

FY2024 March The 1Q Summary of Accounting Statements  
[Japanese Standards] (consolidated)

August 10, 2023

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) Finance & Accounting Manager (Name) Yasuhisa Masuda (TEL) 03-6435-6933  
Quarterly report to be submitted : August. 10, 2023 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 2023 Mar. : 1Q (from Apr 1, 2023 to June 30, 2023)

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

	Sales amount		Operating profit		Ordinary profit		Quarterly profit belonging to the parent company's shareholders	
	mil.yen	%	mil.yen	%	mil.yen	%	mil.yen	%
FY2024 Mar. 1Q	612	33.0	△211	—	△204	—	△222	—
FY2023 Mar. 1Q	460	△76.3	△224	—	△195	—	△164	—

(Note) Comprehensive profit: FY2024 Mar. 1Q △186 mil.yen (—%) FY2023 Mar.1Q △122 mil.yen (—%)

	Quarterly net profit per share	Quarterly net profit per share after issuable share adjustment
	yen	yen
FY2024 Mar. 1Q	△36.86	—
FY2023 Mar. 1Q	△27.99	—

(2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio
	百万円	百万円	%
FY2024 Mar. 1Q	8,562	4,881	56.9
FY2023 Mar.	8,636	5,002	57.8

(Reference)Own capital: FY2024 Mar. 1Q 4,868 mil yen FY2022 Mar. 4,988 mil yen

2. Status of dividends

	Annual dividends				
	End 1Q	End 2Q	End 3Q	Term end	Total
	yen yen	yen yen	yen	yen yen	yen yen
FY2023 Mar.	—	0.00	—	5.00	5.00
FY2024 Mar.	—			—	
FY2024 Mar. (forecast)		0.00	—	5.00 ~15.0	5.00 ~15.0

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

3. Consolidated performance forecast of FY 2024 Mar. (from Apr 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 belonging to the parent company's shareholders		Current net profit per share
	mil. yen	%	mil. yen	%	mil. yen	%	mil. yen	%	yen mil. yen
Full business year	6,035	83.2	66	—	7	—	4	—	0.85

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



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

### (1) Explanation on the management result

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 this first quarterly consolidated accumulative period. 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. We are also proactively working on the semiconductor manufacturing facility market, 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 are aiming for and working 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 are working on proposal activities to new clients on a remote basis and face-to-face basis.

In the public agency and public related market, the preharvest period of businesses has ended and this term is the preparation period of new business. Along with a drastic increase of the national budget, we have experienced continuous closing of received orders of large projects since the second half of last year. Additionally, probability of order receipt of the current inquiries is also high although we will mainly work on development and design in this fiscal year, which may limit contribution to sales amount of the current period, and we expect that those large and repeated projects will stably and continuously contribute to the performance after the following fiscal year.

Besides, we have won new businesses of drone monitoring device and private satellite project, etc.

Finally in the FA and measurement field, we received an order from a new client at the beginning of the term for the semiconductor reliability test equipment. Since the semiconductor industry will be our country's policy and investment to advanced process will be more and more expanded hereafter, we will work on sales expansion to the semiconductor facility market with our high frequency technology which is essential to semiconductors for communication.

By enhancing proposals of self-developed products along with active promotion of the business domain expansion, we will continue the activities for profit expansion in order to establish the stable business base as the entire electronics and communication device industry.

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 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, 3 units of small wind power plants were newly interconnected in this first quarterly consolidated accumulative period by executing multiple project finances including sustainable loan, etc. We also sold 2 units of small wind power plants.

We are also aiming to establish a new profit base by accelerating the approach to increase the number of the developed units as well as promoting increase of the possessed units to secure stable profit by power selling. On the other hand, since inquiries are increasing for purchase of the small power wind plants by social demand for spreading of renewable energy, we will consider sellout depending on the market environment.

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 this first quarterly consolidated accumulative period was

1,253 mil. yen (17.7% increase compared with the same period of the previous year), and the sales amount was 612 mil. yen (33.0% increase compared with the same period of the previous year). In terms of profit and loss, operating loss was recorded as 211 mil. yen (the operating loss of the same period of the previous year: 224 mil. yen), ordinary loss was recorded as 204 mil. yen (the ordinary loss of the same period of the previous year: 195 mil. yen), and the quarterly net loss belonging to the parent company shareholders was 222 mil. yen (the quarterly's net loss belonging to the parent company shareholders of the same period of the previous year: 164 mil. yen).

In the electronic / communication device business, we will focus on acquirement of new businesses by setting our sales expansion activities of the mobile communication field (infrastructure sharing) public agency / public related market which is expected to continue to transit steadily and where the demand is stably increasing as the center. 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.

Management results by segments are as follows.

a. Electronic and communication device business

For electronic and communication device business, the order receipt from the public agencies and public related continued to transit at a good rate and the amount of received order was 983 mil. yen (3.2% decrease compared with the same period of the previous year).

In terms of the sales amount, although we took measures for difficulty of the latest procurement of electronic parts, etc., we could not avoid the impact where the sales concentrates in the second period compared to the plan of beginning of the term, which was 446 mil. yen (8.9% increase compared with the same period of the previous year). The segment loss was 112 mil. yen (segment loss was 93 mil. yen in the same period of the previous year).

In addition, the cause of increase of remaining received order is that the agreed delivery dates have been extended due to the globally extended delivery dates of semiconductors and non-iron metal materials. Similarly, the inventory assets (parts and materials, products in process and product inventory) increased by 71% compared to the same period of the previous year due to the extended agreed delivery dates.

b. Renewable energy system sales business

For renewable energy business, we have worked on development of small wind power plants by leveraging development fund of small wind power plants and collaborative loan and sustainable loan fund from banks. In addition, the small wind power plants and low-voltage solar power plants we possess in Hokkaido are selling power at a good rate.

In this first quarterly consolidated accumulative period, we newly interconnected 3 units of small wind power plants. Additionally, since 2 small wind power plants were sold, the sales amount increased compared to the same period of the previous year. Furthermore, since the small wind power plants and low-voltage solar power plants we possess are selling power at a good rate, the segment profit also increased.

As a result of the above, the amount of orders received was 270 mil. yen (444.1% increase compared with the same period of the previous year), sales amount was 165 mil. yen (232.6% increase compared to the same period of the previous year), and segment profit was 10 mil. yen (segment loss of the same period of the previous year: 23 mil. yen).

## 2.Consolidated financial statements and Notes

### (1)Consolidated balance sheet

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	1Q FY 2024 (consolidated) (As of June 30,2023)
<b>Assets</b>		
Current Assets		
Cash and deposits	1,055,068	1,097,785
Notes and accounts receivable - trade	1,371,660	923,502
Merchandise and finished goods	2,208,403	2,409,287
Goods and products	999,891	1,178,509
Work in proces	843,908	851,785
Raw materials and supplies	83,993	86,708
Advance payments - trade	353,946	309,328
Other	△28,607	△29,548
Allowance for doubtful accounts	6,888,266	6,827,360
Non-current assets		
Property, plant and equipment		
Buildings and structures	553,616	561,116
Accumulated depreciation	△399,192	△407,613
Buildings and structures, net	154,423	153,502
Machinery, equipment and vehicles	418,077	433,580
Accumulated depreciation	△207,331	△213,182
Machinery and equipment, net	210,745	220,397
Tools, furniture and fixtures	1,088,975	1,105,243
Accumulated depreciation	△863,189	△891,211
Tools, furniture and fixtures, net	225,785	214,032
Land	298,130	298,130
Construction in progress	0	0
Total property, plant and equipment	889,085	886,063
Intangible assets		
Goodwill	5,539	5,470
Software	51,519	48,347
Other	0	0
Total intangible assets	57,059	53,818
Investments and other assets		
Investment securities	356,541	362,963
Long-term loans receivable	50,000	50,000
Deferred tax assets	109,069	94,462
Other	283,615	285,219
Allowance for doubtful accounts	799,226	792,646
Total non-current assets	1,745,371	1,732,527
Deferred assets		
Stock issuance cost	1,984	1,695
opening expenses	671	694
Total deferred assets	2,656	2,389
Total assets	8,636,293	8,562,277

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	1Q FY 2024 (consolidated) (As of June 30,2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	591, 995	554, 234
short-term borrowing	270, 332	256, 083
Short-term loans payable	100, 000	100, 000
Current portion of long-term loans payable	279, 298	386, 150
Lease obligations	4, 822	4, 841
Accounts payable - other	90, 575	148, 920
Income taxes payable	21, 275	5, 293
Advances received	67, 510	31, 170
Provision for bonuses	23, 009	25, 756
Provision for product warranties	47, 981	47, 165
Other	48, 386	46, 065
Total current liabilities	72, 257	63, 361
Accounts payable - other	1, 617, 444	1, 669, 042
Non-current liabilities		
Long-term loans payable	1, 566, 520	1, 542, 876
Lease obligations	8, 810	7, 582
Retirement benefit liability	277, 579	283, 806
Asset retirement obligations	13, 127	13, 127
Other	150, 664	164, 078
Total non-current liabilities	2, 016, 703	2, 011, 472
Total liabilities	3, 634, 147	3, 680, 514
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2, 535, 100	2, 583, 817
Capital surplus	1, 692, 213	1, 710, 868
Retained earnings	790, 618	568, 264
Treasury shares	△61, 394	△61, 394
Total shareholders' equity	4, 956, 537	4, 801, 556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△45, 035	△41, 503
Foreign currency translation adjustment	77, 159	108, 565
Accumulated other comprehensive income	32, 124	67, 062
Share acquisition rights	11, 767	10, 653
Non-controlling interests	1, 716	2, 489
Total net assets	5, 002, 146	4, 881, 762
Total liabilities and net assets	8, 636, 293	8, 562, 277

(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 2023 (consolidated) (As of March 31,2023)	1Q FY 2024 (consolidated) (As of June 30,2023)
Net Sales	460,050	612,001
Cost of sales	357,617	502,326
Gross profit	102,432	109,675
Selling, general and administrative expenses	326,656	321,579
Operating profit (loss (△))	△224,223	△211,904
Non-operating income		
Interest income	570	658
Dividend income	41	6
Insurance income	764	162
Gain on forgiveness of debts	48,387	10,398
Other	4,713	10,638
Total non-operating income	54,477	21,864
Non-operating expenses		
Interest expenses	5,377	7,571
Equity in losses of affiliates	969	—
Amortization of stock issuance expenses	5,193	288
Non-operating payment fee	9,400	—
Share of loss of entities accounted for using equity method	3,767	6,415
Other	646	679
Total non-operating expenses	25,354	14,955
Ordinary profit (loss (△))	△195,100	△204,995
special profit		
Gain on sale of fixed assets	45,000	—
Total extraordinary profit	45,000	—
Extraordinary loss		
Loss on disposal of fixed assets	0	1,303
office relocation costs	8,094	—
Total extraordinary loss	8,094	1,303
Profit (loss (△)) before income taxes	△158,195	△206,299
Income taxes - current	6,402	1,135
Income taxes - deferred	△395	14,146
Total income taxes	6,007	15,281
Profit (loss (△))	△164,202	△221,580
Quarterly net income attributable to non-controlling interests	—	773
Profit (loss (△)) attributable to non-controlling interests	△164,202	△222,353

Quarterly consolidated statements of comprehensive income

Consolidated first quarter period

(In thousand yen)

	FY 2023 (consolidated) (As of March 31,2023)	1Q FY 2024 (consolidated) (As of June 30,2023)
Profit (loss (△))	△164, 202	△221, 580
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△11, 860	3, 532
Foreign currency translation adjustment	53, 259	31, 406
Total other comprehensive income	41, 398	34, 938
Comprehensive income	△122, 803	△186, 641
(breakdown)		
Comprehensive income attributable to owners of parent	△122, 803	△187, 415
Quarterly comprehensive income attributable to non-controlling interests	—	773



### (3) Notes for the quarterly consolidated financial statements

(Notes for precondition of continuing company): NA

I . Current 1Q consolidated cumulative period (from April 1, 2022 to June 30, 2022)

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	141, 555	—	141, 555	—	141, 555
Government office	114, 059	—	114, 059	—	114, 059
Public project	95, 055	—	95, 055	—	95, 055
FA ・ Measurement ・ Other	59, 737	—	59, 737	—	59, 737
Solar power plant	—	26, 495	26, 495	—	26, 495
Wind power plant	—	20, 355	20, 355	—	20, 355
Revenue from Contracts with Customers	410, 408	46, 850	457, 259	—	457, 259
Other profit	—	2, 790	2, 790	—	2, 790
Sales amount to external clients	410, 408	49, 641	460, 050	—	460, 050
Between segments Internal sales or transfer amount	—	—	—	—	—
Total	410, 408	49, 641	460, 050	—	460, 050
Segment profit	△93, 995	△23, 623	△117, 619	△106, 604	△224, 223

(Note) 1. Adjustment amount of segment loss (△) △106,604 thousand yen is the fee △106,604 thousand yen of the group management department which is not distributed to the business segment.

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

II . Current 1Q consolidated cumulative period (from April 1, 2023 to June 30, 2023)

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	163,729	—	163,729	—	163,729
Government office	58,178	—	58,178	—	58,178
Public project	101,035	—	101,035	—	101,035
FA・Measurement・Other	123,965	—	123,965	—	123,965
Solar power plant	—	47,457	47,457	—	47,457
Wind power plant	—	114,882	114,882	—	114,882
Revenue from Contracts with Customers	446,909	162,339	609,248	—	609,248
Other profit	—	2,753	2,753	—	2,753
Sales amount to external clients	446,909	165,092	612,001	—	612,001
Between segments Internal sales or transfer amount	—	—	—	—	—
Total	446,909	165,092	612,001	—	612,001
Segment profit	△112,716	10,898	△101,817	△110,086	△211,904

(Note) 1. Adjustment amount of segment profit or loss (△) △110,086 thousand yen is the fee △110,086 thousand yen of the group management department which is not distributed to the business segment.

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

(Profit recognition related)

Information which dissolves the profit arising from the agreement with the clients is as described in “Note (segment information, etc.).”