



## FY2021 March The 3Q Summary of Accounting Statements [Japanese Standards] (consolidated)

February 12, 2021

Listed company name Tamagawa Holdings Co., Ltd. Exchange Tokyo  
 Code No. 6838 URL <https://www.tmex.co.jp>  
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Quarterly report to be submitted : November. 12, 2021 Dividends payment to be started : —  
 Preparation of supplementary explanation document for the quarterly accounting statement : Yes  
 Explanatory meeting for the quarterly accounting statement : Yes  
 (amount under. mil yen rounded off)

### 1. Consolidated performance of FY 2021 Mar.: 3Q (from Apr 1, 2020 to Dec. 31, 2020)

#### (1) Consolidated management result (cumulative)

(% indication: change compared with the same quarter of the previous year)

	Sales amount		Operating profit		Ordinary profit		Quarterly profit belonging to the parent company's shareholders	
	mil.yen	%	mil.yen	%	mil.yen	%	mil.yen	%
FY2021 Mar. 3Q	3,314	△8.8	147	△62.4	92	△66.9	69	△67.8
FY2020 Mar. 3Q	3,633	46.8	391	—	278	—	216	—

(Note) Comprehensive profit: FY2021 Mar. 3Q 65mil.yen( △69.8 %) FY2020 Mar.3Q 215mil.yen( —%)

	Quarterly net profit per share	Quarterly net profit per share after issuable share adjustment
FY2021 Mar. 3Q	yen 13.00	yen 12.24
FY2020 Mar. 3Q	51.18	45.90

#### (2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio
FY2021 Mar. 3Q	mil.yen 9,907	mil.yen 4,885	% 49.2
FY2020 Mar.	9,423	4,156	44.1

(Reference) Own capital: FY2021 Mar. 3Q 4,873mil yen FY2020 Mar. 4,154mil yen

### 2. Status of dividends

	Annual dividends				
	End 1Q	End 2Q	End 3Q	Term end	Total
FY2020 Mar.	yen —	yen 0.00	yen —	yen 7.00	yen 7.00
FY2021 Mar.	—	0.00	—	—	—
FY2021 Mar. (forecast)	—	—	—	5.00 ~30.00	5.00 ~30.00

(Note) Correction from the dividend forecast recently announced: None

### 3. Consolidated performance forecast of 2021 Mar. (from Apr 1, 2020 to Mar. 31, 2021)

(% indication: change compared with the same quarter of the previous year)

	Sales amount		Operating profit		Ordinary profit		Current net profit belonging to the parent company's shareholders		Current net profit per share
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%	yen
Full business year	6,937	9.5	850	5.5	713	6.0	499	13.6	109.54

(Note) Correction from the performance forecast recently announced: None



## 1. Qualitative information concerning the current quarterly financial statement

### (1) Explanation of management result of the current term

The Japanese economics in the current third quarter consolidated accumulative period continues to shift with uncertain situation due to the effect of Covid-19 epidemic and the impacts on the global economics given by trend of the issues between US and China and future of Chinese economics, and uncertainty in the policies. In particular, while we are exploring brand new corporate activities because visiting to the clients and business negotiation, etc. are strictly restricted due to pandemic of Covid-19, our group has engaged in both prevention of infection spread and sales activities by shifting to working from home and holding video conferences by restriction on non-essential outings and measures including temperature check and mask wearing, etc.

Under such economic circumstances, for the electronic and communication device business, in addition to sales expansion business mainly in the 5G related market and public related market continuously from last year, we have been also dedicated to new markets and client exploration to actively acquire orders from new fields. We have also worked on enhancement of proposal of our self-developed products by continuously promoting “effort for high added-value products,” “expansion and exploration of business field” and “co-development with the company of business tie-up.”

As a result, newly explored clients and inquiries are increasing from new markets besides the existing analog high frequency products, including optics related products used for various business-use wireless, digital signal processor, etc. indispensable for high-speed signal processing, millimeter wave band products, etc. necessary for wireless transmission of data of large volumes.

Above all, we have firmly achieved success such as large order of semiconductor burn-in equipment, etc. and “manufacturing of the low-power high-frequency circuit for linear accelerator and beam monitor circuit system of the next-generation radiant light facility.”

In the mobile communication field, we have received more 5G related orders since the current third quarter consolidated accounting period.

In addition, proposals for new clients related to mobile communication facilities for overseas are under stagnation due to the impact of Covid-19.

Demands for the optical transmission device, digital signal processor, etc. are increasing for disaster measures, business-use wireless and surveillance system in the public field, and therefore we will work on further demand expansion in the public field as well as positively working on self-developed products including product development for equipment of the 5G related market.

Order receipt condition in general electronic and communication device business is slightly decreasing compared to the previous year due to cold storage or postponing of the projects related to some public transportations because of the impact of prolongation of Covid-19. Under such circumstances, we will continue to promote expansion of our group’s business field in order to establish the stable business base as well as proposing new sales method according to change of time such as renewal of the website for further product proposal and sales expansion, and also continue the activities for profit expansion by implementation and enhancement of self-development products.

For the electronic and communication device business, in addition to sales expansion activities mainly in the public related market, we are focusing on exploration of new clients. Especially in the civil service field, the demands are stably increasing and it is expected to shift steadily hereafter. We will continue to promote expansion of our group’s business fields and also continue the activities for profit expansion by enhancement of proposal of self-developed products. We have promoted development and sales of the solar power plants and small wind power plants in the renewable energy system sales business. For development and sale of solar power plants, we conduct the entire flow of development of land, procurement, sale and maintenance inhouse in order to secure profit while fixed price purchase is dropping and we will continue to reduce costs for construction and maintenance as well as promoting the development / sales to contribute to the business performance.

Development / sales of the small wind power plants are our future middle and long-term major business and we will continue further promotion of them. We hold the power selling right of the fixed purchase price of 55 yen/kWh for 20 years in Hokkaido, where the wind condition is good, and will obtain profit from increase of power selling income from our own plants and through sales after the development. Eight units have been interconnected and some of them have been sold in Hokkaido before November 2020. thirty units are also scheduled to be interconnected before March 2021, and we will continue to enhance the development and sell out some of them as necessary for profit expansion.

In the renewable power plant business, the already-operating solar power plants have been selling power at a good rate including Nagasaki Prefecture, Goto-City, Kojindake Solar Power Plant. Small wind power plants are also promoting development, and some units have been selling power since October 2020. We are planning for interconnection of thirty units by March 2021 and planning to basically retain the interconnected plants and sell power. In addition to the full-scale wind condition survey started since April 2020, we have started the boring survey since June for the large wind power plant (1.984MW) in Nemuro City, Hokkaido. We are in process of interconnection in 2022 at a good rate.

Additionally, our group has promoted development in renewable energy and overall environmental business also in Southeast Asia. Construction of the small waterpower plant under development in Flores Island, Nusa Tenggara, Indonesia has been started. This project to sell power to the Indonesian government owned electric company and contribute to reduction of greenhouse gas (GHG) and reduction of GHG in Japan by obtaining JCM credit. Electricity penetration rate in Nusa Tenggara is 61.9%, which is the lowest in Indonesia, and therefore, our project will also contribute to improvement of their electricity penetration rate. Furthermore, in February 2021, the small waterpower plant development project in Maluku, Indonesia was similarly adopted for the Joint Crediting Mechanism Funding Support Business, and we are planning for further development of the renewable energy plants in the Southeast Asia.

Our group is positively considering development of the renewable energy and overall environmental businesses which will become our next pillar overseas mainly in Southeast Asia in addition to Japan for expansion of operations of such businesses.

We will continuously endeavor not only to reduce CO2, but also to contribute to the community and domestic and international societies and to introduce, spread and promote renewable energy by taking advantage of characteristics of the community, and accelerating development of community-based renewable energy.

As the result of the above, the amount of orders received in the current second quarter consolidated accumulative period was 2,935 mil. yen (9.8% decrease compared with the same term of the previous year), and the sales amount was 3,314 mil. yen (8.8% decrease compared with the same term of the previous year). In terms of profit and loss, operating profit was recorded as 147 mil. yen (62.4% decrease compared with the same term of the previous year), ordinary profit was recorded as 92 mil. yen (66.9% decrease compared with the same term of the previous year), and therefore the quarterly net profit belonging to the parent company shareholders was 69 mil. yen (67.8% decrease compared with the same term of the previous year).

Management result status by business type segments is as follows.

a. Electronic / communication device business

Thanks to steady demand in the mobile communication filed and civil service and public related field, the amount of orders received was 2,784 mil. yen (12.9% decrease compared with the same term of the previous year), sales amount was 2,766 mil. yen (13.3% increase compared with the same term of the previous year), and segment profit was 347 mil. yen (56.5% increase compared with the same term of the previous year).

b. Renewable energy system sales business

Due to lot selling of small wind power plants and sales of the solar power plants, the amount of orders received was 150 mil. yen (155.3% increase compared with the same term of the previous year), sales amount was 266 mil. yen (173.6% increase compared to the same term of the previous year), and segment loss was 64 mil. yen (segment loss of the same term of the previous year: 123 mil. yen).

c. Renewable energy plant business

The already-operating solar power plants in Noboribetsu City and the mega solar power plants in Goto City, Nagasaki Pref. and the solar sharing plants in Shimada City, Shizuoka Pref. have been selling power at a good rate. However, although we have been continuously adjusting sale of the megasolar plants which we hold, it couldn't be achieved before the current third quarter consolidated cumulative period, and since we achieved sales and profit by sellout of one megasolar power plant during the second quarter consolidated accounting period and also due to the impact of income decrease from such power selling, the sales amount was 301 mil. yen (72.5% decrease compared with the same term of the previous year) and segment profit was 76 mil. yen (82.8% decrease compared with the same term of the previous year).

## 2.Consolidated financial statements and Notes

### (1)Consolidated balance sheet

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2020)	3Q FY 2021 (consolidated) (As of December 31,2020)
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	2,215,666	2,146,685
Notes and accounts receivable - trade	1,391,469	1,281,320
Merchandise and finished goods	2,889,509	3,209,605
Work in process	778,562	845,059
Raw materials and supplies	231,870	268,543
Advance payments - trade	105,709	50,681
Other	166,749	228,601
Allowance for doubtful accounts	△17,632	△17,632
<b>Total current assets</b>	<b>7,761,905</b>	<b>8,012,864</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	514,488	515,284
Accumulated depreciation	△346,363	△356,789
Buildings and structures, net	168,125	158,494
Machinery, equipment and vehicles	368,769	371,897
Accumulated depreciation	△135,540	△156,828
Machinery, equipment and vehicles, net	233,229	215,069
Tools, furniture and fixtures	824,843	876,147
Accumulated depreciation	△687,178	△718,753
Tools, furniture and fixtures, net	137,665	157,393
Land	272,573	272,573
Construction in progress	—	0
<b>Total property, plant and equipment</b>	<b>811,592</b>	<b>803,531</b>
<b>Intangible assets</b>		
Goodwill	39,039	38,488
Software	51,809	49,786
Other	0	0
<b>Total intangible assets</b>	<b>90,848</b>	<b>88,275</b>
<b>Investments and other assets</b>		
Investment securities	51,164	148,296
Long-term loans receivable	55,725	109,572
Deferred tax assets	181,357	175,539
Other	458,529	510,196
Allowance for doubtful accounts	△8,700	△8,700
<b>Total investments and other assets</b>	<b>738,077</b>	<b>934,904</b>
<b>Total non-current assets</b>	<b>1,640,518</b>	<b>1,826,710</b>
<b>Deferred assets</b>		
Share issuance cost	2,935	53,878
Development expenses	71	49
Business commencement expenses	17,749	13,559
<b>Total deferred assets</b>	<b>20,755</b>	<b>67,487</b>
<b>Total assets</b>	<b>9,423,180</b>	<b>9,907,062</b>

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2020)	3Q FY 2021 (consolidated) (As of December 31,2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	400,496	654,974
Short-term loans payable	74,980	52,510
Current portion of long-term loans payable	315,775	350,110
Lease obligations	172,964	147,272
Accounts payable - other	176,095	154,545
Income taxes payable	96,648	21,484
Advances received	322,665	19,369
Provision for bonuses	119,402	56,394
Provision for product warranties	22,878	23,378
Other	259,627	135,432
<b>Total current liabilities</b>	<b>1,961,534</b>	<b>1,615,471</b>
Non-current liabilities		
Long-term loans payable	368,911	570,648
Lease obligations	2,289,987	2,190,731
Deferred tax liabilities	331	—
Net defined benefit liability	207,112	229,102
Asset retirement obligations	15,155	15,155
Other	423,289	400,033
<b>Total non-current liabilities</b>	<b>3,304,788</b>	<b>3,405,672</b>
<b>Total liabilities</b>	<b>5,266,322</b>	<b>5,021,144</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,961,823	2,306,213
Capital surplus	1,235,035	1,544,421
Retained earnings	1,034,475	1,104,076
Treasury shares	△61,313	△61,313
<b>Total shareholders' equity</b>	<b>4,170,020</b>	<b>4,893,398</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△3,962	4,503
Foreign currency translation adjustment	△11,724	△24,565
<b>Accumulated other comprehensive income</b>	<b>△15,687</b>	<b>△20,062</b>
Share acquisition rights	2,524	12,582
<b>Total net assets</b>	<b>4,156,857</b>	<b>4,885,917</b>
<b>Total liabilities and net assets</b>	<b>9,423,180</b>	<b>9,907,062</b>

(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income  
Quarterly

Consolidated statements of income

Consolidated third quarter period

(In thousand yen)

	3Q FY2020 (from April 1, 2019 to December 31, 2019)	3Q FY2021 (from April 1, 2020 to December 31, 2020)
Net Sales	3,633,701	3,314,399
Cost of sales	2,351,975	2,297,530
Gross profit	1,281,725	1,016,869
Selling, general and administrative expenses	889,842	869,595
Operating profit	391,883	147,274
Non-operating income		
Interest income	3,212	359
Dividend income	324	589
Share of profit of entities accounted for using equity method	14,287	—
Insurance income	8,778	44,481
Gains on debt forgiveness	—	12,104
Other	4,231	6,480
Total non-operating income	30,834	64,015
Non-operating expenses		
Interest expenses	134,201	99,906
Foreign exchange losses	2,106	1,292
Share of loss of entities accounted for using equity method	907	3,230
Other	7,218	14,857
Total non-operating expenses	144,433	119,286
Ordinary Profit	278,283	92,003
Extraordinary income		
Gain on valuation of investment securities	14,754	5,716
Total extraordinary income	14,754	5,716
Extraordinary losses		
Loss on retirement of non-current assets	153	11
Loss on sale of investments in securities	—	369
Total extraordinary losses	153	381
Profit before income taxes	292,885	97,338
Income taxes - current	105,750	25,986
Income taxes - deferred	△28,952	1,750
Total income taxes	76,798	27,737
Profit	216,087	69,600
Profit attributable to owners of parent	216,087	69,600

Quarterly consolidated statements of comprehensive income

Consolidated third quarter period

(In thousand yen)

	3Q FY2020 (from April 1, 2019 to December 31, 2019)	3Q FY2021 (from April 1, 2020 to December 31, 2020)
Net Profit for the Quarter	216,087	69,600
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,413	8,466
Foreign currency translation adjustment	△4,734	△12,841
Total other comprehensive income	△320	△4,375
Comprehensive income	215,766	65,225
(breakdown)		
Comprehensive income attributable to owners of parent	215,766	65,225



(3) Notes for the quarterly consolidated financial statements

(Segment information, etc.)

【Segment information】

I. Previous 3Q consolidated cumulative period (from April 1, 2019 to December 31, 2019)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment				Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy system sales business	Renewable energy generation business	Total		
Sales amount						
Sales amount to external clients	2,441,719	97,291	1,094,690	3,633,701	-	3,633,701
Internal sales amount or transfer amount between segments	—	—	—	—	—	—
Total	2,441,719	97,291	1,094,690	3,633,701	—	3,633,701
Segment profit or loss (△)	221,881	△123,374	445,987	544,493	△152,610	391,883

(Note)

1. Adjusted amount of segment profit or loss (△) △152,610 thousand yen is adjusted amount of unrealized profit 3,213 thousand yen, adjusted amount of dividends from the consolidated subsidiary △52,500 thousand yen, and profit and loss of group management division not distributed to business segment △103,323 thousand yen.

2. Segment profit or loss (△) matches operating loss (△) in the quarterly consolidated profit and loss statement.

II. Current 3Q consolidated cumulative period (from April 1, 2020 to December 31, 2020)

Information concerning the sales amount and the amount of profit or loss per report segment

(unit: thousand yen)

	Report segment				Adjusted amount (Note) 1	Amount recorded in quarterly consolidated profit and loss statement (Note) 2
	Electronic / communication device business	Renewable energy system sales business	Renewable energy generation business	Total		
Sales amount						
Sales amount to external clients	2,766,003	253,545	294,850	3,314,399	—	3,314,399
Internal sales amount or transfer amount between segments	—	12,612	6,450	19,062	△19,062	—
Total	2,766,003	266,158	301,300	3,333,462	△19,062	3,314,399
Segment profit or loss (△)	347,351	△64,235	76,832	359,947	△212,673	147,274

(Note)

1. Adjusted amount of segment profit or loss (△) △212,673 thousand yen is adjusted amount of dividends from the consolidated subsidiary △72,500 thousand yen elimination of intersegment transactions of △6,652 thousand yen, and profit and loss of group management division not distributed to business segment △133,520 thousand yen.

2. Segment profit or loss (△) matches operating profit in the quarterly consolidated profit and loss statement.