



FY2023 March The 4Q Summary of Accounting Statements [Japanese Standards] (consolidated)

May 15, 2023
Tokyo

Listed company name Tamagawa Holdings Co., Ltd. Exchange
Code No. 6838 URL <https://www.tmex.co.jp>
Representative (Title) President (Name) Toru Masuzawa
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Ordinary shareholders' meeting to be held: June 28, 2023 Dividends payment to be started: June 29, 2023
Securities report to be submitted: June 28, 2023
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. 2023 (from April 1, 2022 to Mar 31, 2023)

(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. 2023	3,294	△47.2	△437	—	△514	—	△482	—
FY Mar. 2022	6,236	△7.5	379	79.1	331	172.8	148	64.8

(Note) Comprehensive profit: FY March. 2023 △500mil. yen (—%) FY March. 2022 197mil. yen (82.6%)

	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. 2023	△80.82	—	△9.3	△6.1	△13.3
FY Mar. 2022	25.70	24.36	2.8	4.0	6.1

(Reference) Investment profit FY March. 2023 △20mil. yen FY March. 2022 △3mil. yen
on equity method

(2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio	Gross asset
	mil. yen	mil. yen	%	yen
FY Mar. 2023	8,636	5,002	57.8	829.73
FY Mar. 2022	8,359	5,442	65.0	926.00

(Reference) Own capital FY Mar. 2023 4,988mil. yen FY March. 2022 5,432mil. 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. 2023	△1,883	△273	1,150	1,055
FY Mar. 2022	△16	△165	△170	2,030

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. 2022	—	0.00	—	7.00	7.00	41	27.23	0.77
FY Mar. 2023	—	0.00	—	5.00	5.00	30	—	0.57
FY Mar. 2024 (forecast)	—	0.00	—	~15.00	~15.00		—	

(Note) 1. The dividend resource of the terms ending in March 2022 and March 2023 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 2024 does not describe the dividend tendency since it is disclosed by the range.

3. Consolidated earnings forecast of FY Mar. 2023 (from April 1, 2023 to Mar 31, 2024)

(% 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	6,035	83.2	66	—	7	—	4	—	0.85

*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. 2023	6,073,900shares	FY Mar. 2022	5,927,900shares
② Number of term-end own shares	FY Mar. 2023	61,508shares	FY Mar. 2022	61,484shares
③ Average number of midterm shares (quarterly accumulation)	FY Mar. 2023	5,973,607shares	FY Mar. 2022	5,785,232shares

(Reference) Outline of individual performance

Individual performance of FY Mar. 2023(Apr. 1, 2022 Mar. 31, 2023)

(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. 2023	161	△25.5	△264	—	△287	—	△301	—
FY Mar. 2022	216	14.2	△177	—	△114	—	△49	—
	Current net profit per share		Current net profit per share after dilutive share adjustment					
	yen		yen					
FY Mar. 2023	△50.48		—					
FY Mar. 2022	△8.50		—					

(2) Individual financial status

	Gross asset	Net asset	Capital ratio	Net asset per share
	mil. yen	mil. yen	%	yen
FY Mar. 2023	4,015	3,442	85.4	570.61
FY Mar. 2022	4,372	3,700	84.4	629.06

(Reference) Own capital FY Mar. 2023 3,430mil. yen FY Mar. 2022 3,690mil. yen

* The earning summary is not subject to the audit by the certified accountant or auditing firm.

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

Description of the future including the performance prospect in this document is based on the information that we currently have and certain preconditions that we determine as reasonable, and the actual performance, etc. may be greatly different due to various factors. Please see "1. Overview of the management result, etc. (4) Future prospective" on P.5 of the attached document for the preconditions of the performance forecast and cautions for use of the performance forecast.

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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 2023 is as follows.

Record date	Term-end	Total
Dividend per share	5yen	5yen
Total dividend amount	30 mil.yen	30 mil.yen

(Note) Net asset reduction rate: 0.009

1. Overview of the management result, etc.

(1) Overview of the management result of the current period

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

Thanks to an ease and abolishment of the restrictions concerning Covid-19 epidemic, we have been slowly proceeding with normalization of the social activities in the Japanese economics in the current consolidated accounting year. However, we have been shifting with more confusing and uncertain situation due to the impact of Covid-19 epidemic, and influence over the global economics given by trend and such perspective of the issues between US and China, and uncertainty in the policies, global shortage of semiconductors, rising oil prices, etc. as well as the worsened situation between Russia and Ukraine.

Under such economic circumstances, for the electronic and communication device business, in addition to sales expansion business mainly in the 5G related market and civil services/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 (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, terahertz products, etc. necessary for wireless transmission of data of large volumes, and we are proactively working such as "Beyond 5G / 6G Industrial-Academic Cooperation Research.", etc.

In the mobile communication field, since the communication common carriers' infrastructure investment was controlled, the demand for the existing products is decreasing. Therefore, we will aim for and work on sales expansion of infrastructure sharing related devices in the perspective of increasing demand for infrastructure sharing as a method to expand infrastructure by reducing investment.

In regard to proposals for new clients related to mobile communication facilities for overseas, since various restrictions due to Covid-19 have been gradually terminated, we have started proposal activities to new clients on a remote basis and face-to-face basis.

Demands for the optical transmission device, digital signal processor, etc. are increasing as business-use wireless, disaster measures and surveillance system in the public filed. We will work on further sales expansion. Additionally, we will work on securing long-term and stable order receipt by joining the national project as "National Resilience" from the development stage.

In addition, by enhancing proposals of self-developed products along with promotion of active business domain expansion through marketing the 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 have continuously worked on acceleration of development of small wind power plants. In the current period, since there has been a global delay of procurement of the equipment in a number of industries, we were also affected in the similar way and increased the number of units for development by taking the measures such as advance procurement of the equipment, etc. In addition, as a result of diversification of fund procurement, 43 units of small wind power plants were newly interconnected in the current period by executing multiple project finances including sustainable loan, etc. On the other hand, we are currently promoting increase of the number of units to be held by limiting the number of sellout to 6 units in the current period in order to build a new profit base by power selling in the future.

We will continuously enhance the development system by diversifying fund procurement by product finance, etc. from banks.

In order for the stakeholders surrounding us to secure the precise profit structure and growth, we are aiming to build the unique business model in the renewable energy business as a domestic company focusing on owning small wind power plants from this period and expecting to launch various mechanism and structure reformations including the organizations of the same business. Simultaneously, we will contribute to continuous reduction of greenhouse gas by easing the business risk and accelerating development of new renewable energy sources with development of small wind power plants of which unit is small size and risk dispersion and securement of profitability and mobility.

In addition, as the measure after the next period, we will continuously accelerate development of small wind power plants and will also join the small waterpower plant project in Flores Island, Nusa Tenggara, Indonesia to launch diversification of power source for the future.

As the result of the above, the amount of orders received in the current consolidated accounting year was 4,918 mil. yen (22.3% decrease compared with the same period of the previous year), and the sales amount was 3,294 mil. yen (47.2% decrease compared with the same period of the previous year). In terms of profit and loss, operating loss was recorded as 437 mil. yen (the operating profit of the same period of the previous year: 379 mil. yen), ordinary loss was

recorded as 514 mil. yen (the ordinary profit of the same period of the previous year: 331 mil. yen), and the current period's net loss belonging to the parent company shareholders was 482 mil. yen (the current period's net profit belonging to the parent company shareholders of the same period of the previous year: 148 mil. yen).

In the electronic / communication device business, we will focus on exploration of new clients by setting the public related market which is expected to continue to transit steadily and where the demand is stably increasing as the center of our sales expansion activities. Furthermore, we will also proactively expand the business domain as well as continuing the activities for profit expansion in order to establish the stable business base as the entire electronic and communication device business by enhancement of proposals for self-developed products.

Our group is proactively considering development of the general environmental business in addition to the renewable energy business not only as domestic expansion but also overseas expansion mainly in Southeast Asia, and will actively conduct investment activities for expansion of the business operation. Our group will further work on CO2 reduction and the measures for global warming with all the Group employees and will proactively disclose information to the stakeholders surrounding us for ESG management and will take a positive challenge to achieve SDGs goals.

Situations of management results by business type segments is as follows.

a. Electronic and communication device business

For electronic and communication device business, the amount of received orders was 4,337 mil. yen (0.3% increase compared with the same period of the previous year) since the clients' advance orders increased for the countermeasures against delay of delivery due to the global shortage of semiconductors and non-iron metal materials.

However, since we could not avoid the impact despite the measures taken for the latest difficulty in procurement of electronic components, etc., and due to delayed sales affected by delayed delivery of some components, we could not reach the plan of the beginning of the period, resulting in the sales amount of 2,713 mil. yen (34.4% decrease compared with the same period of the previous year), and segment loss of 78 mil. yen (87.1% decrease compared with the same period of the previous year).

b. Renewable energy system sales business

We interconnected 43 units of small wind power plants in the current period. ON the other hand, as a return action against control of the number of small wind power plants sold as small as 6 units and against sellout of the large solar power plants in Noboribetsu City, Hokkaido in the previous period (June 2022), the sales amount decreased compared to the previous period. However, the sales and segment profit have decreased as a return action of selling Hokkaido Noboribetsu City Solar Power Plant in the previous period (June 2021). The amount of orders received was 580 mil. yen (71.0% decrease compared with the same period of the previous year), sales amount was 580 mil. yen (72.4% decrease compared to the same period of the previous year), and segment loss was 69 mil. yen (segment profit of the same period of the previous year: 178 mil. yen).

2. Basic idea on selection of accounting standards

Our group shall create the consolidated financial statements by the Japanese standards in consideration of comparability between periods and comparability between companies of the consolidated financial statements.

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

3. Consolidated financial statements and Notes

(1) Consolidated balance sheet

(In thousand yen)

	FY2022(consolidated) (As of March 31,2022)	FY2023(consolidated) (As of March 31,2023)
Assets		
Current assets		
Cash and deposits	2,060,604	1,055,068
Notes and accounts receivable - trade	2,205,186	1,371,660
Merchandise and finished goods	781,903	2,208,403
Work in process	1,077,617	999,891
Raw materials and supplies	482,925	843,908
Advance payments - trade	57,205	83,993
Other	172,694	353,946
Allowance for doubtful accounts	△27,692	△28,607
Total current assets	6,810,444	6,888,266
Non-current assets		
Property, plant and equipment		
Buildings and structures	527,933	553,616
Accumulated depreciation	△379,316	△399,192
Buildings and structures, net	148,617	154,423
Machinery, equipment and vehicles	386,774	418,077
Accumulated depreciation	△189,356	△207,331
Machinery, equipment and vehicles, net	197,417	210,745
Tools, furniture and fixtures	936,939	1,088,975
Accumulated depreciation	△766,358	△863,189
Tools, furniture and fixtures, net	170,580	225,785
Land	315,686	298,130
Construction in progress	0	0
Total property, plant and equipment	832,302	889,085
Intangible assets		
Goodwill	5,539	5,539
Software	57,316	51,519
Other	0	0
Total intangible assets	62,856	57,059
Investments and other assets		
Investment securities	186,910	356,541
Long-term loans receivable	187,457	50,000
Deferred tax assets	108,460	109,069
Other	139,124	283,615
Total investments and other assets	621,953	799,226
Total non-current assets	1,517,112	1,745,371
Deferred assets		
Share issuance cost	29,985	1,984
Development expenses	12	—
Business commencement expenses	1,843	671
Total deferred assets	31,841	2,656
Total assets	8,359,398	8,636,293

(In thousand yen)

	FY2022(consolidated) (As of March 31,2022)	FY2023(consolidated) (As of March 31,2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	700,884	591,995
Short-term loans payable	146,655	270,332
Current portion of long-term loans payable	267,873	279,298
Lease obligations	4,965	4,822
Accounts payable - other	211,349	90,575
Income taxes payable	67,927	21,275
Advances received	42,782	67,510
Provision for bonuses	36,709	23,009
Provision for product warranties	100,980	47,981
Other	55,986	48,386
Total current liabilities	150,038	72,257
Notes and accounts payable - trade	1,786,153	1,517,444
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	584,527	1,566,520
Lease obligations	14,302	8,810
Deferred tax liabilities	255,023	277,579
Net defined benefit liability	15,243	13,127
Asset retirement obligations	161,634	150,664
Other	1,130,731	2,116,703
Total liabilities	2,916,884	3,634,147
Net assets		
Shareholders' equity		
Capital stock	2,485,241	2,535,100
Capital surplus	1,683,419	1,692,213
Retained earnings	1,273,405	790,618
Treasury shares	△61,373	△61,394
Total shareholders' equity	5,380,693	4,956,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,354	△45,035
Foreign currency translation adjustment	36,285	77,159
Accumulated other comprehensive income	51,639	32,124
Share acquisition rights	10,180	11,767
Non-controlling interests	—	1,716
Total net assets	5,442,513	5,002,146
Total liabilities and net assets	8,359,398	8,636,293

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

Consolidated statement of income

(In thousand yen)

	FY2022(consolidated) (As of March 31,2022)	FY2023(consolidated) (As of March 31,2023)
Net sales	6,236,197	3,294,497
Cost of sales	4,569,699	2,404,753
Gross profit	1,666,497	889,743
Selling, general and administrative expenses	1,287,486	1,326,962
Operating profit	379,011	△437,218
Net sales		
Interest income	4,138	4,770
Dividend income	527	597
Insurance income	22,479	6,238
Share of profit of entities accounted for using equity method	—	43,041
Foreign exchange gains	11,765	11,977
Gain on forgiveness of debts	38,911	66,625
Non-operating expenses		
Interest expenses	24,850	30,319
Foreign exchange losses	7,892	—
Share of loss of entities accounted for using equity method	3,794	20,288
Other	—	43,900
Total non-operating expenses	10,400	6,934
Interest expenses	21,568	29,412
Foreign exchange losses	17,865	13,443
Interest expenses	86,372	144,297
Ordinary profit	331,550	△514,890
Extraordinary income		
Gain on sales of non-current assets	478	45,000
Gain on sales of investment securities	40	40,305
Total extraordinary income	519	85,305
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	—	8,525
Impairment loss	—	17,556
Loss on sales of investment securities	25,940	—
Loss on sales of non-current assets	25,940	26,081
Profit before income taxes	306,128	△455,667
Income taxes - current	73,654	18,902
Income taxes - deferred	83,776	6,502
Total income taxes	157,430	25,404
Profit	148,697	△481,071
Profit attributable to owners of parent	—	1,716
Profit before income taxes	148,697	△482,787

Consolidated statement of comprehensive income

(In thousand yen)

	FY2022(consolidated) (As of March 31,2022)	FY2023(consolidated) (As of March 31,2023)
Profit	148,697	△481,071
Other comprehensive income		
Valuation difference on available-for-sale securities	7,507	△60,390
Foreign currency translation adjustment	41,693	40,874
Total other comprehensive income	49,201	△19,515
Comprehensive income	197,899	△500,586
(detail)		
Comprehensive income attributable to owners of parent	197,899	△502,302
Comprehensive income related to non-controlling interests	—	1,716

(Information regarding net sales, income or loss, assets, liabilities, and other items for each reportable segment
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	Renewable energy plant 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	—	10,111	10,111	—	10,111
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) Adjustment amount of segment profit △406,983 thousand yen is the adjustment amount 1,035 thousand yen including unrealized profit, etc. and △408,037 thousand yen of the cost of group management division which is not distributed to the business segment.

(2) Adjustment amount of segment asset 703,135 thousand yen is the asset of group management division which is not distributed to the business segment.

2. Segment profit matches the operating profit in the consolidated profit and loss statement

FY2023 (April 1, 2022 -March 31, 2023)

(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	909,169	—	909,169	—	909,169
Internal sales or Transfers between segments	584,956	—	584,956	—	584,956
Total	650,427	—	650,427	—	650,427
Segment income(loss)	569,218	—	569,218	—	569,218
Segment assets	—	246,503	246,503	—	246,503
Other items	—	323,211	323,211	—	323,211
Depreciation	2,713,772	569,714	3,283,487	—	3,283,487
Equity in profit of affiliates	—	11,010	11,010	—	11,010
Impairment Loss	2,713,772	580,725	3,294,497	—	3,294,497
Investment for affiliated company accounted for by the equity-method	—	—	—	—	—
Net Sales	2,713,772	580,725	3,294,497	—	3,294,497
Sales to external customers	78,214	△69,581	8,632	△445,851	△437,218
Internal sales or Transfers between segments	4,272,533	3,498,708	7,771,241	865,052	8,636,293
Total					
Segment income(loss)	132,460	61,215	193,676	4,040	197,717
Segment assets	—	△20,288	△20,288	—	△20,288
Other items	—	17,556	17,556	—	17,556
Depreciation	—	—	—	—	—
Net Sales	186,704	—	186,704	24,503	211,207

(Note) 1. (1) Adjustment amount of segment profit △445,851 thousand yen is the adjustment amount 1,464 thousand yen including unrealized profit, etc. and △447,315 thousand yen of the cost of group management division which is not distributed to the business segment.

(2) Adjustment amount of segment asset 865,052 thousand yen is the asset of group management division which is not distributed to the business segment.

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