



三井松島ホールディングス
MITSUI MATSUSHIMA HOLDINGS

**Presentation of Financial Results for the
Second Quarter Ended September 2018**

November 2018

| | |
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2Q FY2018 Financial Results

Consolidated Income Statement

| (Million yen) | FY2017 2Q | FY2018 2Q | Yr/Yr Change | Main factor behind changes |
|--|--------------|------------------|------------------|--|
| Net sales | 30,301 | 37,781 | 7,480 | A rise in coal prices and an increase in sales volume |
| Operating profit [Operating profit before amortization of goodwill]* | 376 [643] | 1,681 [1,947] | 1,305 [1,304] | A rise in coal prices |
| Ordinary profit | 473 | 2,183 | 1,709 | Foreign exchange gain 221 million yen (18 million yen foreign exchange loss in the same period of the previous fiscal year) |
| Quarterly net profit attributable to owners of parent | 276 | 1,463 | 1,187 | |

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

Consolidated Segment Information

- **The Energy Business Division** comprises the Coal Sales Business, Coal Production Business, and Renewable Energy Business.
- **The Consumer Goods and Services Business Division** comprises the Electronic Parts Business, Beverage & Food Packages Business, Fashion Business, Contract Service Business, and Nursing Care Business.

[Sales]

| Business (Million yen) | FY2017 2Q | FY2018 2Q | Yr/Yr Change |
|--------------------------------|---------------|---------------|-----------------|
| Energy | 20,139 | 28,292 | 8,152 |
| Consumer Goods and Services | 9,329 | 8,846 | (483) |
| Others | 781 | 605 | (175) |
| Adjustments | 50 | 37 | (13) |
| Total | 30,301 | 37,781 | 7,480 |

[Segment profit]

| Business (Million yen) | FY2017 2Q | FY2018 2Q | Yr/Yr Change |
|--|----------------------|--------------------------|--------------------------|
| Energy [Before goodwill amortization] | 267 [303] | 1,703 [1,738] | 1,435 [1,434] |
| Consumer Goods and Services [Before goodwill amortization] | 591 [822] | 614 [845] | 23 [23] |
| Others | 65 | 40 | (24) |
| Adjustments | (547) | (676) | (128) |
| Total [Before goodwill amortization] | 376 [643] | 1,681 [1,947] | 1,305 [1,304] |

* "Sales" represent sales before the elimination of inter-segment transactions.

* "Other" represents business segments not included in reporting segments, and includes the Real Estate Business, Stevedore and Warehouse Business, etc.

* Segment profit for the Energy Business includes equity method investment returns (2Q/FY2017: -30 million yen, 2Q/FY2018: 82 million yen).

* Adjustments to sales include income from rental of Company-wide assets. Adjustments of segment profit include equity method investment returns/losses and Company-wide profits/expenses that are not allocated to reporting segments.

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.
Profit: Profit increased due to an increase in coal sales volume and other factors.
- **Coal Production Business:** Sales increased due to a rise in coal prices, an increase in sales volume, and other factors.
Profit: Profit increase due to a rise in coal prices and other factors.

| [Sales] (Million yen) | FY2017 2Q | FY2018 2Q | Yr/Yr Change | [Profit] (Million yen) | FY2017 2Q | FY2018 2Q | Yr/Yr Change |
|----------------------------------|-------------------|-------------------|-------------------|---|--------------|--------------|-----------------|
| Coal Sales Business | 18,348 | 26,317 | 7,968 | Coal Sales Business | 78 | 121 | 42 |
| Sales volume | 1.92 million tons | 2.16 million tons | 0.23 million tons | | | | |
| Coal Production Business | 6,073 | 7,590 | 1,517 | Coal Production Business | 63 | 1,460 | 1,396 |
| Sales volume | 0.58 million tons | 0.65 million tons | 0.07 million tons | [of which, equity method investment return] | [(30)] | [82] | [113] |
| Renewable Energy Business | 209 | 205 | (3) | Renewable Energy Business | 125 | 121 | (3) |
| Adjustments | (4,491) | (5,821) | (1,329) | Adjustments | - | - | - |
| Total | 20,139 | 28,292 | 8,152 | Total | 267 | 1,703 | 1,435 |

*Adjustments include transactions between businesses.

| Major index | FY2017 2Q | FY2018 2Q | Change |
|--|------------|------------|-----------------------------|
| Coal Sales Business (Apr.–Sep. results) | | | |
| Average coal price of import and sales | JPY 9,521 | JPY 12,155 | JPY 2,634 |
| Exchange rate USD/JPY (average rate) | JPY 111.10 | JPY 109.99 | Yen appreciation (JPY 1.11) |
| Coal Production Business (Jan.–Jun. results) | | | |
| Average coal price: Thermal coal | USD 87.24 | USD 99.00 | USD 11.76 |
| Average coal price: Semi-soft coking coal | USD 155.63 | USD 153.34 | (USD 2.29) |
| Exchange rate AUD/USD (average rate) | USD 0.7608 | USD 0.7673 | AUD appreciation USD 0.0065 |
| Exchange rate AUD/JPY (average rate) | JPY 84.84 | JPY 83.90 | JPY appreciation (JPY 0.94) |

Consolidated Balance Sheet (1)

| | Mar. 31, 2018 | | Sep. 30, 2018 | | Change (Million yen) | Main Factor behind changes |
|---|-------------------------|--------------|-------------------------|--------------|-------------------------|---|
| | Amount (Million yen) | Ratio (%) | Amount (Million yen) | Ratio (%) | | |
| Current assets | 26,984 | 46.3 | 27,273 | 47.0 | 289 | Accounts receivable: 1,902; Cash and deposits: (1,536); Inventory assets: (118) |
| Fixed assets, Deferred assets | 31,298 | 53.7 | 30,704 | 53.0 | (593) | Tangible fixed assets: (1,252); Intangible fixed assets: (475); Long-term deposits: 1,242 |
| Total assets | 58,282 | 100.0 | 57,977 | 100.0 | (304) | |
| Current liabilities | 11,196 | 19.2 | 11,735 | 20.2 | 539 | Accounts payable: 526; Short-term debt: 491; Accounts payable-other: (538) |
| Fixed liabilities | 13,511 | 23.2 | 13,060 | 22.5 | (450) | Long-term debt: (286); Long-term lease: (89); Asset retirement obligations (65) |
| Total liabilities | 24,707 | 42.4 | 24,796 | 42.8 | 89 | |
| Total net assets | 33,574 | 57.6 | 33,181 | 57.2 | (393) | Quarterly net profit attributable to owners of parent: 1,463 Foreign currency translation adjustment: (1,278); Dividends paid: (522) |
| Total liabilities and net assets | 58,282 | 100.0 | 57,977 | 100.0 | (304) | |

| | Mar. 31, 2018 | Sep. 30, 2018 |
|---|---------------|---------------|
| <i>Cash and deposits</i> <i>(including long-term deposits)</i> | 16,600 | 16,305 |
| <i>Debt (including bonds)</i> | (13,229) | (13,423) |
| Net cash and deposits | 3,370 | 2,881 |
| <<Management indicators>> | | |
| Shareholders' equity ratio (%) | 57.6 | 57.2 |
| D/E ratio | 0.48 | 0.47 |

Consolidated Balance Sheet (2)

Current assets:
27.2 billion yen

- Cash and deposits
15 billion million yen
- Accounts receivable
8.9 billion yen
- Inventory assets
2.3 billion yen

Fixed assets
30.7 billion yen

- Tangible fixed assets
17.7 billion yen
(Buildings, machinery, etc.)
(8.2 billion)
- (Land) (7.6 billion)
- (Leases) (1.5 billion)
- Intangible fixed assets
7.3 billion
(Goodwill) (6.2 billion yen)
- Securities 2.7 billion

Total assets 57.9 billion yen

Current liabilities:
11.7 billion yen

- Accounts payable
3.1 billion yen
- Short-term debt 4.8 billion yen

Fixed liabilities
13 billion yen

- Long-term debt 8.5 billion yen
- Leases 1.4 billion yen

Net assets
33.2 billion yen

Shareholders' equity ratio
57.2%

Total liabilities and net assets 57.9 billion yen

Effectively debt-free



High shareholders' equity ratio
57.2%



Strong financial base

Consolidated Cash Flows

| (Million yen) | FY2017 2Q | FY2018 2Q | Main factors |
|--|---------------|---------------|---|
| Net profit before income taxes | 487 | 2,243 | |
| Depreciation and amortization (including goodwill amortization expenses) | 1,498 | 1,454 | |
| Working capital | 326 | (1,382) | • Increase in accounts receivable due to a rise in coal prices and other factors |
| Others | (857) | (1,067) | • Tax payments, etc. |
| CF from operating activities | 1,454 | 1,247 | |
| Changes in fixed assets | (679) | (585) | • Spending on acquisition, etc. of fixed assets, etc. |
| Investment securities | 91 | 172 | |
| Others | (30) | 1,041 | • Proceeds from withdrawal of investments in silent partnership, etc. |
| CF from investing activities | (619) | 627 | • Proceeds from withdrawal of fixed-term deposits |
| Changes in debt and bonds | (310) | 180 | |
| Dividend payments | (512) | (511) | |
| Purchase of treasury stocks | (0) | (111) | |
| Others | (93) | (94) | |
| CF from financing activities | (917) | (536) | |
| Effect of exchange rate changes on cash and cash equivalents | 260 | (494) | |
| Changes in cash and cash equivalents | 178 | 844 | |
| Cash and cash equivalents at beginning of period | 12,121 | 13,411 | |
| Cash and cash equivalents at end of period | 12,300 | 14,255 | |

FY2018 Consolidated Earnings Forecast

FY2018 Consolidated Earnings Forecast

| (100 Million yen) | (1) Released May 11 (Forecast) | FY2018 | | | Change [(2) - (1)] | Main factor behind changes |
|--|---|-----------------------|------------------------|--------------------------------|-----------------------|---|
| | | 1st Half (Results) | 2nd Half (Forecast) | (2) Full Year (Forecast) | | |
| Net sales | 730 | 377 | 383 | 760 | 30 | Expected to increase as coal prices rose higher than expected in the Coal Sales Business |
| Operating profit [Operating profit before amortization of goodwill] | 25 [30] | 16 [19] | 32 [34] | 48 [53] | 23 [23] | Expected to increase mainly due to the fact that the Coal Production Business has maintained a higher yield than expected, and that while the production volume of low-grade thermal coal has been lower than expected due to a change in the mining plan, the production volume of standard-quality thermal coal has increased |
| Ordinary profit | 29 | 21 | 33 | 54 | 25 | Expected to increase due to recognition of a foreign exchange gain in addition to the increase in operating profit above |
| Quarterly net profit attributable to owners of parent | 17 | 14 | 3 | 17 | - | Although ordinary profit is expected to increase as above, an extraordinary loss may be recognized due to the revaluation of GDM shares and goodwill (refer to p. 12). As a result of incorporating all factors, there is no change to the forecast made at the beginning of the fiscal year. |

* The forecast above is based on information available as of the date of this publication. Actual results may vary due to various future factors. If a revision of the forecast of financial results becomes necessary, the Company will disclose the revised figures promptly.

FY2018 Consolidated Earnings Forecast



三井松島ホールディングス
MITSUI MATSUSHIMA HOLDINGS

| Major index | | (1) FY2018 forecast Released May 11 | (1) FY2018 forecast (Revision) | Change [(2) - (1)] |
|--|--|---|--------------------------------------|---------------------------------|
| Coal Sales (Apr.–Mar. results) | Sales volume (10,000 tons) | 4.69 million tons | 4.37 million tons | (0.32) million tons |
| | Average coal price of import and sales | JPY 10,064 | JPY 11,909 | JPY 1,845 |
| | Exchange rate USD/JPY (average rate) | JPY 107.0 | JPY 109.7 | Yen depreciation JPY 2.7 |
| Coal Production (Jan.–Dec. results) | Sales volume (tons) | 1.46 million tons | 1.28 million tons | (0.18 million tons) |
| | Average coal price: Thermal coal | USD 89.20 | USD 106.60 | USD 17.40 |
| | Average coal price: Semi-soft coking coal | USD 143.60 | USD 145.70 | USD 2.10 |
| | Exchange rate AUD/USD (average rate) | USD 0.770 | USD 0.750 | AUD depreciation (USD 0.020) |
| | Exchange rate AUD/JPY (average rate) | JPY 82.4 | JPY 82.1 | Yen appreciation (JPY 0.3) |

Earnings Forecast Revision

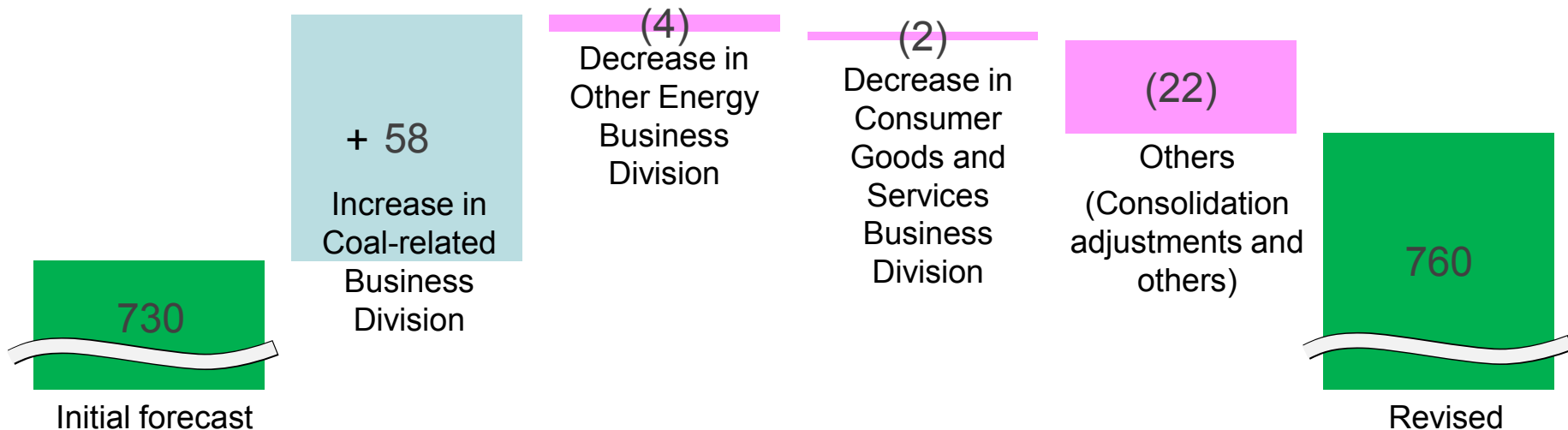
◆ Reason for revision

- ◆ As a result of a forecast review that took into account the first six months of consolidated earnings and the forecast for the second half of the current fiscal year, the operating profit and ordinary profit are expected to exceed the original forecast due to an increase in coal prices and other factors.
- ◆ In addition, the Coal Production Business has maintained a higher yield than expected, and while the production volume of low-grade thermal coal has been lower than expected due to changes in mining plans, the production volume of standard-quality thermal coal has increased. These are among the factors leading to the forecast revision.
- ◆ With regard to the net profit attributable to owners of the parent company, the following matters have been incorporated into the revised earnings forecast: The business plan for developing the PT Gerbang Daya Mandiri (GDM) underground mine in Indonesia will be reviewed over the second half of the current fiscal year, and an extraordinary loss may be recognized due to the revaluation of GDM's shares held by MMI Indonesia Investments Pty Ltd, a consolidated subsidiary of the Company, and goodwill of approximately 1.7 billion yen.

Factors in Earnings Forecast Revision

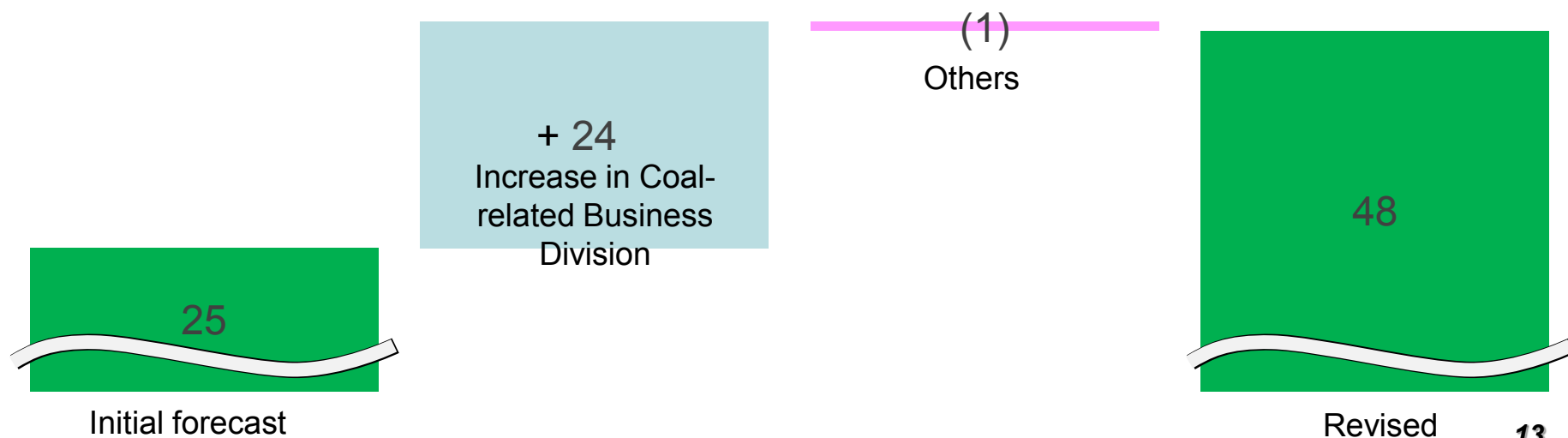
(100 million yen)

[Sales]



(100 million yen)

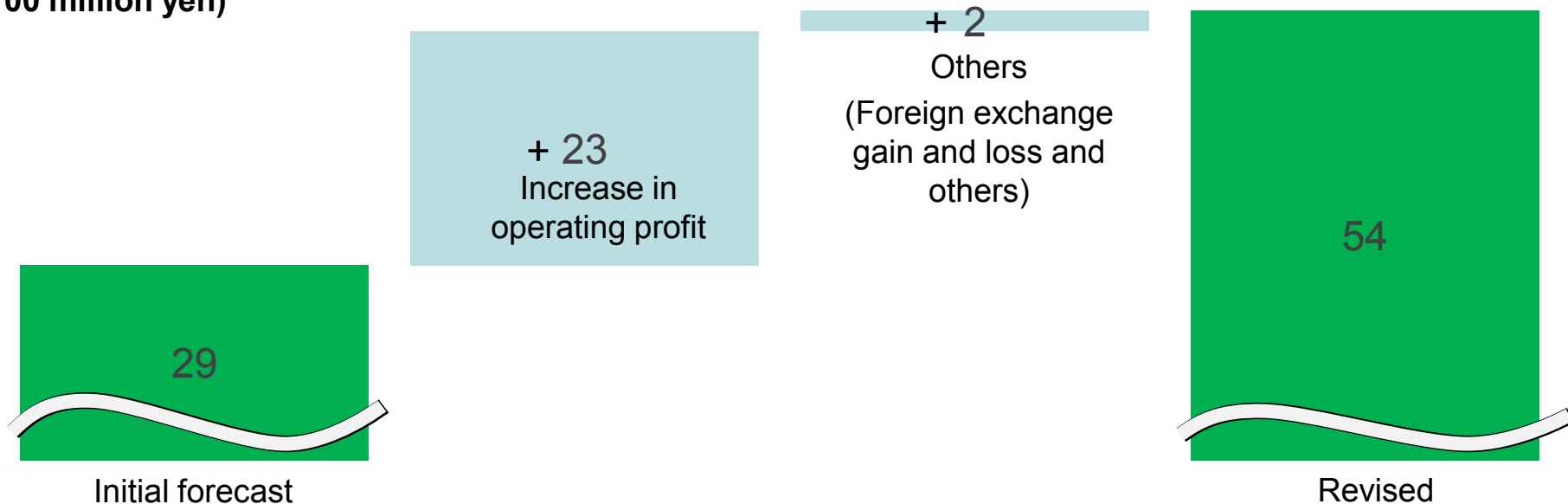
[Operating profit]



Factors in Earnings Forecast Revision

(100 million yen)

[Ordinary profit]



(100 million yen)

[Quarterly net profit attributable to owners of parent]



Businesses of the Mitsui Matsushima Group

Transition to a Holding Company Structure

- ◆ The Company implemented a company split of its Coal Sales business inherited from the founder, through an incorporation-type split on October 1, 2018. Mitsui Matsushima Co., Ltd. (a wholly owned subsidiary) succeeded the business, and the Company transitioned to a **holding company system**, changing its trade name to “**Mitsui Matsushima Holdings Co., Ltd.**”
- ◆ Under this system, the Group will accelerate its growth strategy to develop diversified new businesses and establish a management style that enables it to flexibly adapt to changes in the business environment by operating new and existing businesses.

Mitsui Matsushima Group

Transitioned to a Holding Company Structure on October 1, 2018

October 1, 2018
Inherited Coal Sales Business through an incorporation-type split.

Energy Business Division

Mitsui Matsushima Holdings Co., Ltd.

Consumer Goods and Services Business Division



Energy Business

— Liddell Coal Mine in Australia (1)

In Operation

Liddell Coal Mine in Australia

- Operating format: Joint venture of 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: 400 million tons)
Recoverable reserves: 30 million tons (volume in mining areas approved by the state government as of now)
- Production volume (raw coal): 6 million tons (2018 forecast)

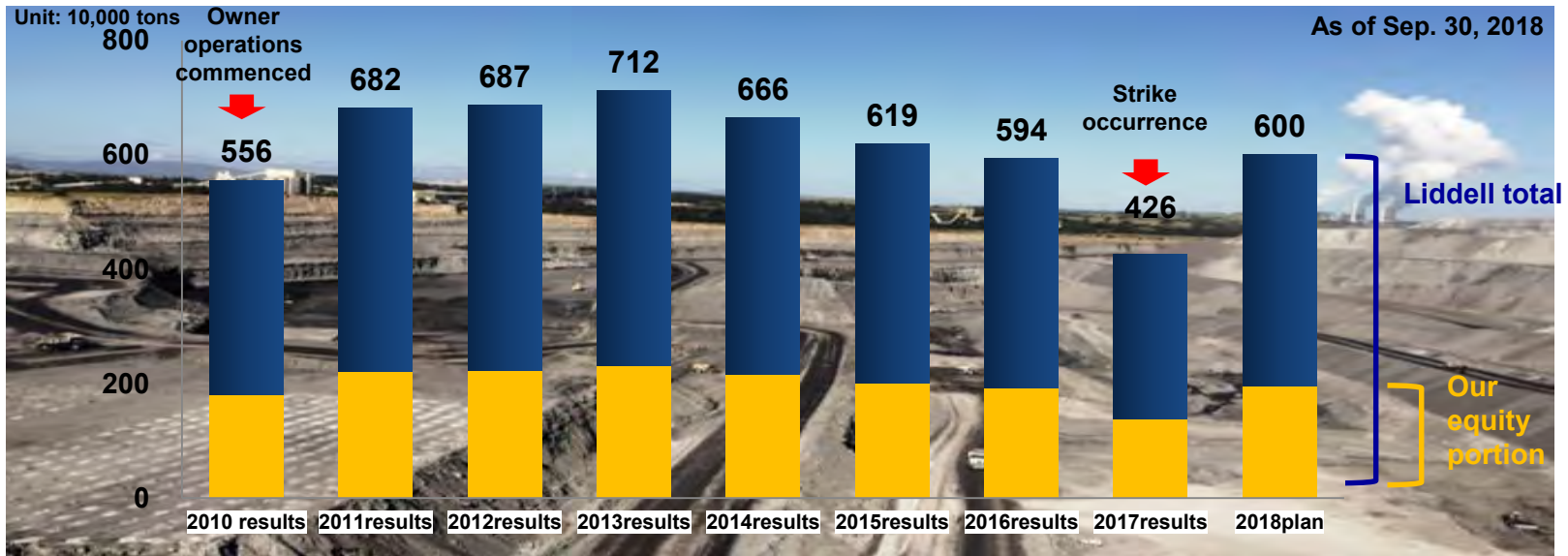
Australia



Coal Production Business

— Liddell Coal Mine in Australia (2)

Liddell Coal Mine Production (Raw Coal): Results and Plans



- ◆ Produces high-quality thermal coal and coking coal (semi-soft coking coal) (approx. 90% thermal coal), primarily for export to Japan.
- ◆ Mining in the areas where we have received approval and a license from the state government will be completed in **about four to five years (2022–2023)**. 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.

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 open-pit mining (thermal coal) in FY2017. **In FY2018, we expect to produce approximately 400,000 tons of charcoal (the Group holds a stake of roughly 120,000 tons)** (equity in net income of affiliates of ¥135 million) **and complete the mining in about five years (around 2022).**
- ◆ The project is behind the initially set schedule, so **the business plan will be reviewed over the second half of FY2018.**
- ◆ If commercial production is possible, expecting to **secure future underground mining of approximately 1 million tons of charcoal (Mitsui Matsushima to hold a stake of roughly 300,000 tons) for at least 18 years.**



GDM mining gallery



GDM panoramic view

Coal Production Business

— Mimosa Mining Area

In Exploration

Mimosa Mining Area in Australia

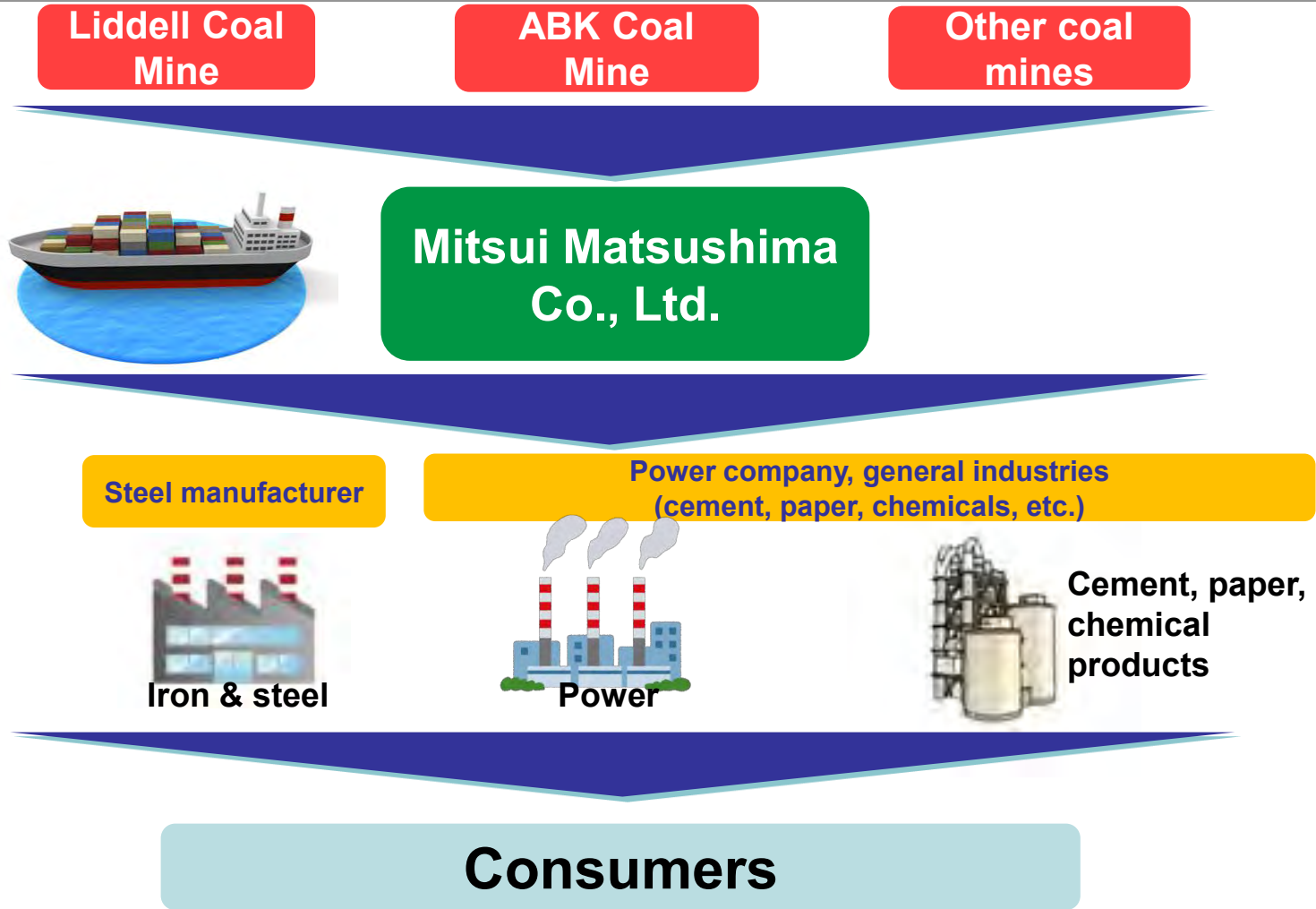


- ◆ Conducting exploration jointly with the Australian Square Group through the Eastern Coal Joint Venture. operations
j
This project is implemented based on an unincorporated joint venture scheme, and Mitsui Matsushima holds a controlling 56.2%* stake.
(Operation costs, assets and liabilities are shared according to the ratio of interest, and P/L is incorporated 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. **Combining the Mitsui Matsushima Group's technologies with the fund as well as the expertise and 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).

* 20.4% of the stake is a call option held by JOGMEC.

— Coal Sales Business Segment

- ◆ **Mitsui Matsushima Co., Ltd.**, established through an incorporation-type split as of October 1, 2018, **inherited the Coal Sales business.**
- ◆ The per-ton commission of the shipper is the core source of earnings (**i.e, 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.



Coal-Related Engineering Business

MM Nagata Coal Tech Co., Ltd.

- ◆ 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 holds the country's only "coal preparation technology."



Renewable Energy Business

MM Energy Co., Ltd.

- ◆ Operating 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.
- ◆ From Oct. to Nov. 2018,* power output control was implemented three times at Tsuyazaki Power Station under the direction of the Kyushu Electric Power Company.

* As of November 9

Panoramic view of Tsuyazaki Solar Power Station

Consumer Goods and Services Business Division

Consumer Goods and Services Business Division

Contract Service
Business



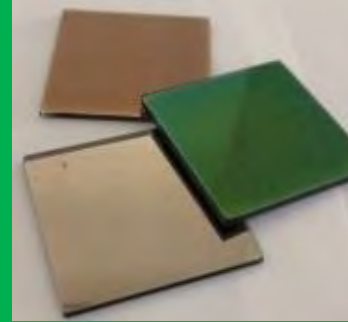
Beverage & Food
Packages Business



Fashion Business



Electronic Parts
Business



Nursing Care
Business



Main Businesses

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

Contract Service Business

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

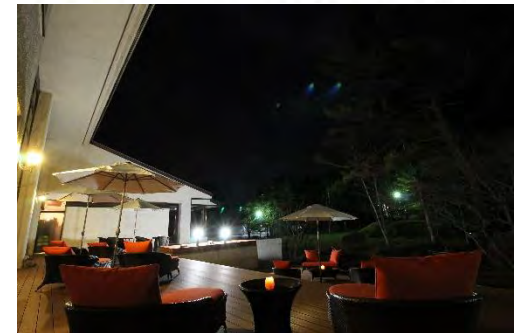
けぶりかわ
里山の休日 京都・烟河



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 in March 2018 after renovation.** Newly installed 60-square-meter superior rooms (Japanese and Western style) and a terrace with a view of the starry night sky, thereby enhancing the attractiveness of the facility.
- 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 operating a restaurant, a 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 has 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 the Japanese telescopic straw market.**
- ◆ Given its high reliability and the positive evaluation it has received from excellent customers (large dairy and beverage manufacturers, etc.), the firm has established **a stable transaction base** and has been showing a **strong operational 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 food-ware products** (e.g., paper drinking cups, food containers, etc.)
- 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**.

Nippon Straw Efforts to Ban Plastic Straws

Situation regarding plastic straws

Movements including plastic straw bans (only single straws at the moment) triggered by marine contamination are spreading among foreign chain-restaurants and hotels. **No impact on the Company's earnings has been seen so far.**

Status of Nippon Straw

Telescopic straws, the company's mainstay



[Replacement with paper straws is difficult.]

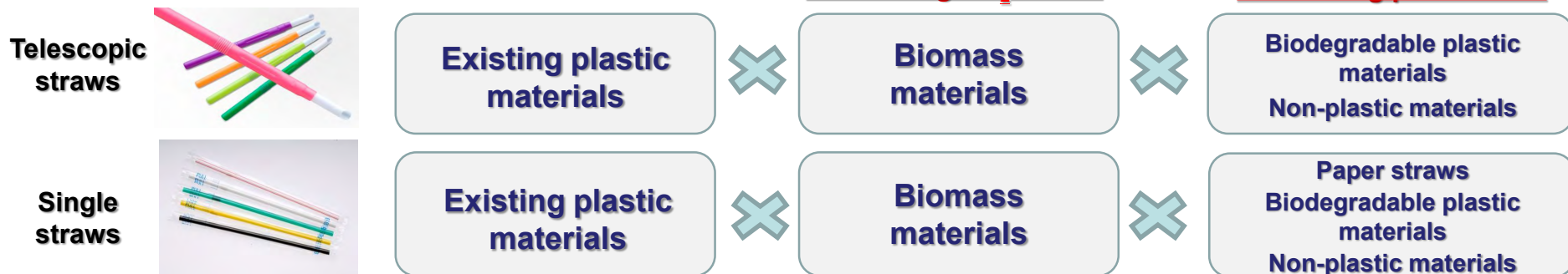
- ✓ Molding is necessary.
- ✓ Best for beverage manufacturers in terms of hygiene and cost.



Japanese beverage manufacturers are not likely to immediately reconsider existing products.

Efforts to make the next leap

Although the earnings environment of existing products is stable, the company will work on **developing and manufacturing straw products made of sustainable and renewable raw materials and ingredients that are environmentally friendly**, aiming for growth not only in the Japanese market but also via exports.



Establishing molding technology for new materials can increase the potential in the export market. As the Company has received many inquiries from foreign beverage manufacturers, **the development of straws made of new materials is highly anticipated.**

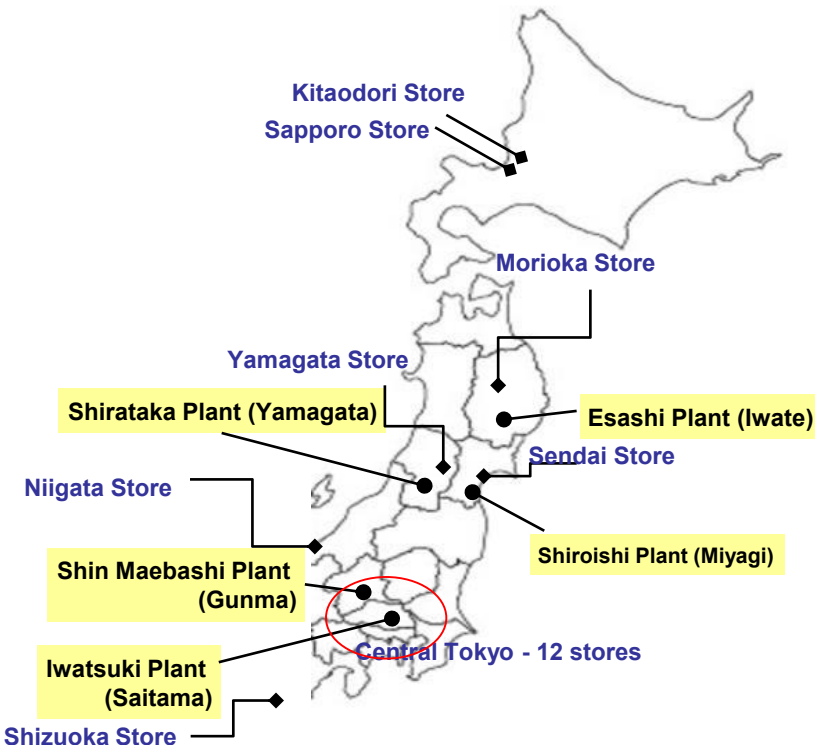
Fashion Business

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, including **by** developing **products for wheelchair** users, and aim to achieve further growth.

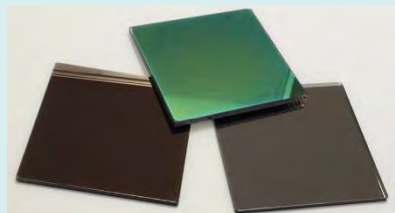
Electronic Parts Business

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.



Light-shading thin film
Glass substrate

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

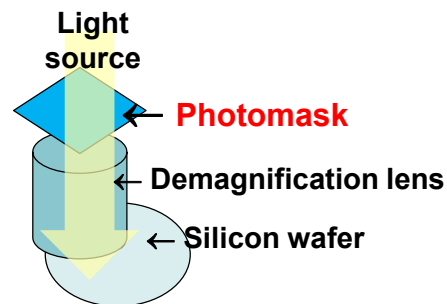
Raw materials of photomask

(CST)

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 EL

Semiconductor



Completed products

- 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 (organic light-emitting diode) and semiconductor sectors going forward.

Nursing Care Business MM Life Support Co., Ltd.

- ◆ Established a management company in January 2014.
- ◆ In a prime location near the city center (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, “I want my parents to live there, and I would also like to live there myself 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, home-visit nursing care, and outpatient day nursing care) that offers peace of mind for users.

Pine Garden Fujisaki



Pine Garden Muromi



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

Medium-Term Business Plan

<Summary>

The company released the Medium-Term Business Plan on November 9, 2018.

Background

- ◆ Profit from the Coal Production Business accounts for a high percentage of the consolidated profit.
- ◆ It is essential to prepare for the coming of a decarbonized society.

Medium-Term Business Plan (Five years)

Purposes

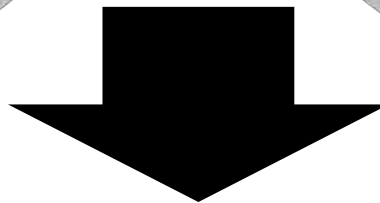
- ◆ To establish a revenue base that is sustainable amid changes in the business environment.
- ◆ To develop a roadmap to decarbonization.

<Summary>

Growth strategy
of the Company
Investment in new
projects in non-coal
business



Oct. 1, 2018
Transition to a pure
holding company
structure



Acceleration of M&As

Invest 30 billion yen in M&A over the
next five years

<Summary>

Ensure to achieve the quantitative targets by successfully implementing new M&As.

Operating profit

**5.5 billion
yen**
(FY2023)

ROE

**8% or
more**
(FY2023)

Dividend ratio

**30% or
more**

**Changed target management indicators
from ROA to ROE**

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