



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

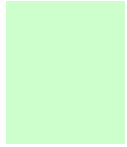
**Presentation of Financial Results for the
Fiscal Year Ended March 2019**

May 2019



Contents

- FY2018 Financial Results Page 3
- FY2019 Consolidated Earnings Forecast Page 10
- Businesses of the Mitsui Matsushima Group Page 17
 - Energy Business Division Page 18
 - Consumer Goods and Services Business Division Page 26
- Reference Materials Page 41



FY2018 Financial Results

Consolidated Income Statement

(Million yen)	FY2017	FY2018	Yr/Yr Change	Main factor behind changes
Net sales	66,322	75,702	9,379	A rise in coal prices in the Energy Business (Coal Sales Business)
Operating profit [Operating profit before amortization of goodwill]*	1,531 (2,064)	5,201 (5,733)	3,669 (3,668)	A rise in coal prices in the Energy Business (Coal Production Business)
Ordinary profit	2,100	5,910	3,809	185 million yen of equity in net income of affiliates (28 million yen of investment income, year on year)
Net profit belonging to shareholders of the parent company	1,520	2,240	720	1,692 million yen of impairment loss for GDM's goodwill and investment securities

*"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.

■ 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.

[Net sales]

Business (Million yen)	FY2017	FY2018	Yr/Yr Change
Energy	46,249	56,722	10,473
Consumer Goods and Services	18,256	17,603	(652)
Others	1,729	1,312	(416)
Adjustments	88	64	(24)
Total	66,322	75,702	9,379

[Segment profit]

Business (Million yen)	FY2017	FY2018	Yr/Yr Change
Energy [Before goodwill amortization]	1,439 (1,510)	5,387 (5,457)	3,947 (3,946)
Consumer Goods and Services [Before goodwill amortization]	1,113 (1,575)	1,159 (1,621)	45 (45)
Others	146	74	(71)
Adjustments	(1,167)	(1,420)	(252)
Total [Before goodwill amortization]	1,531 (2,064)	5,201 (5,733)	3,669 (3,668)

* Segment profit for the Energy Business includes equity in net income of affiliates (GDM, etc.); FY2017: 28 million yen, FY2018: 185 million yen.

* "Others" represent business segments not included in reporting segments, and include 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 & expenses not allocated to each reporting segment, etc.

Breakdown of the Energy Business Division

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

[Net sales] (Million yen)	FY2017	FY2018	Yr/Yr Change
Coal Sales Business	42,463	52,130	9,666
Sales volume	4,320,000 tons	4,270,000 tons	(50,000 tons)
Coal Production Business	11,816	15,839	4,023
Sales volume	1,100,000 tons	1,250,000 tons	150,000 tons
Renewable Energy Business	336	334	(1)
Adjustments	(8,366)	(11,580)	(3,214)
Total	46,249	56,722	10,473

[Profit] (Million yen)	FY2017	FY2018	Yr/Yr Change
Coal Sales Business	182	202	19
Coal Production Business (of which, equity in net income of affiliates)	1,098 (28)	5,026 (185)	3,927 (156)
Renewable Energy Business	157	158	0
Adjustments	—	—	—
Total	1,439	5,387	3,947

*Adjustments include transactions between businesses.

Major index	FY2017 Results	FY2018 Results	Change
Coal Production Business (Jan.–Dec. results)			
Sales volume: Thermal coal	950,000 tons	1,060,000 tons	110,000 tons
Sales volume: Semi-soft coking coal	150,000 tons	180,000 tons	30,000 tons
Average coal price: Thermal coal	US\$87.0	US\$107.5	US\$20.5
Average coal price: Semi-soft coking coal	US\$143.6	US\$142.7	US\$(0.9)
Exchange rate: US\$/A\$ (average rate)	US\$0.77	US\$0.74	Weaker A\$ against US\$(0.03)
Exchange rate: ¥/A\$ (average rate)	86.0 yen	82.6 yen	Yen appreciation (¥3.4)

Consolidated Balance Sheet

	Mar. 31, 2018		Mar. 31, 2019		Change (Million yen)	Main factor behind changes
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)		
Current assets	26,984	46.3	29,480	51.3	2,496	Accounts receivable: up 1,238; inventory assets: up 608
Fixed assets	31,298	53.7	27,984	48.7	(3,313)	Tangible fixed assets: (1,932); intangible fixed assets: (1,741); long-term deposits: up 1,182
Total assets	58,282	100.0	57,464	100.0	(817)	
Current liabilities	11,196	19.2	12,358	21.5	1,162	Accounts payable: up 2,026; income taxes payable, etc.: up 815; short-term debt: (2,050)
Fixed liabilities	13,511	23.2	12,143	21.1	(1,367)	Long-term debt: (1,068); long-term lease obligations: (163)
Total liabilities	24,707	42.4	24,502	42.6	(205)	
Total net assets	33,574	57.6	32,961	57.4	(612)	Net profit belonging to shareholders of the parent company: up 2,240; a decline in foreign currency translation adjustments due to a stronger yen (against the Australian dollar): (2,183) (FY2017: 1,093→FY2018: (1,089); dividend paid: (522)
Total liabilities and net assets	58,282	100.0	57,464	100.0	(817)	

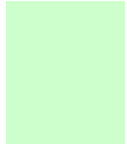
	Mar. 31, 2018	Mar. 31, 2019
<i>Cash and deposits</i> <i>(including long-term deposits)</i>	16,600	17,754
<i>Debt (including bonds)</i>	(13,229)	(10,086)
<i>Net cash and deposits</i>	3,370	7,668
<<Management indicators>>		
<i>Shareholders' equity ratio (%)</i>	57.6	57.4
<i>Debt/equity ratio (times)</i>	0.48	0.36

Consolidated Balance Sheet (Mar. 31, 2019)

<p>Current assets 29.5 billion</p> <ul style="list-style-type: none"> • Cash and deposits 16.6 billion • Accounts receivable 8.3 billion • Inventory assets 3.1 billion 	<p>Current liabilities 12.4 billion</p> <ul style="list-style-type: none"> • Accounts payable 4.6 billion • Short-term debt 2.3 billion
<p>Fixed assets 28.0 billion</p> <ul style="list-style-type: none"> • Tangible fixed assets 17.1 billion (Buildings, machinery, etc.) (7.8 billion) (Land) (7.4 billion) (Leases) (1.4 billion) • Intangible fixed assets 6.1 billion (Goodwill) (5.0 billion) • Securities 2.0 billion 	<p>Fixed liabilities 12.1 billion</p> <ul style="list-style-type: none"> • Long-term debt (7.8 billion) • Leases 1.3 billion
<p>Total assets 57.5 billion</p>	<p>Liabilities and net assets 57.5 billion</p>
<p>Net assets 33.0 billion</p>	
<p style="text-align: center;">Shareholders' equity ratio 57.4%</p>	

Consolidated Cash Flows

(Million yen)	FY2017	FY2018	Main factors
Net profit before income taxes	2,325	4,245	
Depreciation and amortization (including goodwill amortization expenses)	2,981	2,946	
Impairment loss	79	1,793	
Working capital	(863)	(89)	
Others	(1,525)	(1,498)	• Payments of income tax, etc.
CF from operating activities	2,997	7,399	
Changes in fixed assets	(137)	(1,218)	• Payment for acquisition of fixed assets
Investment securities	(48)	51	
Others	236	(3,050)	• Increase in overseas time deposits (more than three months)
CF from investing activities	50	(4,217)	
Changes in debt and bonds	(1,609)	(3,156)	• Repayment of debt
Payment of dividends	(513)	(513)	
Purchase of treasury shares	(0)	(111)	
Others	(191)	(187)	
CF from financing activities	(2,314)	(3,969)	
Effect of exchange rate changes on cash and cash equivalents	556	(813)	
Changes in cash and cash equivalents	1,289	(1,601)	
Cash and cash equivalents at beginning of period	12,121	13,411	
Cash and cash equivalents at end of period	13,411	11,809	



FY2019 Consolidated Earnings Forecast

FY2019 Consolidated Earnings Forecast

- **Net sales** Although sales in the Coal Sales Business and the Coal Production Business are expected to decline due to falling coal prices, sales in the Consumer Goods and Services Business are anticipated to be almost flat year on year thanks to turning Meikoshokai Co., Ltd. into a subsidiary in April 2019.
- **Operating profit** Profit is expected to decline due to falling coal prices and other factors in the Coal Production Business.

(Million yen)	(1) FY2018 Results	(2) FY2019 Earnings forecast	Change: (2) - (1)
Net sales	75,702	75,000	(702)
Operating profit [Operating profit before amortization of goodwill]	5,201 (5,733)	3,000 (3,700)	(2,201) [(2,033)]
Ordinary profit	5,910	3,500	(2,410)
Net profit	2,240	2,000	(240)
Dividend per share (yen)	50	50	—

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

FY2019 Consolidated Earnings Forecast by Segment

■ Energy Business Division

Coal Sales Business Although sales are expected to decline due to falling coal prices, profits are anticipated to be almost flat year on year thanks to a rise in sales volume and other factors.

Coal Production Business Both sales and profits are expected to decline due to a drop in coal prices and production/sales volume.

■ Consumer Goods and Services Business Division

Sales and profits are expected to increase thanks to turning Meikoshokai Co., Ltd. into a subsidiary and other factors.

[Net sales]

Business (Million yen)	FY2018 Results	FY2019 Forecast	Yr/Yr Change
Energy	56,722	47,600	(9,122)
Consumer Goods and Services	17,603	26,000	8,397
Others/ Adjustments	1,376	1,400	24
Total	75,702	75,000	(702)

[Segment profit]

Business (Million yen)	FY2018 Results	FY2019 Forecast	Yr/Yr Change
Energy (before goodwill amortization)	5,387 (5,457)	3,000 (3,000)	(2,387) [(2,457)]
Consumer Goods and Services (before goodwill amortization)	1,159 (1,621)	1,600 (2,300)	441 (679)
Others/ Adjustments	(1,346)	(1,600)	(254)
Total (before goodwill amortization)	5,201 (5,733)	3,000 (3,700)	(2,201) [(2,033)]

* Segment profit for the Energy Business includes equity in net income of affiliates (GDM, etc.); FY2018: 185 million yen, FY2019: 18 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.

Breakdown of Earnings Forecast for the Energy Business Division

■ Coal Sales Business

Although sales are expected to decline due to falling coal prices, profits are anticipated to be almost flat year on year thanks to a rise in sales volume and other factors.

■ Coal Production Business

Both sales and profits are expected to decline due to a drop in coal prices and production/sales volume.

■ Renewable Energy Business

Sales and profits are expected to decline due to the effect from power limiting and other factors.

[Net sales] (Million yen)	FY2018 Results	FY2019 Forecast	Yr/Yr Change	[Profit] (Million yen)	FY2018 Results	FY2019 Forecast	Yr/Yr Change
Coal Sales	52,130	46,000	(6,130)	Coal Sales Business	202	200	(2)
Business: Sales volume	4,270,000 tons	4,380,000 tons	110,000 tons	Coal Production Business	5,026	2,700	(2,326)
Coal Production Business: Sales volume	15,839 1,250,000 tons	14,200 1,160,000 tons	(1,639) (90,000 tons)	Renewable Energy Business	158	100	(58)
Renewable Energy Business	334	300	(34)	Adjustments	—	—	—
Adjustments	(11,580)	(12,900)	(1,320)	Total	5,387	3,000	(2,387)
Total	56,722	47,600	(9,122)				

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

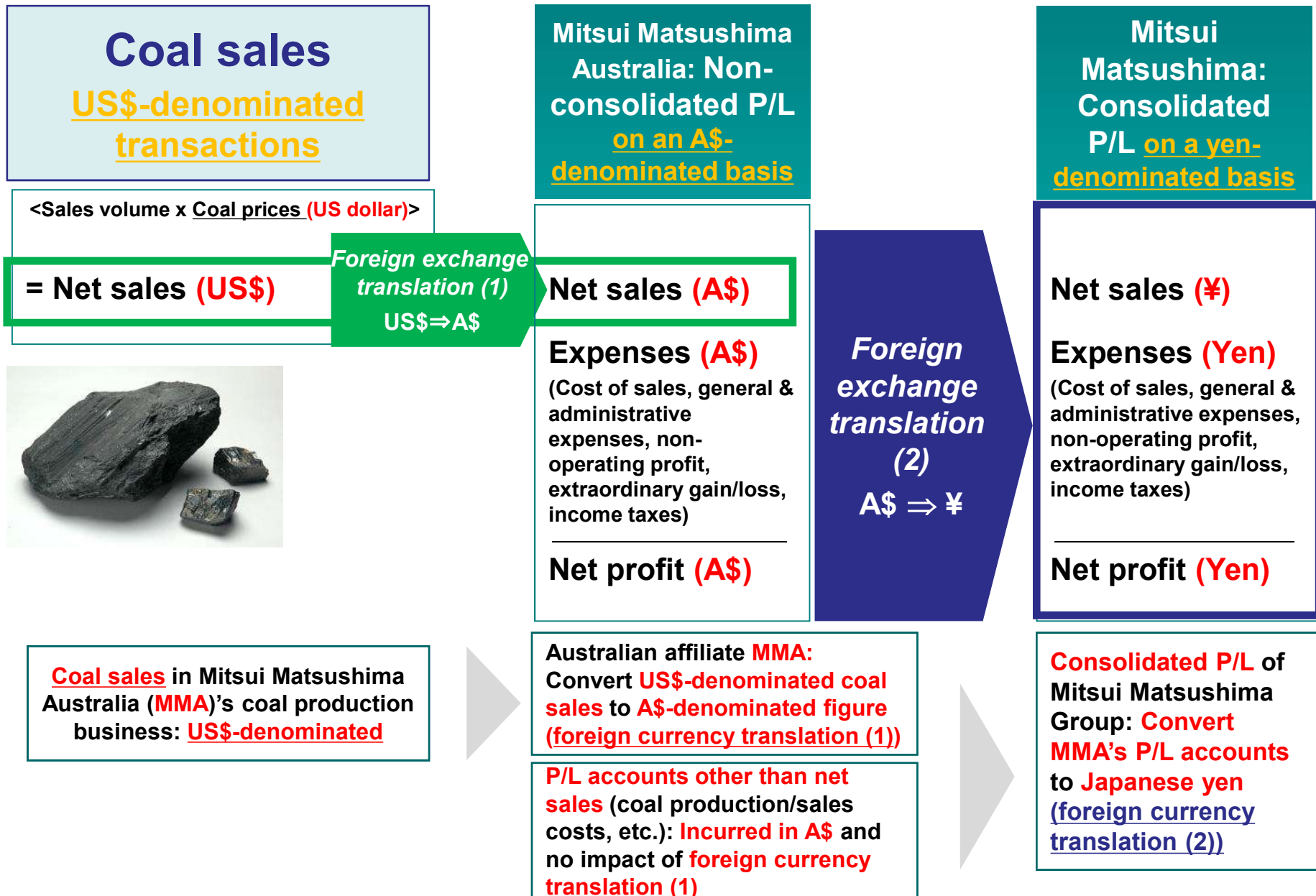
	Major index	FY2018 Results	FY2019 Forecast	Change
Coal production (Jan.–Dec. results)	Sales volume (thermal coal)	1,060,000 tons	980,000 tons	(80,000 tons)
	Sales volume (semi-soft coking coal)	180,000 tons	180,000 tons	—
	Average coal price: Thermal coal	US\$107.5	US\$96.6	(US\$10.9)
	Average coal price: Semi-soft coking coal	US\$142.7	US\$130.3	(US\$12.4)
	Exchange rate: US\$/A\$ (average rate)	US\$0.74	US\$0.72	Weaker A\$, US\$0.02
	Exchange rate ¥/A\$ (financial results: average rate)	82.6 yen	79.9 yen	Yen appreciation ¥2.7

Among sales volume, the volume for which coal prices have been determined accounts for around two-thirds of the entire volume at the present time (May 15). The remaining one-third will be affected by the price in linkage with GCI* or the price starting in October of thermal coal and quarterly prices of coking coal.

*“global COAL” Index: Australia Newcastle Port load, Change in Standard-Quality Thermal Coal Index (global COAL: Coal-related Electronic Commodity Exchange)

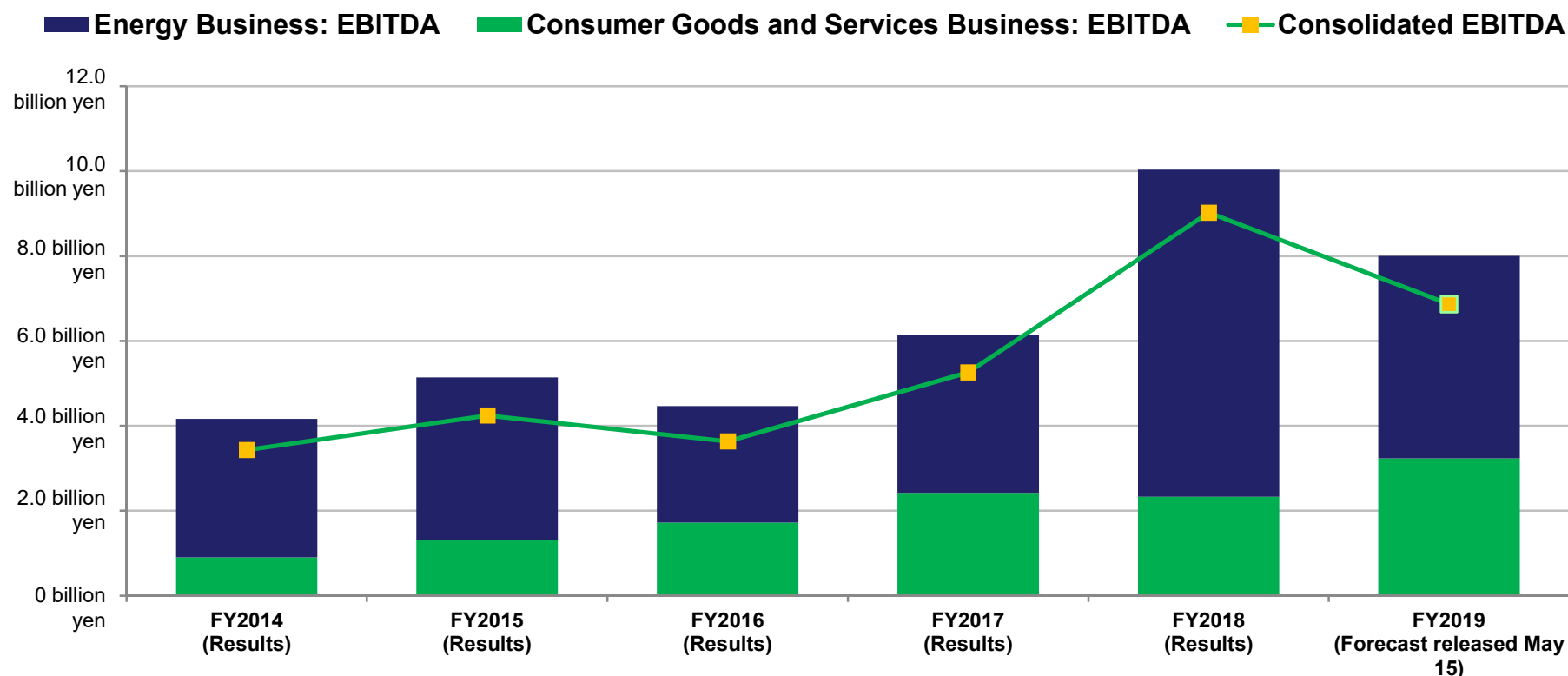
Impact of exchange rate fluctuations on net profit		
US\$/A\$	If the Australian dollar depreciates against the yen by 1 cent,	profits will increase by approximately 90 million yen.

(Reference) Impact of FX in Coal Production Business



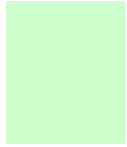
EBITDA Change and Forecast

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

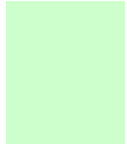


- Thanks to aggressive efforts to develop and reinforce new businesses, EBITDA has been steadily growing for the Consumer Goods and Services Business and the entire company.

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



Businesses of the Mitsui Matsushima Group



Energy Business Division

Coal Production Business — Liddell Coal Mine in Australia (1)

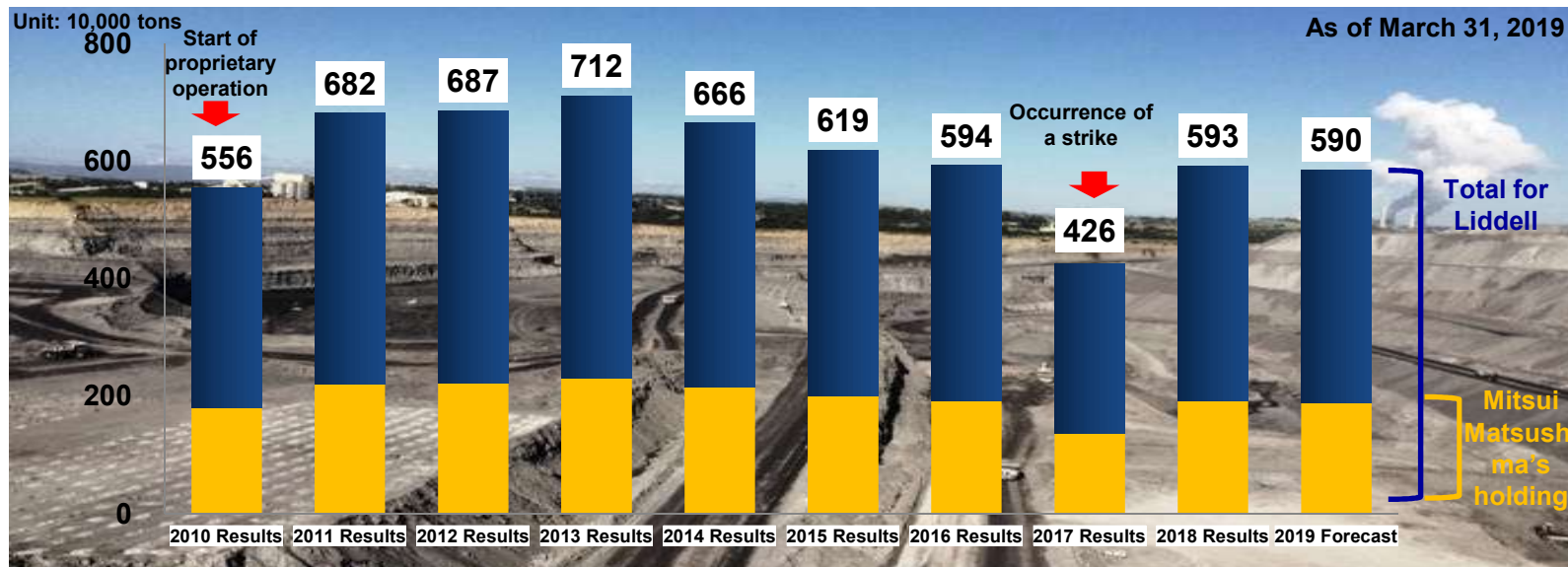
In Operation Liddell Coal Mine in Australia

- Operational structure: Joint venture between local unit Mitsui Matsushima Australia Pty. Ltd. (32.5%) and Glencore (67.5%)
- Reserves: 760 million tons
(Proven reserves: 160 million tons; probable reserves: 200 million tons; possible reserves: 400 million tons)
Recoverable reserves: 24 million tons (volume in mining areas approved by the state government as of present)
- Raw coal production volume: 5.9 million tons (2019 forecast)
- Charcoal production volume (sales volume): 3.4 million tons (2019 forecast)



Coal Production Business — Liddell Coal Mine in Australia (2)

Liddell Coal Mine production (raw coal) results



- ◆ High-quality thermal coal and coking coal (semi-soft coking coal) are produced (approximately 90% thermal coal) and shipped mainly to Japan.
- ◆ Mining areas approved by the state government as of present are **expected to finish mining in four or five years (2022 to 2023)**, probably securing steady production volume until completion of mining. 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 2020.**

Coal Production Business — GDM Coal Mine (1)

In Operation

In Development

GDM Coal Mine in Indonesia

- ◆ Open-pit mining (thermal coal)
 - Resumed commercial production from FY2017 Annual production until 2022: Approximately 400,000 tons (charcoal)
(Expected to finish mining around 2022)
- ◆ Underground mining (thermal coal)
 - Considering that since the start of development in 2012 this has substantially lagged behind schedule, the business revenue/expenditure plan was reviewed. As a result, an extraordinary loss resulting from reevaluation (approximately 1.7 billion yen) was recorded for shares and the total amount of goodwill of PT Gerbang Daya Mandiri (“GDM”) held by MMI Indonesia Investments Pty Ltd. (“MMIII”), the Company’s consolidated subsidiary. (March 2019)
 - Furthermore, as GDM plans to implement a capital increase through third-party allocation to partner company/companies in Indonesia as financial restructuring, the percentage of GDM shares owned by MMIII is expected to be reduced (to 20.1% from 30%).
 - Meanwhile, considering that profitability in the business is expected as a coal mine for underground mining (thermal coal) through the first large-scale automation mining system in Indonesia, the development will be continued. With respect to the fund of around 30 million US dollars needed by GDM for trial mining through a long-wall automation mining system that MMIII will jointly implement with GDM, MMIII plans to provide a loan amounting to approximately 6 million US dollars to GDM.
 - Planning to complete trial mining by the middle of 2020 and make a final decision on the possibility of commercial production after that. If this shifts to commercial production, there is a possibility that additional funds will be contributed.
 - If commercial production is possible, expecting to secure future annual production of approximately 1 million tons of charcoal (Mitsui Matsushima to hold a stake in roughly 200,000 tons) and mining for about 14 years.

Coal Production Business — GDM Coal Mine (2)

◆ The future schedule for underground mining is as follows:

[Schedule for the development of GDM Coal Mine (underground mining)]

	2019	2020
Preparation for trial mining	→	
Implementation of trial mining (judgement on whether or not commercial production has materialized)		→
Shift to commercial production		-----▶



GDM mining gallery

Coal Production Business — Mimosa Mining Area

Undergoing 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 56.2% 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).

*For 20.4%, of which JOGMEC holds an option to acquire interests.

Energy Business Division

Coal Sales Business and Coal-Related Engineering Business



Coal Sales Business

Mitsui Matsushima Co., Ltd.

- ◆ On October 1, 2018, the Coal Sales Business was newly established by divesture following the shift to a holding company structure.
- ◆ Selling coal to electric power companies, steel companies, etc. in Japan
- ◆ Net sales tend to be substantially affected by a fluctuation of coal prices as commissions according to transaction volume are the main source of revenues, but the impact from this factor on profits is limited.

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 possesses the country's only "coal preparation technology."



Energy Business Division

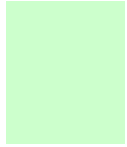
Renewable Energy Business

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.
- ◆ Power limiting was conducted 26 times at the Tsuyazaki Power Station based on the output control instruction by Kyushu Electric Power CO., Inc. (as of May 15, 2019).



Consumer Goods and Services Business Division

Main Businesses

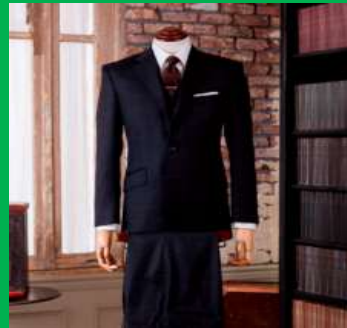
Contract Service
Business



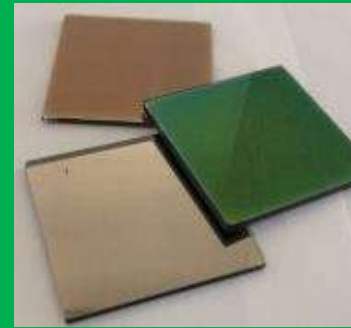
Beverage & Food
Packages Business



Fashion
Business



Electronic
Parts Business



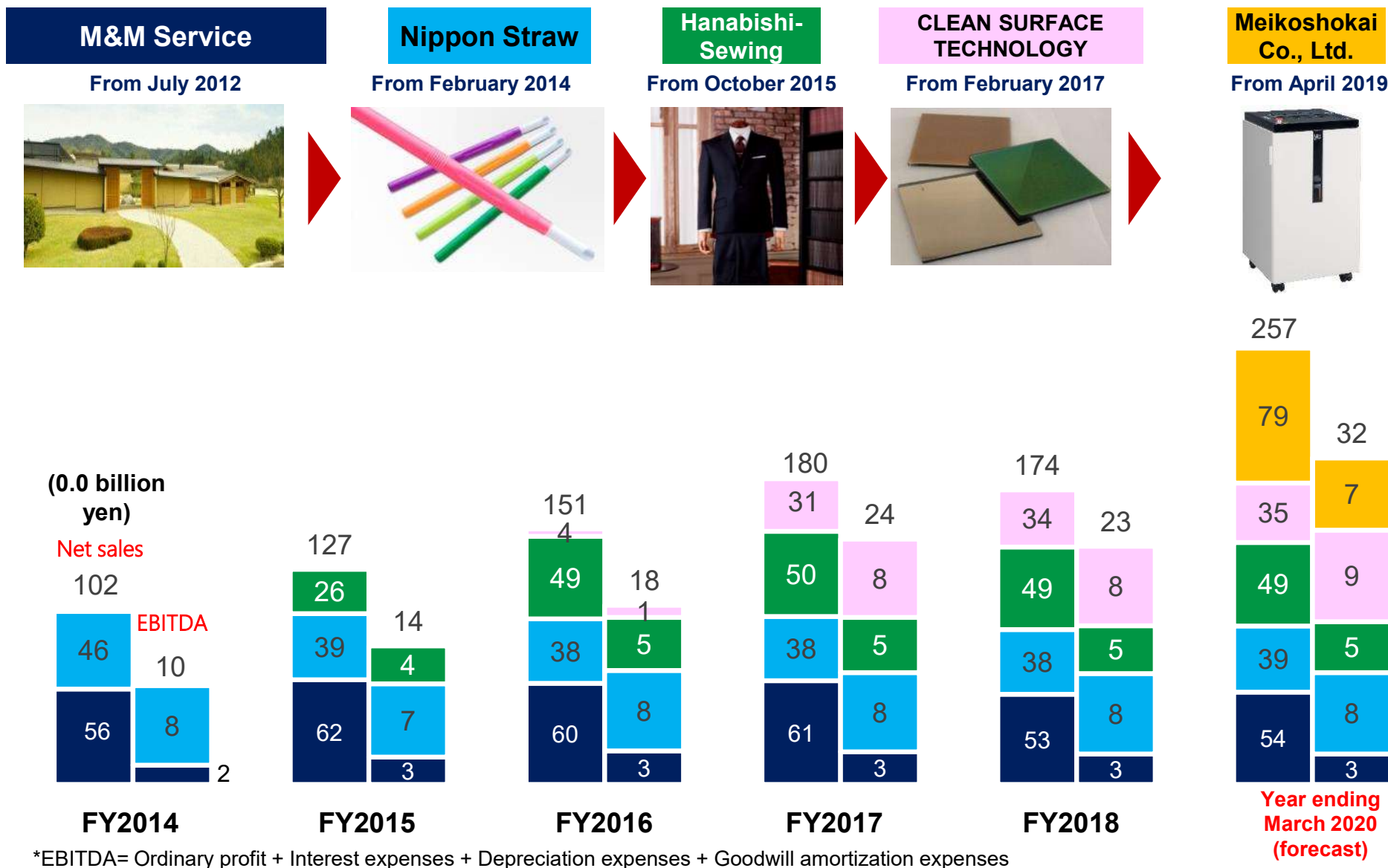
Office
equipment



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

Changes in Sales and EBITDA for Consumer Goods and Services Business

Changes in Sales and EBITDA for Consumer Goods and Services Business in Recent Years



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

Office Equipment Business

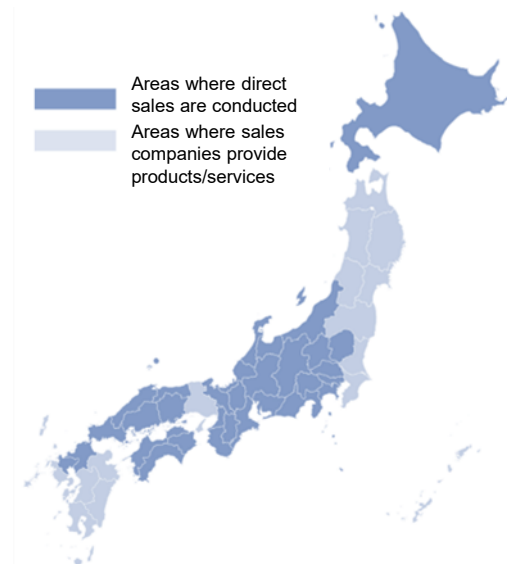
Office Equipment Business

Meikoshokai Co., Ltd



株式会社 明光商会

- ◆ Acquired shares in April 2019.
- ◆ Started to manufacture and sell shredders for the first time in Japan in 1960. Has established its status as **a leading company in Japan** through steady business results since its foundation and its original technologies and know-how. **Holds an overwhelming market share (approximately 75% based on the Company's research) in Japan's office-use shredder market.**
- ◆ **By having a direct sales system and a nationwide maintenance network** (23 sites in Japan), it can provide attentive services and grasp customer needs to a level that competitors are unable to match.



- **Maintaining its steady revenue structure** through its extensive customer bases, **reliable product lineup** that can deal with diversified needs and **high resale rate**

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



里創大
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 enjoyable.
- Began operating **the Former Mitsui Minato Club, a historical heritage of Omuta City,** the ownership right of which Mitsui Matsushima Holdings 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.



Mitsui Minato Club

Beverage & Food Packages Business

Beverage & Food Packages Business

Nippon Straw Co., Ltd.



- ◆ Acquired shares in February 2014.
- ◆ Developed telescopic straws in 1983. Since then, Nippon Straw has further accumulated proprietary technologies and know-how as a 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 (major 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



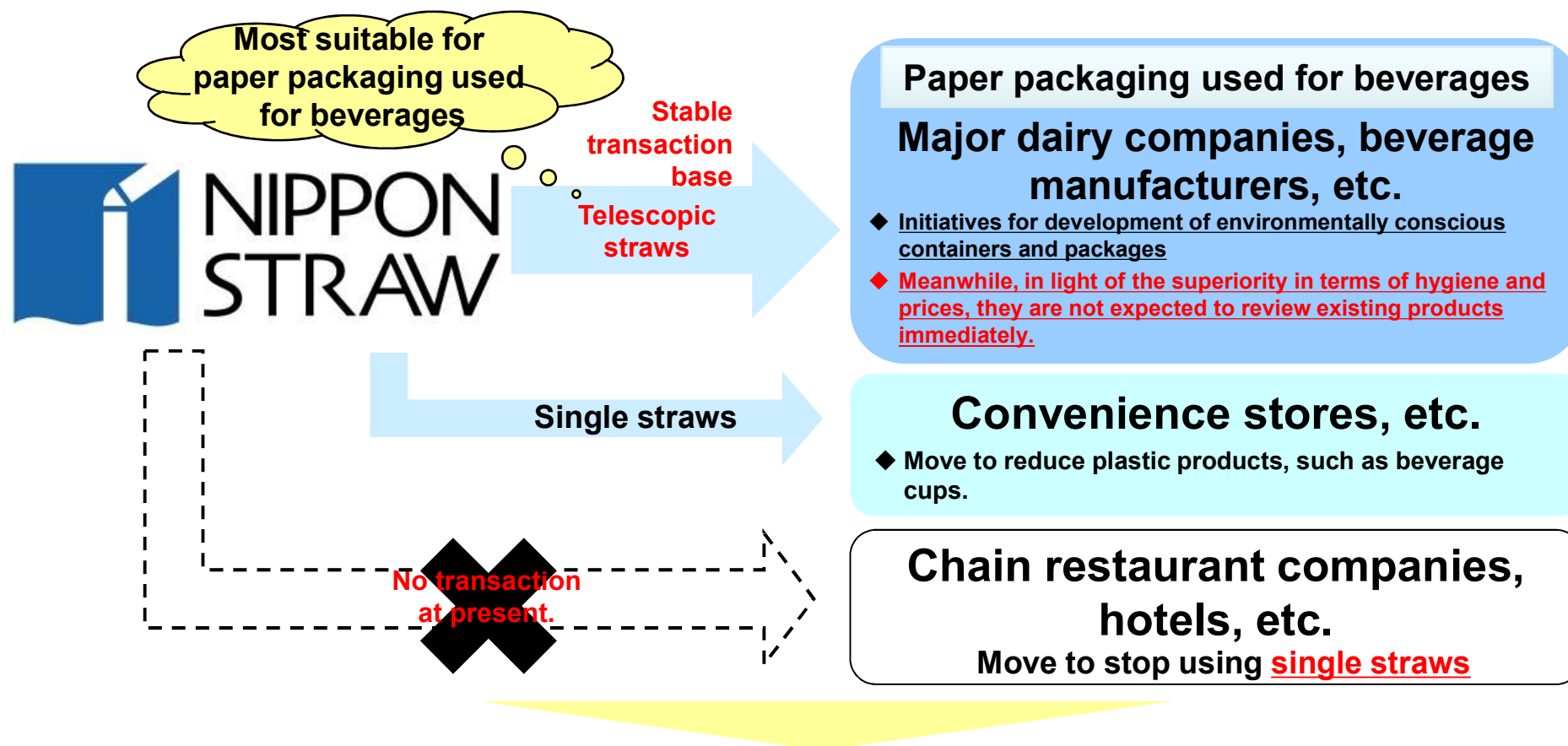
Drinking cups

- 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.**

“Initiatives for a plastic-free environment” — Nippon Straw

(1) At present, effects from the stoppage in use of plastic straws are not seen.

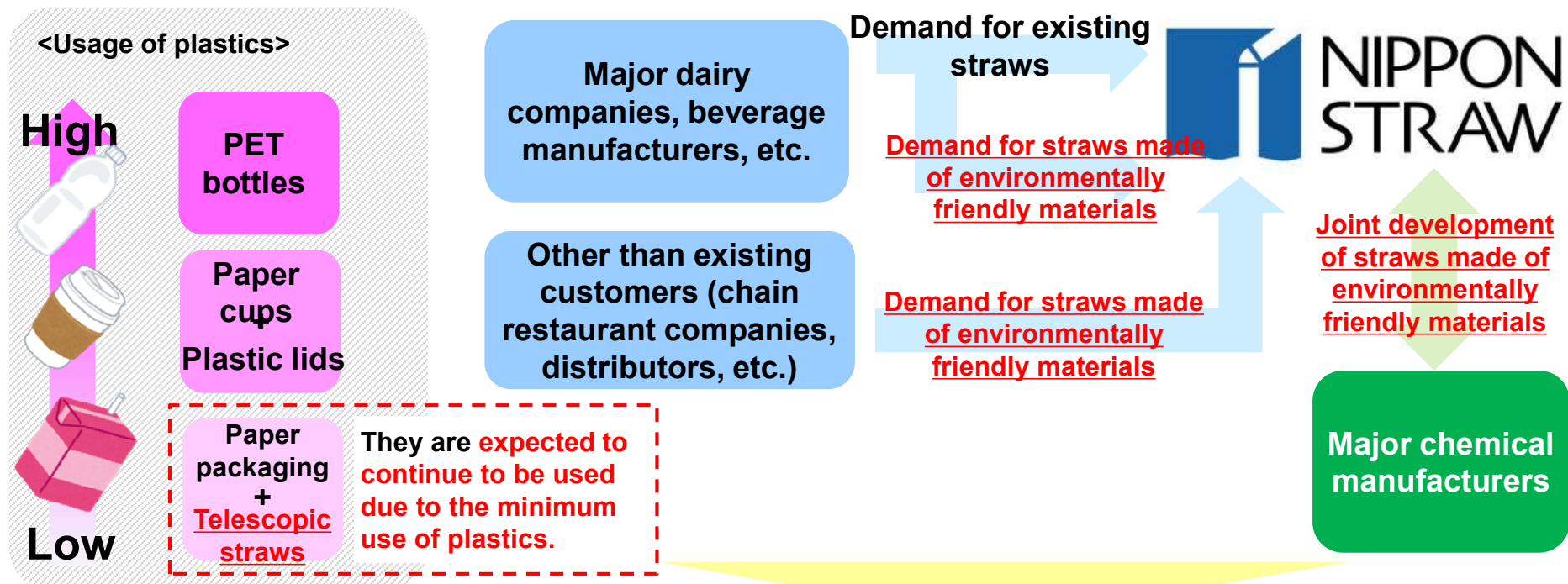
- ◆ Chain restaurant companies, hotels and other related companies have tended to stop using plastic straws, triggered by marine pollution (**only single straws at the present time**).
- ◆ Nippon Straw’s main products are **telescopic straws and paper packaging for beverages**, and it has established a stable transaction base with excellent customers (major dairy companies, beverage manufacturers, etc.).



At present, effects on Nippon Straw’s earnings are not seen.

“Initiatives for a plastic-free environment” — Nippon Straw
(2) Conversely, the focus on a plastic-free environment may provide huge business opportunities.

- ◆ Looking at the current movement to stop using plastic products, leading dairy companies and beverage companies are expected to continue to use paper packaging that contains the least amount of plastic materials, **assuming that demand for telescopic straws will be stable.**
- ◆ Furthermore, Nippon Straw, as a leading company of telescopic straws, has been **making efforts to develop and manufacture straws made of environmentally friendly materials ahead of other companies,** and **will be able to quickly deal with future demand.**
- ◆ Moreover, it has been developing straws using environmentally friendly materials **in cooperation with major chemical manufacturers.**



Opportunities to expand distribution channels by securing demand for straws made of environmentally friendly materials

“Initiatives for a plastic-free environment” — Nippon Straw
(3) Development status of straws made of environmentally friendly materials

- ◆ Nippon Straw has been making efforts to develop and manufacture straws made of environmentally friendly materials as follows:

	Characteristics	Development status	Future prospects
Bio PE	Plant-derived resin extracted from sugar cane, etc. (PE: polyethylene) with fewer emissions of carbon dioxide in the processing cycle than conventional materials	Possible to produce	Possible to receive orders
Biodegradation	It decomposes into water and carbon dioxide under specific conditions of temperature, humidity, etc.	Trial manufacturing has been completed.	Possible to receive orders
Ocean biodegradation	It decomposes into water and carbon dioxide under various natural conditions, including in seawater	Being made experimentally	
Paper straws	Although plastic waste is not emitted, there are some problems that should be resolved: for example, waterproofing, bad smell.	Trial manufacturing has been completed.	Expected to start production from this autumn

Fashion Business

Fashion Business

Hanabishi Sewing Co., Ltd.

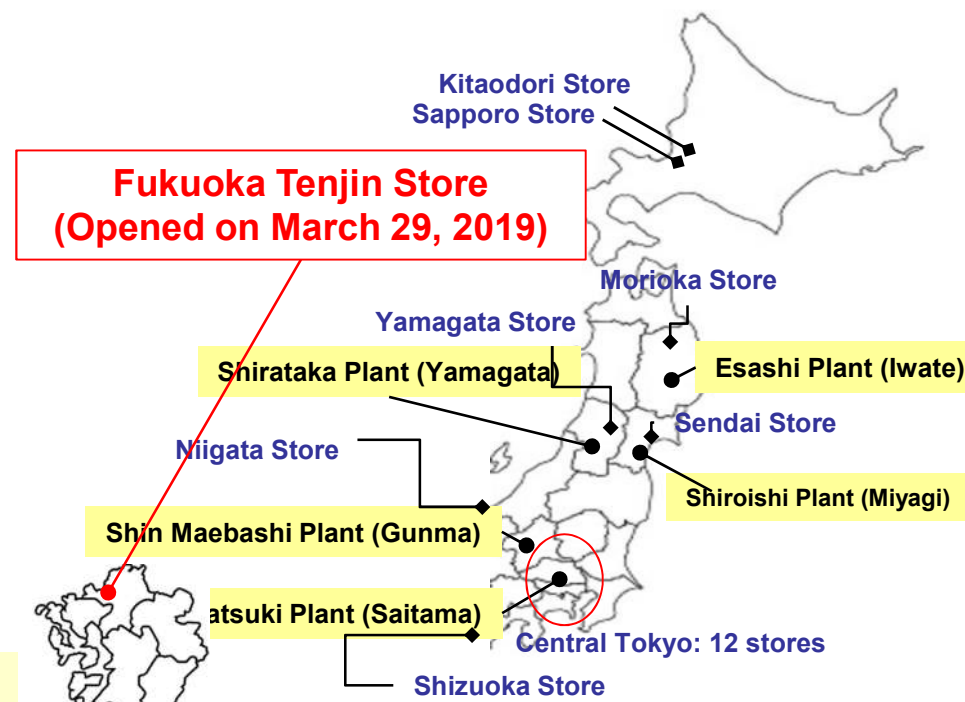


- ◆ Acquired shares in October 2015.
- ◆ Founded in 1935, Hanabishi Sewing is a pioneer in **custom-made suits** and has developed **a system for full domestic production**, from product development to production & sales.
- ◆ Greatly trusted and highly evaluated by department stores and many consumers,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



3.29 FRI, 2019 NEW OPEN
福岡天神店 完全国内縫製のオーダースーツ「HANABISHI」が九州初上陸

Strength in custom-made suits that can meet customers' requests. The firm will continue to convey the pleasure of ordering custom-made suits to all people, while pursuing the development of **products for wheelchair users** and aiming to achieve further growth.



Operates 20 stores nationwide, primarily in central Tokyo. **Will be possible to buy products online on the firm's website from June 2019 (only for customers who have bought a product at least once before).**

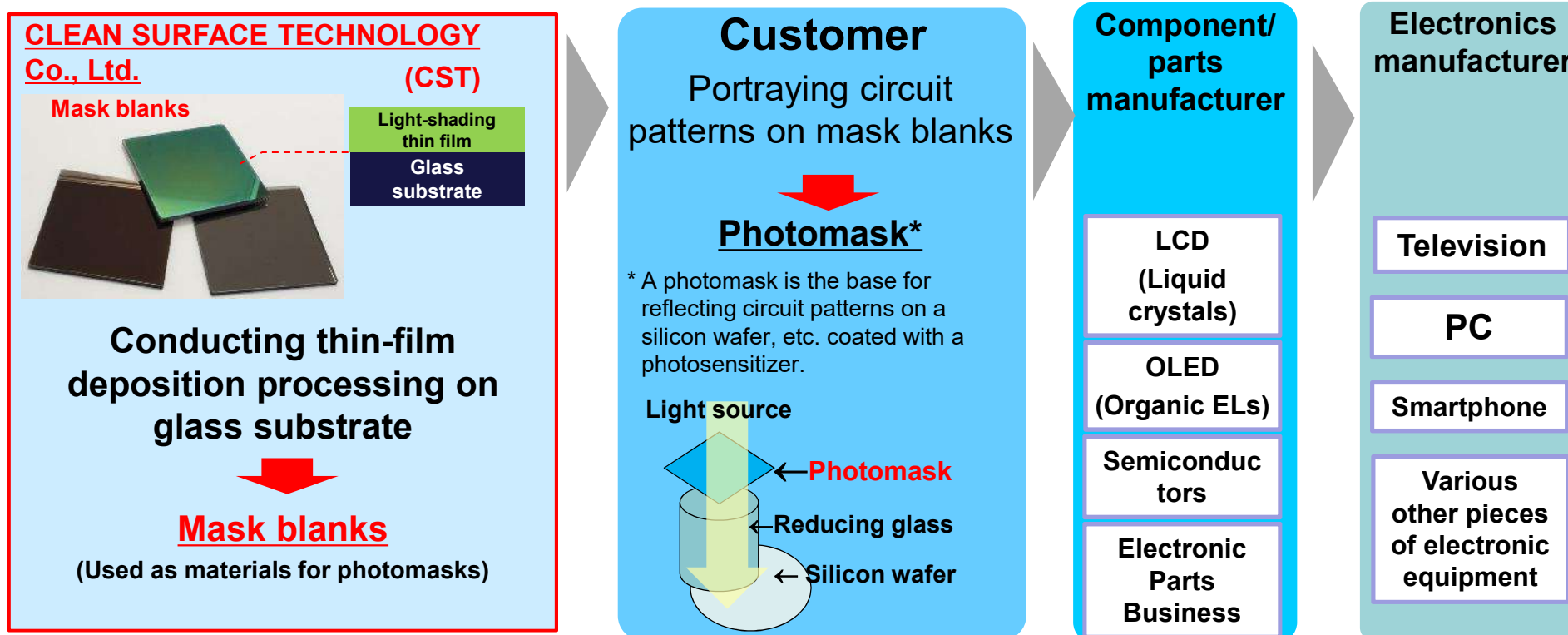
Electronic Parts Business

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**.

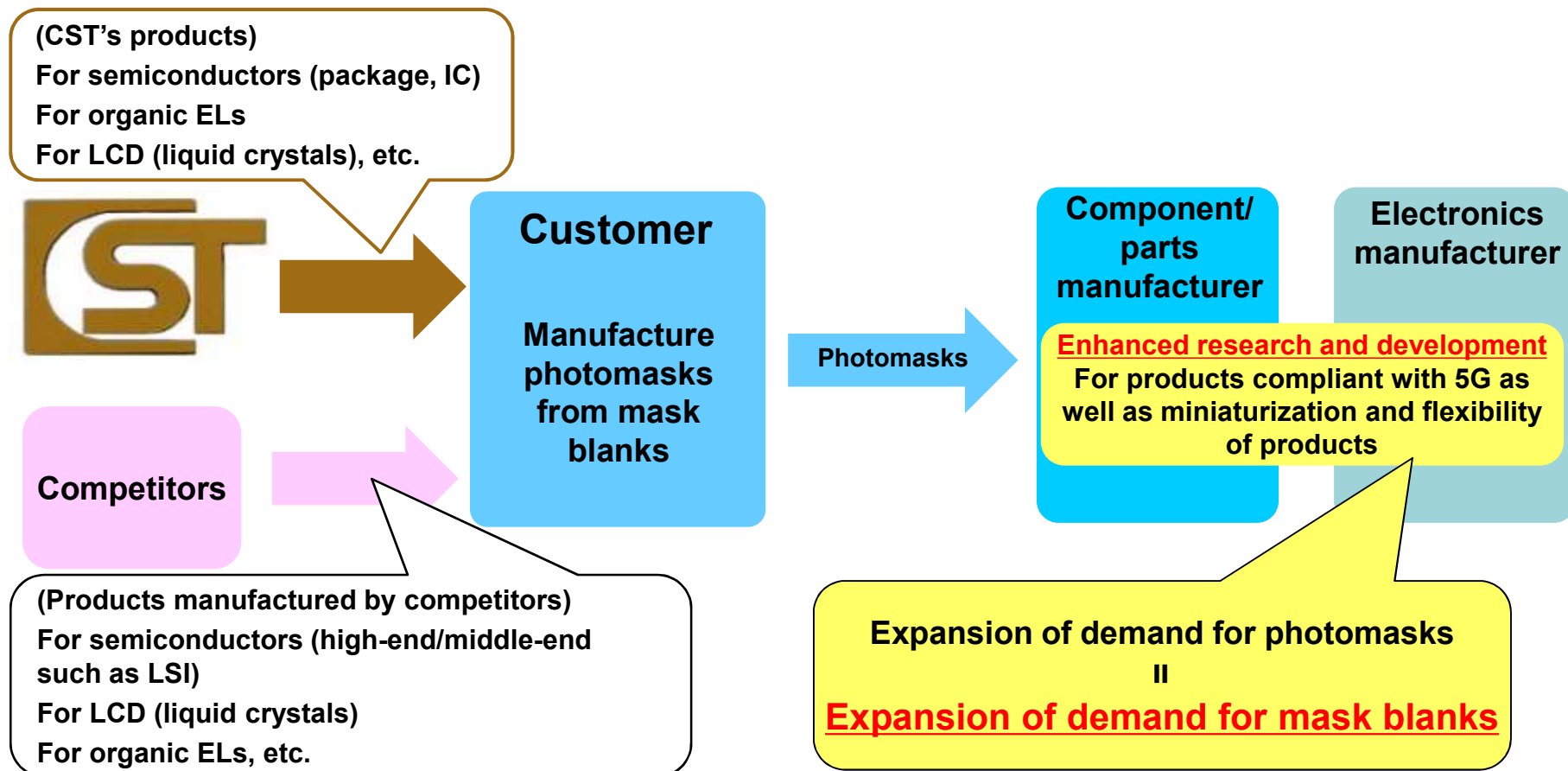


Growth of CST's business (the mask blanks market) is anticipated, in conjunction with the continuing steady growth of the liquid crystal, organic EL, semiconductor and other related sectors going forward.

CLEAN SURFACE TECHNOLOGY Co., Ltd.

— Effects from U.S.–China trade friction and other factors are limited

- ◆ Most of CST's mask blanks are ultimately used for research and development at manufacturers. Although some electronics manufacturers have seen their earnings deteriorate due to the recent U.S.–China trade friction and other factors, electronics manufacturers do not seem to have scaled down their respective research and development, and thus **effects from these factors on CST's earnings should be limited.**
- ◆ **Demand for mask blanks is anticipated to expand** thanks to active research and development for new technologies, such as the 5th generation mobile communication system (5G).



Nursing Care Business

Nursing Care Business

MM Life Support Co., Ltd.



- ◆ Established a 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 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



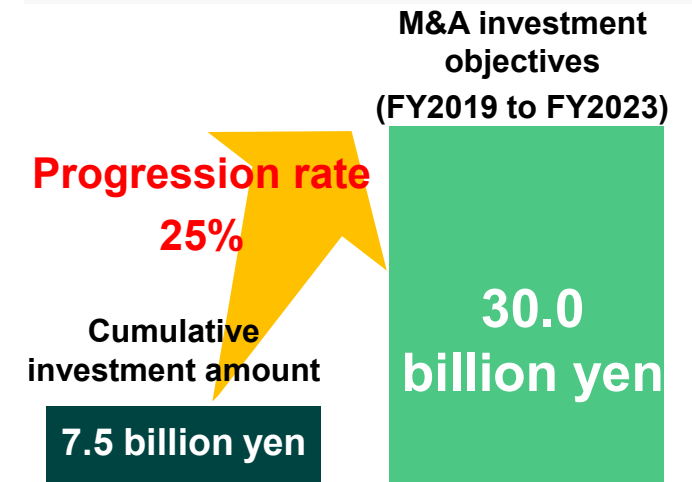
Pine Garden Muromi



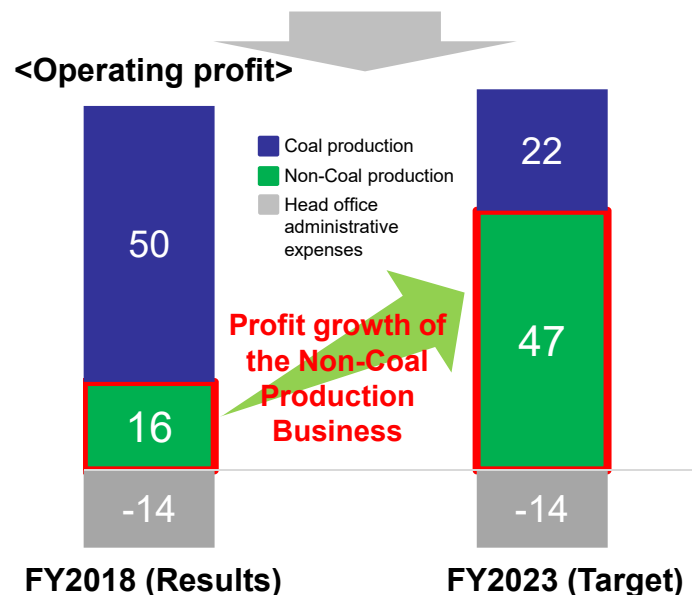
- Taking initiatives to improve the nursing care level of users and focusing on **implementing measures to have users live positive and healthy everyday lives.**
- MM Life Support will actively take the initiative in **creating an affluent and vigorous society** by further improving its services.

Aiming to attain the mid-term management plan

- ◆ Aiming to attain the quantitative target of the mid-term management plan **through profit growth of the Non-Coal Production Business** by steadily implementing new M&A investments



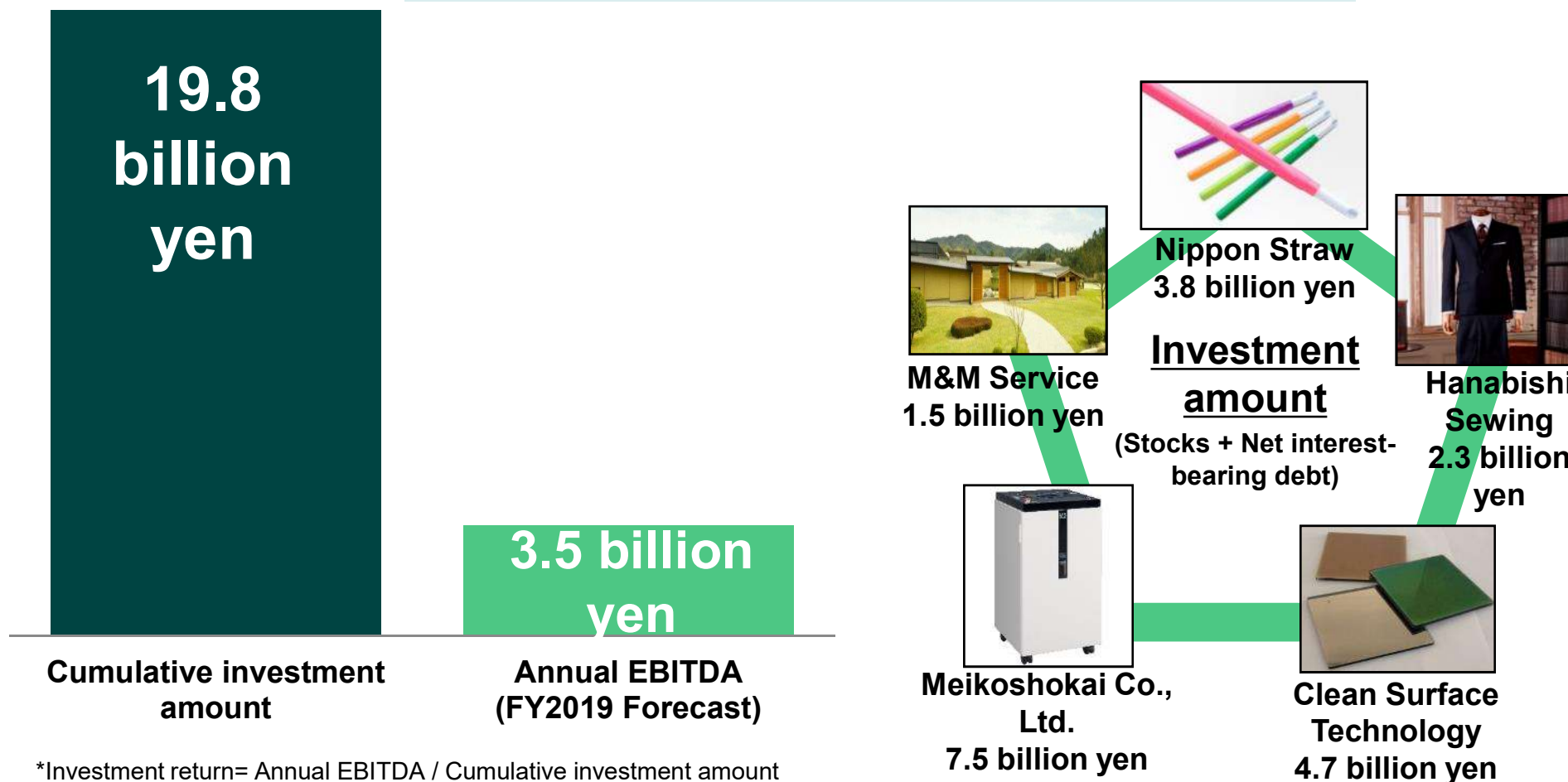
Quantitative target of the mid-term management plan



	FY2015 (Results)	FY2016 (Results)	FY2017 (Results)	FY2018 (Results)	FY2019 (Forecast)	FY2023 (Goals)
Consolidated operating profit	1.0 billion yen	1.0 billion yen	1.5 billion yen	5.2 billion yen	3.0 billion yen	5.5 billion yen
Coal Production Business	1.0 billion yen	0.6 billion yen	1.1 billion yen	5.0 billion yen	2.7 billion yen	2.2 billion yen
Non-Coal Production Business	1.2 billion yen	1.5 billion yen	1.6 billion yen	1.6 billion yen	1.9 billion yen	4.7 billion yen
Head office administrative expenses	(1.2 billion)	(1.1 billion)	(1.2 billion)	(1.4 billion)	(1.6 billion)	(1.4 billion)
ROE	4.6%	4.2%	4.5%	6.7%	5.9%	8% and over
Pay-out ratio	37%	39%	34%	29%	33%	30% and over (Principle)

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

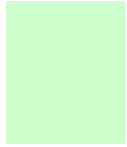
Return on investment* 18%
High investment return



*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.

*Although FY2019 financial results of Meikoshokai Co., Ltd. cover only 11 months due to a change in the closing date after the acquisition, expected annual EBITDA shown on this page was calculated by converting the figure to a 12-month period.

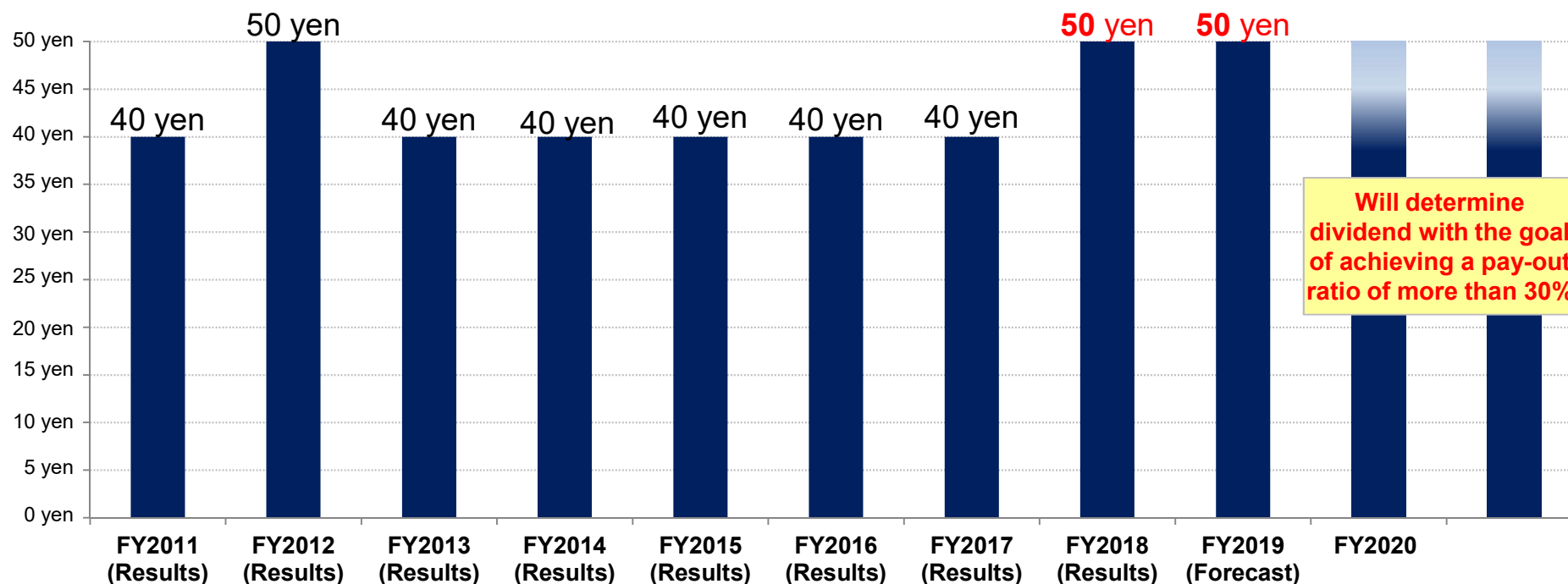


Reference Materials

Transition in Dividends

Policy

- ◆ Mitsui Matsushima Holdings 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.
- ◆ Although the Company has set the pay-out ratio target (30%) in the mid-term management plan as a yardstick, it will determine the final target figure from a comprehensive point of view.



* 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.

Shareholder Incentive Plan

- ◆ The Company has enriched the Shareholder Incentive Plan for shareholders listed in the shareholders' register as of March 31, 2019.

(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~~→**20** facilities across the country)
*At Mitsui Minato Club, tickets can be used only for meals.

(2) Hanabishi Sewing: custom-made order gift tickets (10,000 yen)



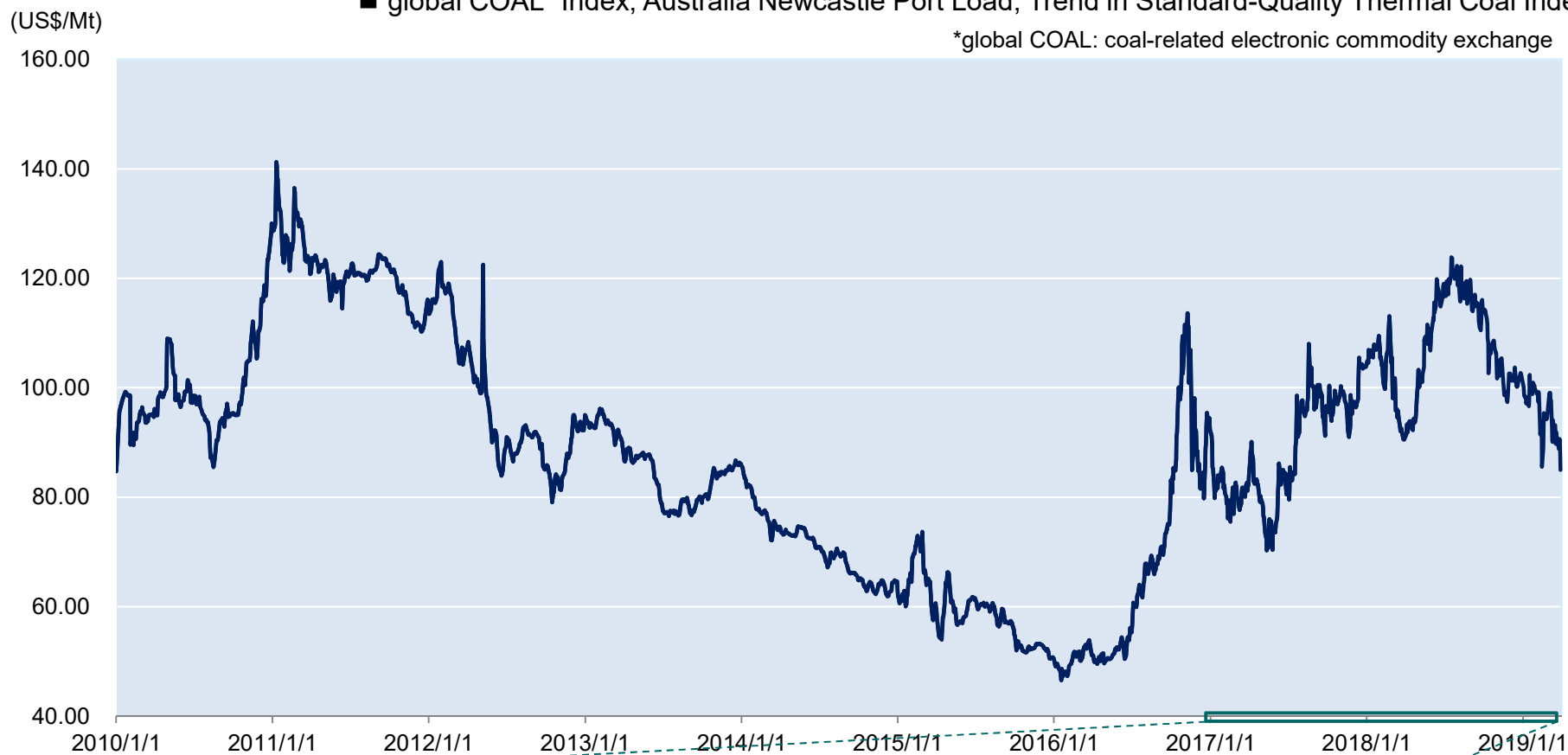
- Eligible shareholders
Number of shares held:
100 shares or more, less than 1,000 shares
~~5,000-yen ticket~~ → **10,000** yen ticket
(10,000 yen gift ticket: 1 ticket)
- 1,000 shares or more ~~10,000-yen ticket~~ → **20,000** yen ticket
(10,000 yen gift ticket: 2 tickets)
- Applicable items
Suits, jackets, coats

We will continue to provide attractive incentive plans for shareholders.

Trends in the Coal Market

■“global COAL” Index, Australia Newcastle Port Load, Trend in Standard-Quality Thermal Coal Index

*global COAL: coal-related electronic commodity exchange



		2017				2018				2019	
		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	285	193-194	170-171	191-192	237	197	188-189	212-213	210-211	Not determined
	Semi-soft coking coal	171	126	120	126	150	132	129	135	132	Not determined
Thermal coal	Apr. contract	61.60	84.97			110.00			94.75		
	Oct. contract	94.75			94.75			109.77			
Foreign exchange	US\$/A\$	US\$0.77				US\$0.74				US\$0.72	
	¥/A\$	86.0 yen				82.6 yen				79.9 yen	

*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 Holdings Co., Ltd. is in no way responsible for any damage caused as a result of relying on or using these materials.

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