

Summary of Consolidated Financial Statements
for the First Quarter of the Fiscal Year Ending March 2014 (J-GAAP)

August 9, 2013

Company name: Tamagawa Holdings Co., Ltd.	Listing: JASDAQ (Tokyo Stock Exchange)
Stock Code: 6838	URL: http://www.tmex.co.jp/
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Scheduled date of filing Quarterly Securities Report: August 12, 2013	—
Scheduled Commencement Date of Dividend Payout: —	None
Quarterly earnings supplementary explanatory documents: —	None
Quarterly earnings presentation: —	None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Results for the 1st Quarter 2014 (from April 1, 2013 to June 30, 2013)

(1) Consolidated financial results (for three months) (Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%
1Q FY 2014	914	23.9	89	371.9	95	847.7	89	939.0
1Q FY 2013	738	49.0	18	—	10	—	8	—

Note: Comprehensive Income: 1Q FY 2014: ¥90 million (811.0%) 1Q FY 2013: ¥9 million (—%)

	Net income per share	Net income per share after dilution
	¥	¥
1Q FY 2014	8.22	6.91
1Q FY 2013	1.32	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	¥ Million	¥ Million	%
1Q FY 2014	2,959	1,958	65.3
FY 2013	2,709	1,750	63.4

Note: Shareholders' Equity: 1Q FY 2014: ¥1,932 million FY 2013: ¥1,718 million

2. Cash Dividends

	Annual Dividends				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Total
	¥	¥	¥	¥	¥
FY 2013	—	0.00	—	0.00	0.00
FY 2014	—	—	—	—	—
FY 2014 (forecast)	—	—	—	—	—

Note: Revision of the latest released dividend forecast: None

3. Forecast for the Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate year-on-year changes)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net income per share
	¥ Million	%	¥ Million	%	¥ Million	%	¥ Million	%	¥
Six months to September 30, 2013	1,688	6.1	129	38.0	124	49.6	114	25.3	10.65
Year to March 31, 2014	4,504	22.7	493	32.2	488	30.4	449	32.3	41.80

Note: Revision of the latest released financial results forecast: None

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of business results

The Japanese economy in the period under review displayed first signs of trending toward recovery, including a rebound in share prices, as a correction of the strong yen connected to an improved export environment and due to the effects of the economic stimulus and monetary policy measures introduced by the Abe administration. Concerns over global economic deceleration persist, however, calling for continued vigilance.

In this environment, the Group's main operations in Electronics and Telecommunications Equipment Business kept engaged in sales of products centered on markets related to 3.9G mobile telecommunications equipment, defense, and wireless technology applications for public infrastructure and disaster prevention. Demand has been rising also from new customer strata due to measures to create high added-value products and to expand and develop the Group's business expense. Additionally, efforts were made to strengthen the business platforms of the Group centered on improving profitability through cost control activities.

The Group's Solar Business Division operations (comprised of Solar System Sales Business operations and Solar Power Plant Business operations) experienced rising user interest in renewable energy, especially regarding solar-energy power generation, prompted by the enactment of "The Act on Special Measures concerning the Procurement of Renewable Electric Energy by Operators of Electric Utilities" (hereinafter, "Renewable Energy Special Measures Act").

Against this background, results for the period under review posted new order receipts of ¥938 million (-12.8% compared with the year-earlier period) with sales of ¥914 million (+23.9% compared with the year-earlier period). Earnings improved compared with the year-earlier period, marking operating income of ¥89 million (+371.9% compared with the year-earlier period), ordinary income of ¥95 million (+847.7% compared with the year-earlier period), and net income for the period of ¥89 million (+939% compared with the year-earlier period).

In Electronics and Telecommunications Equipment Business operations, despite expectations for intense price competition in markets to continue from last year, mobile telecommunications systems saw higher investments to deal with increased traffic from the smartphone proliferation and incidence of weak or no reception. Moreover, due mainly to the government's supplementary budget, public works demand has been on the rise, raising expectations of sustained robust conditions in the wireless market for public infrastructure. With this demand expansion in the wireless market, the Company will continue to extend its business expense and strengthen its efforts to increase earnings.

In Solar Business Division operations, company internal framework adjustments will be made along with further strengthening of sales and marketing efforts in order to expand nationwide sales routes for Solar System Sales Business operations.

Moreover, in Solar Power Plant Business operations, the Group overall seeks to contribute to regions and communities through stable power supply, and to this end will work to expand earnings by creating integrated frameworks spanning the width from acquiring power plant sites to the launch of electric power sales.

Results by business segment are described below.

Notably, beginning with the period under review, the business segments stated as reportable segments have been changed. Comparisons and analyses for the period under review are presented based on the changed categories.

1. Electronics and Telecommunications Equipment Business operations

In accordance with a recovery in base station facility investment by mobile telecommunications carriers as well as public investment in defense related facilities and public wireless related facilities resuming at moderate levels, new order receipts posted ¥758 million (-3.6% compared with the year-earlier period) with sales of ¥692 million (-0.1% compared with the year-earlier period) and segment operating income of ¥81 million (+88.6% compared with the year-earlier period).

2. Solar System Sales Business operations

After the enforcement of the Renewable Energy Special Measures Act, thanks to a gradual increase in new Solar System Sales Business orders and the carrying out of activities to improve the sales efficiency, new order receipts posted ¥179 million (+598.4% compared with the year-earlier period) with sales of ¥221 million (compared with ¥19 million in the year-earlier period) and segment operating income of ¥25 million (compared with an operating loss of ¥14 million in the year-earlier period).

3. Solar Power Plant Business operations

In the period under review, Solar Power Plant Business operations were newly added as a reportable segment following the completion of a large-scale solar-energy power plant that had been under construction in Shimonoseki city, Yamaguchi prefecture. Revenue recognition for the power plant commenced in July 2013. Given preceding

expenditure including start-up costs, the segment posted a loss of ¥7 million. Future earnings are expected to develop favorably from stable electric power sales.

Although the uncertain economic environment points to unchanged adverse operating environment, the Company will nonetheless continue to promote earnings growth at each business segment combined with efforts at business restructuring.

(2) Explanation of financial position

Total assets

Consolidated total assets at the end of the period under review amounted to ¥2,959 million, which was ¥250 million higher than at the end of the previous fiscal year.

This was mainly due increases in cash and deposits and property, plant, and equipment.

Total liabilities

Consolidated total liabilities at the end of the period under review amounted to ¥1,001 million, which was ¥42 million higher than at the end of the previous fiscal year.

This was mainly due to increased long-term borrowings.

Net assets

Consolidated net assets at the end of the period under review amounted to ¥1,958 million, which was ¥207 million higher than at the end of the previous fiscal year. This was mainly due to increases in capital, capital surplus, and net income for the period.

(3) Explanation of consolidated earnings estimates and forward-looking information

The earnings estimates released May 13, 2013, remain intact.

2. Summary (Notes) Information

(1) Changes in important subsidiaries during the consolidated quarter (three months) under review

No relevant category.

(2) Application of accounting procedures specific to creation of quarterly consolidated financial statements

No relevant category.

(3) Change of accounting policies; change and/or restatement of accounting estimates

No relevant category.

3. Material Matters Concerning the Going-concern Assumption

No relevant category.