIA
Phone: +61-7-3335-3502
Facsimile: +61-7-3335-3533
Manufacture and sales of streetscape luminaries

●Sales

EYE LIGHTING ASIA PACIFIC PTE LTD.
Established in 1988
21 Kaki Bukit Place, Eunos Techpark
SINGAPORE 416199, SINGAPORE
Phone: +65-6742-3611
Facsimile: +65-6743-5202
Sales of lamps, luminaires and electric equipment

ELM LIGHTING SDN. BHD.
Established in 2016
No.16 & 18, Jalan Utarid U5/29, Mah Sing Integrated IndustrialPark, Seksyen U5, 40150 Shah Alam, Selangor Darul Ehsan, Peninsular MALAYSIA
Phone: +60-3-7832-7600
Facsimile: +60-3-7859-7847
Sales of lamps, luminaires and electric equipment

SHANGHAI IWASAKI ELECTRIC CO.,LTD.
Established in 2007
26/F suite2612 New Town Center Building,
83 Loushanguan Road, Shanghai 200336,
P.R. CHINA
Phone: + 86-21-3105-6379
Facsimile: + 86-21-3105-6371
Materials procurement in China, inspection and exports Sales in China of lamps, luminaries and electric equipment

EYE LIGHTING (THAILAND) CO.,LTD.
Established in 2015
571 RSU Tower, 10th floor, Unit 4-5,
Sukhumvit Soi 31, Sukhumvit Road,
Klongton-Nua, Wattana, Bangkok 10110, Thailand
Phone: +66-0-2-016-6579
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, Tsim shatsui, Kowloon , HONG KONG
Phone: +852-2368-8782
Facsimile: +852-2481-2661
Sales of lamps, luminaires and electric equipment

LCA HOLDINGS PTY LTD.
A joint venture with Marubeni Corporation, established in 2000
15 Industrial Avenue, Wacol Queensland 4076,
AUSTRALIA
Phone: +61-7-3335-3555
Facsimile:+61-7-3335-3522
Holding company

EYE LIGHTING AUSTRALIA PTY LTD.
Established in 1974
15 Industrial Avenue, Wacol Queensland 4076,
AUSTRALIA
Phone: +61-7-3335-3588
Facsimile: +61-7-3335-3533
Sales of lamps, luminaires and electric equipment

PERFORMANCE IN LIGHTING AUSTRALASIA PTY LTD.
Established in 2012
157 Wellington Road, East Brisbane Queensland, 4169, AUSTRALIA
Phone: +61-7(3335)3580
Facsimile: +61-7(3335)3587
Sales of lamps and luminaires

SAMMODE LIGHTING AUSTRALASIA PTY LTD.
Established in 2015
15 Industrial Avenue, Wacol, Queensland, 4076,
AUSTRALIA
Phone: +61-7(3335)3555
Facsimile: +61-7(3335)3511
Sales of luminaires

(As of June 25, 2021)

IWASAKI ELECTRIC CO., LTD.

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