



FY2025 March The 1Q Summary of Accounting Statements [Japanese Standards] (consolidated)

August 13, 2024

Listed company name Tamagawa Holdings Co., Ltd. Exchange Tokyo
 Code No. 6838 URL https://www.tmex.co.jp
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 Quarterly report to be submitted : August. 14, 2024 Dividends payment to be started : —
 Preparation of supplementary explanation document for the quarterly accounting statement : No
 Explanatory meeting for the quarterly accounting statement : No
(amount under mil yen rounded off)

1. Consolidated performance of FY 2025 Mar.: 1Q (from Apr 1, 2024 to June 30, 2024)

(1) Consolidated management result

(cumulative) (% indication: change compared with the same quarter of the previous year)

	Sales amount		Operating profit		Ordinary profit		Quarterly profit belonging to the parent company's shareholders	
	mil.yen	%	mil.yen	%	mil.yen	%	mil.yen	%
FY2025 Mar. 1Q	972	58.9	△13	—	△14	—	△19	—
FY2024 Mar. 1Q	612	33.0	△211	—	△204	—	△222	—

(Note) Comprehensive profit: FY2025 Mar. 1Q 84mil.yen (— %) FY2024 Mar. 1Q △186mil.yen (— %)

	Quarterly net profit per share	Quarterly net profit per share after issuable share adjustment
FY2025 Mar. 1Q	yen △3.06	yen —
FY2024 Mar. 1Q	yen △36.86	yen —

(2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio
FY2025 Mar. 1Q	mil.yen 9,538	mil.yen 4,953	% 51.8
FY2024 Mar.	9,574	4,888	51.0

(Reference) Own capital: FY2025 Mar. 1Q 4,944mil.yen FY2024 Mar. 4,879mil.yen
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2. Status of dividends

	Annual dividends				
	End 1Q	End 2Q	End 3Q	Term end	Total
FY2024 Mar.	yen —	yen 0.00	yen —	yen 3.00	yen 3.00
FY2024 Oct.	—	—	—	—	—
FY2024 Oct. (forecast)	—	—	—	—	—

(Note) Correction from the dividend forecast recently announced: Yes

The current fiscal year will be an irregular seven-month period from April 1, 2024 to October 31, 2024. The dividend forecast will be announced later.

3. Consolidated performance forecast of FY2024 Oct. (from April 1, 2024 to October 31)

The current fiscal year will be an irregular seven-month period from April 1, 2024 to October 31, 2024. The earnings forecast will be announced as soon as it is calculated, as data collection and analysis from each business segment is currently in progress.

※ Notes

(1) Material transfer of subsidiary in the current quarter consolidated cumulative period: : None

New - (company name) 、 Excluded (company name)

(2) Application of accounting process specific to preparation of the quarterly consolidated accounting: : Yes

(3) Change of accounting policy, change of accounting estimate, redisplay of revision

① Change of accounting policy for revision of accounting standard, etc. : None

② Change of the accounting standard except for ① : Yes

③ Change of the accounting estimate : None

④ Redisplay of revision : None

(Note)For details, see attached document P9. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)".

(4) Number of shares issued (ordinary shares)

① Number of term-end shares issued (including own shares)	FY2025 Mar. 1Q	6,554,900shares	FY2024 Mar. 1Q	6,554,900Shares
② Number of term-end own shares	FY2025 Mar. 1Q	61,508Shares	FY2024 Mar. 1Q	61,508Shares
③ Average number of midterm shares (quarterly accumulation)	FY2025 Mar. 1Q	6,493,392shares	FY2024 Mar. 1Q	6,030,853shares

※ Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm : None

※ Explanation of the appropriate use of earnings forecasts and other special notes

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and certain assumptions that the Company considers reasonable. Please refer to "Explanation of Forward-Looking Statements, including Consolidated Earnings Forecasts" on page 4 of the attached materials for assumptions used in forecasting earnings and precautions regarding the use of earnings forecasts.

1. Qualitative information concerning the current quarterly financial statement

(1) Explanation on the management result

Forward-looking statements in the text are based on the judgment of the Group (the Company and its consolidated subsidiaries) as of the end of the first quarter of the current consolidated fiscal year.

During the first quarter in the consolidated cumulative period, the Japanese economy showed a gradual recovery in the domestic economy after the new coronavirus infection was classified as a Type 5 Specified Infectious Disease, and the restaurant, leisure, accommodation, and department store industries showed signs of recovery. Furthermore, from June onwards, increases in wages and other items promoted consumption behavior, accelerating the normalization of economic activity. On the other hand, the economic outlook remains uncertain as the yen continues to weaken and prices soar. The economy is gradually recovering as the employment and income environment continues to improve. However, in addition to the prolonged general price rise, there are geopolitical risks such as Russia's prolonged invasion of Ukraine and the increasingly tense situation in the Middle East, as well as interregional risks such as the stagnation of the Chinese economy and moves toward monetary tightening in Western countries. There are such regional disparities in recovery and a sense of uncertainty is observed about the future of the economy.

Under such economic circumstances, for the electronic and communication device business, in addition to sales expansion business mainly in the 5G related market and civil services/public related market, we have been also dedicated to new markets and client exploration to acquire orders from new fields.

We have also worked on enhancement of proposal of our self-developed products by continuously promoting "effort for high added-value products," "expansion and exploration of business field" and "co-development with the company of business tie-up.

In the field of mobile communications infrastructure, our Vietnamese subsidiary has been mass-producing infrastructure sharing equipment since last year. We expect to start considering new models for the Tunnel Association and JR after this. For 6G, we have been commissioned by Waseda University to design and manufacture the RF front-end parts for 100G and 300GHz wireless systems to be used in industry-academia joint research, and this year will be the final year. In addition, we are actively investing in development with an eye to the future, such as participating in research and development of flexible waveguide technology for Beyond 5G.

In the government sector, the number of new inquiries is increasing in line with the expansion of the national budget. In response to this, we will focus on receiving orders for large and continuous projects with an eye toward medium- to long-term growth.

In the field of public projects, we have high expectations for the demand to update aging radio equipment of major railway companies. In particular, we are focusing on providing commercial radio systems for trains that utilize the latest technology to improve safety and operational efficiency, thereby aiming to contribute to improving the safety of railway operations. In addition, we have completed the design and development of drone monitoring equipment and will move to the mass production stage. We are preparing to establish a supply system to quickly respond to market demand after this.

Finally, in the FA and measurement field, with the semiconductor industry becoming a national policy in Japan and investment in cutting-edge processes expected to continue to expand more and more after this, we are strengthening our PR activities for semiconductor reliability test equipment, leveraging our strength in high-frequency technology, which is essential for communications semiconductors.

By steadily implementing strategic activities in each field, we expect to achieve this year's plan smoothly.

In the renewable energy business, we will continue to develop solar power plants and small wind power plants, increase the number of plants we own, and strive to secure stable profits through electricity sales. At the same time, in addition to the traditional revenue from sales of electricity and sales of power plants, we are promoting business diversification by promoting consulting for power plant development for customers and also construction contracting for power plant installation, utilizing the know-how we have cultivated in power plant development to date.

In the development of solar power plants and small wind power plants, we are promoting development at low cost by utilizing the power plant development know-how we have accumulated so far. For clients who have acquired large-scale business sites and are planning to build large-scale megawatt-class solar power plants, we have begun to provide

a wide range of practical services, utilizing our abundant know-how, specialized knowledge and experience in the construction of solar power generation facilities, such as measures for local residents and compliance with various laws and regulations.

In addition, for the new development of solar power plants that utilize grid storage facilities, we have begun to build a new business model that will consistently manage everything from securing the power generation site to selling electricity to power companies. Grid storage facilities are attracting attention as a means of contributing to the stable supply of renewable energy, the amount of power generated of which varies greatly depending on the weather and time of day. We will make maximum use of the various know-how we have accumulated based on our track record in developing power plants to promote the sale and management of storage facilities in order to build optimal systems.

Regarding the development of a small hydroelectric power plant project on Flores Island, East Nusa Tenggara Province, Indonesia, in which we are participating as a joint venture, the construction work is progressing toward completion by August 2024. We will promptly notify you when this project is completed.

As a result of the above, orders received for the current consolidated fiscal year amounted to 1,844 million yen (up 47.2% from the same period last year), and sales amounted to 972 million yen (up 58.9% from the same period last year). Regarding profit and loss, operating loss was 13 million yen (operating loss 211 million yen in the same period last year), ordinary loss 14 million yen (ordinary loss 204 million yen in the same period last year), and net loss of this period attributable to shareholders of the parent company was 19 million yen (net loss of this period attributable to shareholders of the parent company was 222 million yen).

Demand for electronic and communication equipment has been steadily increasing, and is expected to remain strong also after this. Our activities of this year include delivering new orders for government agencies on time and without quality issues, hiring careers who can start work right away, expanding production floor space, increasing production capacity through capital investment in measuring instruments, and strengthening information security in the company. We will continue to work to expand our group's profits by proactively expanding our business domain and strengthening our proposals for in-house developed products, in order to establish a stable business foundation for the electronic and communication equipment business as a whole.

Our group is proactively considering development of the general environmental business in addition to the renewable energy business not only as domestic expansion but also overseas expansion mainly in Southeast Asia, and will actively conduct investment activities for expansion of the business operation. Our group will further work on CO2 reduction and the measures for global warming with all the Group employees and will proactively disclose information to the stakeholders surrounding us for ESG management and will take a positive challenge to achieve SDGs goals.

a. Electronic and communication device business

In the electronic and communication equipment business, orders from business partners took the impact of longer lead times for parts procurement into consideration, and orders came in at 1,692 million yen (up 72.1%).

Sales exceeded the initial plan of this period, reaching 843 million yen (up 88.7% year on year). Segment profit was 64 million yen (segment loss of 112 million yen in the same period last year).

In addition, backlog of orders was 5,110 million yen (up 32.8% year on year), the reason for the increase is that the delivery time of contracts with customers is getting longer due to the longer delivery time of semiconductors and non-ferrous metal materials worldwide. Similarly, inventory (parts and materials, work in progress, and finished goods) also increased 12.9% year on year due to the impact of longer delivery time of contracts.

b. Renewable energy system sales business

In the renewable energy business, sales were 129 million yen (down 21.8% year on year), and segment profit was 11 million yen (up 2.8% year on year), due to income from selling electricity from solar power plants and small wind power plants owned by the company, as well as management and maintenance of power plants sold and construction contracts associated with the construction of power plants.

Explanation of future forecast information such as consolidated performance forecast

This period will be an irregular seven-month period from April 1, 2024 to October 31, 2024. As for the performance forecast, we are currently in the process of collecting and analyzing data from each business division, and will announce it as soon as it is calculated.

2. Consolidated financial statements and Notes

(1) Consolidated balance sheet

(In thousand yen)

	FY 2024 (consolidated) (As of March 31, 2024)	1Q FY 2025 (consolidated) (As of June 30, 2024)
Assets		
Current Assets		
Cash and deposits	1,210,571	992,445
Notes and accounts receivable - trade	1,781,193	1,605,183
Merchandise and finished goods	3,042,172	3,060,349
Goods and products	1,074,378	1,102,366
Work in proces	853,874	859,066
Raw materials and supplies	22,185	24,575
Advance payments - trade	166,620	228,409
Other	△30,075	△30,875
Allowance for doubtful accounts	8,120,921	7,841,520
Non-current assets		
Property, plant and equipment		
Buildings and structures	547,300	553,110
Accumulated depreciation	△423,476	△430,300
Buildings and structures, net	123,824	122,810
Machinery, equipment and vehicles	394,147	393,127
Accumulated depreciation	△198,293	△203,824
Machinery and equipment, net	195,853	189,302
Tools, furniture and fixtures	1,144,095	1,187,726
Accumulated depreciation	△965,700	△991,215
Tools, furniture and fixtures, net	178,394	196,510
Land	298,130	298,130
Construction in progress	22,435	24,610
Total property, plant and equipment	818,639	831,365
Intangible assets		
Goodwill	5,539	5,470
Software	38,399	36,299
Other	0	0
Total intangible assets	43,939	41,770
Investments and other assets		
Investment securities	272,857	339,669
Long-term loans receivable	50,000	50,000
Deferred tax assets	17,751	17,703
Other	243,939	411,557
Allowance for doubtful accounts	584,548	818,930
Total non-current assets	1,447,126	1,692,065
Deferred assets		
Stock issuance cost	4,999	4,281
opening expenses	761	791
Founding expenses	266	266
Total deferred assets	6,028	5,339
Total assets	9,574,075	9,538,925

(In thousand yen)

	FY 2024 (consolidated) (As of March 31,2024)	1Q FY 2025 (consolidated) (As of June 30,2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	467,184	397,727
short-term borrowing	440,193	469,362
Short-term loans payable	283,349	270,171
Current portion of long-term loans payable	4,899	6,308
Lease obligations	167,970	304,409
Accounts payable - other	33,612	14,195
Income taxes payable	21,743	37,971
Advances received	17,080	15,340
Provision for bonuses	113,887	30,513
Provision for product warranties	58,761	62,568
Other	129,260	73,686
Total current liabilities	1,737,944	1,682,256
Non-current liabilities		
Long-term loans payable	2,486,586	2,433,283
Lease obligations	3,949	9,043
Retirement benefit liability	1,130	559
Asset retirement obligations	284,828	293,792
Other	13,171	13,171
Total non-current liabilities	157,929	153,359
Long-term loans payable	2,947,596	2,903,210
Total liabilities	4,685,541	4,585,466
Net assets		
Shareholders' equity		
Capital stock	2,700,375	2,700,375
Capital surplus	1,827,426	1,807,946
Retained earnings	347,267	327,381
Treasury shares	△61,394	△61,394
Total shareholders' equity	4,813,675	4,774,308
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△48,558	14,033
Foreign currency translation adjustment	114,512	156,140
Accumulated other comprehensive income	65,954	170,174
Share acquisition rights	8,905	8,845
Non-controlling interests	—	130
Total net assets	4,888,534	4,953,458
Total liabilities and net assets	9,574,075	9,538,925

(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income Quarterly

Consolidated statements of income

Consolidates first quarter period

(In thousand yen)

	FY 2024 (consolidated) (As of March 31,2024)	1Q FY 2025 (consolidated) (As of June 30,2024)
Net Sales	612,001	972,507
Cost of sales	502,326	667,067
Gross profit	109,675	305,439
Selling, general and administrative expenses	321,579	319,104
Operating profit (loss (Δ))	Δ211,904	Δ13,664
Non-operating income		
Interest income	658	18
Dividend income	6	6
Insurance income	162	5,250
Gain on forgiveness of debts	10,398	4,271
Other	10,638	2,935
Total non-operating income	21,864	12,482
Non-operating expenses		
Interest expense	7,571	11,144
Amortization of stock issuance expenses	288	718
Loss on investment partnership management	6,415	660
Other	679	706
Total non-operating expenses	14,955	13,229
Ordinary profit (loss (Δ))	Δ204,995	Δ14,412
special profit		
Gain on sale of fixed assets	1,303	965
Total extraordinary profit	1,303	965
Profit (loss (Δ)) before income taxes	Δ206,299	Δ15,377
Income taxes - current	1,135	4,330
Income taxes - deferred	14,146	47
Total income taxes	15,281	4,378
Profit (loss (Δ))	Δ221,580	Δ19,755
Quarterly net income attributable to non-controlling interests	773	130
Profit (loss (Δ)) attributable to non-controlling interests	Δ222,353	Δ19,886

Quarterly consolidated statements of comprehensive income

Consolidated first quarter period

(In thousand yen)

	FY 2024 (consolidated) (As of March 31,2024)	1Q FY 2025 (consolidated) (As of June 30,2024)
Profit (loss (△))	△221,580	△19,755
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,532	62,591
Foreign currency translation adjustment	31,406	41,628
Total other comprehensive income	34,938	104,220
Comprehensive income	△186,641	84,464
(breakdown)		
Comprehensive income attributable to owners of parent	△187,415	84,333
Quarterly comprehensive income attributable to non-controlling interests	773	130

(3) Notes for the quarterly consolidated financial statements

(Notes for precondition of continuing company): NA

I . Current 1Q consolidated cumulative period (from April 1, 2023 to June 30, 2023)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment			Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy business	Total		
Sales amount					
Mobile communication infrastructure	163,729	—	163,729	—	163,729
Government office	58,178	—	58,178	—	58,178
Public project	101,035	—	101,035	—	101,035
FA・Measurement・Other	123,965	—	123,965	—	123,965
Solar power plant	—	47,457	47,457	—	47,457
Wind power plant	—	114,882	114,882	—	114,882
Revenue from Contracts with Customers	446,909	162,339	609,248	—	609,248
Other profit	—	2,753	2,753	—	2,753
Sales amount to external clients	446,909	165,092	612,001	—	612,001
Between segments	—	—	—	—	—
Internal sales or transfer amount	—	—	—	—	—
Total	446,909	165,092	612,001	—	612,001
Segment profit	△112,716	10,898	△101,817	△110,086	△211,904

(Notes) 1. The adjustment of segment profit or loss (△) of △110,086 thousand yen is the expense of the group management department of △110,086 thousand yen that is not allocated to business segments.

2. Segment profit or loss (△) is consistent with the operating loss on the quarterly consolidated income statement.

II . Current 1Q consolidated cumulative period (from April 1, 2024 to June 30, 2024)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment			Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy business	Total		
Sales amount					
Mobile communication infrastructure	371,660	—	371,660	—	371,660
Government office	181,446	—	181,446	—	181,446
Public project	83,997	—	83,997	—	83,997
FA・Measurement・Other	206,300	—	206,300	—	206,300
Solar power plant	—	72,958	72,958	—	72,958
Wind power plant	—	53,287	53,287	—	53,287
Revenue from Contracts with Customers	843,405	126,245	969,651	—	969,651
Other profit	—	2,855	2,855	—	2,855
Sales amount to external clients	843,405	129,101	972,507	—	972,507
Between segments	—	—	—	—	—
Internal sales or transfer amount	—	—	—	—	—
Total	843,405	129,101	972,507	—	972,507
Segment profit	64,423	11,199	75,623	△89,288	△13,664

(Notes) 1. The adjustment of segment profit or loss (Δ) of $\Delta 89,288$ thousand yen is the expense of the group management department that is not allocated to the business segments ($\Delta 89,288$ thousand yen).

2. Segment profit or loss (Δ) is consistent with the operating loss on the quarterly consolidated income statement.

(Profit recognition related)

Information which dissolves the profit arising from the agreement with the clients is as described in "Note (segment information, etc.)."