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Company name: Tamagawa Holdings Co., Ltd.  
Representative: Toru Masuzawa, President  
(JASDAQ Code 6838)  
Contact: Akihiro Ushiroda,  
Corporate Planning Department  
and Financial Control Department  
Telephone: +81-3-6435-6933

## Tamagawa Holdings Announces Memorandum of Understanding concerning Strategic Cooperative Agreement with Etrion Japan KK

Tamagawa Holdings executed today a Memorandum of Understanding ("Memorandum") with Etrion Japan KK ("Etrion Japan") concerning a solar energy power plant in Misawa city, Aomori prefecture, (the "Plant") with a view to a strategic cooperative agreement predicated on equal shareholdings. Details are described in the following.

### 1. Execution of memorandum

Etrion Japan is a group company of Etrion Corporation ("Etrion Corp."), the latter being engaged in the construction, ownership, and running of utility-scale solar energy power plants. Etrion Corp., as an independent power plant operator, owns solar energy power plants in Italy and Chile with a combined total output of around 130 megawatts. The shares of Etrion Corp. are listed on the Toronto Stock Exchange and on the NASDAQ OMX Stockholm. Etrion Corp. is headquartered in Canada, with offices in Genève (Switzerland), Miami (U.S.), Rome (Italy), Santiago (Chile), and Tokyo (Japan). Etrion Corp. engages in large-scale renewable energy businesses in countries around the world.

Etrion Corp. has identified Japan as a promising market with growth potential for renewable energy and pursues the long-term objective of attaining a leading position as an independent power company in the Japanese market. Against this background, Etrion Corp. is interested in the Plant and has been in discussions with Tamagawa Holdings over further steps.

As previously announced in releases dated December 26, 2014, entitled "Tamagawa Holdings Announces Inception of New Business Operations (Geothermal Power Business) and Issuance of Series-6 Stock Warrants for Private Placement (with Exercise Price Reset Option)" and "Tamagawa Holdings Announces Progress in the Business Alliance with ISE Power Co., Ltd.," Tamagawa Holdings has acquired land located at Misawa city, Aomori prefecture, for the construction of solar energy power plants, and has been making preparations for the early inception of power sales. Subject to the condition that the results of forthcoming due diligence proceedings satisfy both parties, the execution of the Memorandum makes it likely that the joint financing and construction of the Plant will proceed expediently and without obstacles. Notably, details concerning the financing necessary for the completion of the Misawa power plant and the particulars of the operations of the Plant after the inception of electric power sales will be determined in

stages in the time ahead.

## 2. Profile of Etrion Japan

(1) Company name	Etrion Japan KK	
(2) Address	Ark Hills Sengokuyama Mori Tower, 28th Floor 1-9-10, Roppongi, Minato-ku, Tokyo (located inside the Baker & McKenzie office)	
(3) Date established	October 2012	
(4) Position and name of representative	President: Yukishige Ito	
(5) Business lines	Electric power generation, distribution, and operations, etc., related to electric power	
(6) Capital	5,000,000 yen	
(7) Main shareholders and shareholder percentages	Etrion Corporation (100%)	
(8) Relationship between listed companies and Etrion Japan	Capital relationships	No capital relationship that requires mention exists between Tamagawa Holdings and Etrion Japan. No capital relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Japan.
	Personnel relationships	No personnel relationship that requires mention exists between Tamagawa Holdings and Etrion Japan. No personnel relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Japan.
	Transaction relationships	No trading relationship that requires mention exists between Tamagawa Holdings and Etrion Japan. No trading relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Japan.
	Status vs. related parties	Etrion Japan is not a related entity of Tamagawa Holdings. No related entity or affiliated company of Etrion Japan is a related entity of Tamagawa Holdings.

## 3. Profile of parent company Etrion Corp.

(1) Name	Etrion Corporation	
(2) Address	1600-925 West Georgia St Vancouver, British Columbia, V6Z 3L2, Canada	
(3) Position and name of representative	Chief Executive Officer and Director Marco A. Northland	
(4) Business lines	Construction, ownership, and investment, etc., in renewable energy facilities	
(5) Capital	13.4 billion yen	
(6) Date established	July 1993	
(7) Main shareholders and shareholder percentages	Lundin Group (24.3%)	
(8) Relationship between listed companies and Etrion Corp.	Capital relationships	No capital relationship that requires mention exists between Tamagawa Holdings and Etrion Corporation. No capital relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Corporation.
	Personnel relationships	No personnel relationship that requires mention exists between Tamagawa Holdings and Etrion Corporation. No personnel relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Corporation.

	Transaction relationships	No trading relationship that requires mention exists between Tamagawa Holdings and Etrion Corporation. No trading relationship that requires mention exists between parties related to, or affiliated companies of, Tamagawa Holdings and parties related to, or affiliated companies of, Etrion Corporation.	
	Status vs. related parties	Etrion Corporation is not a related entity of Tamagawa Holdings. No related entity or affiliated company of Etrion Corporation is a related entity of Tamagawa Holdings.	
(9) Consolidated financial results and financial status of Etrion Corporation for the last three years.			
Fiscal year	Business year to December 2012	Business year to December 2013	Business year to December 2014
Consolidated net income	(¥1,268 million)	(¥1,295 million)	¥3,621 million
Consolidated total assets	¥39,201 million	¥54,623 million	¥80,527 million
Consolidated net assets per share	(¥6.16)	(¥5.71)	¥11.88
Consolidated net revenues	¥4,819 million	¥5,682 million	¥5,981 million
Consolidated operating income	¥2,011 million	¥2,095 million	¥1,902 million
Consolidated net income	(¥732 million)	(¥1,086 million)	(¥1,983 million)
Consolidated net income per share	(¥3.46)	(¥5.27)	(¥6.03)
Dividend per share	¥0	¥0	¥0

Note: The above yen-converted amounts are stated based on the USD/JPY foreign exchange rates on the respective book closing date.

### 3. Profile of the Misawa power plant

(1) Location	5-chome, Mukawame, Misawa-shi, Aomori 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 area	Approximately 153,000 m <sup>2</sup>
(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

### 4. Outlook

Any effects that the Plant may have on the consolidated financial result of the current fiscal year are expected to be negligible. Any effects on following fiscal years will be promptly disclosed as soon as estimates become available.