



# JASDAQ

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## Tamagawa Holdings Announces Acquisition of Property, Plant, and Equipment (Large Scale Solar Energy Power Plant Facility) through an Installment Purchase Agreement

Tamagawa Holdings announces that its consolidated subsidiary GP Energy B LLC has resolved to acquire by conclusion of an installment purchase agreement a large-scale solar energy power plant located in Kasumigaura city, Ibaraki prefecture, which is scheduled start feeding into the power grid in late March 2017 with an approximate power output of 2.4 MW.

### 1. Outline

Tamagawa Holdings Group has been promoting the expansion of its large scale solar energy power plant business since the implementation of the renewable energy fixed-priced feed-in regulations. Large scale solar energy power plants currently operating in Tateyama-shi, Chiba prefecture; Sodegaura city, Chiba prefecture; and Shimonoseki city, Yamaguchi prefecture, have been realizing steady power sales.

The construction of the solar energy power plant to be acquired in Kasumigaura city, Ibaraki prefecture (the "Power Plant") has been in progress, with prospects to initiate electric power sales late in March 2017. The Power Plant was initially under consideration for sale to an external customer by Tamagawa Energy Co., Ltd., a consolidated subsidiary of Tamagawa Holdings engaged in renewable-energy system sales operations. However, as the result of an in-depth review weighing the extent of contributions to earnings over the course of twenty years of ownership by Tamagawa Holdings Group against the one-time income from the sale of the Power Plant to an external buyer, from a medium-term and long-term perspective it was judged that ownership by Tamagawa Holdings Group will deliver long-term, stable cash flows that will strengthen the earnings structure and the financial structure of Tamagawa Holdings Group. As a consequence, it was decided to acquire and operate the Power Plant as a business owned by Tamagawa Holdings Group.

Tamagawa Holdings Group will continue to build and operate power plants that use renewable energy, specifically solar power, with the aims of raising sales and earning capabilities, promoting the proliferation of environment-friendly renewable energy, and contributing to society by reducing the load on the environment.

### 2. Reason for the acquisition of the Power Plant through an installment purchase agreement

The conclusion of the installment purchase agreement serves to promote the efficient management of the capital of Tamagawa Holdings Group.

### 3. Description of the assets to be acquired under the installment purchase agreement

Designation (provisional)	Place	Outline of the assets and total installment purchase price	Total acquisition price
Kasumigaura city, Ibaragi prefecture Large scale solar energy power plant	Kasumigaura city, Ibaragi prefecture	Set of solar energy power generation system Total amount payable: 1,280,000 thousand yen	1,000,000 thousand yen

#### 4. Summary of the counterparty of the installment purchase agreement

(1) Name	Ricoh Leasing Company, Ltd.
(2) Location	1-7-12 Shinonome, Koto-ku, Tokyo
(3) Representative's position and name	Daisuke Segawa, Representative Director, President and CEO
(4) Business lines	Leasing, installments, and financial services business
(5) Capital	7,896.86 million yen
(6) Established	December 1976
(7) Net assets	145.5 billion yen
(8) Total assets	878.5 billion yen
(9) Main shareholders and shareholder percentages	Ricoh Co., Ltd. 52.8%
(10) Relationships between exchange listed companies and the subject company	No capital relations and personnel relations exist. Transaction relationships exist such as lease agreement, etc. Details are available in the releases dated May 15, 2014, December 12, 2014, October 31, 2016, and January 16, 2017 entitled "Tamagawa Holdings Announces Lease Based Acquisition of Property, Plant, And Equipment (Large Scale Solar Energy Power Plant Facilities)." The subject company is not an interested party with respect to Tamagawa Holdings.

#### 5. Schedule (prospective)

Resolution of the board of directors	February 28, 2017
Execution of the lease agreement	February 28, 2017
Installment purchase start date	Late March 2017 (prospective)

#### 6. Outline of the Power Plant

(1) Location	Kamo, Kasumigaura city, Ibaragi prefecture
(2) Operator	GP Energy B LLC (Subsidiary of a fully-owned subsidiary of Tamagawa Holdings)
(3) Site area	Approximately 40,354 m <sup>2</sup>
(4) Electric power generating capacity	Approximately 2.4 Megawatt
(5) Electric power sales price (fixed for 20 years)	36 yen / kWh (tax excluded)
(6) Income from electric power sales (prospective)	105 million yen / year (approx.)
(7) Estimated electric power generation in the first fiscal year (projected)	Approximately 2,900,000 kWh
(8) Start date of electric power sales (prospective)	End of March 2017

#### 7. Further outlook

Full-scale revenues from electric power sales from the operations of the Power Plant will commence in the next fiscal year. As to the effects on consolidated financial results for the current fiscal year arising from the ownership of the Power Plant by Tamagawa Holdings instead of its sale, information is available in the "Tamagawa Holdings Announces Revision of Results Projections" disclosed as of the same date as this notice.