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Tamagawa Holdings Announces Current Status of the Misawa Power Plant Operations Planned by the Tamagawa Holdings Group

As previously announced in the release dated December 26, 2014, entitled "Tamagawa Holdings Announces Progress in the Business Alliance with ISE Power Co., Ltd.," Tamagawa Holdings has been planning the construction and operation of a solar energy power plant with a total capacity of 10 megawatts in Misawa city, Aomori prefecture (the "Operations"). Following procedures completed with a view to an early start of electric power sales, Tamagawa Holdings has now successfully obtained the official approval from Tohoku-Electric Power Co., Inc. for the power feed-in connection (referring to the preparations for connecting to the electric power grid of the utility firm as a precondition for electric power sales).

1. Outline of the power plant

The Misawa power plant was planned as a large-scale solar energy power plant with a total output capacity of around 10 megawatts. The plant site was previously used as a chicken farm but has since been vacated. The site is of a flat topography, located on the Pacific side, and has little exposure to snowfall. With sunlight necessary for electric power generation therefore assured throughout the year, the site is considered a suitable location for solar energy power plant operations.

Regarding the running of the power plant, as previously announced in the release dated June 11, 2015, entitled "Announcement of Progression of Strategic Cooperation with Etrion Japan KK," a general agreement has been concluded between Etrion Japan KK ("Etrion Japan") and Tamagawa Holdings for the joint running of the Operations. With the recent official approval received for the power feed-in connection, Etrion Japan and Tamagawa Holdings will enter into mutual consultations toward initiating the Operations, in the expectation that arrangements will be specific and proceed at a swift pace.

2. Outline of Etrion Japan and Etrion Corporation

The parent company of Etrion Japan is Etrion Corporation ("Etrion Corp."), a corporation listed on Canada's Toronto Stock Exchange. Etrion Corp. is a major group company of the Lundin Group, a large resources and energy development group with interests in energy and mining operations. The Lundin Group controls 11 listed companies with operations in over 25 countries. Among them, Etrion Corp. takes a position as an important renewable energy company of the Lundin Group. Notably, the market capitalization of listed companies belonging to the Lundin Group exceeds US\$10 billion (around ¥1.2 trillion) on a simple aggregation basis.

3. Outline of the Operations

(1) Address	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 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

4. Outlook

Tamagawa Holdings expects electric power sales at the Operations to commence in the next fiscal year. Specific developments concerning the joint operations with Etrion Japan will be expediently disclosed and reported.