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## Tamagawa Holdings Group Announces Current Status of Planned Geothermal Power Plant Operations

As announced in the release 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)," Tamagawa Holdings has been implementing full-scale preparations for the establishment of geothermal power plant operations as a new business (the "Operations") associated with administrative procedures and construction work in order to initiate electric power sales at an early stage. However, as a result of consultations concerning the power feed-in connection with Kyushu Electric Power Co., Inc. ("Kyushu Electric Power") under consideration, the timing originally planned for the initiation of electric power sales may change as detailed in the following.

### 1. Projected timing of initiation of electric power sales at the Operations

As announced in the release 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)," the initiation of electric power sales at the Operations was originally scheduled (projection-based) for August 2015. However, in the interim of multiple consultations held with Kyushu Electric Power concerning the construction work for the power feed-in connection, a large number of applications for geothermal power generation were filed with Beppu city, Oita prefecture, where Tamagawa Holdings has been conducting the Operations. As a consequence, Tamagawa Holdings may have to procure a static VAR compensator (SVC) for the construction of the power feed-in connection with Kyushu Electric Power necessary for the initiation of electric power sales, which could result in a delay of the timing of the initiation of electric power sales originally scheduled for August 2015.

Notably, procedures and deliberations concerning the feed-in connection with Kyushu Electric Power at the Operations have since concluded and notice has been received from Kyushu Electric Power that the power feed-in connection can be established. Depending on the particulars of the design that Kyushu Electric Power will prepare for the power feed-in connection, the exact construction schedule and timing of the initiation of electric power sales will be clarified.

### 2. Outlook

The official time of the initiation of electric power sales and the effects on the consolidated business results for the current fiscal year of Tamagawa Holdings will be disclosed promptly as data become available.