



FY2022 March The 4Q Summary of Accounting Statements [Japanese Standards] (consolidated)

May 16, 2022

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 24, 2022 Dividends payment to be started: June 27, 2022
 Securities report to be submitted: June 24, 2022
 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. 2022 (from April 1, 2021 to Mar 31, 2022)

(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. 2022	6,236	△7.5	379	79.1	331	172.8	148	64.8
FY Mar. 2021	6,742	6.5	211	△73.7	121	△81.9	90	△79.5

(Note) Comprehensive profit: FY March. 2022 197Mil yen(82.6%) March. 2021 108Mil yen(△74.8%)

	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. 2022	25.70	24.36	2.8	4.0	6.1
FY Mar. 2021	16.62	15.70	1.9	1.4	3.1

(Reference) Investment profit on FY March. 2022 △3Mil yen FY March. 2021 △5Mil yen
 equity method

(2). Consolidated financial status

	Gross asset	Net asset	Own capital ratio	Gross asset
	yen	yen	%	yen
FY Mar. 2022	8,359	5,442	65.0	926.00
FY Mar. 2021	8,386	5,162	61.4	900.87

(Reference) Own capital FY March. 2022 5,432Mil yen FY March. 2021 5,151Mil 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. 2022	△16	△165	△170	2,030
FY Mar. 2021	1,234	23	△862	2,364

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			
FY Mar. 2021	yen —	yen 0.00	yen —	yen 7.00	yen 7.00	mil. yen 40	% 42.11	% 0.81
FY Mar. 2022	yen —	yen 0.00	yen —	yen 7.00	yen 7.00	mil. yen 41	% 27.23	% 0.77
FY Mar. 2023 (forecast)	yen —	yen 0.00	yen —	yen ~30.00	yen ~30.00		% —	% —

(Note) 1. The dividend resource of the terms ending in March 2021 and March 2022 includes the capital surplus.

See the below described "Breakdown of dividends from the capital surplus" for details of the term ending in March.

2. The dividend forecast for the term ending in March 2023 does not describe the dividend tendency since it is disclosed by the range.

(% 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	%	
Full Year	5,019 ~5,813	△19.5 ~△6.8	65 ~166	△82.7 ~△56.1	3 ~104	△98.8 ~△68.4	2 ~73	△98.2 ~△50.7	yen 0.5 ~12.7

(Note) The consolidated business forecast for the term ending in March 2023 is disclosed by the range. See p.5 of the attached document "1. Overall status of the management result, etc. (4) Future perspectives" for the matters concerning the business forecast.

*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)

(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 : Yes
- 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)	FY Mar. 2022	5,927,900shares	FY Mar. 2021	5,780,000shares
② Number of term-end own shares	FY Mar. 2022	61,484shares	FY Mar. 2021	61,484shares
③ Average number of midterm shares (quarterly accumulation)	FY Mar. 2022	5,785,232shares	FY Mar. 2021	5,428,450shares

(Reference) Outline of individual performance

Individual performance of FY Mar. 2022(Apr. 1, 2021 Mar. 31, 2022)

(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. 2022	216	14.2	△177	—	△114	—	△49	—
FY Mar. 2021	189	4.8	△213	—	△224	—	△123	—
	Current net profit per share		Current net profit per share after dilutive share adjustment					
	yen		yen					
FY Mar. 2022	△8.50		—					
FY Mar. 2021	△22.82		—					

(2) Individual financial status

	Gross asset	Net asset	Capital ratio	Net asset per share
	mil. yen	mil. yen	%	yen
FY Mar. 2022	4,372	3,700	84.4	629.06
FY Mar. 2021	4,514	3,660	80.8	638.15

(Reference) Own capital FY Mar. 2022 3,690mile. yen FY Mar. 2021 3,649mile. 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

Description concerning the future including the perspectives of business performance, etc. described in this document is based on the information we currently hold and the particular precondition to be considered by us as reasonable, and the actual business performance, etc. may greatly deviate from various factors. See p.5 of the attached document "1. Overall status of the management result, etc. (4) Future perspectives" for the assumption as the precondition for the business forecast and precaution for use of the business forecast.

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 2022 is as follows.

Record date	Term-end	Total
Dividend per share	7.00yen	7.00yen
Total dividend amount	41 mil.yen	41 mil.yen

(Note) Net asset reduction rate: 0.011

1. Overall status of the management result, etc.

(1) Overall status of the current management result

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

The Japanese economics in the current consolidated accounting year is shifting with further confusion and uncertain situation of the future due to the effect of Covid-19 epidemic, the impacts on the global economics given by trend and perspective of the issues between US and China, uncertainty in the policies, global semiconductor shortage, rise of oil price, etc. with the addition of the worsened situation between Russia and Ukraine. In particular, while the epidemic of Covid-19 remains to give a great impact, and while the enforcement of the fourth “declaration of state of emergency” by the Japanese Government on July 12, 2021 grossly restricts visits to the clients and face-to-face negotiations, 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 facial 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 in 2020, 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 (inside 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 and terahertz band products, etc. necessary for wireless transmission of data of large volumes, where our active efforts have achieved great successes such as order receipt of “optic semiconductor reliability evaluation apparatus” used for research and development for the next-generation optical network construction and adoption of “academic-industrial cooperation research for Beyond 5G/6G.”

In the mobile communication field, the demand for high frequency components was stably increasing mainly including 5G related market, but now in the third quarter, due to an increase of users switching to bargain-basement rate plans of which number exceeded our assumption, the communication companies have announced their income and profit reductions, resulting in containment of investment to infrastructure sharing. Since an increase of demand for infrastructure sharing is expected as the means to expand the infrastructure by containing investment, we will aim for and engage in expansion of share in infrastructure sharing.

Proposals made remotely for new clients related to mobile communication facilities for overseas have been continued due to the impact of Covid-19, but there is no drastic progress.

Demands for the optical transmission device, digital signal processor, etc. are increasing as business-use wireless including “Optical DAS system for airport MCA” adopted by Kansai International Airport, disaster measures, and surveillance system in the public field. We will work on further demand expansion in this field. In addition, we have joined 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 by introducing our self-developed technology for 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 sold the Hokkaido Noboribetsu Plant in June 2021. Additionally, sellout of the small wind power plants and solar power plants transited and was achieved mostly as scheduled, and 28 small wind power plants were newly interconnected. We will elaborate for diversification of capital procurement including project finance by sellout of power plants and banks, co-financing, sustainable financing, and start reformation of various institutions and structures including organizations of the same business in aiming for building of the one and only business model in the renewable energy business as the domestic company mainly whose main business is owning of the small wind power plants since the term ending in March 2023 with the perspective of introduction of IFRS (International Financial Reporting Standards) at the earliest time to have our stakeholders guarantee elaborate profiting structure and growth. Simultaneously, we will aim to reduce business risk by securing risk dispersion, profitability and maneuverability with development of the small wind power plants, each of which is small in order to contribute to continuous reduction of greenhouse gas by accelerating development of new renewable energy power source.

As the measures for the terms after next term, we will also start diversification of power source for the future including participation in middle and large sized projects such as the project with the large wind power plant (1.984MW) in Nemuro City, Hokkaido and in the project of the small waterpower plant in Flores Island, Nusa Tenggara, Indonesia.

As the result of the above, the amount of orders received in the current consolidated accounting year was 6,325 mil. yen (56.5% increase compared with the same term of the previous year), and the sales amount was 6,236 mil. yen (7.5% decrease compared with the same term of the previous year). In terms of profit and loss, operating profit was recorded as 379 mil. yen (79.1% increase compared with the same term of the previous year), ordinary profit was recorded as 331 mil. yen (172.8% increase compared with the same term of the previous year), and the net profit of

the current term belonging to the parent company shareholders was 148 mil. yen (64.8% increase compared with the same term of the previous year).

In the electronic/ communication device business, as the demand is stably increasing and we have positioned the public related market which is expected to continuously transit steadily in the center of our sales expansion activities, we will focus on exploration of new customers. 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 will actively conduct investment activities is actively considering not only overseas development of the general environmental business but also 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 engage in CO2 reduction and the measures for global warming will all employees of the group more than ever, and will actively disclose the information of ESG management for our stakeholders and take on an active challenge for achievement of SDGs goals.

Management result status by business type segments is as follows.

We changed the business segments to be listed as the reported segment since the beginning of the current consolidated accounting year, and the current comparison and analysis in the consolidated accumulative accounting year 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 4,326 mil. yen (20.6% increase compared with the same term of the previous year).

For the sales amount, however, the impact cannot be avoided despite measures against the recent shortage of the electronic components, and we could not achieve the plan made at the beginning of the period due to extension of production by delay of delivery of some components, resulting in 4,135 mil. yen (3.2% increase compared to the same period of the previous year) and the segment profit resulted in 607 mil. yen (24.6% increase compared to the same period of the previous year).

b. Renewable energy 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 first quarter end as well as 28 small wind power plants of which development was processed and which were interconnected before the end of March in Hokkaido have been selling power as scheduled. As Hokkaido Noboribetsu City Solar Power Plant and the small wind power plants were sold to the fund, etc. investing to renewable energy generation plants, it has shifted as planned at the beginning of the term. On the other hand, the sales amount decreased compared with the previous term due to sellout of Nagasaki Pref. Koujindake Plant (5.8 MW) in the first term (March 2021). The amount of orders received was 1,999 mil. yen (340.4% increase compared with the same term of the previous year), sales amount was 2,100 mil. yen (23.2% decrease compared to the same term of the previous year), and segment profit was 178 mil. yen (31.4% increase compared to the same period of the previous year).

Please be noted that the actual business performance may differ from such forecast value due to the environmental change and natural disasters.

2. The basic way of thinking about selection of the accounting standard

Our group's policy is to prepare the consolidated financial statement under the Japanese standards for a certain period in consideration between the period comparability of the consolidated financial statement and comparability between companies.

We will appropriately apply IFRS (International Financial Reporting Standards) in consideration of situations in and outside the country.

3. Consolidated financial statements and Notes

(1) Consolidated balance sheet

(In thousand yen)

	FY2021(consolidated) (As of March 31,2021)	FY2022(consolidated) (As of March 31,2022)
Assets		
Current assets		
Cash and deposits	2,448,235	2,060,604
Notes and accounts receivable - trade	—	2,205,186
Merchandise and finished goods	1,637,354	—
Work in process	1,222,818	781,903
Raw materials and supplies	899,716	1,077,617
Advance payments - trade	265,471	482,925
Other	43,925	57,205
Allowance for doubtful accounts	230,822	172,694
Total current assets	△17,632	△27,692
Cash and deposits	6,730,711	6,810,444
Non-current assets		
Property, plant and equipment		
Buildings and structures	518,809	527,933
Accumulated depreciation	△361,412	△379,316
Buildings and structures, net	157,397	148,617
Machinery, equipment and vehicles	377,226	386,774
Accumulated depreciation	△163,902	△189,356
Machinery, equipment and vehicles, net	213,323	197,417
Tools, furniture and fixtures	888,541	936,939
Accumulated depreciation	△737,400	△766,358
Tools, furniture and fixtures, net	151,141	170,580
Land	272,573	315,686
Construction in progress	0	0
Total property, plant and equipment	794,435	832,302
Intangible assets		
Goodwill	38,437	5,539
Software	53,098	57,316
Other	0	0
Total intangible assets	91,535	62,856
Investments and other assets		
Investment securities	256,621	186,910
Long-term loans receivable	136,462	187,457
Deferred tax assets	198,395	108,460
Other	132,883	139,124
Allowance for doubtful accounts	△8,700	—
Total investments and other assets	715,661	621,953
Total non-current assets	1,601,633	1,517,112
Deferred assets		
Share issuance cost	49,498	29,985
Development expenses	41	12
Business commencement expenses	5,045	1,843
Total deferred assets	54,585	31,841
Total assets	8,386,929	8,359,398

(In thousand yen)

	FY2021(consolidated) (As of March 31,2021)	FY2022(consolidated) (As of March 31,2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	492,050	700,884
Short-term loans payable	29,190	146,655
Current portion of long-term loans payable	318,388	267,873
Lease obligations	30,941	4,965
Accounts payable - other	241,010	211,349
Income taxes payable	60,113	67,927
Advances received	—	42,782
Provision for bonuses	70,801	36,709
Provision for product warranties	115,726	100,980
Other	24,229	55,986
Total current liabilities	396,566	150,038
Notes and accounts payable - trade	1,779,018	1,786,153
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	475,187	584,527
Lease obligations	404,706	14,302
Deferred tax liabilities	4,454	—
Net defined benefit liability	237,301	255,023
Asset retirement obligations	15,199	15,243
Other	208,138	161,634
Total non-current liabilities	1,444,988	1,130,731
Total liabilities	3,224,006	2,916,884
Net assets		
Shareholders' equity		
Capital stock	2,423,857	2,485,241
Capital surplus	1,662,065	1,683,419
Retained earnings	1,124,707	1,273,405
Treasury shares	△61,373	△61,373
Total shareholders' equity	5,149,257	5,380,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,847	15,354
Foreign currency translation adjustment	△5,408	36,285
Accumulated other comprehensive income	2,438	51,639
Share acquisition rights	11,227	10,180
Total net assets	5,162,922	5,442,513
Total liabilities and net assets	8,386,929	8,359,398

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income

(In thousand yen)

	FY2021(consolidated) (As of March 31,2021)	FY2022(consolidated) (As of March 31,2022)
Net sales	6,742,412	6,236,197
Cost of sales	5,270,448	4,569,699
Gross profit	1,471,963	1,666,497
Selling, general and administrative expenses	1,260,396	1,287,486
Operating profit	211,567	379,011
Net sales		
Interest income	1,375	4,138
Dividend income	812	527
Insurance income	45,720	22,479
Share of profit of entities accounted for using equity method	4,308	—
Foreign exchange gains	12,104	—
Gain on forgiveness of debts	9,254	11,765
Other	73,575	38,911
Non-operating expenses		
Interest expenses	133,714	24,850
Foreign exchange losses	—	7,892
Share of loss of entities accounted for using equity method	5,352	3,794
Other	—	10,400
Total non-operating expenses	13,293	21,568
Interest expenses	11,245	17,865
Foreign exchange losses	163,605	86,372
Ordinary profit	121,537	331,550
Extraordinary income		
Gain on sales of non-current assets	3,563	478
Gain on sales of investment securities	5,716	40
Total extraordinary income	9,280	519
Extraordinary losses		
Loss on sales of non-current assets	11	0
Loss on retirement of non-current assets	369	—
Impairment loss	—	25,940
Loss on sales of investment securities	381	25,940
Profit before income taxes	130,436	306,128
Income taxes - current	57,648	73,654
Income taxes - deferred	△17,444	83,776
Total income taxes	40,203	157,430
Profit	90,232	148,697
Profit attributable to owners of parent	90,232	148,697

Consolidated statement of comprehensive income

	(In thousand yen)	
	FY2021 (From April 1,2020 to March 31,2021)	FY2022 (From April 1,2021 to March 31,2022)
Profit	90,232	148,697
Other comprehensive income		
Valuation difference on available-for-sale securities	11,809	7,507
Foreign currency translation adjustment	6,315	41,693
Total other comprehensive income	18,125	49,201
Comprehensive income	108,357	197,899
(detail)		
Comprehensive income attributable to owners of parent	108,357	197,899

Information regarding net sales, income or loss, assets, liabilities, and other items for each reportable segment
FY2021 (April 1, 2020 -March 31, 2021)

(In thousand yen)

	Reportable Segment		Total	Adjustment amount (Note1)	Value presented in consolidated financial statements
	Electronic/ Communi-cation Device Business	Renewable energy plant business			
Net Sales					
Sales to external customers	4,007,591	2,734,821	6,742,412	—	6,742,412
Internal sales or Transfers between segments	—	—	—	0	0
Total	4,007,591	2,734,821	6,742,412	0	6,742,412
Segment income(loss)	487,593	135,844	623,438	△411,870	211,567
Segment assets	4,130,558	3,048,087	7,178,646	1,208,283	8,386,929
Other items					
Depreciation	101,329	206,234	307,563	△458	307,105
Equity in profit of affiliates	—	△5,352	△5,352	—	△5,352
Impairment Loss	—	111,429	111,429	—	111,429
Investment for affiliated company accounted for by the equity-method	110,154	—	110,154	—	110,154

(note) 1. (1) The adjustment amount of segment profit of 411,870 thousand yen is the adjustment amount of unrealized profit of 1,244 thousand yen and the profit and loss of the group management department not allocated to the business segment of 413,115,000 yen.

(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.

FY2022 (April 1, 2021 -March 31, 2022)

(In thousand yen)

	Reportable Segment		Total	Adjustment amount (Note1)	Value presented in consolidated financial statements
	Electronic/ Communi-cation Device Business	Electronic/ Communi-cation Device Business			
Net Sales					
Sales to external customers	1,237,545	—	1,237,545	—	1,237,545
Internal sales or Transfers between segments	1,086,189	—	1,086,189	—	1,086,189
Total	992,859	—	992,859	—	992,859
Segment income(loss)	819,064	—	819,064	—	819,064
Segment assets	—	1,245,718	1,245,718	—	1,245,718
Other items	—	844,708	844,708	—	844,708
Depreciation	4,135,658	2,090,427	6,226,086	—	6,226,086
Equity in profit of affiliates	—	9,211	9,211	—	9,211
Impairment Loss	4,135,658	2,100,538	6,236,197	—	6,236,197
Investment for affiliated company accounted for by the equity-method	—	—	—	—	—
Net Sales	4,135,658	2,100,538	6,236,197	—	6,236,197
Sales to external customers	607,512	178,482	785,994	△406,983	379,011
Internal sales or Transfers between segments	4,539,364	3,116,898	7,656,263	703,135	8,359,398
Total					
Segment income(loss)	115,141	67,101	182,243	627	182,870
Segment assets	—	△3,794	△3,794	—	△3,794
Other items	—	160,045	160,045	—	160,045
Depreciation	109,901	—	109,901	5,916	115,817

(note) 1. (1) The segment profit adjustment amount of △406,983 thousand yen is the adjustment amount of unrealized profit, etc. of 1,053,000 yen and the profit / loss of the group management department not allocated to the business segment of △408,037 thousand yen.

(2) The adjustment amount of segment assets of 703,135 thousand yen is the assets of the group management department that are not allocated to the business segments.

2. Segment profit is adjusted with operating profit in the consolidated financial statements.