



FY Mar. 2021 Summary of Accounting Statements [Japanese Standards] (consolidated)

May 20, 2021

Listed company name Tamagawa Holdings Co., Ltd. Exchange Tokyo
 Code No. 6838 URL https://www.tmex.co.jp
 Representative (Title) President (Name) Toru Masuzawa
 Contact person (Title) Director (Name) Keita Masuyama (TEL) 03-6435-6933
 Ordinary shareholders' meeting to be held: June 25, 2021 Dividends payment to be started: June 28, 2021
 Securities report to be submitted: June 25, 2021
 Preparation of supplementary explanation document for the accounting statement : Yes
 Explanatory meeting for the accounting statement : Yes (For institutional investors / analysts)

(amount under mil. yen rounded off)

1. Consolidated performance of FY Mar. 2021 (from Apr 1, 2020 to Mar 31, 2021)

(1) Consolidated management result (% indication: change compared with the same quarter of the previous year)

	Sales amount		Operating profit		Ordinary profit		Current net profit attributable to the parent company's shareholders	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
FY Mar. 2021	6,742	6.5	211	△73.7	121	△81.9	90	△79.5
FY Mar. 2020	6,332	64.9	805	426.0	672	—	439	241.8

(Note) Comprehensive profit FY Mar. 2021 108mil. yen (△74.8%) FY Mar. 2020 429mil. yen (225.5%)

	Current net profit per share	Current net profit per share after dilutive share adjustment	Current net profit ratio of own capital	Ordinary margin of gross asset	Operating margin of sales amount
	yen	yen	%	%	%
FY Mar. 2021	16.62	15.70	1.9	1.4	3.1
FY Mar. 2020	96.42	84.04	11.7	7.1	12.7

(Reference) Investment profit on equity method FY Mar. 2021 △5mil. yen FY Mar. 2020 12mil. yen

(2) Consolidated financial status

	Gross asset	Net asset	Capital ratio	Net asset per share
	mil. yen	mil. yen	%	yen
FY Mar. 2021	8,386	5,162	61.4	900.87
FY Mar. 2020	9,423	4,156	44.1	830.77

(Reference) Own capital FY Mar. 2021 5,151mil. yen FY Mar. 2020 4,154mil. yen

(3) Consolidated cashflow status

	Cashflow by sales activities	Cashflow by investment activities	Cashflow by financial activities	Term-end balance of cash and cash-equivalent
	mil. yen	mil. yen	mil. yen	mil. yen
FY Mar. 2021	1,234	23	△862	2,364
FY Mar. 2020	1,499	132	△688	1,964

2. Status of dividend

	Annual dividend					Total dividend (Total)	Dividend tendency (Consolidated)	Net asset dividend rate (Consolidated)
	End 1Q	End 2Q	End 3Q	Term end	Total			
	yen	yen	yen	yen	yen	mil. yen	%	%
FY Mar. 2020	—	0.00	—	7.00	7.00	35	6.91	0.88
FY Mar. 2021	—	0.00	—	7.00	7.00	40	42.11	0.81
FY Mar. 2022 (forecast)	—	0.00	—	5.00 ~30.00	5.00 ~30.00		—	

(Note) 1. Capital surplus is included in the dividend resource of FY Mar. 2020 and FY Mar. 2021.

See "Breakdown of dividend with capital surplus as dividend" for detail.

2. Dividend tendency is not stated in the dividend forecast for FY Mar. 2022 because it is disclosed in the range form.

3. Consolidated performance forecast of FY Mar. 2022 (from Apr 1, 2021 to Mar 31, 2022)

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

	Sales amount		Operating profit		Ordinary profit		Current net profit attributable to the parent company's shareholders		Current net profit per share
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%	yen
Full Year	6,845	1.5	327	54.9	297	144.8	208	131.1	38.40

*Notes

(1) Material transfer of subsidiary during the term (Transfer of the specific subsidiary with change of scope of consolidation) : No

Number of new companies	—	(Company name)	Number of excluded companies	—	(Company name)
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(2) Change of accounting policy / change of accounting estimate / redisplay of correction

- | | |
|---|------|
| ① Change of accounting policy along with revision of the accounting standards, etc. | : No |
| ② Change of accounting policy other than ① | : No |
| ③ Change of accounting estimate | : No |
| ④ Redisplay of correction | : No |

(3) Number of shares issued (ordinary shares)

- ① Number of term-end shares issued (including own shares)
- ② Number of term-end own shares
- ③ Average number of midterm shares (quarterly accumulation)

FY Mar. 2021	5,780,000shares	FY Mar. 2020	5,062,000shares
FY Mar. 2021	61,484shares	FY Mar. 2020	61,454shares
FY Mar. 2021	5,428,450shares	FY Mar. 2020	4,557,326shares

(Reference) Outline of individual performance

Individual performance of FY Mar. 2021(Apr. 1, 2020 Mar. 31, 2021)

(1) Individual management result

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

	Sales amount		Operating profit		Ordinary profit		Current net profit	
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%
FY Mar. 2021	189	4.8	△213	—	△224	—	△130	—
FY Mar. 2020	181	△1.3	△123	—	△125	—	△104	—

	Current net profit per share	Current net profit per share after dilutive share adjustment
	yen	yen
FY Mar. 2021	△24.09	—
FY Mar. 2020	△22.94	—

(2) Individual financial status

	Gross asset		Net asset		Capital ratio	Net asset per share
	mil. yen		mil. yen		%	yen
FY Mar. 2021	4,508		3,653		80.8	636.94
FY Mar. 2020	3,974		2,874		72.3	574.37

(Reference) Own capital FY Mar. 2021 3,642mil. yen FY Mar. 2020 2,872mil. yen

* The summary of accounting statement is exempted from audit by certified public accountant or auditing firm.

* Explanation on appropriate use of the performance forecast and other special notes

The statement concerning the future such as performance forecast, etc. described herein is based on the information we have currently obtained and a certain precondition judged as reasonable, and the actual performance, etc. may be greatly different due to various factors.

Breakdown of dividend with the capital surplus as capital resource

Breakdown of dividend with the capital surplus as capital resource among the dividend of FY March 2021 is as follows.

Record date	Term-end	Total
Dividend per share	7.00yen	7.00yen
Total dividend amount	40mil.yen	40mil.yen

(Note) Net asset reduction rate: 0.011

Overview of management result, etc.

Overview of the current management result, etc.

The matters concerning the future in the text have been determined by our group (our company and the consolidated subsidiaries) as of the final day of the current consolidated accounting year.

The Japanese economics in the current consolidated accounting year continues to shift with uncertain situation due to the effect of Covid-19 epidemic and the impacts on the global economics given by trend and perspective of the issues between US and China, 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 which was launched for commercial operation and public related market, through the efforts according to transition of the time including innovation and enhancement of the website with the purpose of increase of new clients' inquiries as non-contact type sales due to Covid-19 epidemic, we have been also dedicated to new markets and client exploration to 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 achieved great success by active efforts for additional new markets such as alone successful bid of "manufacturing of the low-power high-frequency circuit for linear accelerator and beam monitor circuit system of the next-generation radiant light facility" by National Institutes for Quantum and Radiological Science and Technology which was disclosed last spring.

In the mobile communication field, we have received more demand for high frequency components mainly including 5G related.

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 increasing, we will continue to promote expansion of our group's business field in order to establish the stable business base and also continue the activities for profit expansion by implementation and enhancement of self-development products.

In the renewable power plant business, we sold Nagasaki Prefecture, Goto-City, Kojindake Solar Power Plant in March 2021. By selling the megasolar plant where each unit is large and accelerating development of small wind power plants where each unit is small, it is based on the strategy to secure risk dispersion, profitability and mobility, enhance the financial constitution by great reduction of liabilities and meet the society's demands by accelerating development of new renewable energy power source. We are also planning to sell Hokkaido Noboribetsu Plant, which is the remaining megasolar plant gaining power-selling income in the term ending March 2022.

Also, for the large wind power plant (1.984MW) in Nemuro City, Hokkaido, we have conducted the full-scale wind condition survey and the boring survey and 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 consolidated accounting year was 4,041 mil. yen (10.1% decrease compared with the same term of the previous year), and the sales amount was 6,742 mil. yen (6.5%

increase compared with the same term of the previous year). In terms of profit and loss, operating profit was recorded as 211 mil. yen (73.7% decrease compared with the same term of the previous year), ordinary profit was recorded as 121 mil. yen (81.9% decrease compared with the same term of the previous year), and therefore the current net profit belonging to the parent company shareholders was 90 mil. yen (79.5% 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

Due to receipt in the previous fiscal year of large orders of which recording sales crosses over three business years, the amount of orders received of the previous fiscal year decreased compared to the year before the previous fiscal year was 3,587 mil. yen (17.3% decrease compared with the same term of the previous year).

In addition, thanks to upwards transition of the mobile communication field and the public filed, the sales amount was 4,007 mil. yen (17.3% increase compared with the same term of the previous year), and segment profit was 431 mil. yen (23.9% increase compared with the same term of the previous year).

b. Renewable energy system sales business

Due to reduction of the fixed purchase price, and due to decrease of sellout and increase of owning of small wind power plants, for sales by lotting of the solar power plants, the amount of orders received was 454 mil. yen (185.2% increase compared with the same term of the previous year), sales amount was 468 mil. yen (46.0% decrease compared to the same term of the previous year), and segment loss was 53 mil. yen (segment loss of the same term of the previous year: 27 mil. yen).

c. Renewable energy plant business

Each solar power plant including the already-operating solar power plants in Noboribetsu City and the solar sharing plants in Shimada City, Shizuoka Pref. and each small wind power plant of which development has been enhanced in Hokkaido have been selling power at a good rate. In addition, since the megasolar plants in Goto City, Nagasaki Pref. was sold at the price where the profit went below the expectation, based on the strategy to secure risk dispersion, profitability and mobility, enhance the financial constitution by great reduction of liabilities and meet the society's demands by accelerating development of small wind power plants as new renewable energy power source, the sales amount increased but the profit decrease, where the sales amount was 2,285 mil. yen (9.3% increase compared with the same term of the previous year) and segment profit was 154 mil. yen (77.9% decrease compared with the same term of the previous year).

Consolidated financial statements and Notes

Consolidated balance sheet

(In thousand yen)

	FY2019(consolidated) (As of March 31,2020)	FY2020(consolidated) (As of March 31,2021)
Assets		
Current assets		
Cash and deposits	2,215,666	2,448,235
Notes and accounts receivable - trade	1,391,469	1,637,354
Merchandise and finished goods	2,889,509	1,222,818
Work in process	778,562	899,716
Raw materials and supplies	231,870	265,471
Advance payments - trade	105,709	43,925
Other	166,749	230,822
Allowance for doubtful accounts	△17,632	△17,632
Total current assets	7,761,905	6,730,711
Non-current assets		
Property, plant and equipment		
Buildings and structures	514,488	518,809
Accumulated depreciation	△346,363	△361,412
Buildings and structures, net	168,125	157,397
Machinery, equipment and vehicles	368,769	377,226
Accumulated depreciation	△135,540	△163,902
Machinery, equipment and vehicles, net	233,229	213,323
Tools, furniture and fixtures	824,843	888,541
Accumulated depreciation	△687,178	△737,400
Tools, furniture and fixtures, net	137,665	151,141
Land	272,573	272,573
Construction in progress	—	0
Total property, plant and equipment	811,592	794,435
Intangible assets		
Goodwill	39,039	38,437
Software	51,809	53,098
Other	0	0
Total intangible assets	90,848	91,535
Investments and other assets		
Investment securities	51,164	256,621
Long-term loans receivable	55,725	136,462
Deferred tax assets	181,357	198,395
Other	458,529	132,883
Allowance for doubtful accounts	△8,700	△8,700
Total investments and other assets	738,077	715,661
Total non-current assets	1,640,518	1,601,633
Deferred assets		
Share issuance cost	2,935	49,498
Development expenses	71	41
Business commencement expenses	17,749	5,045
Total deferred assets	20,755	54,585
Total assets	9,423,180	8,386,929

(In thousand yen)

	FY2019(consolidated) (As of March 31,2020)	FY2020(consolidated) (As of March 31,2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	400,496	492,050
Short-term loans payable	74,980	29,190
Current portion of long-term loans payable	315,775	318,388
Lease obligations	172,964	30,941
Accounts payable - other	176,095	241,010
Income taxes payable	96,648	60,113
Advances received	322,665	70,801
Provision for bonuses	119,402	115,726
Provision for product warranties	22,878	24,229
Other	259,627	396,566
Total current liabilities	1,961,534	1,779,018
Non-current liabilities		
Bonds payable	—	100,000
Long-term loans payable	368,911	475,187
Lease obligations	2,289,987	404,706
Deferred tax liabilities	331	4,454
Net defined benefit liability	207,112	237,301
Asset retirement obligations	15,155	15,199
Other	423,289	208,138
Total non-current liabilities	3,304,788	1,444,988
Total liabilities	5,266,322	3,224,006
Net assets		
Shareholders' equity		
Capital stock	1,961,823	2,423,857
Capital surplus	1,235,035	1,662,065
Retained earnings	1,034,475	1,124,707
Treasury shares	△61,313	△61,373
Total shareholders' equity	4,170,020	5,149,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△3,962	7,847
Foreign currency translation adjustment	△11,724	△5,408
Accumulated other comprehensive income	△15,687	2,438
Share acquisition rights	2,524	11,227
Total net assets	4,156,857	5,162,922
Total liabilities and net assets	9,423,180	8,386,929

Consolidated statement of income and consolidated statement of comprehensive income
 Consolidated statement of income

(In thousand yen)

	FY2019 (From April 1, 2019 to March 31, 2020)	FY2020 (From April 1, 2020 to March 31, 2021)
Net sales	6,332,983	6,742,412
Cost of sales	4,350,804	5,270,448
Gross profit	1,982,179	1,471,963
Selling, general and administrative expenses	1,176,522	1,260,396
Operating profit	805,656	211,567
Non-operating income		
Interest income	3,226	1,375
Dividend income	324	812
Insurance income	23,908	45,720
Share of profit of entities accounted for using equity method	12,472	—
Foreign exchange gains	—	4,308
Gain on forgiveness of debts	7,787	12,104
Other	6,164	9,254
Total non-operating income	53,884	73,575
Non-operating expenses		
Interest expenses	172,830	133,714
Foreign exchange losses	3,413	—
Share of loss of entities accounted for using equity method	—	5,352
Other	10,344	24,538
Total non-operating expenses	186,587	163,605
Ordinary profit	672,952	121,537
Extraordinary income		
Gain on sales of non-current assets	—	3,563
Gain on sales of investment securities	14,754	5,716
Total extraordinary income	14,754	9,280
Extraordinary losses		
Loss on sales of non-current assets	42,622	—
Loss on retirement of non-current assets	19,447	11
Impairment loss	74,026	—
Loss on sales of investment securities	—	369
Total extraordinary losses	136,097	381
Profit before income taxes	551,609	130,436
Income taxes - current	108,764	57,648
Income taxes - deferred	3,413	△17,444
Total income taxes	112,178	40,203
Profit	439,431	90,232
Profit attributable to owners of parent	439,431	90,232

Consolidated statement of comprehensive income

(In thousand yen)

	FY2019 (From April 1,2019 to March 31,2020)	FY2020 (From April 1,2020 to March 31,2021)
Profit	439,431	90,232
Other comprehensive income		
Valuation difference on available-for-sale securities	△3,237	11,809
Foreign currency translation adjustment	△6,639	6,315
Total other comprehensive income	△9,877	18,125
Comprehensive income	429,554	108,357
(detail)		
Comprehensive income attributable to owners of parent	429,554	108,357

Information regarding net sales, income or loss, assets, liabilities, and other items for each reportable segment

FY2019 (April 1, 2019 -March 31, 2020)

(In thousand yen)

	Reportable Segment			Total	Adjustment amount (Note1)	Value presented in consolidated financial statements
	Electronic/Communication Device Business	Renewable Energy System Sales Business	Renewable energy plant business			
Net Sales						
Sales to external customers	3,417,475	823,672	2,091,835	6,332,983	—	6,332,983
Internal sales or Transfers between segments	—	43,510	—	43,510	△43,510	—
Total	3,417,475	867,182	2,091,835	6,376,493	△43,510	6,332,983
Segment income(loss)	348,307	△27,325	698,447	1,019,429	△213,773	805,656
Segment assets	3,893,845	3,220,644	1,663,635	8,778,125	645,054	9,423,180
Other items						
Depreciation	121,897	4,888	246,079	372,865	△2,887	369,978
Equity in profit of affiliates	—	—	12,472	12,472	—	12,472
Impairment Loss	—	—	53,889	53,889	20,137	74,026
Investment for affiliated company accounted for by the equity-method	—	—	88,790	88,790	—	88,790
Increase in property, plant and equipment and intangible assets	86,781	—	1,000	87,781	—	87,781

(Note) 1. (1) Adjusted amount of △213,773,000 yen of segment profit or loss(△) is 4,809,000 yen of adjusted amount of gross unrealized gain, etc., △70,000,000 yen of adjusted amount of the dividends from the consolidated subsidiaries of and △148,582,000 yen of gain and loss of the group management department not distributed as the business segment.

(2) 645,054,000 yen of adjusted amount of segment asset is asset of the group management department not distributed as the business segment.

2. The segment profit or loss (△) is adjusted with the operating profit in the consolidated financial statement.

FY2020 (April 1, 2020 -March 31, 2021)

(In thousand yen)

	Reportable Segment			Total	Adjustment amount (Note1)	Value presented in consolidated financial statements
	Electronic/Communication Device Business	Renewable Energy System Sales Business	Renewable energy plant business			
Net Sales						
Sales to external customers	4,007,591	455,423	2,279,397	6,742,412	—	6,742,412
Internal sales or Transfers between segments	—	12,612	6,450	19,062	△19,062	0
Total	4,007,591	468,036	2,285,847	6,761,475	△19,062	6,742,412
Segment income(loss)	431,547	△53,272	154,668	532,943	△321,376	211,567
Segment assets	4,130,558	1,799,726	1,248,361	7,178,646	1,208,283	8,386,929
Other items						
Depreciation	101,329	18,559	187,674	307,563	△458	307,105
Equity in loss of affiliates	—	—	△5,352	△5,352	—	△5,352
Impairment Loss	—	—	—	—	—	—
Investment for affiliated company accounted for by the equity-method	—	—	111,429	111,429	—	111,429
Increase in property, plant and equipment and intangible assets	110,154	—	—	110,154	—	110,154

(Note) 1. (1) Adjusted amount of △321,376,000 yen of segment profit or loss(△) is 3,309,000 yen of transaction deletion between segments, 1,244,000 yen of adjusted amount of gross unrealized gain, etc., △90,000,000 yen of dividends from the consolidated subsidiaries of and △235,930,000 yen of gain and loss of the group management department not distributed as the business segment.

(2) 1,208,283,000 yen of adjusted amount of segment asset is asset of the group management department not distributed as the business segment.

2. The segment profit or loss (△) is adjusted with the operating profit in the consolidated financial statement.