

**Annual Report**

**2020**

**IWASAKI ELECTRIC CO., LTD.**

## **Profile**

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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.”

## **Contents**

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Message from the President	1
Consolidated Six-Year Summary	3
Status of the Business	4
Consolidated Balance Sheet	12
Consolidated Statement of Income	14
Consolidated Statement of Comprehensive Income	15
Consolidated Statement of Changes in Net Assets	16
Consolidated Statement of Cash Flows	17
Notes to Consolidated Financial Statements	18
Independent Auditor’s Report	43
Board of Directors and Corporate Data	44
Directory	45

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## Message from the President

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Upholding the corporate philosophy of “Employing optical technologies to create a comfortable society and sustainable environment,” the Iwasaki Electric Group adheres to the management policy of making strides forward to become a “Light & Environment Company” that realizes the full potential of light and maximizes its leading-edge optical technologies to help reduce environmental impacts by saving energy as well as enhance the safety and security of society.

Given the impact of the U.S.-China trade frictions and the stalled production and reduced consumption resulting from efforts to prevent the spread of the novel coronavirus (COVID-19), both the global and domestic economy are currently facing a challenging situation that can be described as “the crisis of the century,” which is increasing the uncertainty of the Group’s business environment to unprecedented levels.

Our businesses in the Lighting and Applied Optics and Environment sectors are both highly susceptible to capital investment trends. If corporations continue to postpone capital investment under the current economic conditions, our financial performance is expected to be severely affected. Notwithstanding the challenges expected in some markets, however, we will strive to combine our long-accumulated optical technology with related technologies in the two sectors with the aim of providing products with unique features and expanding our solutions businesses including peripheral businesses.

In our business in the Lighting sector, we expect to see ongoing government initiatives to promote the use of LED lighting for stock demand, while in our business in the Applied Optics and Environment sector, markets related to UV-curing systems are experiencing a heightening momentum toward the reduction of environmental impacts. We will make efforts to seize these opportunities and capture related demands.

Our business in the Lighting sector will strive to develop high-value-added products that meet market needs and pursue total solution business including peripheral businesses in the fields of facility lighting and industrial lighting. Production, export, and import of all mercury lamps will be prohibited effective December 31, 2020, but we see this as an opportunity to introduce LED lighting as replacements for mercury lamps, and are poised to expand our lineup of alternative products. By combining LED lighting with control functions, we believe we can enhance the energy-saving capacity and lighting quality and effect of LEDs, thereby creating a comfortable and enjoyable lighting environment. In product development, increased focus will be placed on integrating the Group’s proprietary light distribution and circuit control technologies with external technologies to develop environmentally friendly and energy-efficient lighting systems. In addition, by building on our special expertise in outdoor lights, we will also develop lighting systems that help prevent and mitigate natural disasters, which are increasing in frequency today. To cater to the environmental changes and diversifying market needs, we will not only strengthen our procurement skills for equipment and devices, but also promote research and development with the aim of achieving technologies and solutions that allow us to offer software and new services related to the hardware we provide.

Our business in the Applied Optics and Environment sector will strive to push forward our new solution business in the environmental testing, UV/EB curing, and sterilization fields by applying the Group’s diverse optical technologies including electron beams and ultraviolet rays.

In the environmental testing field, efforts will be made to maintain and expand business by developing new test equipment and a light radiation system, as well as by strengthening marketing activities both in Japan and abroad.

In the UV/EB cure and sterilization/disinfection/water treatment-related fields, we will work to advance into new markets and develop novel applications in addition to engaging in research and development and marketing of individual products in conventional industries.

In our business in the Applied Optics and Environment sector, while undertaking the above short-term initiatives, we will make maximum use of the Group’s proprietary basic optical technologies to proactively combine them with peripheral technologies. Meanwhile, from the medium- and long-term perspectives, we will strive to control environmental pollution and endeavor to open up new business fields.

The Iwasaki Electric Group aims to build a corporate structure that supports sustainable growth by improving corporate value with its lighting and optical technologies. To achieve this goal, in the Lighting sector and the Applied Optics and Environment sector, we allocate our business resources intensively to research and development and marketing activities to promote solutions businesses and to optimize our workforce so as to respond quickly to changes in the market.

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

June 2020

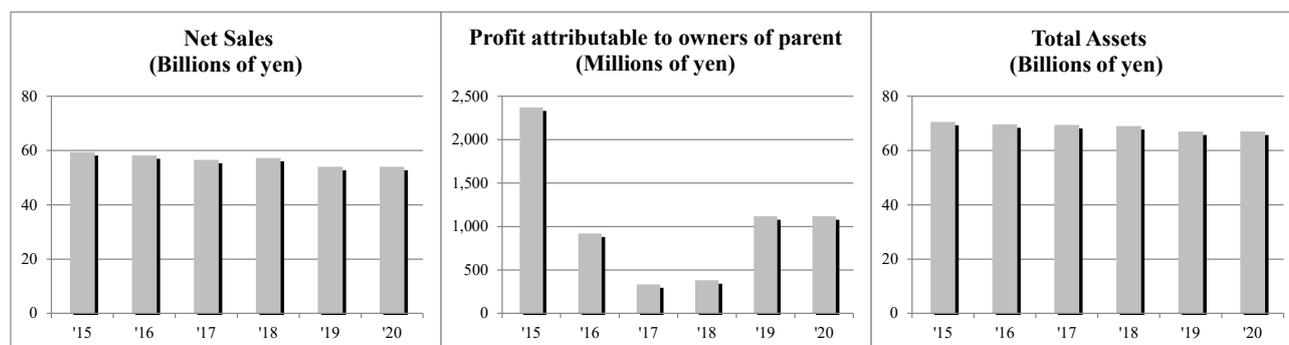
Yoshitake Ito  
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read "Yoshitake Ito". The signature is fluid and cursive, with the first name "Yoshitake" written in a larger, more prominent script than the last name "Ito".

## Consolidated Six-Year Summary

	Millions of yen					
	Year ended March 31					
	2015	2016	2017	2018	2019	2020
<b>For the year:</b>						
Net sales	¥59,476	¥58,206	¥56,611	¥57,328	¥54,006	<b>¥59,274</b>
Profit attributable to owners of parent	2,371	920	335	381	1,119	<b>2,681</b>
<b>At year-end:</b>						
Total assets	¥70,573	¥69,636	¥69,463	¥69,625	¥67,288	<b>¥69,450</b>
Total shareholders' equity <sup>2</sup>	25,968	24,722	25,791	26,342	26,921	<b>28,982</b>
Working capital	23,381	27,862	25,777	22,133	25,448	<b>27,528</b>
Long-term bank loans, less current portion	500	2,350	2,816	2,500	5,300	<b>4,400</b>
<b>Amounts per share:<sup>3</sup></b>						
Profit attributable to owners of parent	¥31.88	¥12.38	¥44.34	¥49.31	¥144.75	<b>¥348.63</b>
Cash dividends	4.00	4.00	4.00	40.00	40.00	<b>40.00</b>

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

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

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

#### (1) Management Policy

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

#### (2) Business Environment

The outlook for the global and Japanese economy has become even more uncertain due to the effect of trade frictions between the U.S. and China as well as the spread of COVID-19, the disease caused by the novel coronavirus. In particular, COVID-19 is expected to affect the performance of our businesses in the Lighting sector and in the Applied Optics and Environment sector if production activities stagnate in industries where we have customers or if companies hold back on investments because of the coronavirus crisis.

While the outlook for the future is expected to be severe under these circumstances, we believe that the stock demand for LED lights will continue to increase in the Lighting sector as companies switch to LED lighting. In the Applied Optics and Environment sector, hygiene awareness is increasing regarding sterilization due to the spread of COVID-19. In the UV cure business area, awareness around measures to reduce environmental impacts is rising in the related market. We will engage in business activities focusing on these market environments.

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

The Iwasaki Electric Group promotes the integration of the optical technology and related technologies that it has cultivated in the Lighting sector and in the Applied Optics and Environment sector in order to provide unique products and expand its solution businesses, including in peripheral fields.

The spread of COVID-19 will not lead to an immediate modification of our management strategy. However, we will evaluate the circumstances carefully, develop future measures at an unprecedented speed, and review the management strategy as necessary.

#### (Lighting Sector)

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

Manufacture, import, and export of mercury lamps will be prohibited at the end of December 2020. This will promote the expansion of the LED lighting market. Taking this opportunity, we will expand our LED light product lines as a replacement for mercury lamps.

The LED lighting equipment business can further enhance the energy-saving performance of LEDs by combining a control system. We also believe that it is possible to create a comfortable and enjoyable lighting environment by improving the quality of light and designing the rendition. In product development, we are focusing even more on the development of environment-friendly lighting systems with high energy-saving performance by combining our technologies in light distribution and circuit control with technologies of external parties.

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

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

(Applied Optics and Environment Sector)

Our business in the Applied Optics and Environment sector seeks growth in the fields of sterilization, environmental testing, and UV/EB cure by applying the Group's various lighting technologies, such as those related to electron beams and ultraviolet rays.

In the field of sterilization, strengthening hygiene measures is currently an urgent issue worldwide. We will contribute to the improvement of the hygienic environment and the prevention of the spread of infectious diseases by providing a product lineup that applies the ultraviolet sterilization technology we have cultivated over many years.

The environmental testing business strives to maintain and expand its sales by developing new test equipment and a light radiation system, as well as by strengthening activities in both in Japan and international markets. In the UV/EB cure business, we not only perform R&D and development of specific products for conventional industries but also develop new markets and new applications.

While promoting these short-term plans, our Applied Optics and Environment sector business as a whole will also work on a medium- to long-term plan to create new business fields that will contribute to the prevention of global warming and environmental pollution control by maximally utilizing the basic lighting technologies of the Group in combination with peripheral technologies.

The Iwasaki Electric Group aims to build a corporate structure that supports sustainable growth by improving its corporate value with its lighting and optical technologies. To achieve this goal, in both the Lighting sector and the Applied Optics and Environment sector, we allocate our business resources intensively to research and development and marketing activities to promote solution businesses and optimize our workforce so as to respond quickly to changes in the market.

## 2. Outline of the Operating Results, etc.

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

### (1) Financial Position and Operating Results

During the fiscal year ended March 31, 2020, both the United States and the euro area saw an improvement in the income environment and stable personal consumption, while economic growth visibly slowed down in China due to the intensifying trade frictions with the U.S. The Japanese economy had modestly recovered as personal consumption and capital investment picked up while exports remained weak. At the end of the year, however, the novel coronavirus spread and had a huge impact on the world and the Japanese economy. The business environment has since been rapidly deteriorating and uncertainty about the future is increasing.

Under these circumstances, the Iwasaki Electric Group has conducted its business following the corporate philosophy of “Employing optical technologies to create a comfortable society and sustainable environment.” Our business in the Lighting sector promoted the total solution business, including unique products and peripheral businesses, in the fields of facility lighting and industrial lighting. Our business in the Applied Optics and Environment sector strove to grow the three main businesses—environmental testing, UV/EB cure, and sterilization—by applying various lighting technologies.

As a result, net sales amounted to ¥59,274 million (a 9.8% increase from ¥54,006 million in the previous fiscal year). Operating income increased to ¥3,661 million (a 151.1% increase from ¥1,458 million in the previous fiscal year). Ordinary income totaled ¥3,885 million (a 127.0% increase from ¥1,712 million in the previous fiscal year). Profit attributable to owners of the parent increased to ¥2,681 million (a 139.5% increase from ¥1,119 million in the previous fiscal year).

Operating results by business segment are described below.

#### **Lighting Sector**

Our business in the Lighting sector focused on developing new products for outdoor lights and high ceiling lights that are suitable for the facilities and environments where they are used. We also developed a lighting control system that could maximize the characteristics of LEDs. We proactively made lighting design proposals to provide an optimal lighting environment to match customers’ facilities. In Japan, sales were strong as we focused our marketing on the lighting repair section of local governments, selling a broad lineup of lighting fixtures for roads, and street lighting fixtures that need fewer processes or materials to install. Facility construction and demand for infrastructure development have increased to prepare for the Tokyo Olympics and Paralympics. Against this background, our sales of floodlights for sports facilities and lighting fixtures for landscaping were also strong. In overseas markets, strong sales were mainly achieved in North America. Profitability also improved due to the effects of the streamlining of the operation implemented last year.

As a result, our business in this sector reported net sales of ¥43,189 million (an 8.4% increase from ¥39,859 million in the previous fiscal year), and operating income of ¥4,651 million (an 84.1% increase from ¥2,527 million in the previous fiscal year).

#### **Applied Optics and Environment Sector**

Our business in the Applied Optics and Environment sector actively participated in specialized exhibitions and held seminars to raise market awareness of its new products in the fields of environmental testing and UV/EB cure, including the new xenon tester, multifunctional tester, UV-LED irradiator, and small electron beam irradiator. In the environmental testing field, although sales increased in the automobile industry, sales in other industries were not as high as in the previous year. Consequently, net sales in this field remained flat. Net sales in the UV cure field were about the same as in the previous year as printing equipment sales did not reach the initial plan while FPD sales increased. Net sales in the information equipment business increased, supported by the increase in the number of projects related to information display devices from the previous year and the increase in delivery of uninterruptible power supply systems by active marketing to develop demand for

infrastructure development in preparation for disasters.

As a result, this sector reported net sales of ¥16,159 million (a 13.8% increase from ¥14,202 million in the previous fiscal year) and operating income of ¥924 million (a 14.6% increase from ¥807 million in the previous fiscal year).

The financial position as of March 31, 2020 was as follows:

Total assets as of March 31, 2020 totaled ¥69,450 million, an increase of ¥2,161 million compared to the previous fiscal year-end.

### **Current Assets**

Current assets as of March 31, 2020 totaled ¥47,423 million, an increase of ¥3,590 million compared to the previous fiscal year-end. The major factors were an increase of ¥2,343 million in notes and accounts receivable and electronically recorded monetary claims (operating), and an increase of ¥1,487 million yen in cash and deposits.

### **Noncurrent Assets**

Non-current assets as of March 31, 2020 totaled ¥22,026 million, a decrease of ¥1,428 million compared to the previous fiscal year-end. Major factors were a decrease of ¥1,061 million yen in tangible and intangible non-current assets, mainly due to depreciation/amortization expenses being higher than the total value of the newly acquired assets, and a decrease in investments and other assets, mainly due to a decrease of ¥196 million yen in deferred tax assets.

### **Current Liabilities**

Current liabilities as of March 31, 2020 totaled ¥19,894 million, an increase of ¥1,509 million compared to the previous fiscal year-end. Major factors were an increase of ¥1,833 million in notes and accounts payable and electronically recorded obligations (operating), a decrease of ¥150 million in short-term loans payable, and a decrease of ¥400 million in the current portion of long-term loans payable.

### **Noncurrent Liabilities**

Non-current liabilities as of March 31, 2020 totaled ¥20,555 million, a decrease of ¥1,410 million compared to the previous fiscal year-end. Major factors were a decrease of ¥900 million in long-term loans payable, a decrease of ¥42 million in deferred tax liabilities, and a decrease of ¥62 million in deferred tax liabilities on revaluation.

### **Net Assets**

Net assets as of March 31, 2020 totaled ¥28,999 million, an increase of ¥2,062 million compared to the previous fiscal year-end.

Under shareholders' equity, retained earnings increased by ¥2,511 million. Major factors were recognition of profit attributable to owners of parent of ¥2,681 million and the dividend payment of ¥312 million.

Treasury shares increased by ¥158 million, mainly due to the buyback of the Company's shares conducted upon resolution of the Board of Directors.

## (2) Cash Flows

Cash and cash equivalents as of March 31, 2020 increased by ¥1,487 million to ¥16,260 million compared to the end of the previous fiscal year.

### **Cash flows from operating activities**

Operating activities in the current fiscal year resulted in a net cash inflow of ¥3,916 million, compared to a net cash inflow of ¥2,114 million in the previous fiscal year.

The main inflows were ¥3,874 million in income before income taxes and minority interest, ¥1,532 million in depreciation expenses, and an increase of ¥1,837 million in trade payables. The main outflow was an increase of ¥2,355 million in trade receivables.

### **Cash flows from investment activities**

Net cash used in investment activities amounted to ¥363 million, compared to a net cash outflow of ¥999 million in the previous fiscal year.

The major outflow factors were payment of ¥757 million for the purchase of tangible non-current assets and payment of ¥77 million for the purchase of intangible assets. The major inflow factors were proceeds of ¥425 million from sales of tangible non-current assets.

The proceeds from sales of tangible non-current assets increased by ¥376 million from ¥48 million in the previous year. This increase was because we sold some land in the current fiscal year.

### **Cash flows from financing activities**

Net cash used in financing activities amounted to ¥2,030 million, compared to a net cash outflow of ¥620 million in the previous fiscal year.

The major factors were outflow of ¥1,300 million in repayment of long-term loans payable, net decrease of ¥150 million in short-term loans payable, payment of ¥158 million for the buyback of the Company shares, and payment of ¥312 million for dividends distribution.

In the previous consolidated fiscal year, the net decrease in long-term and short-term loans payable and corporate bonds was ¥205 million, mainly due to the refinancing of long-term loans payable and corporate bonds. In the current consolidated fiscal year, there were no new loans, and the decrease in long-term and short-term loans was ¥1,450 million. The repayment of loans increased by ¥1,245 million compared to the previous consolidated fiscal year.

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

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

Forward-looking statements in the document are based on the judgments as of the end of the fiscal year ended March 2020.

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

The consolidated financial statements of the Iwasaki Electric Group are prepared in accordance with the generally accepted accounting principles of Japan. For details of significant financial policies, please refer to "V. Accounting Status, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements (Significant basic matters for preparing consolidated financial statements)."

We took into account the past results and present conditions and used rational standards to make estimates necessary for preparing the consolidated financial statements. However, because forward-looking statements include uncertainties, the actual results may differ from these estimates.

The major significant accounting estimates used for preparing the consolidated financial statements are as follows.

For accounting estimates associated with the spread of COVID-19, please refer to "V. Accounting Status, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements (Additional Information)."

(Recoverability of deferred tax assets)

The Iwasaki Electric Group records deferred tax assets for future deductible temporary differences that can be recovered in the future based on taxable income calculated according to a future profit plan. Accordingly, if the estimates and assumptions used for developing the profit plan change due to uncertain economic conditions in the future, tax expenses may be incurred by the reduction of deferred tax assets.

(Impairment of non-current assets)

For non-current assets or asset groups that show signs of impairment, if the total undiscounted future cash flows that are expected to be obtained from these assets or asset groups are lower than their book values, the Iwasaki Electric Group reduces their book values to the recoverable values and records the reduced amount as an impairment loss. Accordingly, if the profit plan and assumptions used to estimate the undiscounted future cash flows fluctuate due to uncertain economic conditions in the future, the recording of an impairment loss may become necessary.

#### (2) Recognition, Analysis and Discussion of Operating Results, etc. for the Fiscal Year Ended March 2020

##### • Business results

##### **Gross profit**

Gross profit for the year ended March 31, 2020 increased by ¥2,098 million from the previous fiscal year to ¥18,595 million. The major factor for this increase was an increase in net sales of ¥5,267 million from the previous fiscal year to ¥59,274 million. This was supported by strong sales in the Lighting sector business in Japan, including sales of lighting fixtures for roads as well as street lighting fixtures that need fewer processes or materials to the lighting repair section of local governments, along with increased sales of floodlights for sports facilities and lighting fixtures for landscaping due to increased demand for facility construction and infrastructure development to prepare for the Tokyo Olympics and Paralympics.

##### **Operating income**

Operating income for the year ended March 31, 2020 increased by ¥2,203 million from the previous fiscal year to ¥3,661 million. Major factors were an increase in gross profit as mentioned above, and a decrease of ¥104 million in selling, general, and administrative expenses as a result of the decrease in labor costs achieved by consolidated subsidiaries in North America by the streamlining of their operations.

## Ordinary income

Ordinary income for the year ended March 31, 2020 increased by ¥2,173 million from the previous fiscal year to ¥3,885 million. The main factors include the increase mentioned above in gross profit and operating income, and reporting of non-operating income for compensation of ¥215 million received for the move of the head office of the reporting company. The non-operating income was partially offset with non-operating expenses of ¥57 million incurred for the move of the head office.

In non-operating profit and loss, we recorded in the previous consolidated fiscal year investment income by the equity method of ¥125 million for the gain on sale of real property of an affiliate reported by the equity method. However, because there was no such factor in the current consolidated fiscal year, we reported investment loss by the equity method of ¥46 million.

## Profit attributable to owners of parent

Profit attributable to owners of parent totaled ¥2,681 million in the year ended March 31, 2020, an increase of ¥1,562 million compared to the previous fiscal year. The major factors were the increases in profits mentioned above. There was no significant movement in extraordinary income/loss. Tax expenses increased by ¥623 million yen compared to the previous fiscal year mainly due to the increase in profits.

The impact of COVID-19 on the business results for the current consolidated fiscal year was not significant as a whole, although, for the business in the Applied Optics and Environment sector, part of the overseas equipment sales was postponed to the next fiscal year due to the impact of travel restrictions that caused a delay in the final inspection.

### • Capital resources and liquidity of funds

The analysis of cash flow for the current fiscal year is described in (2) Cash Flows under “2. Outline of the Operating Results, etc.”

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

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

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

The Company procured no new finance during the current consolidated fiscal year. The balance of loans from financial institutions at the end of the current fiscal year was ¥6,130 million, a decrease of ¥1,450 million from the end of the previous fiscal year. The balance of cash and cash equivalents as of the end of the current fiscal year increased by ¥1,487 million to ¥16,260 million.

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

The total number of shares repurchased is 126,000 (total acquisition price: ¥157 million). The breakdown is 76,200 shares (total acquisition price of ¥99 million) repurchased following the Board resolution on July 29, 2019, and 49,800 shares (total acquisition price of ¥57 million yen) repurchased following the Board resolution on March 9, 2020.

The Company will use cash on hand for growth strategies, returns to shareholders, and reduction of interest-bearing debts. However, if sales decrease significantly or collection of receivables from customers is delayed due to the impact of COVID-19, we may experience a decrease in cash on hand. We will monitor the future situation, and manage and secure sufficient cash on hand, considering the balance between business safety and investment.

In the research and development area, the research and development expenses for the year ended March 31, 2020 increased by ¥88 million from the previous fiscal year to ¥547 million.

In the future, our business in the Lighting sector will continue to strengthen its ability to procure equipment and devices to respond to changes in the environment and diverse market needs. We also invest in

research and development that can achieve technologies and solutions incorporating related software and new services in addition to the hardware. In our business in the Applied Optics and Environment sector, in the field of sterilization, we work on strengthening the UV sterilization technology for hygiene management. In the field of environmental testing, we will invest in the development of new test equipment. In the UV/EB cure field, we will invest not only in R&D and product development of individual products for conventional industries but also in the development of new markets and new applications.

Capital investment remained the same as the previous fiscal year at ¥906 million.

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

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

#### **4. Important Business Agreements**

Not Applicable.

## Consolidated Balance Sheet

At March 31, 2020 and 2019

### ASSETS

	Millions of yen	
	March 31, 2020	March 31, 2019
<b>Current assets</b>		
Cash and deposits (Notes 20 and 24)	¥ 16,261	¥ 14,774
Notes and accounts receivable - trade (Notes 13 and 24)	14,433	12,820
Electronically recorded monetary claims - operating (Notes 13 and 24)	2,837	2,107
Merchandise and finished goods	6,989	7,077
Work in process	1,593	1,538
Raw materials and supplies	4,729	4,916
Other	611	653
Allowance for doubtful accounts	(33)	(54)
Total current assets	47,423	43,832
<b>Noncurrent assets</b>		
Property, plant and equipment		
Buildings and structures (Note 11)	15,752	16,177
Machinery, equipment and vehicles (Note 11)	14,715	14,831
Tools, furniture and fixtures	8,095	8,063
Land (Notes 11 and 12)	9,337	9,619
Leased assets (Note 21)	144	141
Construction in progress	64	130
	48,109	48,961
Accumulated depreciation	(31,644)	(31,738)
Property, plant and equipment, net	16,465	17,224
Intangible assets		
Software	465	701
Other	248	314
Intangible assets, net	713	1,015
Investments and other assets		
Investment securities (Notes 4, 10 and 24)	4,081	4,209
Deferred tax assets (Note 7)	279	475
Other	510	562
Allowance for doubtful accounts	(23)	(32)
Total investments and other assets	4,847	5,214
Total noncurrent assets	22,026	23,455
Total assets	¥ 69,450	¥ 67,288

See accompanying notes to consolidated financial statements.

## Consolidated Balance Sheet

At March 31, 2020 and 2019

### LIABILITIES AND NET ASSETS

	Millions of yen	
	March 31, 2020	March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade (Note 24)	¥ 7,582	¥ 7,932
Electronically recorded obligations - operating (Note 24)	5,870	3,687
Short-term loans payable (Notes 5 and 24)	830	980
Current portion of long-term loans payable (Notes 5, 11 and 24)	900	1,300
Income taxes payable	941	358
Accrued consumption taxes	569	553
Provision for employees' bonuses	794	732
Provision for repair claims	178	169
Other	2,227	2,670
<b>Total current liabilities</b>	<b>19,894</b>	<b>18,384</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable (Notes 5, 11 and 24)	4,400	5,300
Deferred tax liabilities (Note 7)	29	72
Deferred tax liabilities for land revaluation (Note 12)	1,145	1,208
Liability for retirement benefits (Note 22)	13,200	13,018
Asset retirement obligations (Note 6)	134	62
Provision for share-based remuneration for directors (and other officers)	51	24
Other	1,593	2,279
<b>Total noncurrent liabilities</b>	<b>20,555</b>	<b>21,966</b>
<b>Total liabilities</b>	<b>40,450</b>	<b>40,350</b>
<b>Commitments and contingent liabilities (Note 23)</b>		
<b>Net assets (Note 19)</b>		
<b>Shareholders' equity (Note 9)</b>		
Common stock:	8,640	8,640
Authorized: 23,900,000 shares in 2019 and 2020		
Issued: 7,821,950 shares in 2019 and 2020		
Capital surplus	2,069	2,069
Retained earnings	16,466	13,955
Treasury stock	(298)	(140)
<b>Total shareholders' equity</b>	<b>26,877</b>	<b>24,524</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,546	1,581
Revaluation reserve for land (Note 12)	2,410	2,552
Foreign currency translation adjustments	(378)	(291)
Retirement benefits liability adjustments	(1,472)	(1,445)
<b>Total accumulated other comprehensive income</b>	<b>2,104</b>	<b>2,396</b>
<b>Non-controlling interests</b>	17	16
<b>Total net assets</b>	<b>28,999</b>	<b>26,937</b>
<b>Total liabilities and net assets</b>	<b>¥ 69,450</b>	<b>¥ 67,288</b>

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Income

Years ended March 31, 2020 and 2019

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Net sales	¥ 59,274	¥ 54,006
Cost of sales (Note 14)	40,678	37,509
Gross profit	18,595	16,496
Selling, general and administrative expenses (Note 15)	14,934	15,038
Operating income	3,661	1,458
Other income (Note 16)		
Interest income	5	3
Dividend income	94	91
Foreign exchange gains	–	33
Equity in earnings of affiliates	–	125
Compensation income	215	–
Gain on sales of noncurrent assets	15	15
Gain on sales of investment securities	10	–
Other	129	142
Total other income	471	414
Other expenses (Note 17)		
Interest expenses	100	121
Foreign exchange losses	4	–
Share of loss of entities accounted for using equity method	46	–
Office relocation related expenses	57	–
Loss on sale and retirement of noncurrent assets	36	23
Loss on valuation of investment securities	2	10
Other	9	23
Total other expenses	257	178
Profit before income taxes	3,874	1,694
Income taxes (Note 7)		
Income taxes - current	1,087	386
Income taxes - deferred	105	182
Total income taxes	1,192	569
Profit	2,682	1,125
Profit attributable to non-controlling interests	0	5
Profit attributable to owners of parent	¥ 2,681	¥ 1,119

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Comprehensive Income

Years ended March 31, 2020 and 2019

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit	¥ 2,682	¥ 1,125
Other comprehensive income (Note 18)		
Valuation difference on available-for-sale securities	(34)	(294)
Foreign currency translation adjustments	(62)	(160)
Retirement benefits liability adjustments	(27)	269
Share of other comprehensive income of affiliates accounted for by equity method	(25)	(41)
Total other comprehensive income	(149)	(227)
Comprehensive income	2,532	897
Comprehensive income attributable to:		
Owners of parent	2,531	891
Non-controlling interests	¥ 0	¥ 5

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Changes in Net Assets

Years ended March 31, 2020 and 2019

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

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

	Number of shares of common stock issued	Millions of yen					Total shareholders' equity
		Shareholders' equity					
		Common stock	Capital surplus	Retained earnings	Treasury stock		
Balance at April 1, 2018	7,821,950	¥8,640	¥2,069	¥13,169	(¥139)	¥23,739	
Dividends of surplus	-	-	-	(312)	-	(312)	
Profit attributable to owners of parent	-	-	-	1,119	-	1,119	
Purchase of treasury shares	-	-	-	-	(0)	(0)	
Reversal of revaluation reserve for land	-	-	-	(21)	-	(21)	
Net changes of items other than shareholders' equity	-	-	-	-	-	-	
Total changes during period	-	-	-	785	(0)	785	
Balance at March 31, 2019	7,821,950	¥8,640	¥2,069	¥13,955	(¥140)	¥24,524	

	Millions of yen						Total net assets
	Accumulated other comprehensive income					Non-controlling interests	
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income		
Balance at April 1, 2018	¥1,875	¥2,531	(¥88)	(¥1,714)	¥2,603	¥11	¥26,353
Dividends of surplus	-	-	-	-	-	-	(312)
Profit attributable to owners of parent	-	-	-	-	-	-	1,119
Purchase of treasury shares	-	-	-	-	-	-	(0)
Reversal of revaluation reserve for land	-	-	-	-	-	-	(21)
Net changes of items other than shareholders' equity	(294)	21	(202)	269	(206)	5	(201)
Total changes during period	(294)	21	(202)	269	(206)	5	583
Balance at March 31, 2019	¥1,581	¥2,552	(¥291)	(¥1,445)	¥2,396	¥16	¥26,937

See accompanying notes to consolidated financial statements.

## Consolidated Statement of Cash Flows

Years ended March 31, 2020 and 2019

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities:		
Profit before income taxes	¥ 3,874	¥ 1,694
Adjustments to reconcile profit to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,532	1,715
Increase (decrease) in provision for employee's bonuses	62	113
Increase (decrease) in allowance for doubtful accounts	(30)	38
Increase (decrease) in liability for retirement benefits	182	(573)
Interest and dividend income	(100)	(95)
Interest expenses	100	121
Foreign exchange losses (gains)	21	(30)
Loss (gain) on sales and retirement of property, plant and equipment	21	7
Equity in (earnings) losses of affiliates	46	(125)
Loss (gain) on sales of investment securities	(10)	-
Changes in assets and liabilities:		
Decrease (increase) in notes and accounts receivable - trade	(2,355)	1,477
Decrease (increase) in inventories	190	(217)
Increase (decrease) in notes and accounts payable - trade	1,837	(1,502)
Other	(916)	(82)
Subtotal	4,456	2,539
Interest and dividends income received	102	97
Interest expenses paid	(110)	(126)
Income taxes paid	(531)	(395)
Net cash provided by operating activities	3,916	2,114
Cash flows from investing activities:		
Purchases of property, plant and equipment	(757)	(794)
Proceeds from sales of property, plant and equipment	425	48
Purchases of intangible assets	(77)	(93)
Purchases of investment securities	(10)	(10)
Proceeds from sales of investment securities	13	-
Other	43	(151)
Net cash used in investing activities	(363)	(999)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(150)	10
Proceeds from long-term loans payable	-	4,100
Repayment of long-term loans payable	(1,300)	(1,716)
Redemption of bonds	-	(2,600)
Purchases of treasury shares	(158)	(0)
Cash dividends paid	(312)	(312)
Other	(109)	(101)
Net cash used in financing activities	(2,030)	(620)
Effect of exchange rate changes on cash and cash equivalents	(36)	(5)
Net increase (decrease) in cash and cash equivalents	1,487	488
Cash and cash equivalents at the beginning of the year	14,773	14,284
Cash and cash equivalents at the end of the year (Note 20)	¥ 16,260	¥ 14,773

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

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At March 31, 2020 and 2019

## 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, 2019 to the 2020 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, 2020, the numbers of consolidated subsidiaries and affiliates accounted for by the equity method were 23 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.

### (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, 2020 and 2019, the Company and consolidated subsidiaries had neither trading securities nor held-to-maturity securities.

#### **(f) Derivatives and hedging activities**

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

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

#### **(g) Cash and cash equivalents in the consolidated statements of cash flows**

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

#### **(h) Inventories**

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

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

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

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

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

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

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

#### **(k) Leases**

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

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

**(l) Allowance for doubtful accounts**

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

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

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

**(n) Provision for repair claims**

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

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

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

**(p) Retirement benefits****a) Method of attributing the estimated retirement benefit obligation to periods**

The straight-line method is used to attribute the estimated amount of retirement benefits to periods up to the current fiscal year.

**b) Amortization of actuarial gain or loss and prior service costs**

Prior service costs are amortized as incurred by the straight-line method over a period not exceeding the expected average remaining service years of employees (13 years).

Actuarial gain or loss is amortized from the following fiscal year after recognition using the straight-line method over a period not exceeding the expected average remaining service years of employees (12 years).

**c) Adoption of simplified method for small enterprises, etc.**

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

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

Accounting for revenues and costs of completed construction work

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

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

**b) Other construction contracts**

Completed contract method

**(r) Consumption taxes**

Consumption taxes are calculated by the tax exclusion method.

## 2. Accounting Standards Issued But Not Yet Effective

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

### (1) Outline

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

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

### (2) Scheduled date of adoption

The Company and its domestic subsidiaries will adopt this standard from the fiscal year starting on April 1, 2021.

### (3) Impact of adopting the accounting standard and guidance

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

- Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No.31, March 31, 2020)

### (1) Outline

Paragraph 125 of International Accounting Standard (IAS) 1 “Presentation of Financial Statements” (hereinafter “IAS 1”) issued by the IASB requires disclosure of “sources of estimation uncertainty.” Since this information would also be highly useful to users of financial statements in Japan, a request was made to consider requiring disclosure of such information in the notes to the financial statements under Japanese Accounting Standards. In response, the ASBJ has developed and issued “Accounting Standard for Disclosure of Accounting Estimates” (hereinafter “the Accounting Standard”).

The basic policy of the ASBJ for developing the Accounting Standard is to present the general principle (purpose of the disclosures) but to not specify items to be disclosed in the notes to financial statements, leaving the reporting company to determine what specific information should be disclosed based on the purpose of the disclosures, and to refer to paragraph 125 of IAS 1 when developing the Accounting Standard.

### (2) Scheduled date of adoption

The Iwasaki Electric Group will adopt the standard from the end of the fiscal year ending on March 31, 2021.

- Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No.24, March 31, 2020)

### (1) Outline

It was proposed to consider improving the information disclosed in notes to financial statements regarding “accounting principles and procedures adopted when the relevant accounting standards are unclear.” In response to this, the ASBJ made necessary revisions and issued “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections.”

When improving the information disclosed in the notes to the financial statements regarding “accounting principles and procedures adopted when the relevant accounting standards are unclear,” it is stipulated that the provisions in “Annotations on the Accounting Principles” (Note 1-2) should continue to apply for conventional accounting practices adopted for cases where the relevant accounting standards are clear.

(2) Scheduled date of adoption

The Iwasaki Electric Group will adopt these standards from the end of the fiscal year ending on March 31, 2021.

- Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections (ASBJ Statement No.24, March 31, 2020)

(1) Outline

It was proposed to consider improving the information disclosed in notes to financial statements regarding “accounting principles and procedures adopted when the relevant accounting standards are unclear.” In response to this, the ASBJ made necessary revisions and issued “Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections.”

When improving the information disclosed in the notes to the financial statements regarding “accounting principles and procedures adopted when the relevant accounting standards are unclear,” it is stipulated that the provisions in “Annotations on the Accounting Principles” (Note 1-2) should continue to apply for conventional accounting practices adopted for cases where the relevant accounting standards are clear.

(2) Scheduled date of adoption

The Iwasaki Electric Group will adopt the standard from the end of the fiscal year ending on March 31, 2021.

### 3. Additional Information

Accounting estimates associated with the spread of the novel coronavirus

The spread of COVID-19 in Japan and overseas has affected the performance of the Applied Optics and Environment sector business, including equipment sales overseas due to the impact of travel restrictions that have caused delays in final inspections.

Moreover, if business sentiment to postpone capital investments increases in industries where the Lighting sector and Applied Optics and Environment sector businesses have customers, it may also affect the financial condition and operating results of the Iwasaki Electric Group.

As stated above, the Group expects that the impact of COVID-19 will extend into the next fiscal year. However, the Group does not expect an extreme decline in its business performance, considering profit or loss status in the beginning months of the year ending March 31, 2021, and the Group plans to take timely action based on the daily collection of market information. Based on these assumptions, the Group has made accounting estimates, including the recoverability of deferred tax assets and the impairment accounting of non-current assets.

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

#### 4. Securities and Investment Securities

Information regarding securities and investment securities classified as available-for-sale securities with fair market value at March 31, 2020 and 2019 is summarized as follows:

	Millions of yen					
	March 31, 2020			March 31, 2019		
	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	¥923	¥3,166	¥2,243	¥1,047	¥3,321	¥2,274
Debt securities						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	923	3,166	2,243	1,047	3,321	2,274
Securities whose acquisition cost exceeds their carrying amount (fair market value):						
Equity securities	202	181	(20)	71	70	(1)
Debt securities						
Government bonds	—	—	—	—	—	—
Corporate bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Other	—	—	—	—	—	—
Subtotal	202	181	(20)	71	70	(1)
Total	¥1,126	¥3,348	¥2,222	¥1,118	¥3,392	¥2,273

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

2. Securities for which impairment losses were recognized

For the year ended March 31, 2020, an impairment loss of ¥2 million was recorded in securities (¥2 million in shares under available-for-sale securities).

For the year ended March 31, 2019, an impairment loss of ¥10 million was recorded in securities (¥10 million in shares under available-for-sale securities).

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

Information regarding the sales of investment securities classified as available-for-sale securities with fair market value for the year ended March 31, 2020 and the year ended March 31, 2019 is summarized as follows:

	Millions of yen					
	March 31, 2020			March 31, 2019		
	Proceeds from sales	Gross realized gain	Gross realized loss	Proceeds from sales	Gross realized gain	Gross realized loss
Equity securities	¥13	¥10	—	—	—	—
Debt securities						
Government bonds	—	—	—	—	—	—
Corporation bonds	—	—	—	—	—	—
Other	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total	¥13	¥10	—	—	—	—

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

Short-term loans from banks at an average interest rate of 0.52% amounted to ¥830 million and ¥980 million at March 31, 2020 and 2019, respectively.

Long-term loans, lease obligations and deposits received classified as other long-term liabilities with interest at March 31, 2020 and 2019 consisted of the following:

	Millions of yen	
	March 31, 2020	March 31, 2019
Loans, principally from banks, maturing in installments through 2022 with an average interest rate of 0.86%	¥5,300	¥6,600
Less current portion of loans	(900)	(1,300)
Net	4,400	5,300
Lease obligations	200	276
Less current portion of lease obligations	(90)	(91)
Net	110	185
Deposits received with an average interest rate of 1.86%	1,408	1,991
Total	¥5,919	¥7,477

The annual maturities of long-term loans and lease obligations subsequent to March 31, 2020 are summarized as follows:

	Long-term loans	Lease obligations
	Millions of yen	Millions of yen
Year ending March 31, 2022	¥4,200	¥73
2023	200	32
2024	–	3
2025 and thereafter	–	0

## 6. 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, 2019 and March 31, 2020 accounted for less than 1% of total liabilities and net assets at the beginning and the end of the fiscal year.

## 7. Income Taxes

(1) The tax effects of temporary differences that give rise to a significant portion of the deferred tax assets and deferred tax liabilities at March 31, 2020 and 2019 were as follows:

	Millions of yen	
	March 31, 2020	March 31, 2019
Deferred tax assets:		
Losses carried forward for tax purposes*1	¥410	¥665
Liability for retirement benefits	3,588	3,541
Other	1,197	1,050
Gross deferred tax assets	5,196	5,256
Valuation allowance for tax loss carryforward*1	(389)	(514)
Valuation allowance for total future deductible temporary differences	(3,746)	(3,523)
Valuation reserve subtotal	(4,136)	(4,038)
Total deferred tax assets	1,060	1,218
Deferred tax liabilities:		
Unrealized gain on available-for-sale securities	(678)	(693)
Other	(132)	(122)
Gross deferred tax liabilities	(811)	(816)
Net deferred tax assets	¥249	¥402

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

At March 31, 2020

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

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

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

At March 31, 2019

	Due in 1 year or less (Millions of yen)	Due after 1 year and in 2 years or less (Millions of yen)	Due after 2 years and in 3 years or less (Millions of yen)	Due after 3 years and in 4 years or less (Millions of yen)	Due after 4 years and in 5 years or less (Millions of yen)	Due after 5 years (Millions of yen)	Total (Millions of yen)
Tax loss carryforwards*3	¥2	¥160	¥147	¥18	¥30	¥305	¥665
Valuation allowance	(2)	(67)	(111)	(16)	(29)	(287)	(514)
Deferred tax assets	¥-	¥93	¥36	¥2	¥0	¥17	¥150*4

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

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

(2) The reconciliation of the Japanese statutory tax rate and the effective tax rate applicable to the Company for the years ended March 31, 2020 and 2019 was as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
Japanese statutory tax rate	30.6%	30.6%
(Adjustments)		
Permanent non-deductible differences, including entertainment, etc.	0.8	2.1
Permanent non-taxable differences, including dividend income	(0.2)	(1.1)
Inhabitants taxes per capita, etc.	1.6	3.8
Changes in valuation reserve	2.5	(7.6)
Special deduction amount for income taxes	(4.5)	(1.6)
Differences in tax rate from overseas subsidiaries	(0.6)	2.7
Other	0.5	4.8
Effective tax rate	30.8	33.6

## 8. Rental Properties

For the years ended March 31, 2020 and 2019

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

## 9. 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.

## 10. Investments in Affiliates

Investments in affiliates at March 31, 2020 and 2019 amounted to ¥503 million and ¥574 million, respectively, and are accounted for principally by the equity method.

## 11. Pledged Assets and Secured Liabilities

A summary of assets pledged as collateral and secured liabilities at March 31, 2020 and 2019 is presented below:

	Millions of yen	
	March 31, 2020	March 31, 2019
Pledged assets		
Buildings and structures	¥2,070	¥2,155
Machinery, equipment and vehicles	152	212
Land	2,579	2,579
Total	¥4,801	¥4,946
Secured liabilities		
Current portion of long-term loans payable	¥180	¥880
Long-term loans payable	2,599	2,779
Total	¥2,779	¥3,659

## 12. 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, 2020 and 2019 of land revalued pursuant to Article 16 of the law were ¥2,235 million and ¥2,276 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.

## 13. Trade Notes, etc. Maturing at Fiscal Year-end

For the accounting treatment of notes maturing on the closing date of the consolidated fiscal year, they are recorded as settled on the date of clearance. As the closing date of the previous fiscal year was a bank holiday, notes maturing on that date were included in the balance as of the end of the previous fiscal year.

	Millions of yen	
	March 31, 2020	March 31, 2019
Notes receivable - trade	—	¥257
Electronically recorded monetary claims - operating	—	88

## 14. Cost of Sales

Loss on valuation of inventories of ¥35 million and ¥135 million, net of the amount of the reversal, was included in cost of sales for the years ended March 31, 2020 and 2019, respectively after writing down the carrying values to reflect declines in profitability.

## 15. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2020 and 2019 were as follows. The figures in the following table have been offset against reversals.

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries	¥5,247	¥5,441
Packing and transportation costs	1,731	1,717
Provision for employees' retirement benefits	734	666
Provision for employees' bonuses	445	403
Provision (reversal) of allowance for doubtful accounts	(6)	41

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2020 and 2019 amounted to ¥547 million and ¥458 million, respectively.

## 16. Other Income

Gain on sales of noncurrent assets for the years ended March 31, 2020 and 2019 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Machinery, equipment and vehicles	¥2	¥13
Land	13	1
Total	¥15	¥15

## 17. Other Expenses

Loss on sales and retirement of noncurrent assets for the years ended March 31, 2020 and 2019 were summarized as follows:

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Buildings and structures	¥14	¥6
Machinery, equipment and vehicles	3	0
Tools, furniture and fixtures	5	0
Land	12	–
Other	0	15
Total	¥36	¥23

## 18. Statement of Comprehensive Income

Reclassification adjustments relating to other comprehensive income for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Valuation difference on available-for-sale securities:		
Amount arising during the year	¥(51)	¥(419)
Reclassification adjustments for gain (loss) included in profit	2	0
Total	(49)	(418)
Foreign currency translation adjustments:		
Amount arising during the year	(62)	(160)
Reclassification adjustments for gain (loss) included in profit	—	—
Total	(62)	(160)
Retirement benefits liability adjustments:		
Amount arising during the year	(219)	68
Reclassification adjustments for gain (loss) included in profit	191	200
Total	(27)	269
Share of other comprehensive income of affiliates accounted for by equity method:		
Amount arising during the year	(25)	(41)
Total amount before income taxes	(164)	(352)
Income taxes	14	124
Total other comprehensive income	¥(149)	¥(227)

Tax effects relating to other comprehensive income for the years ended March 31, 2020 and 2019 were as follows:

	Millions of yen	
	March 31, 2020	March 31, 2019
Valuation difference on available-for-sale securities		
Before tax effect	¥(49)	¥(418)
Tax effect	14	124
After tax effect	(34)	(294)
Foreign currency translation adjustments		
Before tax effect	(62)	(160)
Tax effect	—	—
After tax effect	(62)	(160)
Retirement benefits liability adjustments		
Before tax effect	(27)	269
Tax effect	—	—
After tax effect	(27)	269
Share of other comprehensive income of affiliates accounted for by equity method		
Before tax effect	(25)	(41)
Tax effect	—	—
After tax effect	(25)	(41)
Total other comprehensive income		
Before tax effect	(164)	(352)
Tax effect	14	124
After tax effect	¥(149)	¥(227)

## 19. 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, 2020

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

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

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

For the year ended March 31, 2019

	Number of shares (Thousand)			
	April 1, 2018	Increase	Decrease	March 31, 2019
Type of issued shares				
Common stock	7,821	–	–	7,821
Total	7,821	–	–	7,821
Type of treasury stock				
Common stock*1, *2	87	0	–	87
Total	87	0	–	87

\*1. The increase of 0 thousand common shares in treasury stock is due to the buyback of fractional shares of less than one trading lot.

\*2. The number of treasury shares as of March 31, 2019 includes 80,000 shares held by the Board Benefit Trust (BBT).

### (b) Matters related to dividends

#### 1. Amount of dividends

For the year ended March 31, 2020

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

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

For the year ended March 31, 2019

(Resolution)	Type	Total dividends paid (Millions of yen)	Amount of dividends per share (Yen)	Cut-off date	Effective date
Ordinary General Meeting of Shareholders on June 27, 2018	Common stock	¥312	¥40	March 31, 2018	June 28, 2018

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

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

For the year ended March 31, 2020

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

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

For the year ended March 31, 2019

(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 27, 2019	Common stock	¥312	Retained earnings	¥40	March 31, 2019	June 28, 2019

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

## 20. Supplemental Cash Flow Information

A reconciliation of cash and cash equivalents at March 31, 2020 and 2019 to cash and deposits in the accompanying consolidated balance sheets was as follows:

	Millions of yen	
	March 31, 2020	March 31, 2019
Cash and deposits	¥16,261	¥14,774
Time deposits with maturity in excess of three months	(1)	(1)
Cash and cash equivalents	¥16,260	¥14,773

## 21. 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.

## 22. 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, 2020	Year ended March 31, 2019
Retirement benefit obligations at April 1	¥14,985	¥15,720
Service costs	649	681
Actuarial loss	65	(148)
Retirement benefits paid	(604)	(1,267)
Retirement benefit obligations at March 31	¥15,096	¥14,985

#### (2) The changes in plan assets

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Plan assets at April 1	¥3,318	¥3,359
Expected return on plan assets	76	120
Actuarial gain	(154)	(79)
Contributions by the Company	347	360
Retirement benefits paid	(248)	(441)
Plan assets at March 31	¥3,339	¥3,318

#### (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, 2020	March 31, 2019
Funded retirement benefit obligations	¥5,866	¥5,773
Plan assets	(3,339)	(3,318)
	2,527	2,455
Unfunded retirement benefit obligations	9,229	9,212
Net liability for retirement benefits in the consolidated balance sheet	11,756	11,667
Liability for retirement benefits	11,756	11,667
Net liability for retirement benefits in the consolidated balance sheet	¥11,756	¥11,667

#### (4) The components of retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Service costs	¥649	¥681
Expected return on plan assets	(76)	(120)
Amortization of actuarial loss	189	197
Amortization of prior service costs	2	2
Retirement benefit expenses	¥765	¥761

(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, 2020	Year ended March 31, 2019
Prior service costs	¥2	¥2
Actuarial loss	(30)	266
Total	¥(27)	¥269

(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, 2020	March 31, 2019
Unrecognized prior service costs	¥7	¥10
Unrecognized actuarial loss	1,465	1,435
Total	¥1,472	¥1,445

(7) Plan assets

(i) Major components of plan assets

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

	%	
	March 31, 2020	March 31, 2019
General accounts	48%	45%
Stocks	20	25
Bonds	30	29
Others	2	1
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, 2020	Year ended March 31, 2019
Discount rate	0.0%	0.0%
Long-term expected return on plan assets	2.3%	3.6%
Anticipated salary increase rate	0.0%–4.4%	0.0%–3.7%

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, 2020	Year ended March 31, 2019
Liability for retirement benefits at April 1	¥1,351	¥1,300
Retirement benefit expenses	172	119
Retirement benefits paid	(32)	(23)
Plan contributions	(47)	(46)
Liability for retirement benefits at March 31	¥1,444	¥1,351

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

	Millions of yen	
	March 31, 2020	March 31, 2019
Funded retirement benefit obligations	¥556	¥525
Plan assets	(411)	(398)
	145	126
Unfunded retirement benefit obligations	1,298	1,224
Net liability for retirement benefits in the consolidated balance sheet	1,444	1,351
Liability for retirement benefits	1,444	1,351
Net liability for retirement benefits in the consolidated balance sheet	¥1,444	¥1,351

(3) Retirement benefit expenses

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Retirement benefit expenses calculated using the simplified method	¥172	¥119

4. Defined contribution plan

Required amounts of contribution to the defined contribution plan for consolidated subsidiaries were ¥23 million for the year ended March 31, 2020 and ¥23 million for the year ended March 31, 2019.

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 ¥227 million for the year ended March 31, 2020 and ¥231 million for the year ended March 31, 2019.

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

	Millions of yen	
	March 31, 2019	March 31, 2018
Plan assets at fair value	¥127,216	¥130,908
Actuarial obligations for the pension financing accounting	141,568	146,380
Projected benefit obligations in excess of plan assets	¥(14,351)	¥(15,471)

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

For the year ended March 31, 2019	3.63%
For the year ended March 31, 2018	3.69%

(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 (¥16,886 million for the year ended March 31, 2019 and ¥18,834 million for the year ended March 31, 2018). Prior service costs are amortized by the straight-line method over a period of 20 years under this plan.

## 23. Commitment and Contingent Liabilities

The commitment credit line agreements, which had been concluded with five banks to secure flexibility in fund procurement, expired on March 31, 2020.

Relevant amounts at March 31, 2020 and 2019 were as follows:

	Millions of yen	
	March 31, 2020	March 31, 2019
Commitment lines extended	–	¥1,500
Loans payable	–	–
Unused balance	–	¥1,500

This commitment line contract included the following restrictive financial covenants for the year ended March 31, 2019:

To maintain net assets of at least ¥19.7 billion on the consolidated balance sheet at the end of each fiscal year and second quarter.

## **24. 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, 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, 2020 and 2019 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, 2020

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

At March 31, 2019

	Carrying amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
(1) Cash and deposits	¥14,774	¥14,774	¥-
(2) Notes and accounts receivable - trade	12,820	12,820	-
(3) Electronically recorded monetary claims - operating	2,107	2,107	-
(4) Investment securities	3,392	3,392	-
Total assets	¥33,094	¥33,094	¥-
(5) Notes and accounts payable - trade	¥7,932	¥7,932	¥-
(6) Electronically recorded obligations - operating	3,687	3,687	-
(7) Short-term loans payable	980	980	-
(8) Long-term loans payable	6,600	6,656	56
Total liabilities	¥19,200	¥19,256	¥56
Derivatives	¥-	¥-	¥-

(Notes)

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

Assets

“(1) Cash and deposits,” “(2) Notes and accounts receivable - trade,” and “(3) Electronically recorded monetary claims - operating”  
Book value is used as fair value because these items are to be settled in a short period of time and fair value is almost equal to book value.

“(4) Investment securities”

Investment securities are reported at the current market prices quoted by stock exchanges. Notes relating to securities held for different purposes are described in notes under “4. Securities and Investment Securities.”

Liabilities

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

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

“(8) Long-term loans payable”

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

Derivatives

See note “25. Derivatives.”

2) Financial instruments whose fair values are not readily determinable at March 31, 2020 and 2019 are as follows:

Category	Millions of yen	
	March 31, 2020	March 31, 2019
Unlisted equity securities	¥683	¥756
Investments in limited liability partnership	¥49	¥60

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, 2020 and 2019 are summarized as follows:

At March 31, 2020

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

At March 31, 2019

	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	¥14,774	¥-
(2) Notes and accounts receivable - trade	12,820	-
(3) Electronically recorded monetary claims - operating	2,107	-
Total	¥29,701	¥-

4) Bonds payable, long-term loans payable and other interest-bearing liabilities with repayment dates subsequent to March 31, 2020 and 2019 are summarized as follows:

At March 31, 2020

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

At March 31, 2019

	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	¥980	¥-	¥-	¥-	¥-	¥-
Long-term loans payable	1,300	900	4,200	200	-	-
Total	¥2,280	¥900	¥4,200	¥200	¥-	¥-

## 25. Derivatives

At March 31, 2020 and 2019, 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, 2020 and 2019 for which hedge accounting has been applied are summarized as follows:

At March 31, 2020

	Notional amount (Millions of yen)		Fair value (Millions of yen)
	Maturing within one year	Maturing after one year	
Interest rate swap hedging long-term loans payable, accounted for by short-cut method:			
Receive/floating and pay/fixed	¥250	¥250	*1

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

At March 31, 2019

	Notional amount (Millions of yen)		Fair value (Millions of yen)
	Maturing within one year	Maturing after one year	
Interest rate swap hedging long-term loans payable, accounted for by short-cut method:			
Receive/floating and pay/fixed	¥250	¥250	*1

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

## 26. Segment Information

### Segment Information (For the years ended March 31, 2020 and 2019)

#### 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, 2020	Year ended March 31, 2019
Sales:		
Lighting Sector	¥ 43,164	¥ 39,835
Applied Optics and Environment Sector	16,109	14,170
	59,274	54,006
Corporate and eliminations:		
Lighting Sector	24	24
Applied Optics and Environment Sector	49	31
	74	55
Adjustments	(74)	(55)
	¥ 59,274	¥ 54,006
Segment Income (loss):		
Lighting Sector	¥ 4,651	¥ 2,527
Applied Optics and Environment Sector	924	807
	5,576	3,334
Adjustments	(1,915)	(1,876)
	¥ 3,661	¥ 1,458
Segment Assets:		
Lighting Sector	¥ 39,127	¥ 37,430
Applied Optics and Environment Sector	17,546	18,126
	56,673	55,556
Adjustments	12,776	11,731
	¥ 69,450	¥ 67,288
Depreciation and Amortization:		
Lighting Sector	¥ 1,060	¥ 1,243
Applied Optics and Environment Sector	471	472
	1,532	1,715
Adjustments	–	–
	¥ 1,532	¥ 1,715
Increase in Property, Plant and Equipment and Intangible Assets:		
Lighting Sector	¥ 585	¥ 686
Applied Optics and Environment Sector	320	220
	906	906
Adjustments	–	–
	¥ 906	¥ 906

Notes: 1. The adjustments for segment income (loss) of ¥ (1,915) million and ¥ (1,876) million at March 31, 2020 and 2019, respectively, include corporate costs, etc., which have not been allocated to the reportable segments.

2. The adjustments for segment assets of ¥12,776 million and ¥11,731 million at March 31, 2020 and 2019 respectively, include financial assets, etc., of the Company, which have not been allocated to the reportable segments.

## Related Information

For the years ended March 31, 2020 and 2019

### 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, 2020	Year ended March 31, 2019
Japan	¥52,103	¥47,064
North America	4,626	4,134
Asia	2,241	2,517
Other	303	289
Total	¥59,274	¥54,006

#### (2) Property, Plant and Equipment

No description is provided because property, plant and equipment in Japan at March 31, 2020 and 2019 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, 2020 and 2019 in the consolidated statements of income.

## 27. Amounts per Share

Per share information at and for the years ended March 31, 2020 and 2019 was as follows:

	Yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to owners of parent	¥348.63	¥144.75
Net assets	3,809.58	3,480.86

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

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

For the purpose of calculating net income per share, these shares held by BBT were included in treasury shares excluded from the calculation of the average number of outstanding shares during the fiscal year (80,000 shares for the previous fiscal year and 80,000 shares for the current fiscal year).

The basis of the computation of profit attributable to owners of parent per share for the years ended March 31, 2020 and 2019 is as follows:

	Millions of yen	
	Year ended March 31, 2020	Year ended March 31, 2019
Profit attributable to owners of parent	¥2,681	¥1,119
Amount not attributable to normal shareholders	—	—
Profit attributable to owners of parent allocable to common shares	¥2,681	¥1,119
Average number of common shares for the period (shares)	7,691,651	7,734,307

## 28. Business Combinations

Not Applicable.

## 29. Related Party Transactions

For the year ended March 31, 2020

Not Applicable.

For the year ended March 31, 2019

Not Applicable.

## 30. Stock Options

For the year ended March 31, 2020

Not Applicable.

For the year ended March 31, 2019

Not Applicable.

## 31. Significant Subsequent Events

Not Applicable.

# Independent Auditor's Report

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The Board of Directors  
IWASAKI ELECTRIC Co., Ltd.

## Opinion

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, 2020, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

## Basis for Opinion

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Ernst & Young ShinNihon LLC  
Tokyo, Japan

June 25, 2020

植村 文雄



Fumio Uemura  
Designated Engagement Partner  
Certified Public Accountant

滑川 雅臣



Masato Namekawa  
Designated Engagement Partner  
Certified Public Accountant

## Board of Directors and Corporate Data

President and Chief Executive Officer  
Yoshitake Ito

Director and Senior Executive Officer  
Masanori Kato

Director and Senior Executive Officer  
Makoto Inamori

Director and Senior Executive Officer  
Sumio Uehara

Director and Senior Executive Officer  
Seiji Aoyama

Outside Director  
Kenji Oya

Outside Director  
Tsuneo Tanai

Audit & Supervisory Board Member  
Hiroaki Kato

Audit & Supervisory Board Member  
Haruhiko Hoshino

Outside Audit & Supervisory Board Member  
Shouzou Watanabe

Outside Audit & Supervisory Board Member  
Naoto Suzuki

Senior Executive Officer  
Masayuki Arimatsu

Senior Executive Officer  
Tomohiko Yamada

Executive Officer  
Tsuyoshi Itokawa

Executive Officer  
Akira Urushihara

Executive Officer  
Hidemi Orito

Executive Officer  
Kenji Ikeda

(As of June 25, 2020)

IWASAKI ELECTRIC Co., Ltd.

Date of Establishment: August 18, 1944

Nomurafudosan-higashinibashi Bldg. 1-1-7,  
Higashinibashi, Chuo-ku,  
Tokyo 103-0004, Japan  
Phone: +81-3-5846-9010

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

Capital: ¥8,640 million

Common Stock  
Authorized: 23,900,000 shares  
Issued and Outstanding: 7,821,950 shares  
(Including 134,141 shares of treasury stock)  
Number of Shareholders: 7,508  
Number of employees: 1,873 (Consolidated)

Major Shareholders	% of Total
The Master Trust Bank of Japan, Ltd.	5.22
Minebea Mitsumi Inc.	3.90
Japan Trustee Services Bank, Ltd. (Trust Account)	3.28
Iwasaki Electric Cooperative Association Stock Ownership Plan	2.66
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank)	2.63
Mizuho Bank, Ltd.	2.39
The Meiji Yasuda Life Insurance Company	2.34
EYE LAMP employee stock ownership plan	2.19
The Sumitomo Mitsui Banking Corp.	2.19
Japan Trustee Services Bank, Ltd. (Trust Account 5)	2.03

Stock Exchange Listings  
Tokyo Stock Exchange 1st Section

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

Independent Certified Public Accountants  
Ernst & Young ShinNihon LLC

# Directory

## Domestic Plants and Offices

Head Office  
Nomurafudosan-higashinohonbashi  
Bldg. 1-1-7, Higashinohonbashi,  
Chuo-ku, Tokyo 103-0004, Japan  
Phone: +81-3-5846-9010

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

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

Global Sales &  
Marketing Department  
Phone: +81-3-5846-9025  
Facsimile: +81-3-5846-9036

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

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

## Domestic Affiliates

### ●Manufacture

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

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

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

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

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

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

### ●Sales

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

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

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

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

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

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

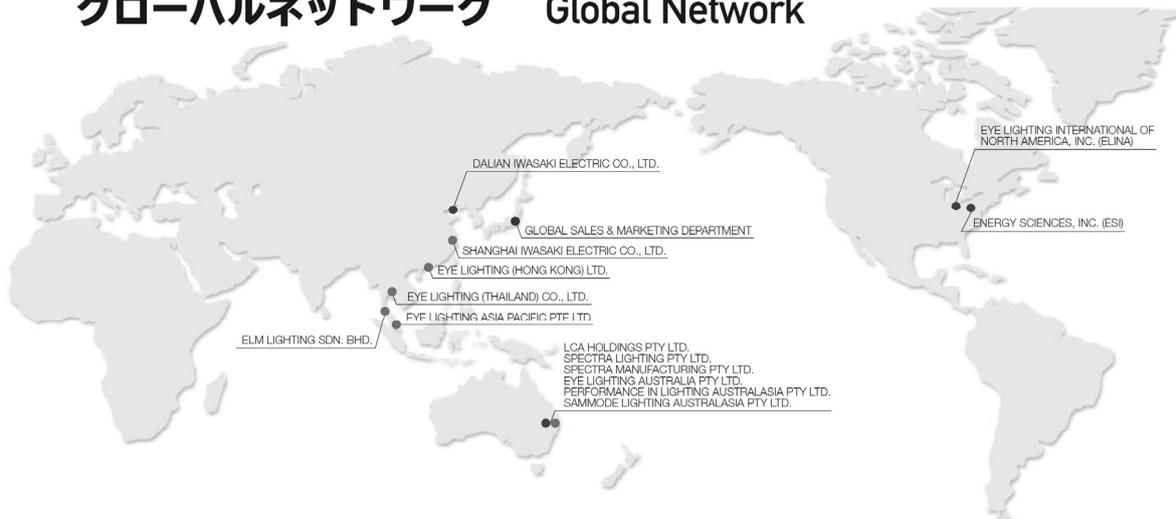
KINKI LIGHT CUBE CO., LTD.  
Established in 1995  
Sales of lighting equipment for commercial and  
industrial use

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

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

(As of June 25, 2020)

## グローバルネットワーク Global Network



### Sales Office

Global Sales & Marketing Department

#### ●Manufacture

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

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

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

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

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

#### ●Sales

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

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

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

EYE LIGHTING (THAILAND) CO.,LTD.  
Established in 2015  
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  
Sales of lamps, luminaires and electric equipment

EYE LIGHTING (HONG KONG) LTD.  
A joint venture with Hosoda Trading  
Company, established in 1992  
Room 609, Silvercord Tower 2, 30 Canton  
Road, Tsim shatsui, Kowloon, HONG KONG  
Phone: +852-2368-8782  
Facsimile: +852-2481-2661  
Sales of lamps, luminaires and electric equipment

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

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

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

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

(As of June 25, 2020)

# IWASAKI ELECTRIC CO., LTD.

Nomurafudosan-higashinohonbashi Bldg. 1-1-7,  
Higashinohonbashi, Chuo-ku,  
Tokyo 103-0004, Japan  
<https://www.iwasaki.co.jp/>