



February 5, 2021

To Whom It May Concern:

Company Name: Mitsui Matsushima Holdings Co., Ltd.  
 Representative: Taishi Yoshioka, Representative  
 Director and President  
 (Stock Code 1518, First Section of the  
 Tokyo Stock Exchange and Fukuoka  
 Stock Exchange)  
 Contact: Mikiko Abe, Executive Officer  
 Tel: +81-92-771-2468

Notice of Recording of Extraordinary Loss and Revision of Earnings Forecast

Mitsui Matsushima Holdings Co., Ltd. (the “Company”) hereby announces the recording of an extraordinary loss in the third quarter of the fiscal year ending March 31, 2021. The Company also announces a revision to the forecast of consolidated financial results for the year ending March 31, 2021 (April 1, 2020 through March 31, 2021) announced on August 7, 2020.

1. Details of extraordinary loss

Business	Item	Details	Amount (million yen)
Coal Production Business	(Australia) Impairment of fixed assets for the existing mining area of Liddell Coal Mine	✓ As a result of carefully reviewing the projected future cash flows (FY2021–FY2023) based on the stagnant coal market conditions in the current fiscal year, the entire amount of fixed assets related to the said mining area was recognized as impaired.	2,381 *
	(Indonesia) Recording of allowance for doubtful accounts, etc. for GDM*	✓ As a result of verifying the collectability of loans to GDM based on the stagnant coal market conditions in the current fiscal year, an allowance for doubtful accounts was recorded for the entire amount of loans and accrued interest. ✓ No new loans and investments will be made to GDM in the future. As a result, 20.1% of the shares in GDM will be diluted and GDM will be excluded from the scope of equity method affiliates in/after FY2021.	632
Fashion Business	Consolidated goodwill Impairment, etc. of fixed assets	✓ Loss occurred due to suspension of store operations (April–May 2020) caused by the impact of COVID-19.	308
		✓ As a result of carefully reviewing the projected future cash flows based on the shrinking of the business suit market, which was accelerated by the spread of COVID-19, the entire amount of consolidated goodwill related to Hanabishi Sewing was recognized as impaired.	811
		✓ In line with impairment of goodwill, an impairment loss for factory facilities, etc. was recorded.	343
		✓ Restructuring expenses occurred due to downsizing of production capacity commensurate with the reduced market size.	207
Others	Impairment loss, etc. for idle assets	✓ Revaluation of idle assets owned by the Mitsui Matsushima Group was made.	78
Total (Of which, loss without cash outflows)			4,762 (4,298)

\*In line with the impairment, deferred tax assets of 662 million yen were reversed.

\*GDM=PT Gerbang Daya Mandiri

## 2. Revision of Consolidated Earnings Forecast for FY2020

	Net sales	Operating profit	Ordinary profit	Net profit attributable to owners of parent	Net profit per share
Previous forecast (A)	Million yen 54,500	Million yen 200	Million yen 1,300	Million yen 700	yen sen 53.83
Revised forecast (B)	55,300	1,400	2,600	(3,200)	(246.04)
Change (B – A)	+800	+1,200	+1,300	(3,900)	
Percentage change (%)	+1.5	+600.0	+100.0	-	
(Reference) Previous results (FY2019)	66,596	2,741	2,995	2,292	176.26

### (Reason for revision)

The Company reviewed earnings in light of consolidated earnings for the first nine months of FY2020 and the Company's earnings forecast for the fourth quarter. As a result, operating profit and ordinary profit are expected to exceed the Company's initial forecast due to a decline in the burden of depreciation in line with impairment of fixed assets recorded in the third quarter and a recovery in sales volume in the Office Equipment Business.

Meanwhile, net profit attributable to owners of parent is expected to fall below the Company's initial forecast due to the recording of an extraordinary loss in the third quarter.

\* For the dividend forecast for the fiscal year ending March 31, 2021, please refer to "Notice of Dividend Forecast" released on the same day.

\* The forecast above is based on information available as of the date of this publication. Actual results may vary due to various future factors.