



FY2022 March The 1Q Summary of Accounting Statements [Japanese Standards] (consolidated)

August 13, 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 : August. 13, 2021 Dividends payment to be started : —
 Preparation of supplementary explanation document for the quarterly accounting statement : No
 Explanatory meeting for the quarterly accounting statement : No

(amount under mil yen rounded off)

1.Consolidated performance of FY 2022 Mar.: 1Q (from Apr 1, 2021 to June 30, 2021)

(1) Consolidated management result (cumulative)

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

1.Consolidated performance of FY 2021 Mar.: 1Q (from Apr 1, 2021 to June 30, 2022)

(1) Consolidated management result (cumulative)

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	Sales amount		Operating profit		Ordinary profit		Quarterly profit belonging to the parent company's shareholders	
	mil.yen	%	mil.yen	%	mil.yen	%	mil.yen	%
FY2022 Mar. 1Q	1,940	66.5	183	193.0	169	182.4	132	120.9
FY2022 Mar. 1Q	1,165	63.0	62	—	59	—	60	—

(Not Comprehensive e) profit: FY2022 Mar. 1Q 133mil.yen (118.6%) FY2021 Mar.1Q 61mil.yen (—%)

	Quarterly net profit per share	Quarterly net profit per share after issuable share adjustment
FY2021 Mar. 1Q	yen 23.14	yen 22.33
FY2020 Mar. 1Q	11.63	11.15

(2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio
FY2022 Mar. 1Q	mil.yen 7,500	mil.yen 5,270	% 70.1
FY2021 Mar.	8,386	5,162	61.4

(Reference) Own capital: FY2022 Mar. 1Q 5,259mil yen FY2021 Mar. 5,151mil yen

2. Status of dividends

	Annual dividends				
	End 1Q	End 2Q	End 3Q	Term end	Total
FY2021 Mar.	yen —	yen 0.00	yen —	yen 7.00	yen 7.00
FY2022 Mar.	—				
FY2022 Mar. (forecast)		0.00	—	5.00 ~30.0	5.00 ~30.0

(Note Correction from the dividend forecast recently Non(Note)
) announced: e

3. Consolidated performance forecast of FY 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	%	
Full business year	6,845	1.5	327	54.9	297	144.8	208	131.1	yen 38.40

(Note Correction from the performance forecast recently Non(Note)
) announced: e

※ Notes

(1) Material transfer of subsidiary in the current quarter consolidated cumulative period: None

(Specified subsidiary transfer with change of the consolidated scope)

New —(company name)

Excluded —(company name)

(2) Application of accounting process specific to preparation of the quarterly consolidated accounting: None

(3) Change of accounting policy, change of accounting estimate, redisplay of revision

① Change of accounting policy for revision of accounting standard, etc. : None

② Change of the accounting standard except for ① : None

③ Change of the accounting estimate : None

④ Redisplay of revision : None

(4) Number of shares issued (ordinary shares)

① Number of term-end shares issued (including own shares)

FY2022 Mar. 1Q	5,795,100shares	FY2021 Mar.	5,780,000shares
FY2022 Mar. 1Q	61,484shares	FY2021 Mar.	61,484shares
FY2022 Mar. 1Q	5,728,470shares	FY2021 Mar.	5,157,127shares

② Number of term-end own shares

③ Average number of midterm shares (quarterly accumulation)

* The quarterly summary of accounting statement is not subject to quarterly review by the certified accountant or audit company.

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

Description concerning the future of performance forecast, etc. described in this document is based on the information currently obtained by us and the certain precondition judged as reasonable, and the actual performance, etc. may drastically vary due to various factors. Please see p.4 "Explanation on the Future Forecast Information of the Consolidated Performance Forecast, etc." for assumption as the precondition of the performance forecast. and attention for usage of performance forecast.

1. Qualitative information concerning the current quarter financial results

(1) Overview of the management result

The matters concerning the future in the text have been determined as of the final day of the current consolidated accounting year.

The Japanese economics in the current first 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 and perspective of the issues between US and China, and uncertainty in the policies. In particular, while the pandemic of Covid-19 remains to give a great impact, our group has engaged in both prevention of infection spread and sales activities by maintaining 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, our active efforts have achieved great successes including order receipt of the "Optical DAS system for airport MCA" for Kansai International Airport announced this May and adoption of "milliwave wireless base station and terminal in the 5G advancing research" announced in June.

In the mobile communication field, the demand for high frequency components is stably increasing mainly including 5G related market. As new efforts, we will actively proceed with expansion of share in the accelerated mobile infrastructure sharing field and industrial-academic cooperation research for "Beyond 5G."

Proposals for new clients related to mobile communication facilities for overseas continue to be 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. We will work on further demand expansion as well as joining the national project as "National Resilience" from the development stage to secure long-term and stable order receipt.

In addition, by enhancing proposals of self-developed products along with promotion of active business domain expansion through marketing the self-developed products of surveillance units targeting the Drone business market and joining the private satellite business, we will continue the activities for profit expansion in order to establish the stable business base.

In the renewable energy business, we did not sell any megasolar plants in the same term of the previous year, but in June 2021, we sold the Hokkaido Noboribetsu Plant we had owned. Additionally, we sold two wind power plants we had owned, of which development we have been focusing on since the previous term, resulting in the sales amount greatly exceeding that in the same term of the previous year. While we have sold all the mega solar power plants we had owned, our future strategy is to enhance development of small wind power plants by leveraging the fund from selling. By enhancing development of small wind power plants which are small per unit, we will ensure risk dispersion and profitability and mobility and will contribute to reduction of greenhouse gas by accelerating development of new renewable energy power source.

We are also proceeding with the project with the large wind power plant (1.984MW) in Nemuro City, Hokkaido and the small waterpower plant in Flores Island, Nusa Tenggara, Indonesia.

As the result of the above, the amount of orders received in the current first quarter consolidated accumulative term was 2,305 mil. yen (102.0% increase compared with the same term of the previous year), and the sales amount was 1,940 mil. yen (66.5% increase compared with the same term of the previous year). In terms of profit and loss, operating profit was recorded as 183 mil. yen (193.0% increase compared with the same term of the previous year), ordinary profit was recorded as 169 mil. yen (182.4% increase compared with the same term of the previous year), and due to resolution of future deductible amount at some consolidated subsidiaries, etc., the adjustment amount of corporate tax, etc. of 32 mil. yen was recorded. Therefore, the quarterly net profit belonging to the parent company shareholders was 132 mil. yen (120.9% increase compared with the same term of the previous year).

In the electronic/ communication device business, we are focusing on exploration of new customers in addition to sales expansion activities mainly in the public related market. Especially in the public field, the demand is stably increasing and is expected to transit steadily also from now on. Furthermore, by enhancing proposals of self-developed products along with promotion of active business domain expansion through participation in new markets, we will continue the activities for profit expansion in order to establish the stable business base as the entire electronic/ communication device business.

Our group is actively considering overseas development of the general environmental business as well as the renewable energy business mainly in Southeast Asia in addition to the domestic development, aiming for expansion of operation of the business. Our group will continue to engage in CO2 reduction and the measures for global warming and also for building of the business system responsive to the ESG management and social transformation through SDGs.

Management result status by business type segments is as follows.

We changed the business segments to be listed as the reported segment in the current first quarter consolidated accounting term, and the current comparison and analysis in the first quarter consolidated accumulative period are based on the categories after the change.

a. Electronic / communication device business

For electronic / communication device business, since advance ordering by the customers increased as the measures against delayed delivery due to the worldwide supply shortage of the semiconductors and non-iron metal materials, the amount of orders received was 1,284 mil. yen (29.2% increase compared with the same term of the previous year).

In addition, since there is no shipment of large order including the semiconductor testing equipment, etc. like the same term of the previous year and the sales concentrates in the second term as every year and it was achieved a little more than planned in the beginning of the term, resulting in the sales amount of 817 mil. yen (13.1% decrease compared with the same term of the previous year), and segment profit was 134 mil. yen (2.7% decrease compared with the same term of the previous year).

b. Renewable energy system sales business

Various solar power plants including the solar sharing plant in operation in Shimada City, Shizuoka Pref. as well as Hokkaido Noboribetsu City Solar Power Plant sold in the current first quarter end, and the small wind power plants of which development has been enhanced in Hokkaido have been selling power in a good state. Due to sellout of Hokkaido Noboribetsu Power Plant, the sales and profit have greatly increased and the amount of orders received was 1,021 mil. yen (590.5% increase compared with the same term of the previous year), sales amount was 1,122 mil. yen (399.6% decrease compared to the same term of the previous year), and segment loss was 148 mil. yen (segment loss of the same term of the previous year: 2 mil. yen).

(2) Explanation on the financial status

① Analysis of the financial status

(Gross asset)

The gross asset at the end of the current first quarter consolidated accounting period decreased by 886 mil. yen compared to the end of the previous consolidated accounting year, resulting in 7,500 mil. yen.

This is mainly because the cash and deposit decreased by payment of liabilities for lease and unpaid corporate tax, etc. and unpaid consumption tax, etc. included in others of the current liabilities and the merchandised goods and products decreased by sellout of Hokkaido Noboribetsu City Solar Power Plant.

(Liabilities)

The liabilities at the end of the current first quarter consolidated accounting period decreased by 994 mil. yen compared to the end of the previous consolidated accounting year, resulting in 2,229 mil. yen.

This is mainly because the cash and deposit decreased by payment of liabilities for lease and unpaid corporate tax, etc. and unpaid consumption tax, etc. included in others of the current liabilities decreased by sellout of Hokkaido Noboribetsu City Solar Power Plant.

(Net asset)

The net asset at the end of the current first quarter consolidated accounting period decreased by 107 mil. yen compared to the end of the previous consolidated accounting year, resulting in 5,270 mil. yen.

This is mainly due to recording of the quarterly net profit belonging to the shareholders of the parent company.

② Issue to be resolve in business and finance

There are no material issues concerning issues in business and finance which newly occurred in the current first quarter consolidated accumulative period.

③ Research and development activities

The amount of research and development activities for the entire group in the current first quarter consolidated accumulative period is 47 mil. yen.

There is no material change in the status of our group's research and development activities in the current first quarter consolidated accumulative period.

(3) Explanation on the future forecast information including consolidated performance forecast

There is no change in the performance forecast announced on May 20, 2021.

2.Consolidated financial statements and Notes

(1)Consolidated balance sheet

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2021)	1Q FY 2021 (consolidated) (As of June 30,2022)
Assets		
Current Assets		
Cash and deposits	2,448,235	1,969,361
Notes and accounts receivable - trade	—	1,725,125
Merchandise and finished goods	1,637,354	—
Goods and products	1,222,818	990,513
Work in proces	899,716	578,265
Raw materials and supplies	265,471	270,022
Advance payments - trade	43,925	54,292
Other	230,822	266,277
Allowance for doubtful accounts	△17,632	△17,632
Total current assets	6,730,711	5,836,226
Non-current assets		
Property, plant and equipment		
Buildings and structures	518,809	519,256
Accumulated depreciation	△361,412	△365,215
Buildings and structures, net	157,397	154,041
Machinery, equipment and vehicles	377,226	377,226
Accumulated depreciation	△163,902	△169,728
Machinery, equipment and vehicles, net	213,323	207,498
Tools, furniture and fixtures	888,541	898,355
Accumulated depreciation	△737,400	△751,464
Tools, furniture and fixtures, net	151,141	146,890
Land	272,573	303,976
Construction in progress	0	0
Total property, plant and equipment	794,435	812,406
Intangible assets		
Goodwill	38,437	36,585
Software	53,098	53,088
Other	0	0
Total intangible assets	91,535	89,673
Investments and other assets		
Investment securities	256,621	253,470
Long-term loans receivable	136,462	136,462
Deferred tax assets	198,395	162,030
Other	132,883	161,434
Allowance for doubtful accounts	△8,700	—
Total investments and other assets	715,661	713,398
Total non-current assets	1,601,633	1,615,479
Deferred assets		
Share issuance cost	49,498	45,971
Development expenses	41	34
Business commencement expenses	5,045	2,808
Total deferred assets	54,585	48,813
Total assets	8,386,929	7,500,519

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2021)	1Q FY 2021 (consolidated) (As of June 30,2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	492,050	453,774
Short-term loans payable	29,190	11,700
Current portion of long-term loans payable	318,388	309,531
Lease obligations	30,941	4,490
Accounts payable - other	241,010	182,535
Income taxes payable	60,113	13,106
Advances received	70,801	40,866
Provision for bonuses	115,726	49,725
Provision for product warranties	24,229	57,376
Other	396,566	151,573
Total current liabilities	1,779,018	1,274,681
Non-current liabilities		
Long-term loans payable	100,000	100,000
Lease obligations	475,187	413,501
Deferred tax liabilities	404,706	12,827
Net defined benefit liability	4,454	168
Asset retirement obligations	237,301	242,898
Long-term accounts payable - other	15,199	15,199
Other	208,138	170,645
Total non-current liabilities	1,444,988	955,241
Total liabilities	3,224,006	2,229,923
Net assets		
Shareholders' equity		
Capital stock	2,423,857	2,431,120
Capital surplus	1,662,065	1,629,298
Retained earnings	1,124,707	1,257,292
Treasury shares	△61,373	△61,373
Total shareholders' equity	5,149,257	5,256,338
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,847	8,922
Foreign currency translation adjustment	△5,408	△5,556
Accumulated other comprehensive income	2,438	3,366
Share acquisition rights	11,227	10,891
Total net assets	5,162,922	5,270,596
Total liabilities and net assets	8,386,929	7,500,519

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

Consolidated statements of income

Consolidates first quarter period

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2021)	1Q FY 2021 (consolidated) (As of June 30,2022)
Net Sales	1,165,461	1,940,650
Cost of sales	840,143	1,437,979
Gross profit	325,318	502,671
Selling, general and administrative expenses	262,544	318,735
Operating profit (loss (△))	62,774	183,935
Non-operating income		
Interest income	1,278	576
Dividend income	312	36
Insurance income	21,724	1,563
Gain on forgiveness of debts	12,104	—
Other	1,786	4,962
Total non-operating income	37,206	7,138
Non-operating expenses		
Interest expenses	33,942	11,374
Foreign exchange losses	1,289	1,996
Share of loss of entities accounted for using equity method	1,508	938
Other	3,247	7,322
Total non-operating expenses	39,988	21,630
Ordinary profit (loss (△))	59,992	169,443
Profit (loss (△)) before income taxes	59,992	169,443
Income taxes - current	5,854	4,436
Income taxes - deferred	△5,888	32,422
Total income taxes	△34	36,858
Profit (loss (△))	60,027	132,584
Profit (loss (△)) attributable to non-controlling interests	60,027	132,584

Quarterly consolidated statements of comprehensive income

Consolidated first quarter period

(In thousand yen)

	FY 2020 (consolidated) (As of March 31,2021)	1Q FY 2021 (consolidated) (As of June 30,2022)
Profit (loss (△))	60,027	132,584
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,895	1,075
Foreign currency translation adjustment	△2,850	△147
Total other comprehensive income	1,044	928
Comprehensive income	61,072	133,512
(breakdown)		
Comprehensive income attributable to owners of parent	61,072	133,512

(3) Notes for the quarterly consolidated financial statements

(Notes for precondition of continuing company): NA

(Shareholders' capital related)

I. Previous 1Q consolidated cumulative period (from April 1, 2020 to June 30, 2020): Matters on dividends

Amount of dividends payment

Resolution	Type of share	Dividend resource	Total amount of dividends (thousand yen)	Dividend amount per share (yen)	Record date	Effective date
May 15, 2020 Board of directors	Ordinary shares	Earned surplus	35,003	7.00	March 31, 2020	June 29, 2020

II. Previous 1Q consolidated cumulative period (from April 1, 2021 to June 30, 2021)

Amount of dividends payment

Resolution	Type of share	Dividend resource	Total amount of dividends (thousand yen)	Dividend amount per share (yen)	Record date	Effective date
May 13, 2021 Board of directors	Ordinary shares	Earned surplus	40,029	7.00	March 31, 2021	June 28, 2021

(Notes when there is drastic change in shareholders' capital amount) :NA

(Change of accounting policy)

(Implementation of the Accounting Standard for Revenue Recognition)

“Accounting Standard for Revenue Recognition” (Accounting Standards, No.29, March 31, 2020; hereafter “Revenue Recognition Accounting Standard”), etc. shall be implemented from the beginning of the current first quarter consolidated accounting term and the revenue shall be recognized with the amount expected to be received in exchange of the concerned assets or services at the point when the control of the promised assets or service is transferred to the customer.

Implementation of the Revenue Recognition Accounting Standard, etc. is accordance with the transitional treatment stipulated in the exceptional clause in Clause 84 of the Revenue Recognition Accounting Standard and the accumulative effect amount when a new accounting policy is retroactively implemented before the beginning of the current first quarter accumulative accounting period is adjusted for the revenue surplus of the beginning of the current first quarter accumulative accounting period, and the new accounting policy is implemented from the balance of such beginning of the term.

As a result, there is no effect on the loss and profit during the current first quarter accumulative accounting period. The revenue surplus also does not have an effect of the balance on the beginning of the current term.

Since the Revenue Recognition Accounting Standard, etc. was implemented, “received bill and trade accounts receivable” listed in “current assets” in the consolidated balance sheet of the previous consolidated accounting year is determined to be listed in “received bill, trade accounts receivable and contract assets” from the current first quarter accumulative accounting period. Additionally, in accordance with the transitional treatment stipulated in Clause 89-2 of the Revenue Recognition Accounting Standard, recombination is not done by the new listing method for the previous consolidated accounting year. Furthermore, pursuant to the transitional treatment stipulated in Clause 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (Accounting Standards, No.12, March 31, 2020), the information is not listed by dissolving the revenue arising from the contract with customers during the current first quarter accumulative accounting period.

(Implementation of Accounting Standards for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” (Accounting Standards, No.30, July 4, 2019; hereafter “Fair Value Measurement Accounting Standard”), etc. is implemented from the beginning of the current first quarter accumulative accounting period and a new accounting policy stipulated in the Fair Value Measurement Accounting Standard, etc. will be implemented throughout the future in accordance with the transitional treatment stipulated in Clause 19 of the Fair Value Measurement Accounting Standard and Clause 44-2 of the “Accounting Standard for Financial Instruments” (Accounting Standards, No.10, July 4). There is no effect on the quarterly consolidated financial reporting.

(Additional information)

(Implementation of tax effect accounting concerning transfer from the consolidated tax payment system to the Japanese group relief system)

Our Company and some of our domestic consolidated subsidiaries do not implement the stipulation of Clause 44 of “Implementation Guidance of Accounting Standard for Tax Effect Accounting” (Implementation Guidance of the Accounting Standard” No. 28, February 16, 2018) by treatment of Clause 3 of “Treatment Concerning Implementation of Tax Effect Accounting for Transfer from the Consolidated Tax Payment System to the Japanese Group Relief System” (Practical Solutions No.39, March 31, 2020) for the transfer to the Japanese Group Relief System established in the Act for Partial Amendment to the Income Tax Act, etc. (2020 Act No.8) and the single tax payment system along with the transfer to the Japanese Group Relief System, and follow the stipulation of the tax law before the amendment for the amounts of the rollover tax assets and rollover tax liabilities.

(Related to quarterly consolidated cash flow calculation)

The quarterly consolidated cash flow calculation sheet concerning the current first quarter consolidated accumulative period is not prepared. Depreciation concerning the first quarter consolidated accumulative period (including depreciation concerning intangible fixed assets) is as follows.

	First quarter consolidated accumulative period of the previous year (From: April 1, 2020 through June 30, 2020)	Current first quarter consolidated accumulative period (From: April 1, 2021 through June 30, 2021)
Depreciation	69,768 thousand yen	52,819 thousand yen

(Note in case of drastic change in the amount of the shareholder’s fund)

No applicable matters.

(Segment information, etc.)

【Segment information】

I. Previous 1Q consolidated cumulative period (from April 1, 2020 to June 30, 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 business	Total		
Sales amount					
Sales amount to external clients	940,709	224,752	1,165,461	—	1,165,461
Internal sales amount or transfer amount between segments	—	—	—	—	—
Total	940,709	224,752	1,165,461	—	1,165,461
Segment profit or loss (△)	138,187	2,975	141,163	△78,389	62,774

(Note)

- Adjusted amount of segment profit or loss (△) △78,389 thousand yen is adjusted amount of unrealized profit,
- Segment profit or loss (△) matches operating loss (△) in the quarterly consolidated profit and loss statement.

II. Current 1Q consolidated cumulative period (from April 1, 2021 to June 30, 2021)

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 business	Total		
Sales amount					
Mobile communication infrastructure	276,767	—	276,767	—	276,767
Government office	256,755	—	256,755	—	256,755
Public project	144,768	—	144,768	—	144,768
FA ・ Measurement ・ Other	139,598	—	139,598	—	139,598
Solar power plant	—	1,021,424	1,021,424	—	1,021,424
Wind power plant	—	99,302	99,302	—	99,302
Revenue from Contracts with Customers	817,890	1,120,727	1,938,617	—	1,938,617
Other profit	—	2,032	2,032	—	2,032
Sales amount to external clients	817,890	1,122,760	1,940,650	—	1,940,650
Between segments					
Internal sales or transfer amount	—	—	—	—	—
Total	817,890	1,122,760	1,940,650	—	1,940,650
Segment profit	134,430	148,729	283,160	△99,224	183,935

- (note) 1. The adjustment amount of segment profit of $\triangle 99,224$ thousand yen is the profit and loss of the group management division that is not allocated to the business segment of $\triangle 99,224$ thousand yen.
2. Segment profit is consistent with operating income on the quarterly consolidated profit statement.

2. Matters concerning the change in the reporting segment, etc.

“Renewable energy system sales business” and “renewable energy power plant business” of the former reporting segments have been combined and changed to the new title of “renewable energy business” since the current first quarter consolidated accounting period.

Our group distinguished the “renewable energy system sales business” of which main businesses are lot sales of renewable energy power plants including solar power and sales of the power generating system, and “renewable energy power plant business” of which major business is power selling. However, due to the opportunity of sellout of the megasolar power plants in the previous consolidated accounting year and the current first quarter accumulative accounting period, we changed our policy so that we can accelerate our efforts in the small wind power plants with high profitability and efficiency since the current first quarter accumulative accounting period. We combined our former “renewable energy system sales business” and “renewable energy power plant business” in accordance with the management approach and the actual status of the businesses.

For the segment information of the current first quarter accumulative accounting period of the previous year, the segment prepared by categorization after the change is listed.

(Concerning revenue recognition)

The information of dissolution of the revenue arising from the contract with the client is as listed in “Notes (segment information, etc.)”