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Tamagawa Holdings Announces Current Status of Progress at the Large-Scale Solar Energy Power Plant in Goto City, Nagasaki Prefecture

As previously announced in the release dated November 18, 2014, entitled "Tamagawa Holdings Announces Current Status of Progress at the Large-Scale Solar Energy Power Plant in Goto City, Nagasaki Prefecture," Tamagawa Holdings has been moving forward with plans for the construction and operation of a large-scale solar energy power plant in Goto city, Nagasaki prefecture (the "Power Plant") and has recently appointed a contractor for the construction work of the Power Plant, with details as follows.

1. Details

The Power Plant is a large-scale solar energy power plant with an output capacity of around 5.3 megawatts, marking the first extra-high voltage power feed-in of Tamagawa Holdings to go on the grid. With support from various sides, Tamagawa Holdings has been advancing preparations for an early start of electric power sales.

Tamagawa Holdings has recently commissioned Nangoku Corporation with the construction work of the Power Plant. Kagoshima-based Nangoku Corporation is a general trading company with operations extending over the whole Kyushu area in fields such as construction materials, machinery and equipment, information processing and telecommunications, as well as energy operations. Nangoku Corporation, which controls some 40 subsidiaries and affiliates, is a prominent major corporation in Kyushu, which emphasizes also environmental, ecological, and renewable energy operations. Specifically, in the field of solar energy power generation, Nangoku Corporation has plans to build their own solar energy power plants in altogether 30 locations across Kyushu with a combined output capacity of around 200 megawatts, and as a matter of track record has been involved in the construction of an even greater number of solar energy power plants. Thus, the construction of the high-quality facilities of the Power Plant is expected to proceed in an expedient and reliable manner. Moreover, Nangoku Corporation has excellent construction cost control capabilities which are seen to contribute greatly to ensuring the profitability of the Power Plant.

Corporate key data of Nangoku Corporation are shown below.

(1) Company name	Nangoku Corporation
(2) Address	18-1 Chuo-cho, Kagoshima-shi, Kagoshima, Japan
(3) Date established	March 1, 1945
(4) Capital	500 million yen
(5) Sales	197.1 billion yen (Fiscal year ended September 2015)
(6) Number of employees	899 (Fiscal year ended September 2015)

2. Outline of the Power Plant

(1) Location	3-660-1, Aza, Yoshikugi-cho, Goto-shi, Nagasaki, Japan and others
(2) Operator	GP Energy 2 Co., Ltd. (fully owned subsidiary of Tamagawa Holdings)
(3) Site area	Approximately 10 hectares
(4) Power generating capacity	Approximately 5.3 megawatts
(5) Electricity sales price (fixed for 20 years)	36 yen/kWh
(6) Income from sales of electric power (projected)	Approximately 250 million yen annually
(7) Estimated electric power sales volume in the first fiscal year (projected)	Approximately 6,790,566 kWh
(8) Prospective start date of electric power sales	Around April 2017

Note: In order to enhance the profitability of the Power Plant, Tamagawa Holdings held negotiations over the cost of the construction work, etc., and conducted reviews of construction firms. As a result, the prospective start date of electric power sales stated in item (8) shifted from the previously announced March 2016 to April 2017.

Tamagawa Holdings will work to accelerate the development of this locally-based, large-scale solar energy power plant and contribute to the local community by creating employment opportunities, etc. Notably, it is planned to open part of the Power Plant to guided tours for visitors.

3. Further outlook (projected)

Current projections call for the completion of the construction work and the initiation of electric power sales at the Power Plant by April 2017. Tamagawa Holding will release timely disclosures concerning further progress going forward.