



**Presentation of Financial Results for the
Fiscal Year Ended March 2018**

May 2018

- FY2017 Financial Results P. 3
- FY2018 Consolidated Earnings Forecast P.10
- Businesses of the Mitsui Matsushima Group P.16
 - Energy Business Division P.18
 - Consumer Goods and Services Business Division P. 25
- Growth Strategy P. 32
- Reference Materials P. 37

FY2017 Financial Results

Consolidated Income Statement

- **Net sales** Sales increased in the Energy Business Division (Coal Sales Business) due to such factors as a hike in coal prices and an increase in the sales volume.
- **Operating profit** Profit increased in the Energy Business Division (Coal Production Business) due to, among other factors, a hike in coal prices.
 - Ordinary profit (Non-operating profit)** Gain on investments in a silent partnership of 238 million yen (an increase of 170 million yen from the previous corresponding period)
Interest income of 224 million yen (an increase of 41 million yen from the previous corresponding period)
Foreign exchange gains of 191 million yen (foreign exchange losses of 153 million yen in the previous corresponding period)
 - (Non-operating expenses)** Interest expenses of 181 million yen (an increase of 16 million yen from the previous corresponding period)
- **Net profit belonging to shareholders of the parent company**
 - (Extraordinary profit)** Subsidy income of 269 million yen, gain on sales of non-current assets of 242 million yen
 - (Extraordinary loss)** Loss on reduction of non-current assets of 248 million yen, impairment loss of 79 million yen
 - (Tax expenses)** Posted tax expenses totaling 800 million yen (an increase of 985 million yen from the previous corresponding period)

(Million yen)	FY2016	FY2017	Yr/Yr Change
Net sales	53,086	66,322	13,235
Operating profit [Operating profit before amortization of goodwill]*	1,027 (1,430)	1,531 (2,064)	503 (634)
Ordinary profit	959	2,100	1,141
Net profit belonging to shareholders of the parent company	1,323	1,520	196

* "Operating profit before amortization of goodwill" is operating profit excluding the amortization of goodwill that arises from business acquisitions.

Consolidated Segment Information

- Energy Business Division** The Energy Business segment comprises the Coal Sales Business, the Coal Production Business, and the Renewable Energy Business.
 Details are provided under “Breakdown of Energy Business” on the next page.
- Consumer Goods and Services Business Division** The Consumer Goods and Services Business segment comprises the Electronic Parts Business, the Beverage & Food Packages Business, the Fashion Business, the Contract Service Business, and the Nursing Care Business.
 Sales and profit increased as CLEAN SURFACE TECHNOLOGY Co., Ltd. was made a subsidiary in the Electronic Parts Business in 4Q/FY2016.

[Sales]				[Segment profit]			
Business (Million yen)	FY2016	FY2017	Yr/Yr Change	Business (Million yen)	FY2016	FY2017	Yr/Yr Change
Energy	35,619	46,249	10,629	Energy [Before goodwill amortization]	1,023 (1,092)	1,439 (1,510)	416 (418)
Consumer Goods and Services	15,240	18,256	3,015	Consumer Goods and Services [Before goodwill amortization]	945 (1,279)	1,113 (1,575)	167 (295)
Others	2,103	1,729	(374)	Others	150	146	(4)
Adjustments	123	88	(35)	Adjustments	(1,092)	(1,167)	(75)
Total	53,086	66,322	13,235	Total [Before goodwill amortization]	1,027 (1,430)	1,531 (2,064)	503 (634)

* Segment profit for the Energy Business includes equity in net income of affiliates (GDM, etc.) (FY2016: (36) million yen, FY2017: 28 million yen).

* “Others” represent business segments not included in reporting segments, and includes the Real Estate Business, the Stevedore and Warehouse Business, etc.

* Net sales in “Adjustments” include rent income of all-company **assets**; segment profit includes deduction of the aforesaid equity in net income of affiliates (GDM, etc.), all-company profit & **5** expenses not allocated to each reporting segment, etc.

Breakdown of the Energy Business Division

- **Coal Sales Business** Sales increased due to a rise in coal prices, an increase in sales volume, and other factors.
- **Coal Production Business** Sales and profit increased mainly due to a rise in coal prices, despite the production volume falling due to the impact of temporary industrial action.

[Sales] (Million yen)	FY2016	FY2017	Yr/Yr Change	[Profit] (Million yen)	FY2016	FY2017	Yr/Yr Change
Coal Sales Business	30,928	42,463	11,535	Coal Sales Business	215	182	(32)
Sales volume *1	3.95 million tons	4.32 million tons	0.36 million tons				
Coal Production Business	11,249	11,816	566	Coal Production Business	649	1,098	448
Sales volume	1.47 million tons	1.10 million tons	(0.37) million tons	(of which, equity in net income of affiliates)	[(36)]	[28]	[65]
Renewable Energy Business	332	336	3	Renewable Energy Business	159	157	(1)
Adjustments *2	(6,890)	(8,366)	(1,475)	Adjustments	-	-	-
Total	35,619	46,249	10,629	Total	1,023	1,439	416

*1: Although the sales volume at Liddell Coal Mine declined due to the impact of industrial action, sales volumes increased at other mines in Australia and Indonesia.

*2: Adjustments include transactions between businesses.

Major index		FY2016 Results	FY2017 Results	Change
Coal Sales Business (Apr.–Mar. results)	Average coal price of import and sales	¥7,815	¥9,827	¥2,012
	Exchange rate ¥/US\$ (average rate)	¥109.60	¥110.72	Yen depreciation ¥1.12
Coal Production Business (Jan.–Dec. results)	Average coal price: Thermal coal	US\$66.00	US\$87.04	US\$21.04
	Average coal price: Semi-soft coking coal	US\$87.39	US\$143.62	US\$56.23
	Exchange rate US\$/A\$ (average rate)	US\$0.7410	US\$0.7708	US\$ appreciation against A\$: US\$0.0297
	Exchange rate ¥/A\$ (average rate)	¥80.73	¥86.02	Yen depreciation ¥5.29

Consolidated Balance Sheet

	Mar. 31, 2017		Mar. 31, 2018		Change (Million yen)	Main factor behind changes
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)		
Current assets	24,726	41.8	27,299	46.8	2,572	Cash and deposits: +2,368; inventory assets: +306
Fixed assets, Deferred assets	34,386	58.2	30,984	53.2	(3,402)	Tangible fixed assets: (2,150); intangible fixed assets: (514); long-term deposits: (913)
Total assets	59,113	100.0	58,284	100.0	(829)	
Current liabilities	11,824	20.0	11,196	19.2	(627)	Trade payable: (558)
Fixed liabilities	15,568	26.3	13,513	23.2	(2,055)	Long-term debt: (1,723); long-term lease obligations: (161)
Total liabilities	27,392	46.3	24,710	42.4	(2,682)	
Total net assets	31,721	53.7	33,574	57.6	1,853	Net profit attributable to owners of parent: +1,520; foreign currency translation adjustment: +607; valuation difference on available-for-sale securities: +237; dividends paid: (522)
Total liabilities and net assets	59,113	100.0	58,284	100.0	(829)	

	Mar. 31, 2017	Mar. 31, 2018
Cash and deposits <i>(including long-term deposits)</i>	15,145	16,600
Debt <i>(including bonds)</i>	(14,838)	(13,229)
Net cash and deposits	306	3,370
<<Management indicators>>		
Shareholders' equity ratio (%)	53.6	57.6
D/E ratio (times)	0.56	0.48

Consolidated Cash Flows

(Million yen)	FY2016	FY2017	Main factors
Net profit before income taxes	1,144	2,325	
Depreciation and amortization (including goodwill amortization expenses)	2,512	2,981	
Gain on sales of non-current assets	(111)	(242)	
Working capital	163	(863)	• Increase in inventory assets, decrease in trade payable
Others	(30)	(1,203)	
CF from operating activities	3,677	2,997	• Tax payments, etc.
Changes in fixed assets	1,514	(137)	
Investment securities	229	(48)	• Payment for purchase of investment securities
Acquisition of consolidated subsidiary	(3,501)	-	
Others	27	236	
CF from investing activities	(1,729)	50	
Changes in debt and bonds	1,830	(1,609)	• Repayment of debt
Payment of dividends	(552)	(513)	
Purchase of treasury shares	(909)	(0)	
Others	(127)	(191)	
CF from financing activities	241	(2,314)	
Effect of exchange rate changes on cash and cash equivalents	(403)	556	
Changes in cash and cash equivalents	1,784	1,289	
Cash and cash equivalents at beginning of period	10,336	12,121	
Cash and cash equivalents at end of period	12,121	13,411	

Industrial Action at Liddell Coal Mine in Australia

◆ Overview

- For about five months between June and October 2017, limited-hour industrial action by job type continued on and off at Liddell Coal Mine, causing the production operation rate to fall short of the plan.
- This industrial action initially occurred at the time we were renewing labor contracts. Since labor contracts remain effective for three years, we do not expect any action to occur during the period up to 2020.
- This industrial action is a rare, large-scale situation launched and led by one of Australia's major labor unions, the CFMEU (Construction Forestry Maritime Mining Energy Union), involving multiple mines and labor unions owned by Glencore. (It is the first large-scale industrial action that has occurred since the Company's acquisition.)

◆ Impact

- While the production volume for FY2017 fell short of the initial projection by about 30% (roughly 400,000 tons), there is no impact in FY2018.
- The range of wage increase following the revision of a labor contract is expected to be within a range comparable to the increase in Australia's CPI (Consumer Price Index) as in a normal year, and the impact of this large-scale industrial action is immaterial.



FY2018 Consolidated Earnings Forecast

FY2018 Consolidated Earnings Forecast

- Net sales In the Coal Sales Business and the Coal Production Business, sales are expected to increase mainly due to higher sales volumes (in FY2017, a strike (industrial action) occurred at the Liddell Coal Mine in Australia).
- Operating profit Operating profit is expected to increase, on the back of higher production and sales volumes in the Coal Production Business and the continuing favorable performance of the Consumer Goods and Services business.

	(1) FY2017 Results	(2) FY2018 Earnings Forecast	Change: (2) – (1)
(100 million yen)	Year ended March 2018	Year ending March 2019	
Net sales	663	730	67
Operating profit [Operating profit before amortization of goodwill]	15 (20)	25 (30)	10 (10)
Ordinary profit	21	29	8
Net profit	15	17	2

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

FY2018 Consolidated Earnings Forecast by Segment

■ Energy Business Division

Coal Sales Business Sales and profit are expected to increase mainly due to higher sales volumes (in FY2017, a strike (industrial action) occurred at the Liddell Coal Mine).

Coal Production Business Sales and profit are expected to increase mainly due to higher sales volumes (same as above).

■ **Consumer Goods and Services Business** Higher profit is expected mainly due to the continuing favorable performance of the core business.

[Sales]

Business (100 million yen)	FY2017 Results	FY2018 Forecast	Yr/Yr Change
Energy	462	538	76
Consumer Goods and Services	183	179	(4)
Others/Adjustments	18	13	(5)
Total	663	730	67

[Segment profit]

Business (100 million yen)	FY2017 Results	FY2018 Forecast	Yr/Yr Change
Energy	14	26	12
[Before goodwill amortization]	(15)	(27)	(12)
Consumer Goods and Services	11	13	2
[Before goodwill amortization]	(16)	(18)	(2)
Others/Adjustments	(12)	(14)	(2)
Total	15	25	10
[Before goodwill amortization]	(20)	(30)	(10)

* Segment profit for the Energy Business includes equity in net income of affiliates (GDM, etc.) FY2017: 28 million yen, FY2018: 135 million yen.

* Segment profit in "Other/Adjustments" includes deduction of the aforesaid equity in net income of affiliates (GDM, etc.), all-company profit & expenses not allocated to each reporting segment, etc.

Major Indexes in the Coal Sales and Production Businesses and Impact of Exchange Rate Fluctuations on Net Profit

	Major index	FY2017 Results	FY2018 Forecast	Change
Coal sales (Apr.–Mar. results)	Sales volume (million tons)	4.32	4.69	0.37
	Average coal price of import and sales	¥9,827	¥10,064	¥237
	Exchange rate ¥/US\$ (average rate)	¥110.7	¥107.0	Yen appreciation ¥3.7
Coal production (Jan.–Dec. results)	Sales volume (million tons)	1.10	1.46 (Breakdown) Price determined: 0.3 million tons Price not determined: 1.16 million tons	0.36
	Average coal price: Thermal coal	US\$87.0	US\$89.2	US\$2.2
	Average coal price: Semi-soft coking coal	US\$143.6	US\$143.6	-
	Exchange rate US\$/A\$ (average rate)	US\$0.77	US\$0.770	-
	Exchange rate ¥/A\$ (financial results: average rate)	¥86.0	¥82.4	Yen appreciation ¥3.6
Impact of exchange rate fluctuations on net profit				

US\$/A\$ For each 1 cent the A\$ depreciates, net profit increases by approximately 90 million yen.

(Reference)

Impact of FX in Coal Production Business

Coal sales
US\$-denominated transactions

<Volume x Coal price (US\$)>

= Net sales (US\$)

Foreign currency translation (1)
US\$ ⇒ A\$

Mitsui Matsushima Australia Non-consolidated P/L
A\$-denominated financial results

Net sales (A\$)

Expenses (")

(Cost of sales, general & administrative expenses, non-operating profit, extraordinary gain/loss, income taxes)

Net profit (")

Foreign currency translation (2)
A\$ ⇒ ¥

Mitsui Matsushima Consolidated P/L
¥-denominated financial results

Net sales (¥)

Expenses (")

(Cost of sales, general & administrative expenses, non-operating profit, extraordinary gain/loss, income taxes)

Net profit (")



US\$-denominated coal sales in Mitsui Matsushima Australia (MMA)'s coal production business

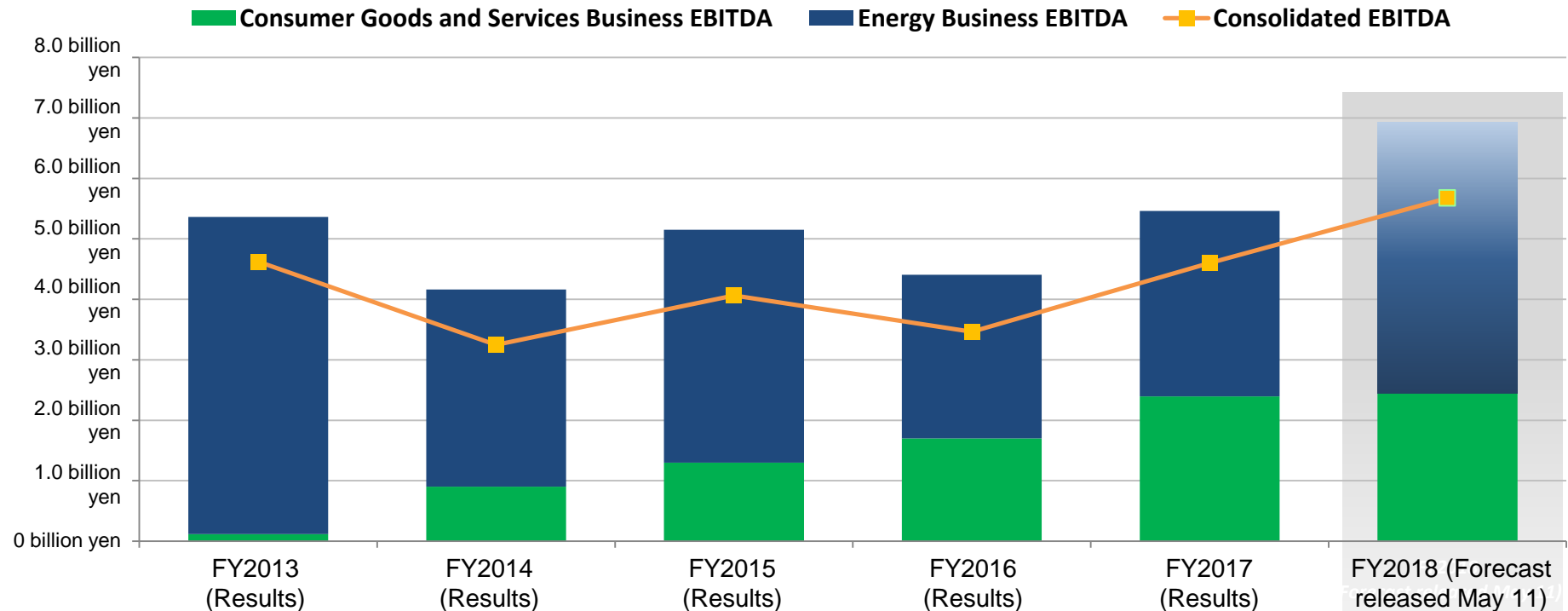
Australian affiliate MMA: Convert US\$-denominated coal sales to A\$-denominated figure (foreign currency translation (1))

P/L accounts other than net sales (coal production/sales costs, etc.) are incurred in A\$: No impact of foreign currency translation (1)

Consolidated P/L of Mitsui Matsushima Group: Convert MMA's P/L accounts to ¥ (foreign currency translation (2))

EBITDA Change and Forecast

Change in EBITDA in Energy Business, Consumer Goods and Services Business, Consolidated



■ Thanks to aggressive efforts to develop and reinforce new businesses, **EBITDA has been steadily growing** for the Consumer Goods and Services Business and the entire company.

***EBITDA** = Ordinary profit + Interest expenses + Depreciation expenses + Goodwill amortization expenses

Businesses of the Mitsui Matsushima Group

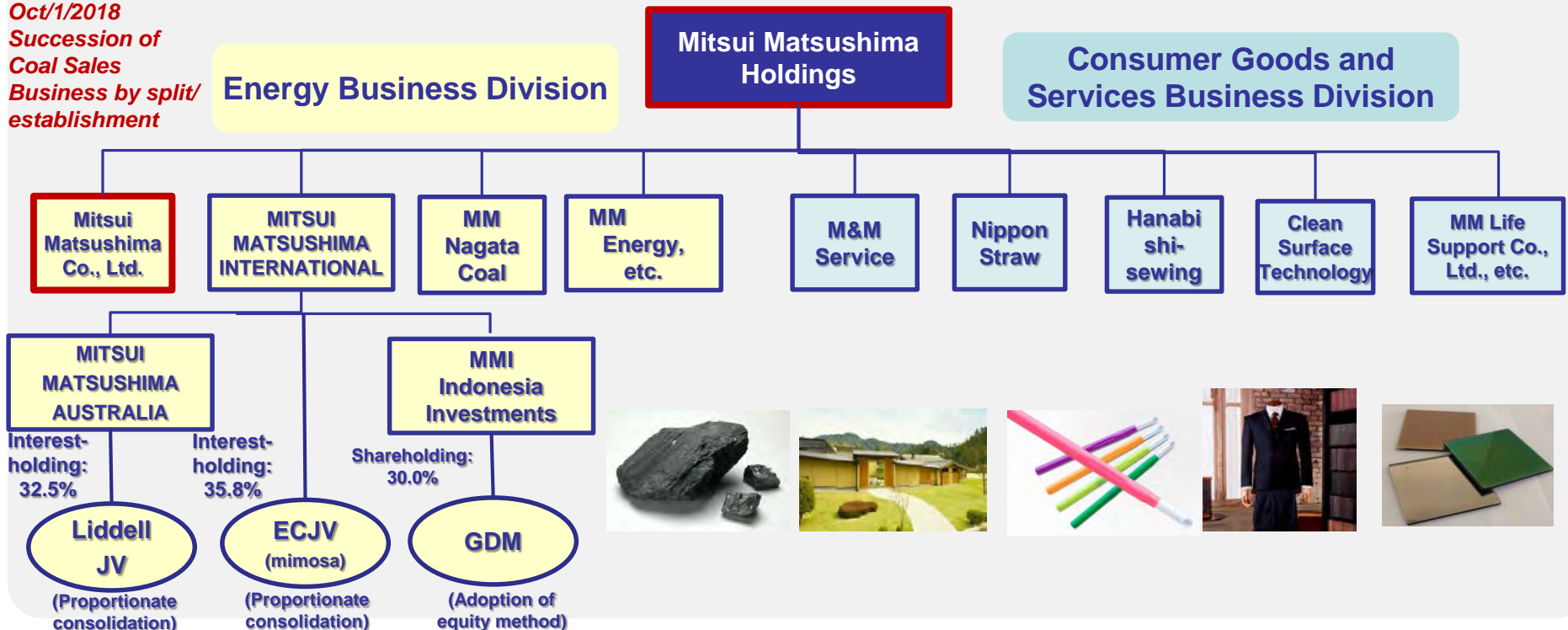
Shift to a Holding Company Structure

- ◆ Effective October 1, 2018, the Coal Sales Business Segment, which is the original business of the Company, will be succeeded by Mitsui Matsushima Co., Ltd. (a wholly-owned subsidiary), a company newly established by a company split, and Mitsui Matsushima will shift to a **holding company structure** (trade name will be changed to **Mitsui Matsushima Holdings Co., Ltd.**).
- ◆ Under this structure, the Mitsui Matsushima Group will accelerate its growth strategies, and deploy new businesses multi-directionally while operating new and old businesses compositely in an aim to realize management that can flexibly respond to changes in the environment.

Mitsui Matsushima Group

October 1, 2018 Shift to a holding company structure by company split

*Oct/1/2018
Succession of
Coal Sales
Business by split/
establishment*



Energy Business Division

Coal Production Business

— Liddell Coal Mine in Australia (1)

In Operation

Liddell Coal Mine in Australia

- Operation method: Joint venture between local unit Mitsui Matsushima Australia Pty. Ltd. (32.5%) and Glencore (67.5%)
- Reserves: 770 million tons
(Proven reserves: 170 million tons; probable reserves: 200 million tons; possible reserves: 400 million tons)
Recoverable reserves: 30 million tons (volume in mining areas approved by the state government as of present)
- Production volume (raw coal): 6 million tons (2018 forecast)

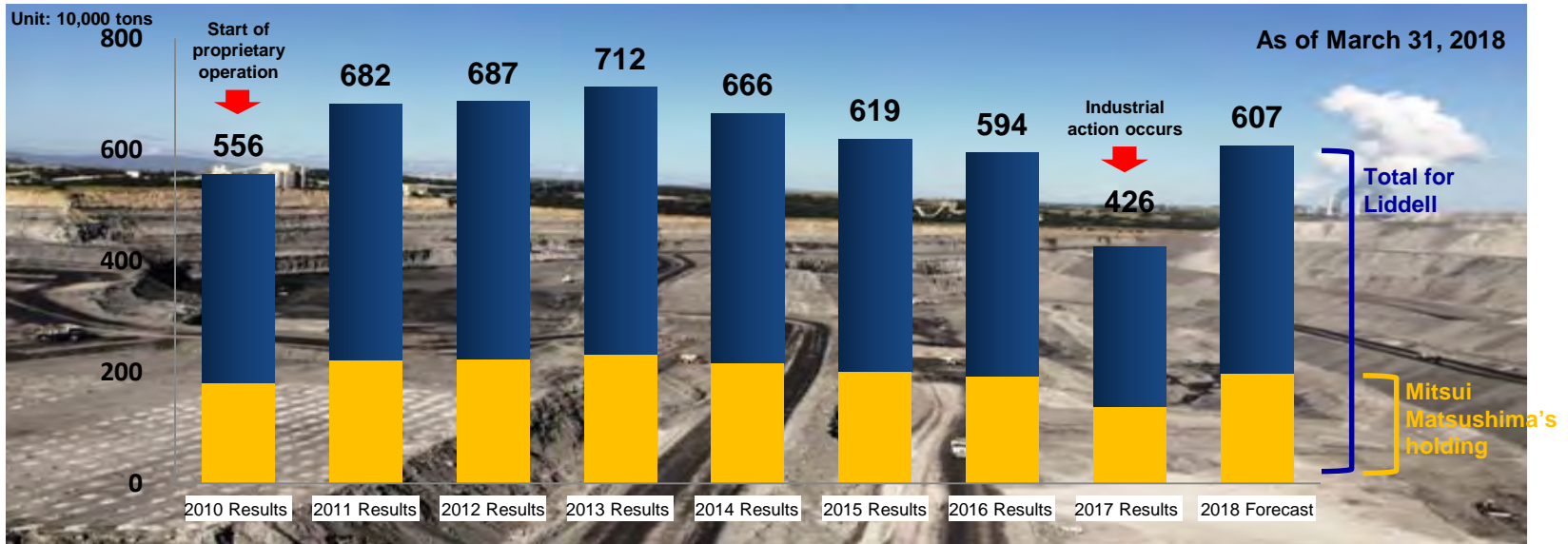
Australia



Coal Production Business

— Liddell Coal Mine in Australia (2)

Liddell Coal Mine production (raw coal) results and plan



- ◆ High-quality thermal coal and coking coal (semi-soft coking coal) are produced (approximately 90% thermal coal) and shipped mainly to Japan.
- ◆ Mining in the areas where we have received approval and license from the state government will be completed in **about four to five years (2022 to 2023)**.
Production volume is expected to be stable until completion. No major cost fluctuation is expected until completion.
- ◆ A specific development plan is currently being formulated for unmined areas located within the same mining site. **Expected to possibly start mining around 2021 at the earliest after obtaining the necessary approval from the state government by the end of 2020.**
Annual production (charcoal) of approximately 4 million tons (roughly 1.3 million tons in the Company's stake); approximately 20 years.
The Company plans to make decisions on investments in infrastructure and the mining plan before the end of 2019.

Coal Production Business

—GDM Coal Mine

In Operation

In Development

GDM Coal Mine in Indonesia

- ◆ Providing the Group's underground mining technology know-how to GDM (Mitsui Matsushima holds a 30% equity stake) located in Kalimantan Timur of Indonesia.
- ◆ Resumed consumer production of an open moat pit (thermal coal) in FY2017. **In FY2018, we expect to produce approximately 400,000 tons of charcoal (the Group holds stake in roughly 120,000 tons)** (equity in net income of affiliates of ¥135 million) and **complete mining in about five years (around 2022)**.
- ◆ Meanwhile, in Indonesia, the country's first large-scale mechanized underground coal mine (thermal coal) is in development by leveraging the Group's technological capabilities nurtured over many years. Although the project is behind the initially set schedule, underground trial mining will be carried out in 2020 or thereafter to explore the possibility of commercial production.
If commercial production is possible, **expecting to secure future underground mining of approximately 1 million tons of charcoal (Mitsui Matsushima to hold a stake in roughly 300,000 tons) for 18 or more years.**



Coal Production Business

— Mimosa Mining Area

In Exploration

Mimosa Mining Area in Australia



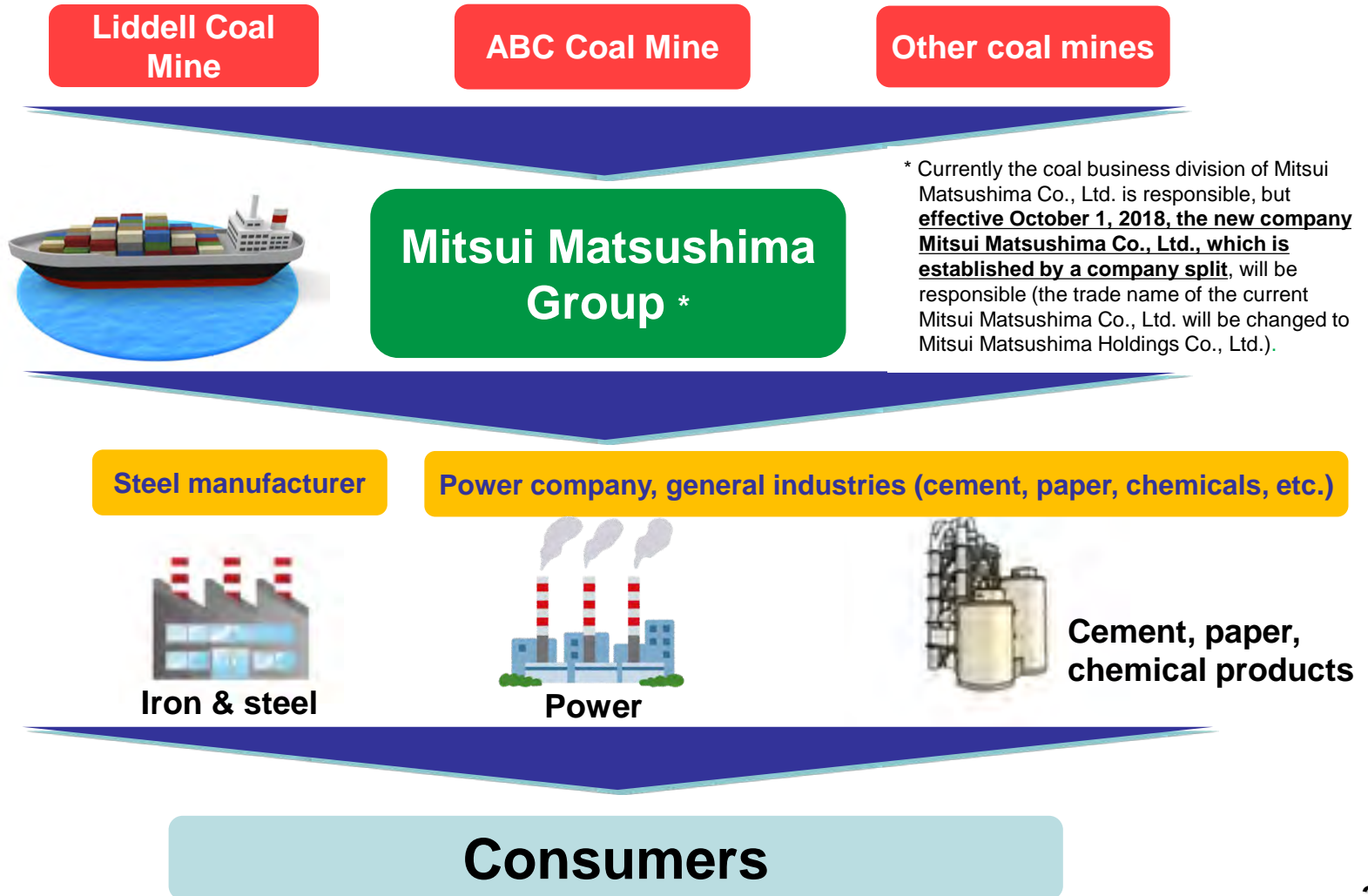
- ◆ Conducting exploration operation jointly with the Australian Square Group through the Eastern Coal Joint Venture. This project is implemented based on an unincorporated joint venture scheme, and Mitsui Matsushima substantially holds a 35.8% stake. (Operation costs, assets and liabilities are shared according to the ratio of interest, and P/L is captured under proportionate consolidation according to the ratio of interest.)
- ◆ A promising coal seam (thermal coal) was discovered during test boring in the Mimosa mining area in Queensland, Australia.
- ◆ A joint exploration contract was signed with JOGMEC for coal development in Australia. **By combining the Mitsui Matsushima Group's technologies with the funds and expertise & know-how of JOGMEC, a new coal mine is under development.** Subsequently, in 2020 or thereafter, we plan to identify the possibility of developing open-pit mining (thermal coal).

Energy Business

— Coal Sales Business Segment

■ Profit structure:

The per-ton commission of the shipper is the core source of earnings (= **profit is significantly impacted by the volume handled**). **While the fluctuation in coal prices has a material impact on net sales**, its impact on profit is not significant.



* Currently the coal business division of Mitsui Matsushima Co., Ltd. is responsible, but **effective October 1, 2018, the new company Mitsui Matsushima Co., Ltd., which is established by a company split**, will be responsible (the trade name of the current Mitsui Matsushima Co., Ltd. will be changed to Mitsui Matsushima Holdings Co., Ltd.).

Coal-Related Engineering Business

- ◆ A comprehensive engineering company with know-how in both **coal mine development/operation technology** and **coal preparation technology**.
- The company demonstrates the technological prowess that it has cultivated through its nearly 90 years of experience in running underground coal mines in Japan and handling coal mine development projects overseas.
- It possesses the country's only "coal preparation technology."

MM Nagata Coal Tech Co., Ltd.



Renewable Energy Business

MM Energy Co., Ltd.

- ◆ Operates the **"Mega Solar Tsuyazaki Power Station,"** a 6-MW-capacity solar power generation station on land belonging to the Company in Fukutsu City, Fukuoka Prefecture. This power generation capacity is equivalent to the annual power consumption of roughly 2,000 general households.



Panoramic view of Tsuyazaki Solar Power Station

Consumer Goods and Services Business Division

Consumer Goods and Services Business Division

Contract Service Business



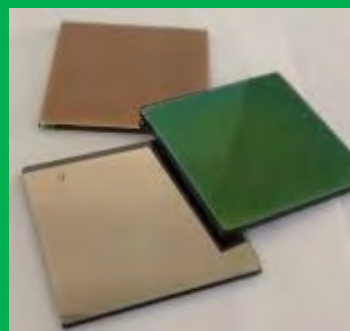
Beverage & Food Packages Business



Fashion Business



Electronic Parts Business



Nursing Care Business



Main Businesses

- ◆ **Stable earnings**
- ◆ **Niche market**
- ◆ **Easy to understand**

Contract Service Business

Contract Service Business

M&M Service Co., Ltd.



- ◆ Acquired shares in July 2012.
- ◆ Offering management services for recreational facilities, training centers, and other facilities owned by private companies and local governments around Japan by demonstrating **high-quality services** that capture the hearts of customers, and leveraging the proprietary management know-how acquired through many years of experience.
- ◆ Going forward, steps will be taken to deploy the contract service business across the country, **including in the Kyushu area.**

<Directly managed facilities>

けぶりかわ
里山の休日 京都・烟河



里創人
熊野倶楽部
Resort-KUMANO CLUB



1000Mのおもてなし
八ヶ岳ホテル 風か
Yatsugatake Hotel FUKA



- **Reopened Yatsugatake Hotel FUKA after renovation in March 2018.** Newly put in place 60 m2 superior rooms (Japanese and Western styles) and a terrace with a view of the starry night sky, thereby making the facility more attractive.
- Began operating the Former **Mitsui Minato Club, a historical heritage of Omuta City**, the ownership right of which Mitsui Matsushima Co., Ltd. acquired from Minato Club Hozon Kai K.K. in June 2017, and began operation of a restaurant, wedding reception hall, etc. Carried out renovation work on buildings and other facilities, and appointed Mr. Hiroyuki Sakai, a popular chef of French cuisine known as the Iron Chef, to supervise the cuisine offered for the reopening in April 2018.



Beverage & Food Packages Business

Nippon Straw Co., Ltd.



- ◆ Acquired shares in February 2014.
- ◆ Ever since the development of the telescopic straw in 1983, Nippon Straw has further accumulated proprietary technologies and know-how as the pioneer in this industry, and established its status as a leading company in the domestic straw market. **Holds an overwhelming market share (approximately 65% based on the Company's research) in Japan's telescopic straw market.**
- ◆ Given its high reliability and the high evaluation it has received from excellent customers (large dairy and beverage manufacturers, etc.), the firm has established **a stable transaction base** and has been achieving **strong operating performance**.
- ◆ Nippon Straw manufactures various types of high-function products and accommodates customer needs.



Telescopic straws



Single straws



Drinking cups

- **Expect to see growth in sales, mainly due to expanding demand for** straws for coffee and dessert drinks at convenience stores **and the development of** new foodware products (e.g., paper drinking cups, food containers).
- Nippon Straw conducts initiatives to develop products that are **friendly to people and the environment** in order to provide the market with **safe, secure, convenient, and high-quality straws**.

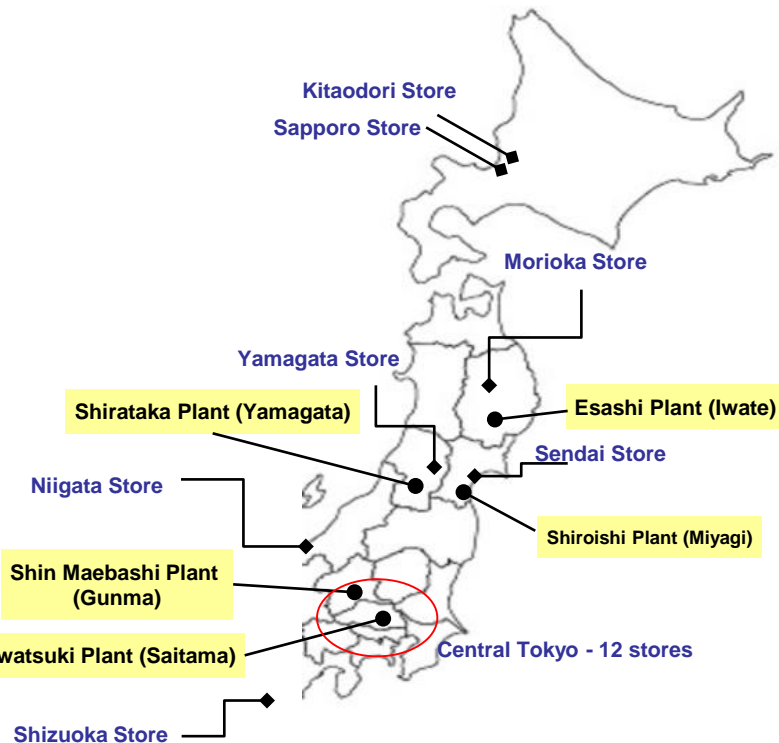
Fashion Business

Hanabishi-sewing Co., Ltd.



HANABISHI
THE TAILOR OF JAPAN SINCE 1935

- ◆ Acquired shares in October 2015.
- ◆ Founded in 1935, Hanabishi-sewing is a pioneer in **custom-made suits** and has developed **a system for full domestic production** from product development to production & sales.
- ◆ Greatly trusted and highly evaluated by department stores and many consumers, the firm maintains **a solid customer base** and generates stable earnings.



- Operates 19 stores nationwide, primarily in central Tokyo. Products are available for online purchase via Rakuten, Yahoo, etc.
- Demonstrates strength in custom-made suits in response to customers' preferences. **The firm will continue to convey the pleasure of ordering custom-made suits to all people, as well as pursuing the development of** products for wheelchair users and aiming to achieve further growth.

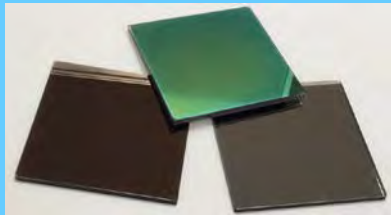


Electronic Parts Business

CLEAN SURFACE TECHNOLOGY Co., Ltd.

- ◆ Acquired shares in February 2017.
- ◆ Established in 1977 as **Japan's first manufacturer specializing in mask blanks**. The firm sells products to leading domestic and foreign manufacturers and maintains **a quality customer base**.

CLEAN SURFACE TECHNOLOGY Co., Ltd. (CST)



Light-shading thin film
Glass substrate

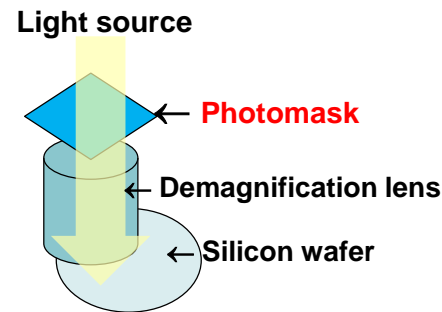
Procures glass substrates and produces **film-formed mask blanks**

Raw materials of photomask

Customer

Producing **photomasks*** by portraying circuit patterns on mask blanks

* A photomask is the base for reflecting circuit patterns on a silicon wafer, etc. coated with a photosensitizer.



End-user

Liquid crystals

Organic ELs

Semiconductors



Completed product

- Growth of CST's business (the mask blanks market) is anticipated, in conjunction with the continuing steady growth of end-user markets in the liquid crystal, organic EL and semiconductor sectors going forward.

Nursing Care Business

Nursing Care Business

MM Life Support Co., Ltd.

- ◆ Established the management company in January 2014.
- ◆ With a prime location near the center of the city (in Sawara-ku, Fukuoka City), MM Life Support manages two “housing facilities for the elderly, offering a safe and secure living environment as well as nursing care services” coordinated with medical care. (Pine Garden Fujisaki, Pine Garden Muromi)
- ◆ **Based on the concept, “Wishing to have my parents reside here, I also wish to reside here in the future,” the firm has anticipated the needs of Japan’s super-aged society, and is engaged in the nursing care business (in-home care service, home-visit nursing care, outpatient day nursing care) that offers peace of mind to its users.**

Pine Garden Fujisaki



Pine Garden Muromi

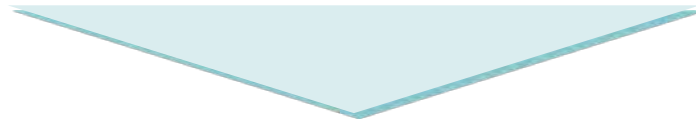


- Taking initiatives to improve the nursing care level of users and focusing on implementing **measures to have users live positive and healthy everyday lives.**
- MM Life Support will actively take the initiative in **creating an affluent and vigorous society** by further improving its services.

Growth Strategy

Growth Strategy

- ◆ **Deployment of existing business portfolios across the Group**
- ◆ **Investment in development projects in the Energy Business**
- ◆ **Investment in new projects in the Consumer Goods and Services Business**



Sustainable growth & development based on the construction & enhancement of a stable business portfolio

Consolidated Balance Sheet (March 31, 2018)

— Solid Financial Platform

<p>Current assets 27.3 billion</p> <ul style="list-style-type: none"> • Cash and deposits 16.6 billion • Accounts receivable 7.0 billion • Inventory assets 2.4 billion 	<p>Current liabilities 11.2 billion</p> <ul style="list-style-type: none"> • Accounts payable 2.5 billion • Short-term debt 4.3 billion
<p>Fixed assets: 30.9 billion</p> <ul style="list-style-type: none"> • Tangible fixed assets 19.0 billion (Buildings, machinery, etc.) (9.3 billion) (Land) (7.7 billion) (Leases) (1.6 billion) • Intangible fixed assets (7.8 billion) (Goodwill) (6.5 billion) • Securities 2.6 billion 	<p>Fixed liabilities 13.5 billion</p> <ul style="list-style-type: none"> • Long-term debt 8.8 billion • Leases 1.5 billion
<p>Total assets: 33.5 billion</p>	
<p>Shareholders' equity ratio: 57.6%</p>	

Effectively debt-free



High shareholders' equity ratio
57.6%



Strong financial base

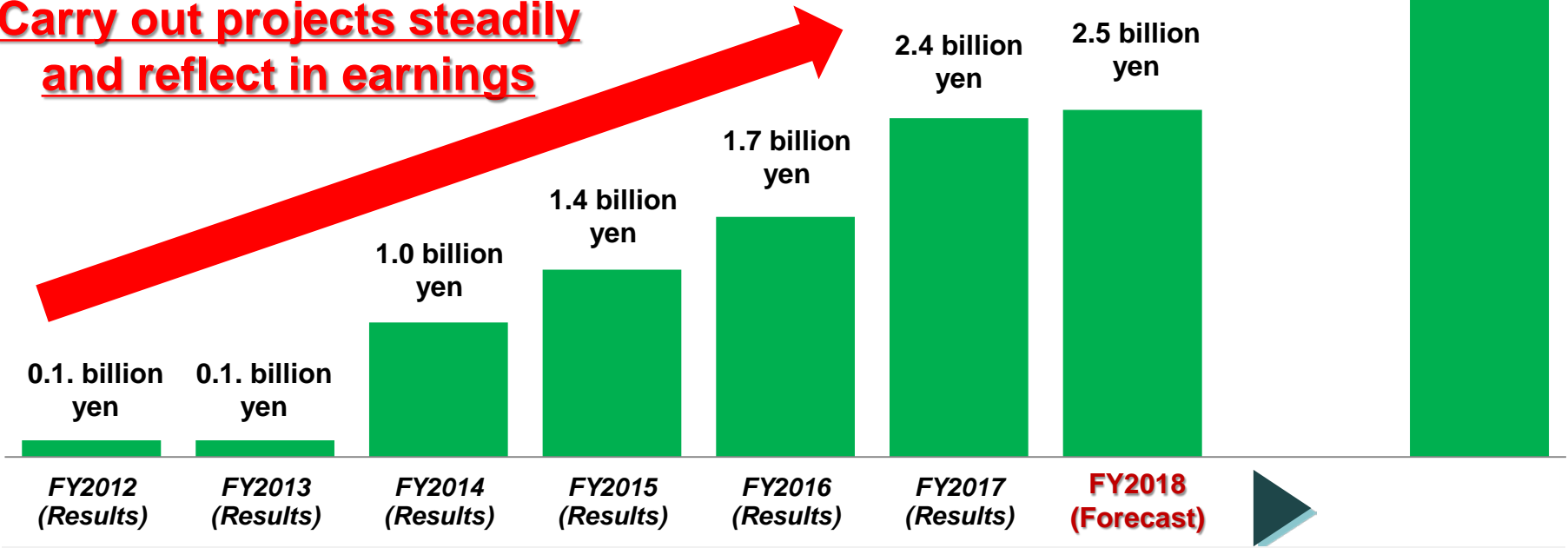
Total assets: 58.2 billion Total liabilities and net assets: 58.2 billion

Change in EBITDA in the Consumer Goods and Services Business — Stable CF

Change in EBITDA* for Consumer Goods and Services Business in Recent Years



Carry out projects steadily and reflect in earnings



Creation of stable cash flows

*EBITDA = Ordinary profit + Interest expenses + Depreciation expenses + Goodwill amortization expenses

Return on Investment of Consumer Goods and Services Business — High Investment Return

12.3
billion
yen

Cumulative investment amount

Return on investment*: 20%
High investment return

2.5 billion
yen

Annual EBITDA
(FY2018 Forecast)

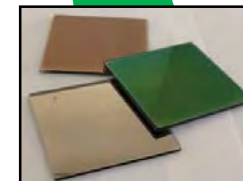
Investment amount

(Stocks + Net interest-bearing debt)

1.5 billion yen



3.8 billion yen



4.7 billion yen



2.3 billion yen

We will aim for the long-term, stable growth of the Mitsui Matsushima Group by continuing to make carefully considered and appropriate investments.

*Investment return = Annual EBITDA / Cumulative investment amount

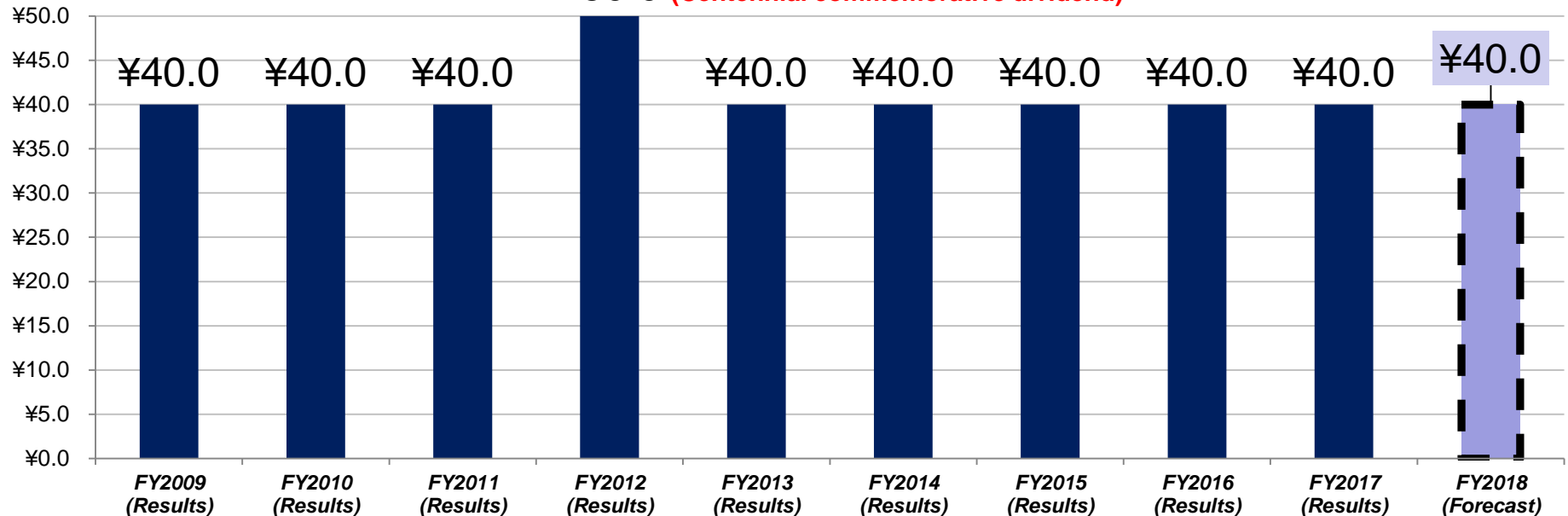
This measures the profit (EBITDA) generated on an investment relative to the amount of capital invested in a business.

Reference Materials

Policy

Mitsui Matsushima Co., Ltd. positions the return of profits to shareholders as one of its priority management policies. In principle, the Company strives to **return profits commensurate with its financial results on an ongoing basis**, while **securing the internal reserves** necessary to ensure stable future growth and to respond to changes in the business environment.

Amount of Dividend per share* ¥50.0 (Centennial commemorative dividend)



*Since a 10-to-1 share consolidation effective October 1, 2016 was conducted, dividend per share was calculated based on the assumption that the share consolidation was conducted.

(1) M&M Service preferential facility discount ticket (3,000 yen)



■ Eligible shareholders

Number of shares held:

100 shares or more, less than 1,000 shares	2 tickets
1,000 shares or more, less than 3,000 shares	4 tickets
3,000 shares or more	6 tickets

■ Applicable facilities (17 facilities across the country)

* At Mitsui Minato Club, tickets can be used only for meals.

(2) Hanabishi-sewing custom-made order gift tickets (5,000 yen, 10,000 yen)



■ Eligible shareholders

Number of shares held:

100 shares or more, less than 1,000 shares	One 5,000 yen ticket
1,000 shares or more	One 10,000 yen ticket

■ Applicable items

Suits, jackets, coats

We will continue to provide attractive incentive plans for shareholders.

Types of coal

◆ Thermal coal

Thermal coal is a major energy source that is the least geopolitically risky of all fossil fuels and the lowest in price per thermal unit, and it accounts for approximately 40% of the world's power generation.

◆ Coking coal

Coking coal serves as a raw material for steel production and is essential for infrastructure construction.



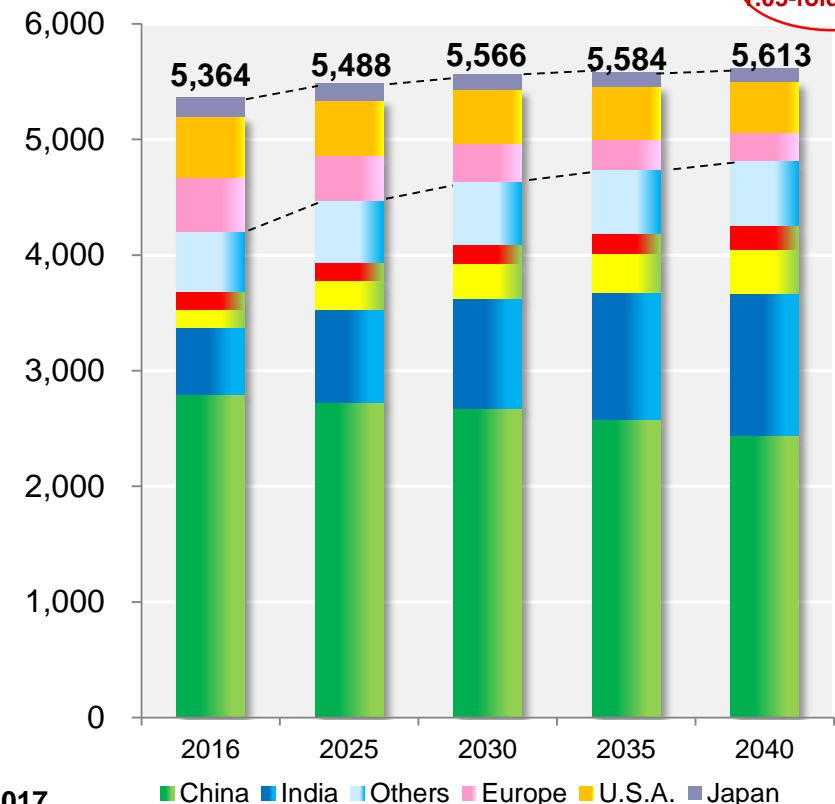
Demand for coal

- While the amount of coal usage has been increasing rapidly over recent years, demand for coal from 2016 to 2040 is estimated to be almost flat, having grown **roughly 1.05-fold**, due to the strong impact of concerns over the environment. (Demand for energy on the whole is projected to increase roughly 1.30-fold, with notable growth mainly in renewable energy.)
- Demand is expected to decline in major energy-consuming countries around the world, such as China and the OECD countries, as they actively shift from using coal to low-carbon energy options.
- Demand for coal is expected to increase in non-OECD countries, primarily in India and South East Asian countries, since coal is a low-cost energy source.

Unit: Million tons

Global coal demand forecast

Approximately 1.05-fold growth



(Source): IEA World Energy Outlook 2017

Trends in the Coal Market

■ “global COAL” Index Australia Newcastle Port load Change in Standard-Quality Thermal Coal Index

(US\$/Mt)

*global COAL: coal-related electronic commodity exchange



		2016				2017				2018	
		Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.
Coking coal*	Heavy coking coal	81.0	84.0	92.5	200.0	285.0	193.0-194.0	170.0-171.0	191.0-192.0	237.0	TBD
	Semi-soft coking coal	66.0	70.0	74.0	130.0	171.0	126.0	107.0/120.0	121.0/126.0	143.0/150.0	TBD
Thermal coal	Apr. contract	67.80	61.60			84.97			TBD		
	Oct. contract	64.60			94.75			94.75			
Foreign exchange	US\$/A\$	US\$0.74			US\$0.77			US\$0.77			
	¥/A\$	¥80.7			¥86.0			¥82.4			

*Effective April 2017, the method of calculating the price of coking coal was changed to a spot-linked method.

These materials contain forward-looking statements that are in no way guarantees of future performance. Future performance is affected by risks and uncertainties. Future performance may vary due to changing assumptions and conditions in the business environment. These materials should not be relied on as the sole source of information, and should be used with discretion. Mitsui Matsushima Co., Ltd. is in no way responsible for any damages caused as a result of relying on or using these materials.

<IR Contact> General Affairs Dept./Business Planning Dept. TEL: +81-92-771-2171