

## Highlights of Financial Statement (1Q March 2020)

- 1) Financial statement of the first quarter 2020 shows income and profit decrease (compared to the same term of the previous year).  
The main factor of decrease of sales was because income by power selling reduced due to sellout of two self-owned power plants in the previous term. However, gross sales profit increased from the previous year.  
The reason for decrease of operating profit is due to increase of general administrative expenses including the research and development expense by approximately 50 mil. yen, but it is within the scope of assumption.  
Interest expense reduced by 14 mil. yen from 57 mil. yen to 43 mil. yen, which is drastic improvement.
- 2) In the electronic and communication device business (Tamagawa Electronics, which is 100% subsidiary), the amount of orders received in mobile communication field and civil service and public related field drastically increased to 1,208 mil. yen (49.3% increase compared to the same term of the previous year), which will be hereafter reflected in the profit.
- 3) In the renewable energy business, sellout of the self-owned power plant is planned in this term.  
It is not reflected in the first quarter financial statement, and will be reflected in the profit after the sellout to be performed within this term.
- 4) Every year, we have large sales in the civil service and public related filed, and therefore the tendency of profit period is focused on the second half.
- 5) Due to the above reasons, the full-year performance forecast was deferred to sales amount of 5,699 mil. yen (48.4% increase) and operating profit of 524 mil. yen (242.2% increase).