



May 11, 2018

Company: Tamagawa Holdings, Co., Ltd.

Representative: President, Toru Masuzawa

(JASDAQ Code: 6838)

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Notice on Recording of Special Loss and Revision of Result Forecast

Please be informed of our decision to record the special loss as follows in the consolidated accounting year ending in March 2018. Therefore, we give you a notice that we have revised the full-year result forecast we announced on March 30, 2018 along with the above.

1. Recording of special loss

Tamagawa Energy, Co., Ltd., our consolidated subsidiary is engaged in the renewable energy business, and is mainly conducting procurement and sales activities of photovoltaic facilities as well as investigation and consideration of possibility of further renewable energy besides photovoltaic. As a part thereof, we are processing mainly in Ibusuki City, Kagoshima Prefecture the approach for commercialization of geothermal binary power generation using geothermal heat which is our base load power source as stated in "Notice on Starting of Excavating Work of Spring Source in the Candidate Land for Geothermal Plant in Ibusuki City, Kagoshima Prefecture" announced on June 19, 2017, and a part of such excavating work was completed during the current consolidated accounting term. As a result, although we could not obtain as much steam as we had initially expected, there was hot water in the production well and we have conducted verification of the power generation system using such hot water in place of steam from various angles for commercialization. However, it has been difficult to create the accurate income and expenditure plan up to the moment, and therefore, we decided to record the impairment loss in the business year ending in March 2018 based on the "accounting standard concerning impairment of fixed asset" by strictly estimating the asset value. Amount of the impairment loss concerning this matter is 110 million yen. We record the impairment loss as the accounting process this time, but we would like to carefully consider alternate ideas from various angles such as hybrid power generation combined with hot water generation and biomass power generation and determine whether to continue this project.

2. Revision of the consolidated result forecast

Revision of full-year consolidated result forecast figure for the business year ending in March 2018 (from April 1, 2017 ~ March 31, 2018)

(unit: mil. yen)

	Sales amount	Operating profit	Ordinary profit	Current net profit attributable to parent company's shareholders	Current net profit per share
Previous forecast (A)	3,311	33	△67	△86	yen △1.99
Current revision (B)	3,255	53	△63	△146	△3.49
Change amount (B-A)	△55	19	3	△60	—
Change rate	△1.7%	56.9%	—	—	—
(Reference) Previous term result (Business year ending in March 2017)	4,443	189	106	44	1.06

Reason for revision

In addition to above 1. "Recording of special loss," as a result of finishing aggregation of closing figure in the electronic communication device business, the sales amount fell short of the initial forecast, but the operating profit and ordinary profit exceeded the full-year result forecast thanks to better profit rate than expected by approach of improvement of productivity.

As for the current net profit attributable to the parent company, recording of impairment loss range was made as 110 million yen, but loss ended up being compressed thanks to an impact of tax effect accounting incorporated with the result forecast of the business year ending in March 2019.

(Note) The above result forecast has been prepared based on the information currently available, and may be different from the expected figure due to various factors hereafter.