



## FY2021 March The 1Q Summary of Accounting Statements [Japanese Standards] (consolidated)

August 14, 2020

Listed company name Tamagawa Holdings Co., Ltd. Exchange Tokyo  
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 Quarterly report to be submitted : August. 14, 2020 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 2021 Mar.: 1Q (from Apr 1, 2020 to June 30, 2020)

#### (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	%
FY2021 Mar. 1Q	1,165	63.0	62	—	59	—	60	—
FY2020 Mar. 1Q	715	△4.8	△63	—	△117	—	△115	—

(Note) Comprehensive profit: FY2021 Mar. 1Q 61mil.yen( —%) FY2020 Mar.1Q △125mil.yen( —%)

	Quarterly net profit per share	Quarterly net profit per share after issuable share adjustment
FY2021 Mar. 1Q	yen 11.63	yen 11.15
FY2020 Mar. 1Q	△26.07	—

#### (2) Consolidated financial status

	Gross asset	Net asset	Own capital ratio
FY2021 Mar. 1Q	mil.yen 9,260	mil.yen 4,418	% 47.7
FY2020 Mar.	9,423	4,156	44.1

(Reference) Own capital: FY2021 Mar. 1Q 4,417mil yen FY2020 Mar. 4.154mil. yen

### 2. Status of dividends

	Annual dividends				
	End 1Q	End 2Q	End 3Q	Term end	Total
FY2020 Mar.	yen —	yen 0.00	yen —	yen 7.00	yen 7.00
FY2021 Mar.	—				
FY2021 Mar. (forecast)		0.00	—	5.00 ~30.00	5.00 ~30.00

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

### 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	6,937	9.5	850	5.5	713	6.0	499	13.6	yen 109.54

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



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

### (1) Explanation of management result of the current term

Matters herein concerning the future were determined by our group (our company our consolidated subsidiary) as of the final day of the current quarter consolidated accounting period.

The Japanese economics in the current first quarter consolidated accumulative period continues to shift with uncertain situation due to the impacts on the global economics given by trend of the issues between US and China and future of Chinese economics, and uncertainty in the policies. In addition, while we are exploring brand new corporate activities because visiting to the clients and business negotiation, etc. are strictly restricted due to pandemic of Covid-19 since the beginning of this year and “declaration of state of emergency” by the Japanese government on April 7, our group has engaged in both prevention of infection spread and sales activities by shifting to 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 and public related market continuously from last year, we have been also dedicated to new markets and client exploration to actively 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.

Especially in the current first quarter consolidated accumulative period, we have gained remarkable sales from large order of semiconductor burn-in equipment, etc. and we have firmly achieved success such as specific launching of “manufacturing of the low-power high-frequency circuit for linear accelerator and beam monitor circuit system of the next-generation radiant light facility.”

In the mobile communication field, demands for high-frequency components are increasing including the 5G related market.

In addition, inquiry cases from new clients related to mobile communication facilities for overseas are gradually increasing.

Demands for the optical transmission device, digital signal processor, etc. are increasing for disaster measures, business-use wireless and surveillance system in the public filed, and therefore we will work on further demand expansion in the public filed as well as positively working on self-developed products including product development for equipment of the 5G related market.

Although order receipt condition in general electronic and communication device business is slightly decreasing compared to the previous term, it is mainly due to slowing of progress of the clients’ plans, and we will continue to promote expansion of our group’s business field as well as proposing new sales method according to change and also continue the activities for profit expansion by proposal and enhancement of self-development products.

We have promoted development and sales of the solar power plants and small wind power plants in the renewable energy system sales business. For development and sale of solar power plants, we conduct the entire flow of development of land, procurement, sale and maintenance inhouse in order to secure profit while fixed price purchase is dropping. We will continue the development / sales activities of photovoltaic power plants, small wind power plants, etc. for profit expansion.

In the renewable power plant business, the already-operating solar power plants have been selling power at a good rate including Nagasaki Prefecture, Goto-City, Kojindake Solar Power Plant of which extension was completed in March 2020. Development of a small wind power plant is also in progress, and we have started full-scale wind condition survey since April 2020 for the large wind power plant (1.984MW) in Nemuro City, Hokkaido. We are in process of interconnection in 2022 at a good rate. Our group is actively reviewing Japan and also overseas mainly in Southeast Asia for the general renewable energy and environmental businesses which will become our next pillar for expansion of operations of such businesses. We will be continuously engaged in not only reduction of CO<sub>2</sub>, but also contribution to the community and society and promotion of introduction and spread of renewable energy by accelerating development of community-based renewable energy.

As a result of the above, the amount of orders received in the current first quarter consolidated accumulative period was 1,057mil. yen (14.7% increase compared with the same term of the previous year), and the sales amount was 1,165 mil. yen (63.0% increase compared with the same term of the previous year). In terms of profit and loss, operating profit was recorded as 62 mil. yen (sales loss of the same term of the previous year: 63 mil. yen), ordinary profit was recorded as 59 mil. yen (ordinary loss of the same term of the previous year: 117 mil. yen), and therefore the quarterly net profit belonging to the parent company shareholders was 60 mil. yen (quarterly net loss of the same term of the previous year: 115 mil. yen).

For the electronic and communication device business, in addition to sales expansion activities mainly in the public related market, we are focusing on exploration of new clients. Especially in the civil service field, the demands are stably increasing and it is expected to shift steadily hereafter. We will continue to promote expansion of our group’s business fields and also continue the activities for profit expansion by enhancement of proposal of self-developed products.

For the renewable energy plant business, in addition to development / sales of solar power plants, we are actively engaged in development of small wind power plants. We will continuously endeavor not only to reduce CO<sub>2</sub>, but also to contribute to the community and society and to introduce, spread and promote renewable energy by taking advantage of characteristics of the community, and accelerating development of community-based renewable energy

Management result status by business type segments is as follows.

#### a. Electronic / communication device business

Thanks to focus on expansion of order receipt in the mobile communication filed and civil service and public related field, the amount of orders received was 993 mil. yen (17.8% decrease compared with the same term of the previous year), sales amount was 940 mil. yen (97.2% increase compared with the same term of the previous year), and segment profit was 124 mil. yen (segment loss of the same term of the previous year: 40 mil. yen).

b. Renewable energy system sales business

Since we focused on lot selling of small wind power plants, the amount of orders received was 63 mil. yen (109.9% increase compared with the same term of the previous year), sales amount was 131 mil. yen (91.7% increase compared to the same term of the previous year), and segment loss was 29 mil. yen (segment loss of the same term of the previous year: 42 mil. yen).

c. Renewable energy plant business

The already-operating solar power plants in Noboribetsu City and the mega solar power plants in Goto City, Nagasaki Pref. and the solar sharing plants in Shimada City, Shizuoka Pref. have been selling power at a good rate. However, since income from power selling decreased after we sold two mega solar plants in the previous consolidated accounting year, the sales amount was 112 mil. yen (33.2% decrease compared with the same term of the previous year) and segment profit was 33 mil. yen (53.7% decrease compared with the same term of the previous year).

(2) Explanation on financial status

① Analysis of financial status

(Gross assets)

Gross assets in the end of the current first quarter consolidated accounting period resulted in 9,260 mil. yen, decreasing by 162 mil. yen compared to the end of the previous consolidated accounting year.

This is mainly because of decrease of cash and deposit by payment of outstanding consumption tax included in others in the outstanding corporate tax, etc. and current liabilities.

(Liabilities)

Liabilities in the end of the current first quarter consolidated accounting period resulted in 4,841 mil. yen, decreasing by 424 mil. yen compared to the end of the previous consolidated accounting year.

This is mainly because of decrease of outstanding consumption tax included in others in the outstanding corporate tax, etc. and current liabilities.

(Net assets)

Net assets in the end of the current first quarter consolidated accounting period resulted in 4,418 mil. yen, increasing by 262 mil. yen compared to the end of the previous consolidated accounting year.

This is mainly because of increase of the capital fund and capital reserve by exercising of the share acquisition right.

② Business and financial issues to be addressed

There are no material matters in the business and financial issues to be addressed among those arising in the current first quarter consolidated accumulative period.

③ Research and development activities

Total amount of research and development cost in the current first quarter consolidated accumulative period is 36 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 the consolidated performance expectation information

No change in the performance forecast announced on May 20, 2020 for performance forecast.

## 2.Consolidated financial statements and Notes

### (1)Consolidated balance sheet

(In thousand yen)

	FY 2019 (consolidated) (As of March 31,2020)	1Q FY 2020 (consolidated) (As of June 30,20120)
<b>Assets</b>		
Current Assets		
Cash and deposits	2,215,666	2,109,203
Notes and accounts receivable - trade	1,391,469	1,466,874
Merchandise and finished goods	2,889,509	2,855,778
Work in process	778,562	634,218
Raw materials and supplies	231,870	231,289
Advance payments - trade	105,709	72,701
Other	166,749	201,460
Allowance for doubtful accounts	△17,632	△17,632
Total current assets	7,761,905	7,553,893
Non-current assets		
Property, plant and equipment		
Buildings and structures	514,488	513,989
Accumulated depreciation	△346,363	△349,904
Buildings and structures, net	168,125	164,085
Machinery, equipment and vehicles	368,769	371,897
Accumulated depreciation	△135,540	△145,464
Machinery, equipment and vehicles, net	233,229	226,432
Tools, furniture and fixtures	824,843	828,009
Accumulated depreciation	△687,178	△695,846
Tools, furniture and fixtures, net	137,665	132,162
Land	272,573	272,573
Total property, plant and equipment	811,592	795,254
Intangible assets		
Goodwill	39,039	38,858
Software	51,809	53,460
Other	0	0
Total intangible assets	90,848	92,318
Investments and other assets		
Investment securities	51,164	53,541
Long-term loans receivable	55,725	108,873
Deferred tax assets	181,357	187,198
Other	458,529	459,545
Allowance for doubtful accounts	△8,700	△8,700
Total investments and other assets	738,077	800,458
Total non-current assets	1,640,518	1,688,031
Deferred assets		
Share issuance cost	2,935	2,462
Development expenses	71	63
Business commencement expenses	17,749	16,349
Total deferred assets	20,755	18,875
Total assets	9,423,180	9,260,801

(In thousand yen)

	FY 2019 (consolidated) (As of March 31,2020)	1Q FY 2020 (consolidated) (As of June 30,2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	400,496	385,763
Short-term loans payable	74,980	12,470
Current portion of long-term loans payable	315,775	272,068
Lease obligations	172,964	141,251
Accounts payable - other	176,095	277,306
Income taxes payable	96,648	13,514
Advances received	322,665	338,653
Provision for bonuses	119,402	37,405
Provision for product warranties	22,878	25,464
Other	259,627	114,380
Total current liabilities	1,961,534	1,618,278
Non-current liabilities		
Long-term loans payable	368,911	317,939
Lease obligations	2,289,987	2,254,693
Deferred tax liabilities	331	283
Net defined benefit liability	207,112	220,619
Asset retirement obligations	15,155	15,155
Long-term accounts payable - other	358,483	351,167
Other	64,805	63,778
Total non-current liabilities	3,304,788	3,223,638
Total liabilities	5,266,322	4,841,916
Net assets		
Shareholders' equity		
Capital stock	1,961,823	2,077,522
Capital surplus	1,235,035	1,321,442
Retained earnings	1,034,475	1,094,502
Treasury shares	△61,313	△61,313
Total shareholders' equity	4,170,020	4,432,154
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△3,962	△67
Foreign currency translation adjustment	△11,724	△14,574
Accumulated other comprehensive income	△15,687	△14,642
Share acquisition rights	2,524	1,371
Total net assets	4,156,857	4,418,884
Total liabilities and net assets	9,423,180	9,260,801

(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)

	1Q FY 2019 (from April 1, 2019 to June 30, 2019)	1Q FY 2020 (from April 1, 2020 to June 30, 2020)
Net Sales	715,114	1,165,461
Cost of sales	470,768	840,143
Gross profit	244,345	325,318
Selling, general and administrative expenses	307,805	262,544
Operating profit (loss (△))	△63,459	62,774
Non-operating income		
Interest income	1,097	1,278
Dividend income	6	312
Insurance income	-	21,724
Gain on forgiveness of debts	-	12,104
Other	1,210	1,786
Total non-operating income	2,313	37,206
Non-operating expenses		
Interest expenses	43,228	33,942
Foreign exchange losses	1,121	1,289
Share of loss of entities accounted for using equity method	9,576	1,508
Other	2,352	3,247
Total non-operating expenses	56,279	39,988
Ordinary profit (loss (△))	△117,425	59,992
Profit (loss (△)) before income taxes	△117,425	59,992
Income taxes - current	3,467	5,854
Income taxes - deferred	△5,769	△5,888
Total income taxes	△2,302	△34
Profit (loss (△))	△115,123	60,027
Profit (loss (△)) attributable to non-controlling interests	-	-
Profit (loss (△)) attributable to owners of parent	△115,123	60,027

Quarterly consolidated statements of comprehensive income  
 Consolidated first quarter period

(In thousand yen)

	1Q FY 2019 (from April 1, 2019 to June 30, 2019)	1Q FY 2020 (from April 1, 2020 to June 30, 2020)
Profit (loss (△))	△115,123	60,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△2,564	3,895
Foreign currency translation adjustment	△7,810	△2,850
Total other comprehensive income	△10,375	1,044
Comprehensive income	△125,498	61,072
(breakdown)		
Comprehensive income attributable to owners of parent	△125,498	61,072
Comprehensive income attributable to non-controlling interests	-	-

(Segment information, etc.)

【Segment information】

I. Previous 1Q consolidated cumulative period (from April 1, 2019 to June 30, 2019)

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 system sales business	Renewable energy generation business	Total		
Sales amount						
Sales amount to external clients	476,936	68,559	168,154	713,650	1,464	715,114
Internal sales amount or transfer amount between segments	—	—	—	—	—	—
Total	476,936	68,559	168,154	713,650	1,464	715,114
Segment profit or loss (△)	△40,920	△42,981	72,157	△11,744	△51,715	△63,459

(Note)

1. Adjusted amount of segment profit or loss (△) △51,715 thousand yen is adjusted amount of unrealized profit, etc. 1,591 thousand yen, adjusted amount of dividends from the consolidated subsidiary △17,500 thousand yen and profit and loss of group management division not distributed to business segment △35,807 thousand yen.

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

II. Current 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 system sales business	Renewable energy generation business	Total		
Sales amount						
Sales amount to external clients	940,709	118,843	105,909	1,165,461	—	1,165,461
Internal sales amount or transfer amount between segments	—	12,612	6,450	19,062	△19,062	—
Total	940,709	131,456	112,359	1,184,524	△19,062	1,165,461
Segment profit or loss (△)	124,447	△29,966	33,379	127,860	△65,086	62,774

1. Adjusted amount of segment profit or loss (△) △65,086 thousand yen is adjusted amount of inter-segment transactions of 10,013 thousand yen, adjusted amount of dividends from the consolidated subsidiary △37,500 thousand yen and profit and loss of group management division not distributed to business segment △17,573 thousand yen.

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