



January 4, 2016

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## Tamagawa Holdings Announces Establishing Hydrogen Energy Operations Preparatory Office

Tamagawa Holdings announces that its board of directors' meeting convened on January 4, 2016, resolved to establish a new organization unit with details as follows.

1. Name of the new organization unit

Hydrogen Energy Operations Preparatory Office (provisional designation)

2. Purpose of the new organization unit

As part of its environmental operations, Tamagawa Holdings group has been focused on renewable energy operations mainly with regard to solar energy and geothermal energy. In order to explore the further possibilities of renewable energy operations, Tamagawa Holdings has recently resolved to newly establish a Hydrogen Energy Operations Preparatory Office.

Amid ongoing efforts to promote the introduction of renewable energy sources, controlling highly weather-dependent and therefore unstable photovoltaic and wind power energy output poses a major issue. Adjustments for optimizing the electric power demand and supply balance are required also at times when excess electric power is being generated that cannot be fully taken up by the power grid. One of the methods that is hoped to solve this problem relates to technology for storing excess electric power in the form of hydrogen ("Hydrogen Energy Storage Systems").

Hydrogen Energy Storage Systems employ water electrolysis for converting electric power to hydrogen when excess electric power arises due to fluctuations in the power output from renewable energy sources. The produced hydrogen is stored and can be re-electrified in fuel cells when needed. Moreover, unlike ordinary storage cells that are subject to natural discharging over time, hydrogen kept in tanks can be retained without being consumed. This means that hydrogen can be stored over long periods of time, transported freely, and used for electric power generation at the destination.

Tamagawa Holdings believes that this technology has significant potential as an energy storage system necessary with increasing output of renewable energy. In light of the above, Tamagawa Holdings has resolved to conduct research and reviews of Hydrogen Energy Storage Systems, and with a view to raising the enterprise value of Tamagawa Holdings going forward, will newly establish an organization unit for this purpose.

3. Content of the new organization unit

By newly establishing the Hydrogen Energy Operations Preparatory Office (provisional designation) and demonstrating the commercial success of the hydrogen business, Tamagawa Holdings undertakes a break-through in the promotion of renewable energy diffusion in Japan and in so doing fulfills its corporate social responsibility.

4. Date of establishment of the new organization unit

January 4, 2016

5. Outlook

Tamagawa Holdings group expects this new initiative to contribute to expanding the group's business base and earnings. Further advances will be reported in a timely manner.