



December 26, 2014

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Tamagawa Holdings Announces Progress in the Business Alliance with ISE Power Co., Ltd.

As previously announced in the press release dated June 2, 2014, entitled "Notice concerning the Conclusion of a Business Alliance Agreement with ISE Power Co., Ltd.," dated May 30, 2014, Tamagawa Holdings and ISE Power Co., Ltd. ("ISE Power") concluded a business alliance agreement concerning solar energy power plant operations at ISE Power ("Business Alliance Agreement"). Tamagawa Holdings announces today progress in the said business alliance with ISE Power, with details as follows.

1. Background of the business alliance to date

During consultations between Tamagawa Holdings and ISE Power, based on the Business Alliance Agreement, concerning the further development of the solar energy power plant operations of ISE Power, in order to develop also the solar energy power plant operations of Tamagawa Holdings Group, on December 26, 2014, three consolidated subsidiaries of Tamagawa Holdings acquired the rights as power plant operators at Misawa city, Aomori prefecture, owned by ISE Power ("Power Sales Rights"), with a view to build and operate solar energy power plant facilities ("Power Plant Business").

The site required for the Power Plant Business was acquired by Tamagawa Holdings already on December 16, 2014. Notably, the acquisition price of the Power Sales Rights and the said plant site are subject to non-disclosure pursuant to oral non-disclosure agreement with the other party. The site, which was previously in use by the Ise Foods Group as a site for chicken farm operations, is currently idle. The site is flatland, with little snowfall due to its location on the Pacific side ensuring sufficient sunlight necessary for power generation, rendering it suitable for the Power Plant Business.

2. Outline of ISE Power

(1) Company name	ISE Power Co., Ltd.
(2) Executives	Chairman of the Board of Directors: Hikonobu Ise Representative Director: Yukihiro Akimoto Director: Setsuko Ise Corporate Auditor: Kaoru Imai
(3) Address	2-12-16 Kita-Aoyama, Minato-ku, Tokyo
(4) Date established	April 3, 2014
(5) Business lines	Electric power generation and sales via renewable energies
(6) Capital	280,000,000 yen
(7) Number of employees	None
(8) Sales	40,000,000 yen (Estimate for the business year ending March 31, 2015)
(9) Fiscal year end	End of March
(10) Shares outstanding	625 shares

3. Outline of the Power Plant Business

(1) Location	5-chome Mukawame, Misawa-shi, Aoyama and others
(2) Operator	GP Energy A, LLC GP Energy B, LLC GP Energy C, LLC GP Energy D, LLC (All fully-owned subsidiaries of Tamagawa Holdings)
(3) Site surface area	Approximately 153,000 m ²
(4) Power generating capacity	Approximately 10 megawatts
(5) Electricity sales price (fixed for 20 years)	36 yen/kWh (tax excluded)
(6) Income from sales of electric power (projected)	Approximately 390 million yen annually
(7) Estimated electric power sales volume in the first fiscal year (projected)	Approximately 10,852,814 kWh

Note: The numbers associated with site surface area, power generation capacity, power sales revenue, and estimated power output in the first fiscal year reflect the combined totals of the four solar energy power plants operated by the four operating companies.

4. Future plans and outlook

Tamagawa Holdings is aiming for an early start of the Power Plant Business, with expectations to commence power sales by March 2016 (The timing of a power sales agreement with Tohoku Electric Power Co., Inc. has yet to be determined.).

Notably, while effects from the above-mentioned progress in the business alliance on the consolidated business results for the current fiscal year are expected to be negligible, any effects on results will be disclosed in a timely manner.