



Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2017 (Three Months Ended June 30, 2016) (Based on J-GAAP)

August 12, 2016

Company name: Tamagawa Holdings Co., Ltd. Listing: JASDAQ (Tokyo Stock Exchange)
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 Scheduled Commencement Date of Dividend Payout: —
 Explanatory documents supplemental to the abridged Quarterly Financial Statement: None
 Quarterly results briefing: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2017 (April 1, 2016 – June 30, 2016)

(1) Consolidated results of operations (three months) (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY 2017	476	(30.2)	(104)	—	(128)	—	(90)	—
1Q FY 2016	682	(18.3)	(22)	—	(32)	—	(37)	—

Note: Comprehensive income (million yen): 1Q FY 2017: 95 (—%) 1Q FY 2016: -38 (—%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY 2017	(2.15)	—
1Q FY 2016	(0.92)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q FY 2017	6,563	3,120	47.5
FY 2016	7,163	3,294	45.8

Reference: Shareholders' equity (million yen): 1Q FY 2017: 3,120 FY 2016: 3,278

2. Dividends

	Dividends				
	1Q-end	Interim	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2016	—	0.00	—	1.50	1.50
FY 2017	—	—	—	—	—
FY 2017 (forecasts)	—	0.00	—	1.00–3.00	1.00–3.00

(Note) 1. Revisions from recently released dividend forecast: None
 2. Dividend distribution sources in fiscal year ending March 31, 2016 and fiscal year ending March 31, 2017 include the capital surplus.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages indicate year-on-year changes)

Year	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	6,633	(8.6)	354	26.8	260	23.3	192	16.4	4.58

(Note) Revisions from latest released dividend forecast: None

* Notes

- (1) Changes in important subsidiaries during the period under review: None
 (Changes in subsidiaries accompanying change in the scope of consolidation)
 New: None (Company name:)
 Excluded: None (Company names:)
- (2) Application of special accounting treatment in the preparation of quarterly consolidated financial statements:
 None
- (3) Changes in accounting principles, estimates and restatement
 1) Changes in accounting principles caused by revision of accounting standards: Yes
 2) Changes in accounting principles other than those mentioned above: None
 3) Changes in accounting estimates: None
 4) Restatement: None

Note: For details, refer to "2. Matters concerning summary information (Notes) (3) Accounting changes, changes of estimates, and retrospective restatements" on page 4 of the attached materials.

- (4) Number of shares issued and outstanding
 (shares of common stock)
- 1) Number of shares outstanding
 (including treasury stock) at end of period
- 2) Number of treasury stock at end of period
- 3) Average number of shares outstanding during
 the period (three months)

1Q FY 2017	42,598,000 shares	FY 2016	42,598,000 shares
1Q FY 2017	614,245 shares	FY 2016	614,245 shares
1Q FY 2017	41,983,755 shares	1Q FY 2016	41,416,755 shares

* Presentation regarding implementation status of quarterly review procedures

This quarterly summary of financial statements is exempt from the quarterly review procedures provided for in the Financial Instruments and Exchange Act. As of the time of disclosure of this quarterly summary of financial statements, quarterly review procedures of the quarterly consolidated financial statements have not yet concluded.

* Explanation and other explanatory notes regarding the appropriate use of financial forecasts

Statements on future results projections, etc., contained in these materials are based on information currently available to the Company as well as certain premises judged reasonable at that time. Actual results, etc., can significantly differ from projections due to various factors. For important information concerning the assumptions that serve as premises of results projections and concerning the use of results projection, refer to "Information concerning forward-looking statements such as consolidated results projections, etc." on page 3 of the attached materials.

3. Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheets

	(In thousand yen)	
	FY 2016 (consolidated) (As of March 31, 2016)	1Q FY 2017 (consolidated) (As of June 30, 2016)
Assets		
Current Assets		
Cash and deposits	2,736,869	2,008,192
Notes and accounts receivable – trade	984,590	893,333
Merchandise and finished goods	57,814	54,906
Work in process	147,522	188,540
Raw materials and supplies	112,786	119,106
Deferred tax assets	54,664	73,896
Others	126,643	143,528
Total current assets	4,220,891	3,481,504
Non-current Assets		
Property, plant and equipment		
Buildings and structures	462,220	456,364
Accumulated depreciation	(305,319)	(304,107)
Buildings and structures, net	156,901	152,256
Machinery, equipment and vehicles	1,599,679	1,542,199
Accumulated depreciation	(192,247)	(147,933)
Machinery, equipment and vehicles, net	1,407,431	1,394,266
Tools, furniture and fixtures	718,289	719,716
Accumulated depreciation	(630,131)	(638,202)
Tools, furniture and fixtures, net	88,157	81,514
Land	652,400	654,543
Construction in progress	159,018	164,460
Total property, plant and equipment	2,463,909	2,447,040
Intangible Assets		
Business rights	231,694	215,552
Software	77,393	79,757
Others	0	0
Total intangible assets	309,088	295,309
Investments and other assets		
Investment securities	16,601	69,122
Long-term loans	—	106,174
Deferred tax assets	39,678	43,656
Others	120,960	127,511
Allowance for doubtful accounts	(8,700)	(8,700)
Total investments and other assets	168,540	337,764
Total Non-current Assets	2,941,538	3,080,114
Deferred Assets		
Share issuance cost	1,177	2,172
Total deferred assets	1,177	2,172
Total Assets	7,163,607	6,563,790

(In thousand yen)

	FY 2016 (consolidated) (As of March 31, 2016)	1Q FY 2017 (consolidated) (As of June 30, 2016)
Liabilities		
Current Liabilities		
Notes and accounts payable – trade	321,042	289,324
Short-term loans payable	974,176	74,400
Current portion of bonds	20,000	20,000
Current portion of long-term loans payable	400,940	420,982
Lease obligations	49,367	70,432
Accounts payable - other	100,642	111,920
Income taxes payable	28,165	8,599
Advances received	12,210	117,718
Provision for bonuses	37,241	40,357
Others	104,714	67,996
Total current liabilities	2,048,500	1,221,731
Non-current Liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	592,004	618,951
Lease obligations	925,239	1,268,460
Deferred tax liabilities	320	—
Net defined benefit liability	145,592	151,394
Asset retirement obligations	37,024	35,794
Others	100,173	126,957
Total non-current liabilities	1,820,355	2,221,558
Total Liabilities	3,868,855	3,443,289
Net Assets		
Shareholders' Equity		
Capital stock	1,677,088	1,677,088
Capital surplus	1,057,014	994,039
Retained earnings	610,512	520,176
Treasury shares	(61,279)	(61,279)
Total shareholders' equity	3,283,336	3,130,024
Accumulated Other Comprehensive Income		
Valuation difference on available-for-sale	677	(29)
Foreign currency translation adjustment	(5,587)	(9,622)
Total accumulated other comprehensive income	(4,910)	(9,652)
Subscription Rights to Shares	16,326	129
Total Net Assets	3,294,752	3,120,501
Total Liabilities and Net Assets	7,163,607	6,563,790

- (2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)
(Consolidated first quarter period)

	(In thousand yen)	
	1Q FY2016 (from April 1, 2015 to June 30, 2015)	1Q FY2017 (from April 1, 2016 to June 30, 2016)
Net Sales	682,225	476,262
Cost of Sales	457,286	343,779
Gross Profit	224,938	132,483
Selling, General and Administrative Expenses	247,056	236,886
Operating losses	(22,117)	(104,402)
Non-operating Income		
Interest income	52	164
Dividend income	—	0
Foreign exchange gains	1,524	—
Others	5,812	2,750
Total non-operating income	7,389	2,915
Non-operating Expenses		
Interest expenses	15,087	20,609
Foreign exchange losses	—	5,193
Others	2,413	1,568
Total non-operating expense	17,501	27,371
Ordinary losses	(32,229)	(128,858)
Extraordinary Income		
Gain on sales of non-current assets	—	1,215
Gain on reversal of subscription rights to shares	—	16,326
Total extraordinary income	—	17,541
Extraordinary Losses		
Others	0	—
Total extraordinary losses	0	—
Loss for the Quarter Before Income Taxes and	(32,229)	(111,316)
Income Taxes - Current	5,931	2,250
Income Taxes - Deferred	(183)	(23,231)
Total Income Taxes	5,748	(20,980)
Net Loss for the Quarter	(37,977)	(90,336)
Net Loss for the Quarter Attributable to Non-controlling Interests	—	—
Net Loss for the Quarter Attributable to Owners of Parent	(37,977)	(90,336)

(Quarterly consolidated statements of comprehensive income)
 (Consolidated first quarter period)

(In thousand yen)

	1Q FY2016 (from April 1, 2015 to June 30, 2015)	1Q FY2017 (from April 1, 2016 to June 30, 2016)
Net Loss for the Quarter	(37,977)	(90,336)
Other Comprehensive Income		
Valuation difference on available-for-sale securities	(8)	(706)
Foreign currency translation adjustment	(655)	(4,034)
Total other comprehensive income	(663)	(4,741)
Comprehensive Income for the Quarter	(38,641)	(95,077)
(Breakdown)		
Comprehensive income for the quarter attributable to owners of parent	(38,641)	(95,077)
Comprehensive income for the quarter attributable to non-controlling interests	—	—

(Segment information, etc.)

Segment information

I First quarter of the previous fiscal year (From April 1, 2015, to June 30, 2015)

Sales and income (loss) information stated by reportable segment

(In thousand yen)

	Reportable Segment					Adjustment amount (Note 1)	Amount stated on the quarterly consolidated statement of income (Note 2)
	Electronic and Communication Device Business	Renewable Energy System Sales Business	Solar Power Plant Business	Geothermal Power Plant Business	Total		
Net Sales							
Sales to external customers	594,280	17,292	70,652	—	682,225	—	682,225
Internal sales or transfers between segments	14,482	—	—	—	14,482	(14,482)	—
Total	608,763	17,292	70,652	—	696,708	(14,482)	682,225
Segment income (loss)	4,659	(46,057)	29,096	(20)	(12,322)	(9,794)	(22,117)

Notes: 1. The adjustment of -9,794 thousand yen to segment income (loss) consists of -3,182 thousand yen for depreciation expenses and -6,612 thousand yen for group management division losses not allocated to operating segments.
2. Segment income (loss) matches the operating loss stated on the quarterly consolidated statement of income.

II. First quarter of the current fiscal year (From April 1, 2016, to June 30, 2016)

Sales and income (loss) information by reportable segment

(In thousand yen)

	Reportable Segment					Adjustment amount (Note 1)	Amount stated on the quarterly consolidated statement of income (Note 2)
	Electronic and Communication Device Business	Renewable Energy System Sales Business	Solar Power Plant Business	Geothermal Power Plant Business	Total		
Net Sales							
Sales to external customers	401,591	7,540	67,130	—	476,262	—	476,262
Internal sales or transfers between segments	—	—	—	—	—	—	—
Total	401,591	7,540	67,130	—	476,262	—	476,262
Segment income	(22,392)	(64,338)	28,547	—	(58,183)	(46,219)	(104,402)

Notes: 1. The adjustment of -46,219 thousand yen to segment income (loss) consists of -29 thousand yen for depreciation charges, etc., -35,000 thousand yen for dividends, and -11,189 in income (loss) of the group administration function not attributable to operating segments.
2. Segment income (loss) matches the operating loss stated on the quarterly consolidated statement of income.