Annual Report 2017

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

For the consolidated fiscal year ended March 31, 2017, the shipment volume of LED lights (including fixtures and lamps) in the Lighting sector of the Iwasaki Electric Group increased while the sales amount did not expand as initially planned as market prices decreased and orders from the public sector were stagnant. Sales of HID lights decreased from the previous fiscal year. We expected this decline as market demand has been shifting to LED lights. The sales volume of the Applied Optics and Environment Business remained almost the same as in the previous fiscal year. However, the sales amount decreased because we had fewer curing projects in overseas subsidiaries than in the previous year, and operating income also decreased due to the recording of a loss on inventory valuation and other factors. Consequently, combined with the effect of the stronger yen during the year, the net sales, operating income and ordinary income of the Group decreased from the previous fiscal year.

The Iwasaki Electric Group has established a three-year Medium-Term Management Plan starting from the year ended March 2017. In accordance with this plan, the Group will continue to focus on the three core corporate strategies of “expanding the LED lighting business through the pursuit of added value,” “developing new business in the Applied Optics and Environment Business,” and “promoting business through strategic product launches targeting key overseas markets.”

Effective as of April 1, 2017, the Company restructured its organizational structure to integrate the operational processes of product planning, product development, procurement and sales, in order to pursue added value and expand the LED lighting business. The conventional organization of the Company was divided into production and procurement, product planning and development and sales units. This functional division was replaced by a business-unit type organization that enables accelerated product development and flexible pricing. The Lighting Solution Business Unit includes the private sector sales division and the global sales division, for instance. With the new organizational structure, we can make better proposals to the market and customers.

The Applied Optics and Environment Business launched low-cost compact EB testing equipment in the environmental testing field, and low-cost compact light irradiation equipment targeting the weather resistant test market. The UV curing business works on fast development and sale of products that meet market needs, including launching high-intensity UV-LED radiators that realize the strongest light intensity in the industry. The sector will focus on the development of new markets and the development of applications, to further strengthen its business and increase orders from customers.

In the Overseas Business sector, we continued to follow the policy of expanding our business in key regions, mainly North America and Southeast Asia, by introducing strategic products. In the South East Asia region, we launched LED products for outdoor lighting. We also established a subsidiary in Malaysia as a local sales base.

To achieve the quantitative performance goals set for the year ending March 31, 2019, we will strategically develop our businesses and strive for improvement of our corporate value and business performance.

We hope to have your continued support and patronage of the Iwasaki Electric Group.

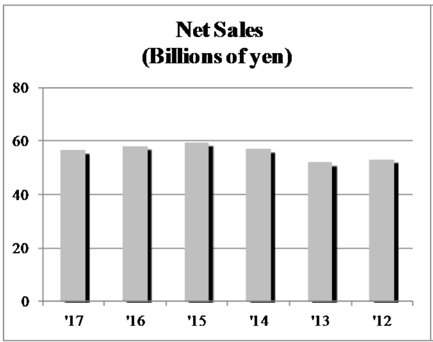
June 2017

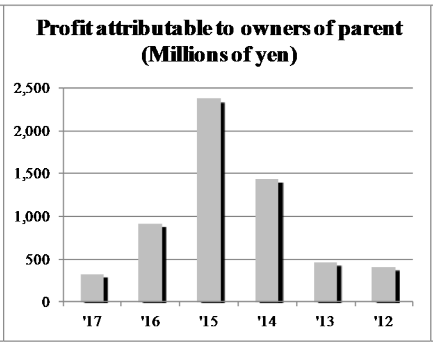
Yoshitake Ito
President and Representative Director

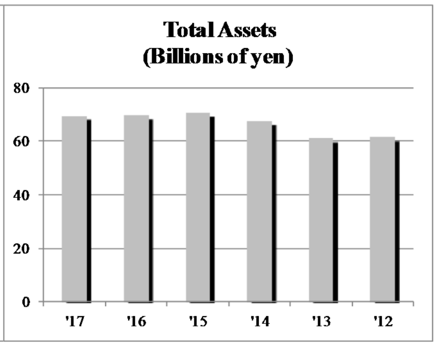
Consolidated Six-Year Summary

	Millions of yen					
	Year ended March 31					
	2017	2016	2015	2014	2013	2012
For the year:						
Net sales	**¥56,611**	¥58,206	¥59,476	¥57,030	¥52,062	¥53,269
Profit attributable to owners of parent	**335**	920	2,371	1,439	471	414
At year-end:						
Total assets	**¥69,463**	¥69,636	¥70,573	¥67,473	¥60,959	¥61,486
Total shareholders' equity[2]	**25,791**	24,722	25,968	21,826	20,799	19,489
Working capital	**25,777**	27,862	23,381	23,270	23,512	18,487
Long-term bank loans, less current portion	**2,816**	2,350	500	1,890	4,415	3,075
Amounts per share:[3]						
Profit attributable to owners of parent	**¥4.43**	¥12.38	¥31.88	¥19.35	¥6.34	¥5.58
Cash dividends	**4.00**	4.00	4.00	2.00	–	–

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

Outline of the Operating Results

1. Operating Results

During the fiscal year ended March 31, 2017, the U.S. economy continued its modest recovery, supported by the improvement in the employment and income environment and increased capital investment. In the Euro area, the economy showed signs of improvement in the employment environment and revitalization of businesses mainly in the manufacturing sector, although the growth of real income was low. In Asia, the economic slowdown in China was halted as a result of public investment and various policies implemented by the government. A modest economic recovery continued throughout Asia. The Japanese economy continued its modest recovery supported by the expansion of exports to Asian countries and an increase in capital investment while personal spending continued to be weak.

Under these business circumstances, the Iwasaki Electric Group focused on the three core corporate strategies of “expanding the LED lighting business through the pursuit of added value,” “developing new business in the Applied Optics and Environment Business,” and “promoting business through strategic product launches targeting key overseas markets.”

As a result, net sales amounted to ¥56,611 million (a 2.7% decrease from ¥58,206 million in the previous fiscal year). Operating income decreased to ¥972 million (a 53.3% decrease from ¥2,082 million in the previous fiscal year) partially due to a loss on inventory valuation recognized in the Applied Optics and Environment Business. Ordinary income totaled ¥1,002 million (a 48.1% decrease from ¥1,931 million in the previous fiscal year). Profit attributable to owners of parent decreased to ¥335 million (a 63.5% decrease from ¥920 million in the previous fiscal year) partially due to costs of ¥283 million incurred in responding to complaints regarding some lighting equipment.

Operating results by business segment are described below.

From the year ended March 31, 2017, the calculation method for reportable segments is reclassified. Accordingly, the results of the year ended March 31, 2016 are also reclassified according to the new calculation method for reportable segments. From the year ended March 31, 2017, the name of the “Applied Optics” segment was changed to “Applied Optics and Environment.”

Lighting Sector

In the Lighting sector, the LED lighting business focused on the development of outdoor LED lighting equipment and LED lighting equipment for industrial plants aiming to realize more energy saving and higher efficiency. The LED lighting business carried out sales promotion campaigns to increase market awareness of its new products, such as visiting customers with a traveling showroom to demonstrate the products. Through these activities, demand for floodlights and high ceiling lights was strong mainly in the private sector, while market prices decreased and orders from the public sector were stagnant. As a result, sales did not expand as much as initially planned. In overseas markets, LED products for outside lighting were introduced in Southeast Asia. In Malaysia, the Company established a local subsidiary as a base to expand sales in this region. While the conventional lighting business saw robust maintenance demand in Japan for HIDs and other lamps, overall demand for conventional lighting equipment decreased due to the shift to LED lights.

As a result, this sector reported sales of ¥41,074 million (a 2.3% decrease from ¥42,027 million in the previous fiscal year), and operating income of ¥2,612 million (a 12.7% decrease from ¥2,993 million in the previous fiscal year).

Applied Optics and Environment Sector

The Applied Optics and Environment sector worked to further cultivate the environmental testing-related field, expand the sterilization and disinfection-related field, and strengthen the UV curing field. The sector also actively exhibited new products at trade shows, such as UV-LED radiators and compact electron beam equipment, aiming to appeal to new business fields. In the environmental testing area, both sales and operating income remained at almost the same level as the previous year, supported by orders for environmental testing equipment from the automobile industry and orders for sterilizing systems from sterilizing and disinfection businesses. In the UV curing business, sales increased supported by orders for irradiation systems for FPDs (flat panel displays), while operating income decreased partially due to a large-scale order with a low profit margin and the recording of a loss on inventory valuation. In the electron beam area, both sales and operating income decreased mainly due to fewer orders in overseas subsidiaries than in the previous year. In the information equipment business, sales slightly increased supported by orders for road information display boards.

As a result, this sector reported sales of ¥15,580 million (a 4% decrease from ¥16,232 million in the previous fiscal year), and operating income of ¥280 million (a 72.5% decrease from ¥1,020 million in the previous fiscal year).

2. Cash Flows

Cash and cash equivalents as of March 31, 2017 decreased by ¥1,914 million from the previous fiscal year to ¥14,783 million.

(1) Cash flows from operating activities

Operating activities in the current fiscal year resulted in a net cash inflow of ¥957 million for the year ended March 31, 2017.

The main factors were ¥1,511 million in depreciation and a decrease of ¥565 million in inventories, an increase of ¥775 million in trade receivables and a decrease of ¥364 million in trade payables.

(2) Cash flows from investment activities

Net cash used in investment activities amounted to ¥2,445 million for the year ended March 31, 2017.

The major factor for this result was ¥2,555 million paid for the purchase of property, plant and equipment, including investment in construction of a building for technology development (Techno Center).

(3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥324 million for the year ended March 31, 2017.

The major factors were proceeds of ¥1,000 million from a long-term loan and payment of ¥1,195 million for acquiring additional shares of EYE Lighting Systems Corporation by using these proceeds. Through this transaction, the subsidiary has become a fully-owned subsidiary of the Company.

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

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.

Looking at the business environment for the Iwasaki Electric Group, while economic conditions in the U.S. and Europe are expected to continue their modest recovery mainly supported by internal demand, the Chinese economy has a risk of downturn resulting from adverse movements in the real estate and finance markets. Although the Japanese economy is expected to be solid, there remain uncertainties such as developments in U.S. policies and political conditions in the Euro area that will affect the export business and revenues of enterprises in Japan.

Under these business circumstances, the Iwasaki Electric Group has established a Medium-Term Management Plan starting from the year ended March 2017 (from the year ended March 2017 to the year ending March 2019). In accordance with this plan, the Group will continue to focus on the three core corporate strategies of “expanding the LED lighting business through the pursuit of added value,” “developing new business in the Applied Optics and Environment Business,” and “promoting business through strategic product launches targeting key overseas markets.”

In the Lighting sector, the LED lighting business will focus on “enhancement of the quality of light” and development of high value-added products such as “applications for communication control devices.” The Company will also strive to break away from the principle of self-sufficiency in its manufacturing operations and strengthen its ability to procure equipment and devices from outside providers, in order to respond to needs for products and services quickly to maintain and expand its market share in the facility lighting and special lighting fields. In the medium and long term, the Company will endeavor to develop a new business model through its research and development activities. We will propose and realize new technologies and solutions by integrating our accumulated proprietary technologies with IoT telecommunication technologies. Sales in the conventional lighting business, providing HID (high intensity discharge) lamps as mainstay products, are expected to continue to decline. The Company will strive to maintain sales volume by exploring demand for maintenance and streamline the operation by consolidating and closing production facilities and promoting production innovation.

In the Applied Optics and Environment sector, the environmental testing business will strive to expand the business by developing testing instruments and establishing light irradiation systems, which utilize electron beams, UV and other various optical technologies of the Iwasaki Electric Group. The sterilization, disinfection and water treatment-related business will pursue medium- and long-term business expansion through research and development of technologies that combine “optics and new technologies.” The UV curing business will work to create new business fields and applications development. In the area of road information display boards, the network of sales offices will be fully utilized to expand sales.

In the Overseas Business sector, the LED lighting business will focus on strengthening its global procurement, in cooperation with the department in Japan. Intensive sales activities will be conducted by local subsidiaries. By strengthening its sales network, the Iwasaki Electric Group will strive to expand its global market.

To tackle these objectives for the second year of its Medium-Term Management Plan, the Iwasaki Electric Group has fully changed its organizational structure to focus on unified operations of the domestic and the overseas businesses and an active search for new businesses that will become core businesses of the Group in the future. We will continue to optimize our workforce responding to changes in the market and allocate business resources intensively to research and development activities and marketing activities to improve our corporate value through our lighting and optical technologies and seek to establish a corporate structure that can continuously grow in the future.

4. Important Business Agreements

Not applicable.

Financial Review

Analyses of the Financial Position and Operating Results

1. Financial Position

Total assets as of March 31, 2017 totaled ¥69,463 million, a decrease of ¥172 million compared to the previous fiscal year-end.

(Current Assets)
Current assets as of March 31, 2017 totaled ¥45,243 million, a decrease of ¥1,512 million compared to the previous fiscal year-end. The major factors were a decrease of ¥1,816 million in cash and deposits, a decrease of ¥653 million in inventories, and an increase of ¥732 million in trade notes and accounts receivable and electronically recorded monetary claims - operating.

(Noncurrent Assets)
Noncurrent assets as of March 31, 2017 totaled ¥24,219 million, an increase of ¥1,339 million compared to the previous fiscal year-end. The major factors were an increase in property, plant and equipment, including an increase of ¥927 million in construction in progress mainly due to the investment in the construction of a new technology development building (Techno Center), and an increase of ¥314 million in intangible assets mainly due to the updating of systems.

(Current Liabilities)
Current liabilities as of March 31, 2017 totaled ¥19,466 million, an increase of ¥572 million compared to the previous fiscal year-end. The major factors were an increase of ¥1,500 million in the current portion of corporate bonds and long-term loans payable and a decrease of ¥378 million in trade notes and accounts payable and electronically recorded obligations - operating.

(Noncurrent Liabilities)
Noncurrent liabilities as of March 31, 2017 totaled ¥24,204 million, a decrease of ¥578 million, compared to the previous fiscal year-end. The major factors were a decrease of ¥1,000 million in corporate bonds due to the transfer of the current portion to current liabilities, and a net increase of ¥466 million in long-term loans payable (proceeds of ¥1,000 million from a new loan and the transfer of ¥533 million to the current liabilities category).

(Net Assets)
Net assets as of March 31, 2017 totaled ¥25,791 million, a decrease of ¥166 million compared to the previous fiscal year-end. The major factors under shareholders' equity were: a decrease of ¥283 million in retained earnings as a result of recording of profit attributable to owners of parent of ¥335 million, payment of dividends of ¥297 million and transfer of ¥354 million to capital surplus as a result of the disposition of treasury shares, and a decrease of ¥776 million in treasury shares due to the private allocation of treasury shares to the partner of a capital and business alliance.

The major factors under the accumulated other comprehensive income category were: a decrease of ¥305 million in foreign currency translation adjustment due to the stronger yen, and an increase of ¥480 million in remeasurements of defined benefit plans, an increase of ¥381 million in valuation difference on available-for-sale securities due to valuation of investment securities at their market values. As a result, accumulated other comprehensive income increased by ¥524 million.

2. Analysis of Operating Results

(Gross Profit)
Gross profit for the year ended March 31, 2017 decreased by ¥1,219 million from the previous fiscal year to ¥16,406 million. The major factors for this decrease were the decline of market prices of LED lights and sluggish orders from the public sector in the Lighting sector. In the lighting business, whose mainstay products are HID

lamps, gross profit also decreased due to the shift of demand to LED lights.

In the Applied Optics and Environment Business, both sales and profit decreased mainly due to fewer orders in overseas subsidiaries than in the previous year in the electron beam area, a large-scale order with a low profit margin and the recording of a loss on inventory valuation.

(Operating Income)

Operating income for the year ended March 31, 2017 decreased by ¥1,109 million from the previous fiscal year to ¥972 million. The major factors for this decrease were the same as those explained in the gross profit section above, while selling, general and administrative expenses decreased by ¥110 million.

(Ordinary Income)

Ordinary income for the year ended March 31, 2017 decreased by ¥928 million from the previous fiscal year to ¥1,002 million. The major factors were the same as those explained in the gross profit and the operating income sections above, while this decrease was partially offset by foreign exchange gains (compared with foreign exchange losses in the previous fiscal year).

(Profit Attributable to Owners of Parent)

Profit attributable to owners of parent totaled ¥335 million in the year ended March 31, 2017, a decrease of ¥584 million compared to the previous fiscal year. The major factors for this decrease were the same as those explained in operating income and ordinary income sections above, plus a decrease of ¥337 million in gains on sales of noncurrent assets under the extraordinary income category (¥69 million in the year ended March 31, 2017 compared to ¥407 million in the previous fiscal year which was gained from the sale of land by an affiliated company in Japan). Tax expenses decreased as the profit for the year decreased.

3. Cash Flow Analysis

Please refer to "Outline of Operating Results: 2. Cash Flows" for the status of cash flow.

Consolidated Balance Sheet

At March 31, 2017 and 2016

<u>ASSETS</u>

	Millions of yen	
	March 31, 2017	March 31, 2016
Current assets		
Cash and deposits (Notes 21 and 25)	¥ 14,933	¥ 16,749
Notes and accounts receivable - trade (Note 25)	14,517	14,501
Electronically recorded monetary claims - operating (Note 25)	1,696	979
Merchandise and finished goods	6,310	7,483
Work in process	1,745	1,767
Raw materials and supplies	4,385	3,843
Deferred tax assets (Note 9)	882	867
Other	818	598
Allowance for doubtful accounts	(44)	(34)
Total current assets	45,243	46,756
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (Note 13)	14,694	14,567
Machinery, equipment and vehicles (Note 13)	15,390	15,429
Tools, furniture and fixtures	7,983	7,759
Land (Notes 13 and 14)	9,953	10,044
Leased assets (Note 22)	156	172
Construction in progress	1,296	368
	49,474	48,341
Accumulated depreciation	(31,713)	(31,553)
Property, plant and equipment, net	17,760	16,788
Intangible assets		
Software	707	443
Other	228	178
Intangible assets, net	935	621
Investments and other assets		
Investment securities (Notes 6, 12 and 25)	4,759	4,324
Deferred tax assets (Note 9)	358	311
Other	421	865
Allowance for doubtful accounts	(17)	(30)
Total investments and other assets	5,523	5,470
Total noncurrent assets	24,219	22,880
Total assets	¥ 69,463	¥ 69,636

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheet

At March 31, 2017 and 2016

LIABILITIES AND NET ASSETS

	Millions of yen	
	March 31, 2017	March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade (Note 25)	¥ 9,767	¥ 10,463
Electronically recorded obligations - operating (Note 25)	2,719	2,402
Short-term loans payable (Notes 7 and 25)	1,020	1,120
Current portion of bonds (Notes 7, 13 and 25)	1,000	–
Current portion of long-term loans payable (Notes 7 and 25)	533	33
Income taxes payable	299	390
Accrued consumption taxes	150	193
Provision for employees' bonuses	621	746
Provision for repair claims	313	299
Other	3,040	3,246
Total current liabilities	19,466	18,894
Noncurrent liabilities		
Bonds payable (Notes 7, 13 and 25)	2,600	3,600
Long-term loans payable (Notes 7, 13 and 25)	2,816	2,350
Deferred tax liabilities (Note 9)	875	645
Deferred tax liabilities for land revaluation (Note 14)	1,275	1,290
Liability for retirement benefits (Note 23)	13,774	14,078
Asset retirement obligations (Note 8)	77	66
Other	2,784	2,752
Total noncurrent liabilities	24,204	24,783
Total liabilities	43,671	43,677
Commitments and contingent liabilities (Note 24)		
Net assets (Note 20)		
Shareholders' equity (Note 11)		
Common stock:		
Authorized: 239,000,000 shares in 2017 and 2016		
Issued: 78,219,507 shares in 2017 and 2016	8,640	8,640
Capital surplus	2,069	2,016
Retained earnings	12,947	13,231
Treasury stock	(137)	(913)
Total shareholders' equity	23,520	22,974
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,758	1,377
Revaluation reserve for land	2,684	2,716
Foreign currency translation adjustments	(141)	163
Retirement benefits liability adjustments	(2,029)	(2,509)
Total accumulated other comprehensive income	2,271	1,747
Non-controlling interests	–	1,236
Total net assets	25,791	25,958
Total liabilities and net assets	¥ 69,463	¥ 69,636

See accompanying notes to consolidated financial statements.

Consolidated Statement of Income

Years ended March 31, 2017 and 2016

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Net sales	¥ 56,611	¥ 58,206
Cost of sales (Note 15)	40,204	40,580
Gross profit	16,406	17,626
Selling, general and administrative expenses (Note 16)	15,434	15,544
Operating income	972	2,082
Other income (Note 17)		
Interest and dividend income	108	109
Foreign exchange gain	27	–
Gain on sales of noncurrent assets	69	407
Gain on sales of investment securities	35	42
Other	130	86
Total other income	372	645
Other expenses (Note 18)		
Interest expenses	117	123
Equity in losses of affiliates	99	116
Foreign exchange losses	–	25
Loss on sale and retirement of noncurrent assets	24	71
Repair claims expenses	–	50
Provision for repair claims	283	299
Loss on liquidation of subsidiaries and associates	–	59
Other	23	83
Total other expenses	548	830
Profit before income taxes	796	1,897
Income taxes (Note 9)		
Income taxes - current	448	585
Income taxes - deferred	(10)	308
Total income taxes	438	893
Profit	357	1,003
Profit attributable to non-controlling interests	21	82
Profit attributable to owners of parent	¥ 335	¥ 920

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Years ended March 31, 2017 and 2016

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit	¥ 357	¥ 1,003
Other comprehensive income (Note 19)		
Valuation difference on available-for-sale securities	382	(238)
Revaluation reserve for land	–	71
Foreign currency translation adjustments	(269)	(123)
Retirement benefits liability adjustments	480	(1,496)
Share of other comprehensive income of associates accounted for by equity method	(23)	(83)
Total other comprehensive income	569	(1,870)
Comprehensive income	927	(867)
Comprehensive income attributable to:		
Owners of parent	892	(949)
Non-controlling interests	¥ 34	¥ 82

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Years ended March 31, 2017 and 2016

	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, 2016	78,219,507	¥8,640	¥2,016	¥13,231	(¥913)	¥22,974
Dividends of surplus	–	–	–	(297)	–	(297)
Profit attributable to owners of parent	–	–	–	335	–	335
Purchase of treasury shares	–	–	–	–	(124)	(124)
Disposal of treasury shares	–	–	(354)	–	900	546
Reversal of revaluation reserve for land	–	–	–	32	–	32
Transfer to capital surplus from retained earnings	–	–	354	(354)	–	–
Change in treasury shares of parent arising from transactions with non-controlling interests	–	–	53	–	–	53
Net changes of items other than shareholders' equity	–	–	–	–	–	–
Balance at March 31, 2017	78,219,507	¥8,640	¥2,069	¥12,947	(¥137)	¥23,520

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total valuation and translation adjustments		
Balance at April 1, 2016	¥1,377	¥2,716	¥163	(¥2,509)	¥1,747	¥1,236	¥25,958
Dividends of surplus	–	–	–	–	–	–	(297)
Profit attributable to owners of parent	–	–	–	–	–	–	335
Purchase of treasury shares	–	–	–	–	–	–	(124)
Disposal of treasury shares	–	–	–	–	–	–	546
Reversal of revaluation reserve for land	–	–	–	–	–	–	32
Transfer to capital surplus from retained earnings	–	–	–	–	–	–	–
Change in treasury shares of parent arising from transactions with non-controlling interests	–	–	–	–	–	–	53
Net changes of items other than shareholders' equity	381	(32)	(305)	480	524	(1,236)	(712)
Balance at March 31, 2017	¥1,758	¥2,684	(¥141)	(¥2,029)	¥2,271	–	¥25,791

	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, 2015	78,219,507	¥8,640	¥2,013	¥12,606	(¥911)	¥22,348
Dividends of surplus	–	–	–	(297)	–	(297)
Profit attributable to owners of parent	–	–	–	920	–	920
Purchase of treasury shares	–	–	–	–	(2)	(2)
Disposal of treasury shares	–	–	–	–	–	–
Reversal of revaluation reserve for land	–	–	–	1	–	1
Transfer to capital surplus from retained earnings	–	–	–	–	–	–
Change in treasury shares of parent arising from transactions with non-controlling interests	–	–	3	–	–	3
Net changes of items other than shareholders' equity	–	–	–	–	–	–
Balance at March 31, 2016	78,219,507	¥8,640	¥2,016	¥13,231	(¥913)	¥22,974

	Millions of yen						
	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total valuation and translation adjustments		
Balance at April 1, 2015	¥1,615	¥2,646	¥371	(¥1,013)	¥3,619	¥1,253	¥27,221
Dividends of surplus	–	–	–	–	–	–	(297)
Profit attributable to owners of parent	–	–	–	–	–	–	920
Purchase of treasury shares	–	–	–	–	–	–	(2)
Disposal of treasury shares	–	–	–	–	–	–	–
Reversal of revaluation reserve for land	–	–	–	–	–	–	1
Transfer to capital surplus from retained earnings	–	–	–	–	–	–	–
Change in treasury shares of parent arising from transactions with non-controlling interests	–	–	–	–	–	–	3
Net changes of items other than shareholders' equity	(238)	69	(207)	(1,496)	(1,872)	(16)	(1,889)
Balance at March 31, 2016	¥1,377	¥2,716	¥163	(¥2,509)	¥1,747	¥1,236	¥25,958

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years ended March 31, 2017 and 2016

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities:		
Profit before income taxes	¥ 796	¥ 1,897
Adjustments to reconcile profit to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,511	1,535
Increase (decrease) in provision for employee's bonuses	(124)	(4)
Increase (decrease) in allowance for doubtful accounts	(2)	(31)
Increase (decrease) in liability for retirement benefits	(112)	(16)
Interest and dividend income	(108)	(109)
Interest expenses	117	123
Foreign exchange loss (gain)	0	24
Loss (gain) on sales and retirement of property, plant and equipment	(45)	(335)
Equity in (earnings) losses of affiliates	99	116
Loss (gain) on sales of investment securities	(35)	(42)
Change in assets and liabilities:		
Decrease (increase) in notes and accounts receivable - trade	(775)	1,927
Decrease (increase) in inventories	565	(220)
Increase (decrease) in notes and accounts payable - trade	(364)	(1,369)
Other	23	385
Subtotal	1,544	3,881
Interest and dividends income received	115	117
Interest expenses paid	(115)	(123)
Income taxes paid	(587)	(407)
Net cash provided by operating activities	957	3,467
Cash flows from investing activities:		
Purchase of property, plant and equipment	(2,555)	(2,076)
Proceeds from sales of property, plant and equipment	162	464
Purchase of intangible assets	(435)	(237)
Purchase of investment securities	(98)	(38)
Proceeds from sales of investment securities	91	69
Other	390	156
Net cash used in investing activities	(2,445)	(1,662)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(100)	(95)
Proceeds from long-term loans payable	1,000	1,900
Repayment of long-term loans payable	(33)	(1,906)
Proceeds from issuance of bonds	–	2,565
Redemption of bonds	–	(2,350)
Proceeds from sales of treasury shares	546	–
Purchase of treasury shares	(124)	(2)
Purchase of treasury shares of subsidiaries in consolidation	–	(73)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,195)	–
Cash dividends paid	(297)	(297)
Dividends paid to non-controlling interests	(22)	(23)
Other	(97)	(82)
Net cash used in financing activities	(324)	(366)
Effect of exchange rate change on cash and cash equivalents	(102)	(58)
Net increase (decrease) in cash and cash equivalents	(1,914)	1,380
Cash and cash equivalents at the beginning of the year	16,697	15,317
Cash and cash equivalents at the end of the year (Note 21)	¥ 14,783	¥ 16,697

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

At March 31, 2017 and 2016

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, 2016 to the 2017 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, 2017, the numbers of consolidated subsidiaries and affiliates accounted for by the equity method were 26 and 8, 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.

POLARIZATION SOLUTIONS LLC was excluded from the consolidation for the year ended March 31, 2017 as the company was liquidated during the year.

In the year ended March 31, 2017, ELM LIGHTING SDN. BHD. was established and added to the consolidation.

(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, 2017 and 2016, 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)

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

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

(k) Leases

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

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

(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 product defects.

(o) 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 (13 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.

(p) 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

(q) Consumption taxes

Consumption taxes are calculated by the tax exclusion method.

2. Accounting Changes

(Change in depreciation method due to tax reform 2016)

In response to the revision of the Corporate Tax Law of Japan, the Company adopted the “Practical Solution on a change in depreciation method due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) effective the year ended March 31, 2017. Accordingly, the depreciation method for attached facilities and structures acquired on or after April 1, 2016 was changed from the declining-balance method to the straight-line method.

The impact of this change on profit or loss for the year ended March 31, 2017 was immaterial.

3. Changes in Presentation

(Consolidated Balance Sheet)

“Long-term loans receivable” which were presented separately under the “Investments and other assets” category on the consolidated balance sheet for the previous fiscal year were included in “Other” under the same category on the consolidated balance sheet at March 31, 2017 because the corresponding amount was immaterial. To reflect this change in presentation, the financial statements for the year ended March 31, 2016 were reclassified.

As a result, ¥9 million, which had been presented as “Long-term loans receivable” under the “Investments and other assets” category on the consolidated balance sheet for the previous year, was transferred to and included in ¥865 million of “Other” under the same category.

(Consolidated Statement of Income)

“Advertising expenses,” “Directors’ compensation,” “Employees’ bonuses,” “Depreciation” and “Rents,” which were presented separately under the “Selling, general and administrative expenses” category on the consolidated statement of income for the previous fiscal year were included in “Other” under the same category on the consolidated statement of income for the year ended March 31, 2017 because the corresponding amounts were immaterial. To reflect this change in presentation, the financial statements for the year ended March 31, 2016 were reclassified.

As a result, “Advertising expenses” (¥488 million), “Directors’ compensation” (¥411 million), “Employees’ bonuses” (¥868 million), “Depreciation” (¥406 million) and “Rents” (¥584 million), which were presented as separately under “Selling, general and administrative expenses” in the previous fiscal year were transferred to and included in ¥7,092 million of “Other” under the same category on the consolidated statement of income for the year ended March 31, 2017.

(Consolidated Statement of Cash Flows)

“Payments into time deposits,” “Proceeds from withdrawal of time deposits,” “Purchase of securities,” “Proceeds from redemption of securities,” “Payments of loans receivable,” and “Collection of loans receivable,” which were presented separately under the “Net cash provided by (used in) investing activities” category on the consolidated statement of cash flows for the previous fiscal year were included in “Other” under the same category on the consolidated statement of cash flows for the year ended March 31, 2017 because the corresponding amounts were immaterial. “Increase in short-term loans payable” and “Decrease in short-term loans payable,” which were presented separately under the “Net cash provided by (used in) financing activities” category, were included in “Net increase (decrease) in short-term loans payable” under the same category on the consolidated statement of cash flows for the year ended March 31, 2017 because the corresponding amounts were immaterial.

To reflect this change in presentation, the financial statements for the year ended March 31, 2016 were reclassified.

As a result, “Payments into time deposits” (-¥50 million), “Proceeds from withdrawal of time deposits” (¥100 million), “Purchase of securities” (-¥90 million), “Proceeds from redemption of securities” (¥228 million), “Payments of loans receivable” (-¥13 million) and “Collection of loans receivable” (¥14 million), which were presented under the “Net cash provided by (used in) investing activities” category on the consolidated statement of cash flows for the previous fiscal year, were transferred to and included in ¥156 million of “Other” under the same category. “Increase in short-term loans payable” (¥2,841 million) and “Decrease in short-term loans payable” (-¥2,937 million), which were presented separately under the “Net cash provided by (used in) financing activities” category were transferred to and included in “Net increase (decrease) in short-term loans payable” (-¥95 million) under the same category.

4. Change in Financial Estimations

(Change in amortization period of actuarial losses and past service costs)

Concerning accounting items related to retirement benefits, the Company conventionally had recorded actuarial losses and past service costs as expenses over a period of 14 years, which was the average remaining service years of employees. Because the average remaining service years of employees decreased from 14 years, the Company changed the corresponding amortization period for these items to 13 years from the year ended March 31, 2017.

The impact of this change on profit or loss for the year ended March 31, 2017 was immaterial.

5. Additional Information

(Adoption of the Implementation Guidance on Recoverability of Deferred Tax Assets)

From the year ended March 31, 2017, the Company has adopted the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No. 26, March 28, 2016).

(Transactions to provide Company shares to directors through a trust)

Board Benefit Trust (BBT)

In the year ended March 31, 2017, the Company reviewed its compensation system for directors (excluding outside directors; the same definition applies hereinafter), and adopted the Board Benefit Trust (BBT) program (hereinafter the “BBT”), a new performance-based stock compensation program for directors. The objectives of this program are to further clarify the linkage between directors’ compensation and the market price of the Company’s shares and strengthen the directors’ awareness of their responsibility to contribute to the improvement of the medium- and long-term performance and corporate value of the Company.

For the accounting of trust agreements under this BBT, the Company adopts the gross price method in accordance with the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts” (ASBJ PITF No. 30, March 26, 2015).

(i) Outline of the program

The BBT is a performance-based stock compensation program in which shares of the Company are acquired through a trust by using money contributed by the Company. Shares of the Company and cash amounts determined by converting shares of the Company at the present value (hereinafter referred to collectively as the “Company Shares”) are given to directors through the trust, in accordance with the Regulations for Providing Company Shares to Officers, which is established by the board of directors of the Company. Directors will receive these Company Shares from the trust when they resign from the position of director, in principle.

(ii) Company Shares held by the trust

The balance of Company Shares held by the trust is included in treasury stock under the Net Assets category at the book value reported by the trust (excluding associated costs). At March 31, 2017, the book value of these shares included in treasury stock was ¥123 million, and 800,000 shares were held by the trust.

6. Securities and Investment Securities

Information regarding securities and investment securities classified as available-for-sale securities with fair market value at March 31, 2017 and 2016 is summarized as follows:

	Millions of yen					
	March 31, 2017			March 31, 2016		
	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	¥1,472	¥3,989	¥2,516	¥1,420	¥3,415	¥1,994
Debt securities						
Government bonds	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Subtotal	1,472	3,989	2,516	1,420	3,415	1,994
Securities whose acquisition cost exceeds their carrying amount (fair market value):						
Equity securities	66	63	(3)	192	167	(24)
Debt securities						
Government bonds	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Subtotal	66	63	(3)	192	167	(24)
Total	¥1,539	¥4,052	¥2,513	¥1,613	¥3,583	¥1,969

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 years ended March 31, 2017 and March 31, 2016, no impairment losses were recognized.

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, 2017 and the year ended March 31, 2016 is summarized as follows:

	Millions of yen					
	March 31, 2017			March 31, 2016		
	Proceeds from sales	Gross realized gain	Gross realized loss	Proceeds from sales	Gross realized gain	Gross realized loss
Equity securities	¥88	¥35	–	¥69	¥42	¥0
Debt securities						
Government bonds	–	–	–	–	–	–
Corporation bonds	–	–	–	–	–	–
Other	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	¥88	¥35	–	¥69	¥42	¥0

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 0.57% amounted to ¥1,020 million and ¥1,120 million at March 31, 2017 and 2016, respectively.

Long-term loans, lease obligations and deposits received classified as other long-term liabilities with interest at March 31, 2017 and 2016 consisted of the following:

	Millions of yen	
	March 31, 2017	March 31, 2016
Loans, principally from banks, maturing in installments through 2019 with an average interest rate of 1.24%	¥3,350	¥2,383
Less current portion of loans	(533)	(33)
Net	2,816	2,350
Lease obligations	201	188
Less current portion of lease obligations	(72)	(91)
Net	128	97
Deposits received with an average interest rate of 2.16%	2,542	2,547
Total	¥5,488	¥4,995

The annual maturities of long-term loans and lease obligations subsequent to March 31, 2017 are summarized as follows:

	Long-term loans	Lease obligations
	Millions of yen	Millions of yen
Year ending March 31,		
2019	¥1,416	¥41
2020	1,000	32
2021	400	28
2022 and thereafter	–	19

Bonds payable at March 31, 2017 and 2016 consisted of the following:

Name of company	Issue	Date of issue	Millions of yen		Interest rate (%)	Collateral	Maturity date
			March 31, 2017	March 31, 2016			
Iwasaki Electric Co., Ltd.	20th Unsecured straight bond	November 28, 2014	¥400 (400)	¥400	0.78	N.A.	November 30, 2017
Iwasaki Electric Co., Ltd.	21st Unsecured straight bond	November 28, 2014	400 (400)	400	0.38	N.A.	November 30, 2017
Iwasaki Electric Co., Ltd.	22nd Unsecured straight bond	November 28, 2014	200 (200)	200	0.45	N.A.	November 28, 2017
Iwasaki Electric Co., Ltd.	23rd Unsecured straight bond	September 30, 2015	250	250	0.41	N.A.	September 28, 2018
Iwasaki Electric Co., Ltd.	24th Unsecured straight bond	October 5, 2015	1,200	1,200	0.73	N.A.	October 5, 2018
Iwasaki Electric Co., Ltd.	25th Unsecured straight bond	October 9, 2015	900	900	0.31	N.A.	October 9, 2018
Iwasaki Electric Co., Ltd.	26th Unsecured straight bond	October 30, 2015	250	250	0.76	N.A.	October 31, 2018
Total	–	–	¥3,600 (1,000)	¥3,600	–	–	–

Notes: 1. Numbers in parenthesis are scheduled redemption amounts due in 1 year or less.

2. Scheduled redemption amounts over 5 years subsequent to March 31, 2017 are summarized as follows:

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)
¥1,000	¥2,600	¥–	¥–	¥–

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, 2016 and March 31, 2017 accounted for less than 1% of total liabilities and net assets at the beginning and the end of the fiscal year.

9. Income Taxes

The tax effects of temporary differences that give rise to a significant portion of the deferred tax assets and deferred tax liabilities at March 31, 2017 and 2016 were as follows:

	Millions of yen	
	March 31, 2017	March 31, 2016
Deferred tax assets:		
Loss carried forward for tax purposes	¥718	¥791
Liability for retirement benefits	3,621	3,535
Other	1,121	999
Gross deferred tax assets	5,461	5,326
Valuation allowance	(4,184)	(4,052)
Total deferred tax assets	1,277	1,273
Deferred tax liabilities:		
Unrealized gain on available-for-sale securities	(752)	(591)
Other	(160)	(148)
Gross deferred tax liabilities	(912)	(740)
Net deferred tax assets	¥365	¥533

Note: Net deferred tax assets for the years ended March 31, 2017 and 2016 were included in the following items on the consolidated balance sheets.

	Millions of yen	
	March 31, 2017	March 31, 2016
Current assets – Deferred tax assets	¥882	¥867
Investments and other assets – Deferred tax assets	358	311
Non-current liabilities – Deferred tax liabilities	(875)	(645)

The reconciliation of the Japanese statutory tax rate and the effective tax rate applicable to the Company for the years ended March 31, 2017 and 2016 was as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Japanese statutory tax rate	30.9%	33.1%
(Adjustments)		
Permanent non-deductible differences, including entertainment, etc.	12.2	3.7
Permanent non-taxable differences, including dividend income	(10.7)	(0.8)
Inhabitants taxes per capita, etc.	8.0	3.4
Increase in valuation allowance	16.6	2.8
Special deduction amount for income taxes	(2.6)	(2.5)
Effect of change in the tax rate	–	3.6
Other	0.7	3.8
Effective tax rate	55.1	47.1

10. Rental Properties

For the years ended March 31, 2017 and 2016

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, 2017 and 2016 amounted to ¥438 million and ¥584 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, 2017 and 2016 is presented below:

	Millions of yen	
	March 31, 2017	March 31, 2016
Pledged assets		
Buildings and structures	¥642	¥682
Machinery, equipment and vehicles	325	369
Land	2,579	2,579
Total	¥3,547	¥3,631
Secured liabilities		
Current portion of bonds	¥800	¥–
Bonds payable	2,100	2,900
Long-term loans payable	700	–
Total	¥3,600	¥2,900

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, 2017 and 2016 of land revalued pursuant to Article 10 of the law were ¥2,467 million and ¥2,509 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 (gain) on valuation of inventories of ¥(380) million and ¥(88) million, net of the amount of the reversal, was included in cost of sales for the years ended March 31, 2017 and 2016, 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, 2017 and 2016 were as follows. The figures in the following table have been offset against reversals.

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Salaries	¥5,655	¥5,619
Packing and transportation costs	1,743	1,775
Provision for employees' retirement benefits	764	613
Provision for employees' bonuses	342	415
Provision (reversal) of allowance for doubtful accounts	(1)	28

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2017 and 2016 amounted to ¥419 million and ¥431 million, respectively.

17. Other Income

Gain on sales of noncurrent assets for the years ended March 31, 2017 and 2016 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Machinery, equipment and vehicles	¥26	¥20
Tools, furniture and fixtures	0	0
Land	20	385
Other	22	–
Total	¥69	¥407

18. Other Expenses

Loss on sales and retirement of noncurrent assets for the years ended March 31, 2017 and 2016 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Buildings and structures	¥14	¥46
Machinery, equipment and vehicles	6	12
Tools, furniture and fixtures	2	2
Land	–	2
Other	1	7
Total	¥24	¥71

19. Statement of Comprehensive Income

Reclassification adjustments relating to other comprehensive income for the years ended March 31, 2017 and 2016 were as follows:

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Valuation difference on available-for-sale securities:		
Amount arising during the year	¥579	¥(362)
Reclassification adjustments for gain (loss) included in profit	(35)	(29)
Total	543	(392)
Foreign currency translation adjustments:		
Amount arising during the year	(269)	(123)
Reclassification adjustments for gain (loss) included in profit	–	–
Total	(269)	(123)
Retirement benefits liability adjustments:		
Amount arising during the year	191	(1,674)
Reclassification adjustments for gain (loss) included in profit	288	177
Total	480	(1,496)
Share of other comprehensive income of affiliates accounted for using the equity method:		
Amount arising during the year	(23)	(83)
Total amount before income taxes	730	(2,096)
Income taxes	(160)	225
Total other comprehensive income	¥569	¥(1,870)

Tax effects relating to other comprehensive income for the years ended March 31, 2017 and 2016 were as follows:

	Millions of yen	
	March 31, 2017	March 31, 2016
Valuation difference on available-for-sale securities		
Before tax effect	¥543	¥(392)
Tax effect	(160)	153
After tax effect	382	(238)
Revaluation reserve for land		
Before tax effect	–	–
Tax effect	–	71
After tax effect	–	71
Foreign currency translation adjustments		
Before tax effect	(269)	(123)
Tax effect	–	–
After tax effect	(269)	(123)
Retirement benefits liability adjustments		
Before tax effect	480	(1,496)
Tax effect	–	–
After tax effect	480	(1,496)
Share of other comprehensive income of affiliates accounted for using the equity method		
Before tax effect	(23)	(83)
Tax effect	–	–
After tax effect	(23)	(83)
Total other comprehensive income		
Before tax effect	730	(2,096)
Tax effect	(160)	225
After tax effect	¥569	¥(1,870)

20. 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, 2017

	Number of shares (Thousand)			
	April 1, 2016	Increase	Decrease	March 31, 2017
Type of issued shares				
Common stock	78,219	–	–	78,219
Total	78,219	–	–	78,219
Type of treasury stock				
Common stock	3,856	805	3,800	861
Total	3,856	805	3,800	861

Notes: 1. The increase of 805,000 common shares in treasury stock was due to an increase of 800,000 shares by the acquisition by the Board Benefit Trust (BBT) and an increase of 5,000 shares by the repurchase of fractional shares.

2. The decrease of 3,800,000 common shares in treasury stock was a decrease of 3,000,000 shares due to private allocation of treasury shares to Minebea Co., Ltd. (renamed MinebeaMitsumi Inc. on January 27, 2017), a decrease of 800,000 shares by selling treasury shares to the Board Benefit Trust (BBT) by private allocation, and a decrease of less than 1,000 shares by sales of treasury shares to increase the fractional shares held by shareholders to one trading unit.

3. The number of treasury shares as of March 31, 2017 includes 800,000 shares held by the Board Benefit Trust (BBT).

For the year ended March 31, 2016

	Number of shares (Thousand)			
	April 1, 2015	Increase	Decrease	March 31, 2016
Type of issued shares				
Common stock	78,219	–	–	78,219
Total	78,219	–	–	78,219
Type of treasury stock				
Common stock	3,847	9	–	3,856
Total	3,847	9	–	3,856

Note: The increase of 9,000 shares of common stock in treasury was due to the repurchase of fractional shares.

(b) Matters related to dividends

1. Amount of dividends

For the year ended March 31, 2017

(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 28, 2016	Common stock	¥297	¥4	March 31, 2016	June 29, 2016

For the year ended March 31, 2016

(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 26, 2015	Common stock	¥297	¥4	March 31, 2015	June 29, 2015

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, 2017

(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 28, 2017	Common stock	¥312	Retained earnings	¥4	March 31, 2017	June 29, 2017

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, 2016

(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 28, 2016	Common stock	¥297	Retained earnings	¥4	March 31, 2016	June 29, 2016

21. Supplemental Cash Flow Information

A reconciliation of cash and cash equivalents at March 31, 2017 and 2016 to cash and deposits in the accompanying consolidated balance sheet was as follows:

	Millions of yen	
	March 31, 2017	March 31, 2016
Cash and deposits	¥14,933	¥16,749
Time deposits with maturity in excess of three months	(149)	(51)
Cash and cash equivalents	¥14,783	¥16,697

22. 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.

23. 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, 2017	Year ended March 31, 2016
Retirement benefit obligations at April 1	¥15,726	¥14,038
Service costs	698	611
Interest costs	–	140
Actuarial loss	(122)	1,565
Retirement benefits paid	(712)	(632)
Other	–	3
Retirement benefit obligations at March 31	¥15,590	¥15,726

(2) The changes in plan assets

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Plan assets at April 1	¥2,894	¥2,834
Expected return on plan assets	67	87
Actuarial gain	68	(108)
Contributions by the Company	368	378
Retirement benefits paid	(314)	(297)
Plan assets at March 31	¥3,084	¥2,894

(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, 2017	March 31, 2016
Funded retirement benefit obligations	¥6,098	¥6,241
Plan assets	(3,084)	(2,894)
	3,013	3,346
Unfunded retirement benefit obligations	9,491	9,485
Net liability for retirement benefits in the consolidated balance sheet	12,505	12,832
Liability for retirement benefits	12,505	12,832
Net liability for retirement benefits in the consolidated balance sheet	¥12,505	¥12,832

(4) The components of retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Service costs	¥698	¥611
Interest costs	–	140
Expected return on plan assets	(67)	(87)
Amortization of actuarial loss	286	175
Amortization of prior service costs	2	2
Other	–	3
Retirement benefit expenses	¥920	¥845

(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, 2017	Year ended March 31, 2016
Prior service costs	¥2	¥2
Actuarial loss	477	(1,498)
Total	¥480	¥(1,496)

(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, 2017	March 31, 2016
Unrecognized prior service costs	¥16	¥18
Unrecognized actuarial loss	2,013	2,491
Total	¥2,029	¥2,509

(7) Plan assets

(i) Major components of plan assets

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

	%	
	March 31, 2017	March 31, 2016
General accounts	45%	63%
Stocks	26	23
Bonds	23	12
Others	6	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, 2017	Year ended March 31, 2016
Discount rate	0.0%	0.0%
Long-term expected return on plan assets	2.3%	3.1%
Anticipated salary increase rate	0.0%–3.4%	0.0%–3.5%

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, 2017	Year ended March 31, 2016
Liability for retirement benefits at April 1	¥1,246	¥1,217
Retirement benefit expenses	136	136
Retirement benefits paid	(48)	(52)
Plan contributions	(65)	(54)
Liability for retirement benefits at March 31	¥1,269	¥1,246

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

	Millions of yen	
	March 31, 2017	March 31, 2016
Funded retirement benefit obligations	¥490	¥471
Plan assets	(335)	(301)
	154	169
Unfunded retirement benefit obligations	1,114	1,077
Net liability for retirement benefits in the consolidated balance sheet	1,269	1,246
Liability for retirement benefits	1,269	1,246
Net liability for retirement benefits in the consolidated balance sheet	¥1,269	¥1,246

(3) Retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Retirement benefit expenses calculated using the simplified method	¥136	¥136

4. Defined contribution plan

Required amounts of contribution to the defined contribution plan for consolidated subsidiaries were ¥36 million for the year ended March 31, 2017 and ¥24 million for the year ended March 31, 2016.

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 ¥200 million for the year ended March 31, 2017 and ¥222 million for the year ended March 31, 2016.

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

	Millions of yen	
	March 31, 2016	March 31, 2015
Plan assets at fair value	¥122,897	¥317,423
Total amount of actuarial obligations and minimum actuarial reserves under pension funding computation	–	302,957
Actuarial obligations for the pension financing accounting	152,503	–
Projected benefit obligations in excess of plan assets	¥(29,605)	¥14,465

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

For the year ended March 31, 2016 3.44%

For the year ended March 31, 2015 3.39%

(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 (¥21,959 million for the year ended March 31, 2017 and ¥18,843 million for the year ended March 31, 2016). Prior service costs are amortized by the straight-line method over a period of 20 years under this plan.

24. Commitment and Contingent Liabilities

The Company has entered into commitment line contracts with 5 banks in order to ensure the timeliness of financing. Relevant figures at March 31, 2017 and 2016 were as follows:

	Millions of yen	
	March 31, 2017	March 31, 2016
Commitment lines extended	¥1,500	¥1,500
Loans payable	–	–
Unused balance	¥1,500	¥1,500

This commitment line contract includes the following restrictive financial covenants for the year ended March 31, 2017:

To maintain net assets of at least ¥19.4 billion on the consolidated balance sheet at the end of each fiscal year and second quarter.

25. 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

Trade notes and accounts receivable 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 and electronically recorded obligations-operating are due in one year or less.

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

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

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

The fair value of financial instruments includes values based on market prices and, with respect to financial instruments without a market price, value determined by reasonable calculation. Such calculation can include factors with variable parameters and different fair values are possible if different assumptions are employed.

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

The carrying amounts and fair values at March 31, 2017 and 2016 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, 2017

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥14,933	¥14,933	¥–
(2) Notes and accounts receivable - trade	14,517	14,517	–
(3) Electronically recorded monetary claims - operating	1,696	1,696	–
(4) Investment securities	4,052	4,052	–
Total assets	¥35,199	¥35,199	¥–
(5) Notes and accounts payable - trade	¥9,767	¥9,767	¥–
(6) Electronically recorded obligations - operating	2,719	2,719	–
(7) Short-term loans payable	1,020	1,020	–
(8) Bonds payable	3,600	3,612	12
(9) Long-term loans payable	3,350	3,384	34
Total liabilities	¥20,456	¥20,503	¥47
Derivatives	¥–	¥–	¥–

At March 31, 2016

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥16,749	¥16,749	¥–
(2) Notes and accounts receivable - trade	14,501	14,501	–
(3) Electronically recorded monetary claims - operating	979	979	–
(4) Investment securities	3,583	3,583	–
Total assets	¥35,813	¥35,813	¥–
(5) Notes and accounts payable - trade	¥10,463	¥10,463	¥–
(6) Electronically recorded obligations - operating	2,402	2,402	–
(7) Short-term loans payable	1,120	1,120	–
(8) Bonds payable	3,600	3,617	17
(9) Long-term loans payable	2,383	2,419	36
Total liabilities	¥19,968	¥20,022	¥54
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"

The fair value of stocks is based on quoted market prices, 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) Bonds payable"

The fair value of fixed-rate corporate bonds is determined by the current value that is derived by discounting the total amount of principal and interest of a bond by the interest rate applicable for a similar new issue.

"(9) 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 "26. Derivatives."

2) Financial instruments whose fair values are not readily determinable at March 31, 2017 and 2016 are as follows:

Category	Millions of yen	
	March 31, 2017	March 31, 2016
Unlisted equity securities	¥620	¥647
Investments in limited liability partnership	¥86	¥93

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, 2017 and 2016 are summarized as follows:

At March 31, 2017

	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	¥14,933	¥–
(2) Notes and accounts receivable - trade	14,517	–
(3) Electronically recorded monetary claims - operating	1,696	–
Total	¥31,146	¥–

At March 31, 2016

	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	¥16,746	¥–
(2) Notes and accounts receivable - trade	14,501	–
(3) Electronically recorded monetary claims - operating	979	–
Total	¥32,227	¥–

4) Bonds payable, long-term loans payable and other interest-bearing liabilities with repayment dates subsequent to March 31, 2017 and 2016 are summarized as follows:

At March 31, 2017

	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	¥1,020	¥–	¥–	¥–	¥–	¥–
Bonds payable	1,000	2,600	–	–	–	–
Long-term loans payable	533	1,416	1,000	400	–	–
Total	¥2,553	¥4,016	¥1,000	¥400	¥–	¥–

At March 31, 2016

	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	¥1,120	¥–	¥–	¥–	¥–	¥–
Bonds payable	–	1,000	2,600	–	–	–
Long-term loans payable	33	533	1,416	–	400	–
Total	¥1,153	¥1,533	¥4,016	¥–	¥400	¥–

26. Derivatives

At March 31, 2017 and 2016, 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, 2017 and 2016 for which hedge accounting has been applied are summarized as follows:

At March 31, 2017

	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	¥1,050	¥550	*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, 2016

	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	¥1,050	¥1,050	*1

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

27. Segment Information

Segment Information (For the years ended March 31, 2017 and 2016)

1. General Information about Reportable Segments

   The reportable segments of the Company are business sectors 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 Sector” engaging in the manufacture and sales of a wide range of light sources such as lamps and luminaires, and the “Applied Optics and Environment Sector” 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, 2017	Year ended March 31, 2016
Sales:		
Lighting Sector	¥ 41,037	¥ 41,978
Applied Optics and Environment	15,574	16,228
	56,611	58,206
Corporate and eliminations:		
Lighting Sector	36	48
Applied Optics and Environment	6	4
	43	53
Adjustments	(43)	(53)
	¥ 56,611	¥ 58,206
Segment Income (loss):		
Lighting Sector	¥ 2,612	¥ 2,993
Applied Optics and Environment	280	1,020
	2,893	4,013
Adjustments	(1,920)	(1,931)
	¥ 972	¥ 2,082
Segment Assets:		
Lighting Sector	¥ 39,301	¥ 37,273
Applied Optics and Environment	17,811	19,673
	57,113	56,946
Adjustments	12,350	12,689
	¥ 69,463	¥ 69,636
Depreciation and Amortization:		
Lighting Sector	¥ 1,143	¥ 1,131
Applied Optics and Environment	367	410
	1,511	1,541
Adjustments	–	–
	¥ 1,511	¥ 1,541
Increase in Property, Plant and Equipment and Intangible Assets:		
Lighting Sector	¥ 2,250	¥ 1,776
Applied Optics and Environment	842	648
	3,093	2,424
Adjustments	–	–
	¥ 3,093	¥ 2,424

Notes: 1. The adjustments for segment income (loss) of ¥ (1,920) million and ¥ (1,931) million at March 31, 2017 and 2016, respectively, include corporate costs, etc., which have not been allocated to the reportable segments.

2. The adjustments for segment assets of ¥12,350 million and ¥12,689 million at March 31, 2017 and 2016 respectively, include financial assets, etc., of the Company, which have not been allocated to the reportable segments.

3. Information related to the renaming of reportable segments
From the year ended March 31, 2017 the name of the "Applied Optics" segment was changed to "Applied Optics and Environment." This change reflected the management policy to actively pursue "environmental burden reducing business" by combining conventional lights with EB (electron beam), laser beam and other elements, in addition to the "applied optics" field that utilizes conventional lights.

From the year ended March 31, 2017, the calculation method for sales expenses and other elements was changed to a method to allocate them among these business segments based on rational allocation criteria that suit the operating conditions of individual segments.

This change was implemented to more accurately identify the business performance of individual reportable segments, in response to the restructuring of the organization and the change in the business management technique scheduled in the new medium-term management plan.

Figures in "Information on Net Sales, Income or Loss, Assets, and Other Items in Each Reportable Segment" for the previous fiscal year were recalculated and presented using the new method.

Related Information

For the years ended March 31, 2017 and 2016

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, 2017	Year ended March 31, 2016
Japan	¥46,363	¥47,255
North America	6,673	7,168
Asia	3,108	3,272
Europe	214	249
Other	252	259
Total	¥56,611	¥58,206

(2) Property, Plant and Equipment

No description is provided because property, plant and equipment in Japan at March 31, 2017 and 2016 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, 2017 and 2016 in the consolidated statements of income.

28. Amounts per Share

Per share information at and for the years ended March 31, 2017 and 2016 was as follows:

	Yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit attributable to owners of parent	¥4.43	¥12.38
Net assets	333.41	332.45

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 determining the average number of outstanding shares during the year which was used for the calculation of net income per share, shares held by BBT included in treasury shares under the Shareholders' Equity category are included in treasury shares excluded from the calculation. For the purpose of calculating net assets per share, these shares held by BBT are included in treasury shares excluded from the total number of outstanding shares as of the year-end.
For the purpose of calculating net income per share for the year ended March 31, 2017, 492,000 treasury shares were excluded from the calculation of the average number of outstanding shares during the year. For the purpose of calculating net assets per share at March 31, 2017, 800,000 treasury shares were excluded from the number of outstanding shares at March 31, 2017.

The basis of the computation of profit attributable to owners of parent per share for the years ended March 31, 2017 and 2016 is as follows:

	Millions of yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit attributable to owners of parent	¥335	¥920
Amount not attributable to normal shareholders	–	–
Profit attributable to owners of parent allocable to common shares	¥335	¥920
Average number of common shares for the period (shares)	75,746,111	74,367,591

29. Business Combinations

For the year ended March 31, 2017

Transactions under the common control

(Acquisition of additional shares of subsidiaries)

1. Outline of the transaction

(1) Name of the combined company and business description

Name: EYE LIGHTING SYSTEMS CORPORATION (a consolidated subsidiary of the Company)

Business description: Development, manufacture and sales of lighting equipment, power source units, stabilizers and circuits

(2) Date of business combination

November 30, 2016

(3) Legal form of business combination

Acquisition of shares from the non-controlling shareholder

(4) Name after the combination

The company name has not changed.

(5) Other major information regarding the transaction

The additional acquisition of shares accounted for 40% of total voting rights. Through the acquisition of these shares, EYE LIGHTING SYSTEMS CORPORATION has become a fully-owned subsidiary of the Company. This acquisition of additional shares was implemented to further speed up the decision making and business expansion of the subsidiary.

2. Outline of accounting of this transaction

This transaction was accounted for as a transaction with a non-controlling shareholder under the classification of “transactions under common control,” in accordance with the ASBJ’s “Accounting Standard for Business Combinations” and the “Implementation Guidance on the Accounting Standard for Business Combinations and the Accounting Standard for Business Divestitures.”

3. Matters related to acquisition of additional shares of subsidiary

Acquisition cost and breakdown by type of consideration paid

Acquisition cost: ¥1,195 million

Consideration paid (Cash): ¥1,195 million

4. Matters related to a change in the shareholding ratio through the transaction with the non-controlling shareholder

(1) Major factor for change in capital surplus

Acquisition of additional shares of the subsidiary

(2) Increase in capital surplus due to transaction with the non-controlling shareholder

¥53 million

For the year ended March 31, 2016
Not Applicable.

30. Related Party Transactions

For the year ended March 31, 2017
Not Applicable.

For the year ended March 31, 2016
Not Applicable.

31. Stock Options

For the year ended March 31, 2017
Not Applicable.

For the year ended March 31, 2016
Not Applicable.

32. Significant Subsequent Events

At its meeting on May 18, 2017, the board of directors of the Company resolved that the trading unit of the Company shares shall be changed. In addition, at the 102nd general meeting of shareholders on June 28, 2017, shareholders of the Company resolved that the Company shall consolidate its common shares.

(1) Purpose of the share consolidation and change in trading unit

Securities exchanges in Japan issued the "Action Plan for Consolidating Trading Units," aiming to unify the trading unit for common shares of listed companies in Japan to 100 shares.

The Company is listed on the Tokyo Stock Exchange. Respecting this policy, the Company decided to change the trading unit for its common shares from 1,000 shares to 100 shares. In connection with this change, the Company decided to consolidate its shares considering the value range of an investment unit recommended by the securities exchanges (¥50,000 to ¥500,000).

(2) Details of the share consolidation

(i) Type of shares to be consolidated
Common shares

(ii) Method and ratio of consolidation
Effective October 1, 2017, shares held by shareholders who were listed in the final shareholders' register as of September 30, 2017 will be consolidated at the ratio of ten shares to one share.

(iii) Decrease in number of shares due to share consolidation

Total outstanding shares before share consolidation (at March 31, 2017):	78,219,507 shares
Decrease in number of shares due to share consolidation:	70,397,557 shares
Total outstanding shares after share consolidation:	7,821,950 shares

Note: "Decrease in number of shares due to share consolidation" and "total outstanding shares after share consolidation" are theoretical values calculated based on the total number of outstanding shares before share consolidation and the consolidation ratio.

(iv) Treatment of fractional shares after the share consolidation
All fractional shares resulting from the share consolidation will be disposed of by the Company in accordance with the provisions in Article 235 of the Companies Act, and their disposition value will be distributed to relevant shareholders in proportion to the fractional amounts held.

(3) Change in the trading unit

At the same time the share consolidation takes effect, the trading unit of common shares of the Company will be changed from 1,000 shares to 100 shares.

(4) Schedule for share consolidation and change in the trading unit

Date of the meeting of the board of director:	May 18, 2017
Date of the general meeting of shareholders:	June 28, 2017
Effective date of share consolidation and change in the trading unit:	October 1, 2017

(5) Impact on per-share data

Supposing that the share consolidation was implemented at the beginning of the previous fiscal year, the per-share data for the previous fiscal year and the current fiscal year are calculated as follows:

	Yen	
	Year ended March 31, 2017	Year ended March 31, 2016
Profit attributable to owners of parent	¥44.34	¥123.80
Net assets	3,334.09	3,324.46

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

Independent Auditor's Report

The Board of Directors
IWASAKI ELECTRIC Co., Ltd.

We have audited the accompanying consolidated financial statements of IWASAKI ELECTRIC Co., Ltd. and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2017, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility 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 designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of IWASAKI ELECTRIC Co., Ltd. and its consolidated subsidiaries as at March 31, 2017, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Ernst & Young ShinNihon LLC

June 28, 2017
Tokyo, Japan

Board of Directors and Corporate Data

Chairman
Bunya Watanabe

President and Chief Executive Officer
Yoshitake Ito

Director and Senior Executive Officer
Yoshimasa Kida

Director and Senior Executive Officer
Kazuo Saotome

Director and Senior Executive Officer
Masanori Kato

Director and Senior Executive Officer
Masayuki Arimatsu

Outside Director
Toshiharu Takasu

Outside Director
Shungo Hiromura

Audit & Supervisory Board Member
Hideya Fujii

Audit & Supervisory Board Member
Teruo Yoshii

Outside Audit & Supervisory Board Member
Koichi Ikeda

Outside Audit & Supervisory Board Member
Shouzou Watanabe

Senior Executive Officer
Makoto Inamori

Senior Executive Officer
Sumio Uehara

Executive Officer
Haruhiko Hoshino

Executive Officer
Tomohiko Yamada

Executive Officer
Hirofumi Inoue

Executive Officer
Takeyuki Kakinuma

Executive Officer
Tsuyoshi Itokawa

(As of July 1, 2017)

IWASAKI ELECTRIC Co., Ltd.

Date of Establishment: August 18, 1944

Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8611

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

Capital: ¥8,640 million

Common Stock
Authorized: 239,000,000 shares
Issued and Outstanding: 78,219,507 Shares (as of September 30, 2017)
7,821,950 Shares (as of October 1, 2017)
Number of Shareholders: 7,030

Major Shareholders	% of Total
Minebear Mitsumi Inc.	3.83
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank)	2.47
The Master Trust Bank of Japan, Ltd.	2.38
Mizuho Bank, Ltd.	2.34
The Meiji Yasuda Life Insurance Company	2.30
The Sumitomo Mitsui Banking Corp.	2.15
Iwasaki Electric Cooperative Association Stock Ownership Plan	2.10
Nippon Tochi-Tatemono Co.,Ltd	1.97
EYE LAMP employee stock ownership plan	1.88
Japan Trustee Services Bank, Ltd. (Trust Account)	1.88

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.
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Independent Certified Public Accountants
Ernst & Young ShinNihon LLC

Directory

Domestic Plants and Offices

Head Office
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8611

Global Sales & Marketing Division
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8630
Facsimile: +81-3-5847-8647

Sales Business Division
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8624
Local Offices: 41 locations

Private Sector Sales Division
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8632

Lighting Solution Sales office
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-6861-0040

Applied Optics and
Environment Sales Division
Bakurocho-daiichi Bldg. 1-4-16,
Nihonbashi-bakurocho, Chuo-ku,
Tokyo 103-0002, Japan
Phone: +81-3-5847-8637

Research and Development
Research & Development
Department

Development and Production
Saitama Plant
Kawasato Factory
Honjo Factory

Domestic Affiliates

●Manufacture

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

TSUKUBA IWASAKI CO., LTD.
Established in 1961
Manufacture and sales of luminaires
and electrical appliances

CHICHIBU IWASAKI CO., LTD.
Established in 1985
Manufacture of Halogen lamps,
Thin film products, etc.

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

EYE ELECTRON BEAM CO., LTD.
Established in 1986
Manufacture and sales of EB products,
EB equipment maintenance and
EB irradiation services

EYE THREE MFG. CO., LTD.
Established in 1988
Manufacture and sales of light poles,
stands and customized lighting luminaires

ITO DENKI CO., LTD.
Acquired in 1997
Manufacture of explosion proof luminaires

●Sales

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

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

KINKI LIGHT CUBE CO., LTD.
Established in 1995
Design, manufacture and sales of luminaries
including for emergency exit sign and of
components

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

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

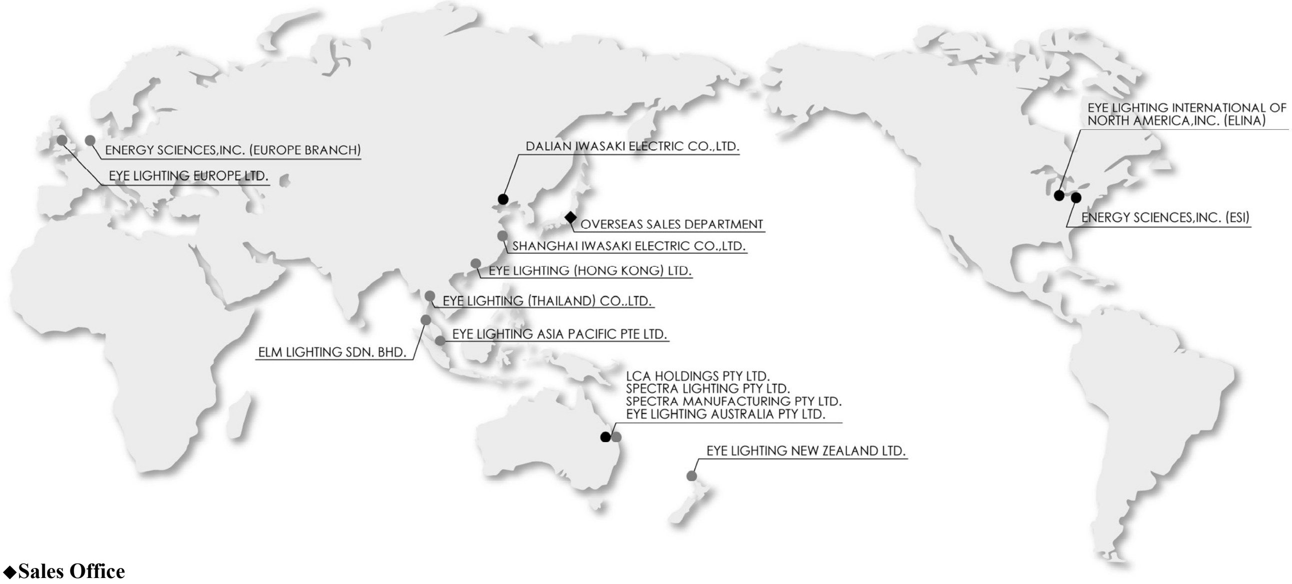
EYE ONE CO., LTD.
Established in 1987
Service trade for the Iwasaki Group, such as
insurance agency operations

EYE LIGHTING DEVICE CO., LTD.
Established in 1988
Sales of raw materials and materials for light
sources and lighting luminaires. Import export
of those items.

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

(As of July 1, 2017)

Global Network



◆**Sales Office**
International Business Division
Overseas Sales Department

●**Manufacture**

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

EYE LIGHTING INTERNATIONAL OF NORTH AMERICA, INC. (ELINA)
Established in 1989
9150 Hendricks Road, Mentor, OHIO44060, U.S.A.
Phone: +1-888-665-2677
Facsimile: +1-440-350-7001
Manufacture and sales of HID lamp, arc tubes and outer bulbs

ENERGY SCIENCES, INC. (ESI)
Acquired in 1988
42 Industrial Way, Wilmington, MA 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

SPECTRA LIGHTING PTY LTD.
Acquired in 1999
15 Industrial Avenue Wacol QLD 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 QLD 4076, Australia
Phone: +61-7-3335-3502
Facsimile: +61-7-3355-3533
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: + 852-2368-8782
Facsimile: + 852-2481-2661
Materials procurement in China, inspection and exports Sales in China of lamps, luminaries and electric equipment

EYE LIGHTING (THAILAND) CO.,LTD.
Established in 2015
21F,Room No.2105-6, United Business Center II Building, Sukhumvit Road Soi 33, North Klongton, Wattana, Bangkok 10110, Thailand
Phone: +66-0-2-662-1867
Facsimile: +66-0-2-662-1868

EYE LIGHTING EUROPE LTD.
Established in 2007
c/o Regus Uxbridge, Highbridge Industrial Estate, Oxford Road,Uxbridge, Middlesex, UB8 1HR, United Kingdom
Phone: +44-0-1895-876431
Facsimile: +44-0-1895-814666
Sales of lamps, luminaires and electric equipment

ENERGY SCIENCES, INC. (EUROPE BRANCH)
Established in 2000
Manitobadreef 11, 3565 CH Utrecht, Netherlands
Phone: +31-33-422-7288
Facsimile: +31-33-422-7280
Import and distributor of electron-beam processors

EYE LIGHTING (HONG KONG) LTD.
A joint venture with Hosoda Trading Company, established in 1992
Room 609, Silvercord Tower 2, 30 Canton Road, Tsimshatsui, Kowloon , Hong Kong
Phone: +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 QLD 40760 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 QLD 4076, Australia
Phone: +61-7-3335-3588
Facsimile: +61-7-3335-3533
Sales of lamps, luminaires and electric equipment
.

EYE LIGHTING NEW ZEALAND LTD.
Established in 1989
18 Levene Place, Mt.Wellington. Auckland, NEW ZEALAND
Phone: +64-9-276-8099
Facsimile: +64-9-276-3474
Sales of lamps, luminaires and electric equipment

(As of July 1, 2017)

IWASAKI ELECTRIC CO., LTD.

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

Printed in Japan