

Presentation of Financial Results for the Fiscal Year Ended March 2021



May 2021

Contents

p. 3

FY2020 Financial Results

p. 11

FY2021 Consolidated Earnings Forecast

p. 18

Businesses of the Mitsui Matsushima Group
Consumer Goods and Services Business Division
Energy Business Division

p. 36

Progress of Mid-term Management Plan

p. 38

Reference Materials

FY2020 Financial Results

Consolidated Income Statement

Income statement

(Million yen)

	FY2019	FY2020	Yr/Yr Change	Main factor behind changes
Net sales	66,596	57,378	(9,218)	A decline in coal prices in the Energy Business (Coal Sales Business)
Operating profit [Operating profit before amortization of goodwill]*	2,741 [3,459]	1,946 [2,613]	(794) [(846)]	A decline in coal prices in the Energy Business (Coal Production Business)
Ordinary profit	2,995	3,020	+24	Foreign exchange gain: 561 million yen Employment Adjustment Subsidy: 319 million yen
Net profit attributable to owners of parent	2,292	(3,035)	(5,328)	<Extraordinary income> Gain on negative goodwill: 333 million yen <Extraordinary loss> *For details, please see p. 5.

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

Extraordinary Loss

Breakdown of extraordinary loss

	Item	Overview	Breakdown	FY2020 Amount recorded on PL
Coal Production Business	<Australia> Impairment, etc. of fixed assets for the existing mining area of Liddell Coal Mine	<ul style="list-style-type: none"> As a result of carefully reviewing the future cash flows (FY2021–FY2023) based on the stagnant coal market conditions in FY2020, the entire amount of fixed assets related to the said mining area was recognized as impaired. (*1) 	Impairment loss for Liddell's heavy machinery	2,409 million yen
	<Indonesia> Recording of allowance for doubtful accounts, etc. for GDM(*2)	<ul style="list-style-type: none"> As a result of verifying the collectability of loans to GDM based on the stagnant coal market conditions in FY2020, an allowance for doubtful accounts was recorded for the entire amount of loans and accrued interest. No new investments will be made in GDM in the future. As a result, 20.1% of the shares in GDM will be diluted and GDM will be excluded from the scope of equity method affiliates in/after FY2021. 	Provision of allowance for doubtful accounts	596 million yen
			Loss on valuation of shares	95 million yen
Fashion Business	<Hanabishi Sewing> Impairment, etc. of consolidated goodwill/fixed assets	<ul style="list-style-type: none"> Loss occurred and stores were closed (April–May 2020) due to the impact of COVID-19. As a result of carefully reviewing the future cash flows based on the shrinking of the business suit market, which was accelerated with the spread of COVID-19, the entire amount of consolidated goodwill related to Hanabishi Sewing was recognized as impaired. In line with the impairment of goodwill, an impairment loss for factory facilities, etc. was recorded. Restructuring expenses occurred due to downsizing of production capacity to be commensurate with market size. 	Loss caused by store closure due to COVID-19	308 million yen
			Impairment loss on goodwill	811 million yen
			Impairment loss on factory facilities/store interior	550 million yen
			Expenses including employee retirement allowances	286 million yen
Others	Impairment loss, etc. for idle assets	<ul style="list-style-type: none"> Idle assets owned by the Mitsui Matsushima Group (mainly in the Nagasaki area) were valued at market value and an impairment loss was recorded. 	Impairment loss on idle assets, etc.	265 million yen
Total				5,323 million yen
Of which, loss without cash outflows				4,732 million yen

*1 In line with the impairment, deferred tax assets of 636 million yen were reversed.

*2 GDM=PT Gerbang Daya Mandiri

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 Beverage and Food Packages Business, the Fashion Business, the Electronic Parts Business, the Office Equipment Business, the Pet Business, the Housing-Related Material Business (from February 2021), and the Nursing Care Business.
 - ✓ *Net sales dropped due to the exclusion of M&M Service from consolidation in 4Q of FY2019 and a decrease in sales in the Fashion Business resulting from the spread of COVID-19.
 - ✓ Profits increased because KMT Corporation (Pet Business) and Sansei Denshi Co., Ltd. (Electronic Parts Business) joined the scope of consolidation in 1Q of FY2020, and Systech Kyowa Co., Ltd. (Housing-Related Material Business) did so in 4Q of the same fiscal year.

Net sales				Segment profit				(Million yen)
Business	FY2019	FY2020	Yr/Yr Change	Business	FY2019	FY2020	Yr/Yr Change	
Energy	41,010	32,985	(8,025)	Energy	3,291	1,612	(1,679)	
Consumer Goods and Services	24,215	23,080	(1,135)	Consumer Goods and Services	802	1,572	+769	
<i>of which, Fashion Business</i>	4,372	2,379	(1,992)	<i>of which, Fashion Business</i>	50	(323)	(373)	
				[Before goodwill amortization]	[1,520]	[2,239]	[+718]	
Others	1,310	1,341	+31	Others	58	145	+86	
Adjustments	60	(29)	(89)	Adjustments	(1,410)	(1,383)	+27	
Total	66,596	57,378	(9,218)	Total	2,741	1,946	(794)	
				[Before goodwill amortization]	[3,459]	[2,613]	[(846)]	

*Segment profit for the Energy Business includes equity in net income of affiliates; FY2019: 80 million yen, FY2020: 34 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, all-company profit & expenses not allocated to each reporting segment, etc.

Breakdown of the Energy Business Division

- Coal Sales Business Net Sales, Profit: Both sales and profit declined mainly due to a drop in coal prices.
- Coal Production Business Net Sales, Profit: Both sales and profit declined mainly due to a drop in coal prices.

Net sales

Business	FY2019	FY2020	Yr/Yr Change
Coal Sales Business	34,964	28,768	(6,195)
Sales volume	3,650,000 tons	3,800,000 tons	+150,000 tons
Coal Production Business	13,073	10,453	(2,620)
Sales volume	1,230,000 tons	1,300,000 tons	+70,000 tons
Renewable Energy Business	308	317	+8
Adjustments	(7,336)	(6,554)	+782
Total	41,010	32,985	(8,025)

Segment profit

Business	FY2019	FY2020	Yr/Yr Change
Coal Sales Business	127	103	(24)
Coal Production Business	3,031 [80]	1,351 [34]	(1,679) [(45)]
<small>(of which, equity in net income of affiliates)</small>			
Renewable Energy Business	132	157	+24
Adjustments	–	–	–
Total	3,291	1,612	(1,679)

(Million yen)

Major indexes

	FY2019 Results	FY2020 Results	Change	
Coal Production Business (Jan.–Dec. results)	Sales volume: Thermal coal	1,050,000 tons	1,150,000 tons	+100,000 tons
	Sales volume: Semi-soft coking coal	180,000 tons	160,000 tons	(30,000) tons
	Average coal price: Thermal coal	US\$ 90.90	US\$ 71.77	US\$ (19.13)
	Average coal price: Semi-soft coking coal	US\$ 122.82	US\$ 84.02	US\$ (38.80)
	Exchange rate: A\$/US\$ (average rate)	US\$ 0.69	US\$ 0.68	Weaker A\$ against US\$ (0.01)
	Exchange rate: A\$/¥ (average rate)	75.8 yen	73.7 yen	Yen appreciation ¥(2.1)

Consolidated Balance Sheet

Balance sheet	Mar. 31, 2020		Mar. 31, 2021		Change	Main factor behind changes
	Amount	Ratio (%)	Amount	Ratio (%)		
Current assets	32,881	52.1	40,777	57.7	+7,896	Cash and deposits: +5,897; inventory assets: +2,719
Fixed assets	30,274	47.9	29,840	42.3	(433)	Tangible fixed assets: (2,428); Intangible fixed assets: +534; Investment securities: +1,570
Total assets	63,155	100.0	70,618	100.0	+7,462	
Current liabilities	14,071	22.3	25,492	36.1	+11,420	Short-term debt: +5,936; notes and accounts payable - trade: +2,753
Fixed liabilities	16,082	25.5	14,838	21.0	(1,243)	Long-term debt: (1,310)
Total liabilities	30,154	47.7	40,330	57.1	+10,176	
Total net assets	33,001	52.3	30,287	42.9	(2,713)	Net profit attributable to shareholders of the parent company: (3,035); dividends paid: (653); foreign currency translation adjustments: +493
Total liabilities and net assets	63,155	100.0	70,618	100.0	+7,462	

Other indicators	Mar. 31, 2020	Mar. 31, 2021	
Cash and deposits (including long-term deposits)	17,953	23,880	+5,927
Debt	(17,077)	(22,562)	(5,484)
Net cash and deposits	875	1,318	+442
Shareholders' equity ratio (%)	52.3	42.8	
Debt/equity ratio (times)	0.54	0.78	

Consolidated Balance Sheet (March 31, 2021)

Balance sheet

Current assets 40.8 billion

- Cash and deposits 23.9 billion
- Accounts receivable 7.2 billion
- Inventory assets 6.9 billion

Fixed assets 29.8 billion

- Tangible fixed assets 13.4 billion
 - [Buildings, machinery, etc.] [4.6 billion]
 - [Land] [7.7 billion]
 - [Leases] [1.1 billion]
- Intangible fixed assets 11.0 billion
 - [Goodwill] [10.7 billion]
- Securities 3.3 billion

Total assets 70.6 billion

Current liabilities 25.5 billion

- Accounts payable 6.4 billion
- Debt 12.4 billion

Fixed liabilities 14.8 billion

- Debt 10.2 billion
- Leases 1.0 billion

Net assets 30.3 billion

Shareholders' equity ratio
42.8%

Debt/equity ratio
0.78 times

Total liabilities and net assets:
70.6 billion

Consolidated Cash Flows

Cash flows

(Million yen)

	FY2019	FY2020	Main factors
Net profit before income taxes	2,959	(1,967)	
Depreciation and amortization (including goodwill amortization expenses)	3,010	2,630	
Impairment loss	392	3,921	
Working capital	(1,213)	2,623	
Others	(2,862)	(399)	
CF from operating activities	2,287	6,807	
Changes in fixed assets			
Investment securities	(1,686)	(1,075)	• Payment for acquisition of fixed assets
Acquisition and sale of subsidiaries accompanying a change in the scope of consolidation	(246)	(830)	• Payment for acquisition of investment securities
Others	(3,848)	(4,165)	• Consolidation of KMT Corporation, Sansei Denshi, and Systech Kyowa as subsidiaries
	(1,940)	3,503	• Increase in time deposits (more than three months)
CF from investing activities	(7,722)	(2,568)	
Changes in debt	5,765	5,095	• Debt for consolidation of KMT Corporation, Sansei Denshi, and Systech Kyowa as subsidiaries
Payment of dividends	(641)	(650)	
Others	(310)	(185)	
CF from financing activities	4,813	4,259	
Effect of exchange rate changes on cash and cash equivalents	(999)	607	
Changes in cash and cash equivalents	(1,621)	9,105	
Cash and cash equivalents at beginning of period	11,809	10,188	
Cash and cash equivalents at end of period	10,188	19,293	

FY2021 Consolidated Earnings Forecast

FY2021 Consolidated Earnings Forecast

- Energy Business Division: A decline in revenue due to the Accounting Standard for Revenue Recognition to be applied from FY2021 (Coal Sales Business)
- Consumer Goods and Services Business Division: Increases in revenue and profit due to consolidation of Systech Kyowa in February 2021 and a return to profitability at the Fashion Business

Consolidated earnings forecast

(Million yen)

	FY2020 Results	FY2021 Forecast	Yr/Yr Change
Net sales	57,378	39,900	(17,478)
Operating profit [Operating profit before amortization of goodwill]	1,946 [2,613]	3,000 [3,656]	+1,054 [+1,043]
Ordinary profit	3,020	2,900	(120)
Net profit attributable to owners of parent	(3,035)	2,000	+5,035
Dividend per share	50 yen	50 yen	-

* The Accounting Standard for Revenue Recognition and other standards are applied from FY2021, so the consolidated financial forecasts above are values after the said and other accounting standards are applied.

In the case where the said accounting standard is not applied, net sales total 65,800 million yen.

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

If a revision of the forecast of financial results becomes necessary, the Company will disclose the revised figures promptly.

FY2021 Consolidated Segment Earnings Forecast

- Energy Business Division: A decline in revenue due to the Accounting Standard for Revenue Recognition to be applied from FY2021 (Coal Sales Business)
A decline in profit due to a decrease in sales volume (Coal Production Business)
- Consumer Goods and Services Business Division: Increases in revenue and profit due to consolidation of Systech Kyowa (from February 2021), a return to profitability at the Fashion Business, an increase in order placement in the Electronic Parts Business

Net sales

Business	FY2020 Results	FY2021 Forecast	Yr/Yr Change
Energy	32,985	12,100	(20,885)
Consumer Goods and Services	23,080	26,400	+3,320
<i>of which, Fashion Business</i>	2,379	2,100	(279)
Others and adjustments	1,312	1,400	+88
Total	57,378	39,900	(17,478)

Segment profit

(Million yen)

Business	FY2020 Results	FY2021 Forecast	Yr/Yr Change
Energy	1,612	1,400	(212)
Consumer Goods and Services	1,572	2,800	+1,228
<i>of which, Fashion Business</i>	(323)	110	+433
[Before goodwill amortization]	[2,239]	[3,456]	[+1,217]
Others and adjustments	(1,238)	(1,200)	+38
Total	1,946	3,000	+1,054
[Before goodwill amortization]	[2,613]	[3,656]	[+1,043]

*Segment profit for the Energy Business includes equity in net income of affiliates; FY2020: 34 million yen, FY2021: - 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, all-company profit & expenses not allocated to each reporting segment, etc.

Breakdown of Earnings Forecast for the Energy Business Division (1)

- Coal Sales Business: A decline in revenue due to the Accounting Standard for Revenue Recognition to be applied from FY2021
- Coal Production Business: A decline in profit due to a decrease in sales volume

Net sales

Business	FY2020	FY2021	Yr/Yr Change
Coal Sales Business	28,768	* 230	(28,538)
Sales volume	3,800,000 tons	3,660,000 tons	(140,000) tons
Coal Production Business	10,453	11,600	+1,147
Sales volume	1,300,000 tons	1,270,000 tons	(30,000) tons
Renewable Energy Business	317	300	(17)
Adjustments	(6,554)	(30)	+6,524
Total	32,985	12,100	(20,885)

Segment profit

(Million yen)

Business	FY2020	FY2021	Yr/Yr Change
Coal Sales Business	103	120	+17
Coal Production Business	1,351	1,140	(211)
(of which, equity in net income of affiliates)	[34]	(-)	(34)
Renewable Energy Business	157	140	(17)
Adjustments	-	-	-
Total	1,612	1,400	(212)

* Reference: Impact of the Accounting Standard for Revenue Recognition to be newly applied
 FY2021 Coal Sales Business: net sales (forecast)
 Previous: 33,790 million yen
 Under new accounting standard: 230 million yen

Breakdown of Earnings Forecast for the Energy Business Division (2)

Major indexes

		FY2020 Results	FY2021 Forecast	Change
Coal Production (Jan.–Dec. results)	Sales volume (Thermal coal)	1,150,000 tons	1,080,000 tons	(70,000) tons
	Sales volume (Semi-soft coking coal)	160,000 tons	180,000 tons	+20,000 tons
	Average coal price: Thermal coal	US\$ 71.8	US\$ 85.3	+US\$ 13.6
	Average coal price: Semi-soft coking coal	US\$ 84.0	US\$ 71.9	US\$ (12.1)
	Exchange rate: A\$/US\$ (average rate)	US\$ 0.68	US\$ 0.78	Stronger A\$ against US\$ 0.10
	Exchange rate: A\$/¥ (average rate)	73.7 yen	85.0 yen	Yen depreciation ¥11.3

Amount of operating profit affected by foreign exchange fluctuations

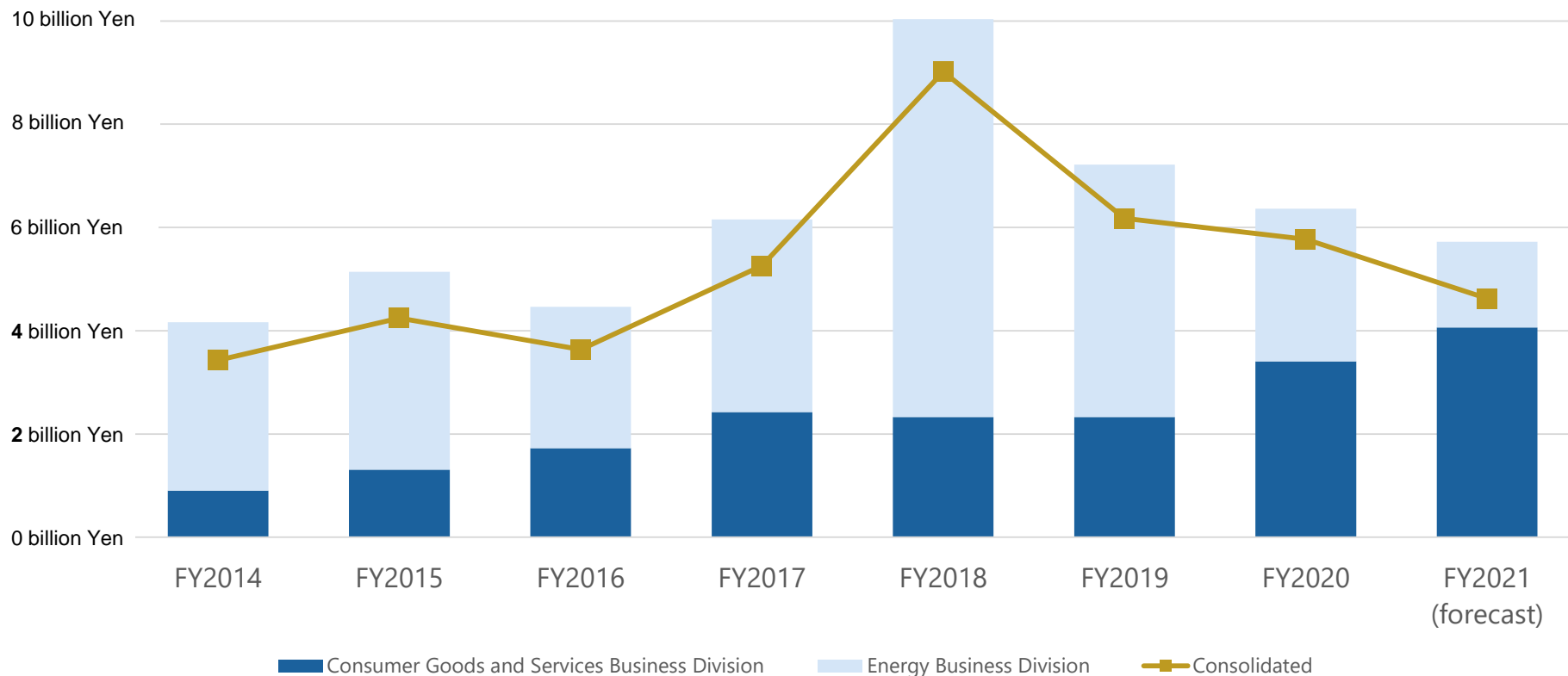
A\$/US\$: An increase in profit by approx. 0.7 billion yen per ¢ of A\$

* Foreign exchange sensitivity when the coal price remains unchanged (as of May 12, 2021)

EBITDA Change

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

- As a result of aggressive efforts to develop and reinforce new businesses, EBITDA in the Consumer Goods and Services Business has steadily increased.
- In FY2020, a drop in coal prices caused a substantial decrease in EBITDA in the Energy Business, falling below that in the Consumer Goods and Services Business.



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

Changes in Sales and EBITDA for Consumer Goods and Services Business

Changes in Sales and EBITDA for Consumer Goods and Services Business

Clean Surface Technology

From February 2017

Hanabishi Sewing

From October 2015

Nippon Straw

From February 2014

M&M Service

From July 2012
March 31, 2020 (already sold)

Meiko Shokai

From April 2019

Systech Kyowa

From February 2021

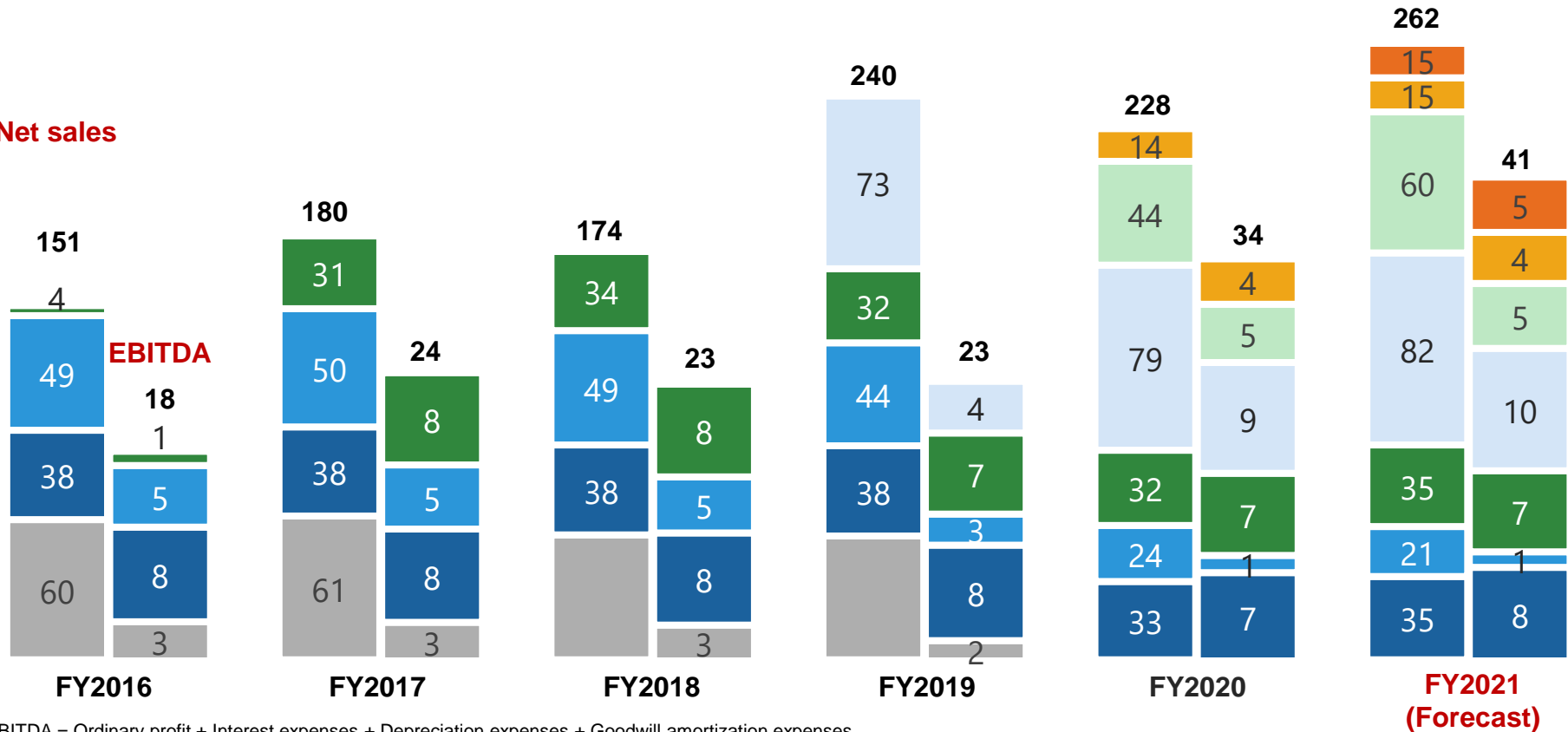
KMT

From April 2020

Sansei Denshi

(100 million yen)

Net sales



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

Businesses of the Mitsui Matsushima Group

Consumer Goods and Services Business Division

Main Consumer Goods and Services Businesses

Investment policy

Stable revenues

Niche markets

Easy to understand

Main businesses

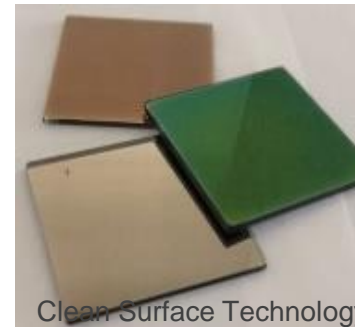
Beverage & Food
Packages Business



Fashion Business



Electronic Parts Business



Office Equipment
Business



Pet Business



Housing-related
materials



Beverage & Food Packages Business



Nippon Straw Co., Ltd. (<http://www.nipponstraw.com/>)

Overview and features

- 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 good evaluation it has received from its primary customers (major dairy and beverage manufacturers, etc.), the firm has maintained a stable sales base and has been achieving strong operating performance.
- Nippon Straw manufactures various types of high-function products and accommodates diverse customer needs.

Major products



Telescopic straws



Single straws



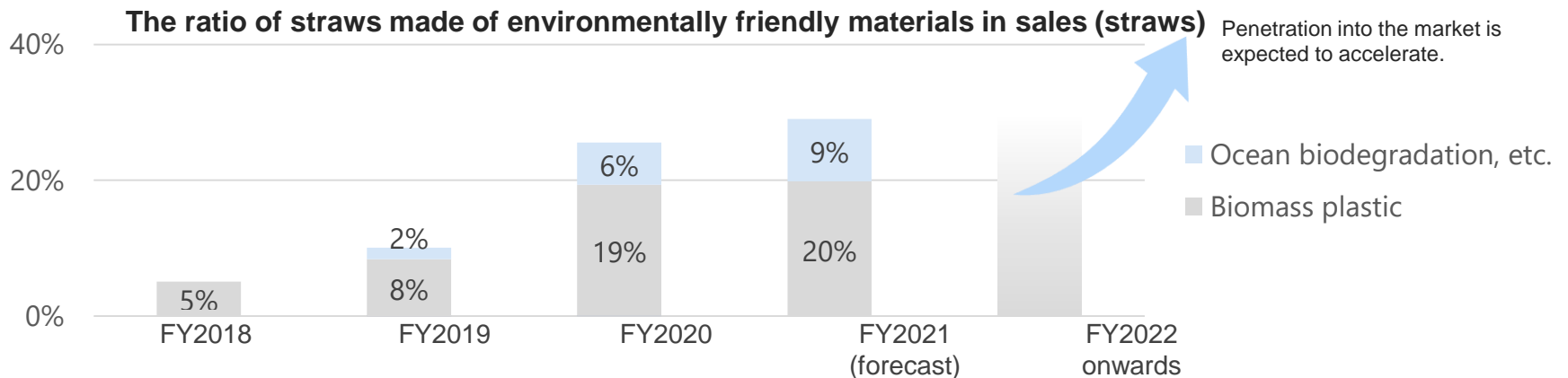
Drinking cups

Prospects and commitment

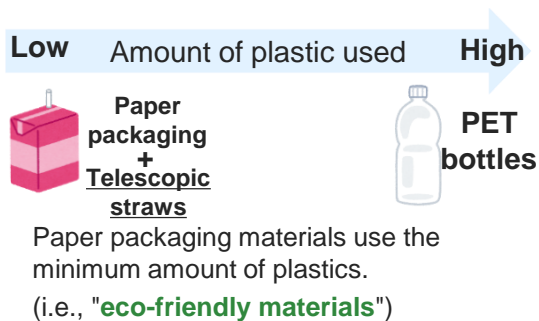
- Aim to increase revenues, mainly due to expanding demand for straws made of environmentally friendly materials and the development of new foodware products with sophisticated design (e.g., paper drinking cups, food containers).
- Nippon Straw conducts initiatives to develop products that are friendly to people and the environment in order to provide the market with safe, secure, convenient, and high-quality straws.

Nippon Straw — “Initiatives for environmentally friendly materials”

- **Plans to commercialize ocean-biodegradable telescopic straws for the first time in the world** (as of May 12, 2021)
- Penetration of straws made of environmentally friendly materials into the market is in the transition period.
- A shift from existing plastic straws to straws made of environmentally friendly materials (mainly biomass plastic and ocean-biodegradable plastic) is expected to accelerate.



Future of telescopic straws



Expected to be exempt from levy on straws under discussion at the Ministry of the Environment

Classification of major straws made of environmentally friendly materials

	Current	From FY2021 on
Biomass plastic		
✓ Mainly made from sugarcane		
✓ Carbon neutral		
Ocean-biodegradable plastic		
✓ Mainly made from vegetable oil		
✓ Decomposes into water and carbon dioxide under various conditions, including in seawater		
Main usage	Telescopic straws	Telescopic straws
Customers	Major dairy companies and beverage manufacturers	Major dairy companies and beverage manufacturers
Main usage	Single straws	Single straws + Telescopic straws
Customers	Leading convenience stores	Leading convenience stores + Major dairy companies and beverage manufacturers

Fashion Business



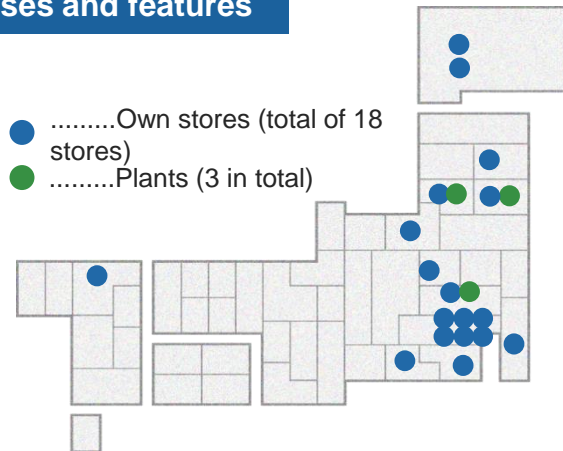
HANABISHI
THE TAILOR OF JAPAN SINCE 1935

Hanabishi Sewing Co., Ltd. (<https://hanabishi-sewing.jp/corporate.html>)

Overview and features

- Acquired shares in October 2015.
- Established in 1935. Hanabishi Sewing is **a pioneer in custom-made suits**, receiving high evaluations from major department stores and consumers.
- With its system for **“full domestic production, from product development to production & sales”** it has differentiated itself from other companies in operating its own shops.

Bases and features



Complete domestic sewing



A variety of suit materials



Commitment and prospects

Market environment

- Leading menswear retailers and other players are increasingly entering the custom-made suits' market.
- The shift to working from home is accelerating and demand for business suits has slackened further because of the impact of COVID-19.

Commitment in FY2020

- **Shift to a structure to make a profit even in a market whose size is 60% down from that in FY2019**
 - ✓ No. of factories: 5 → 2.5
(2 factories are completely closed and 1 factory is substantially downsized)
 - ✓ No. of employees: 700 → 300

Forecast for FY2021 onwards

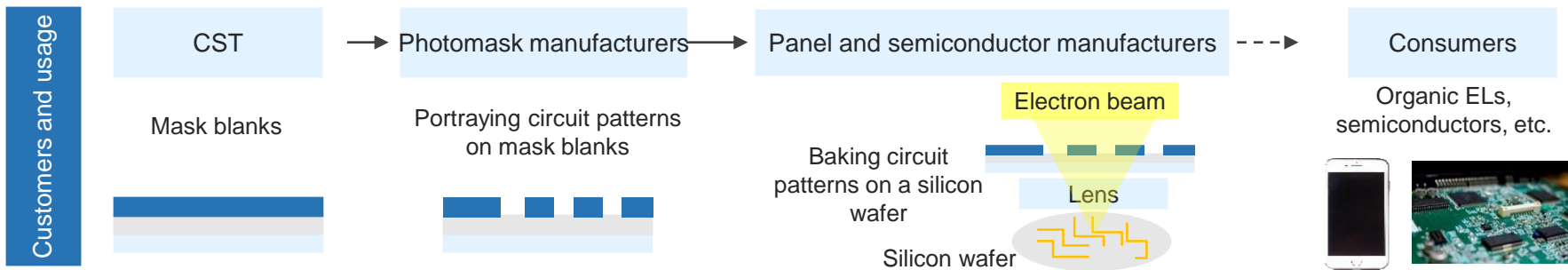
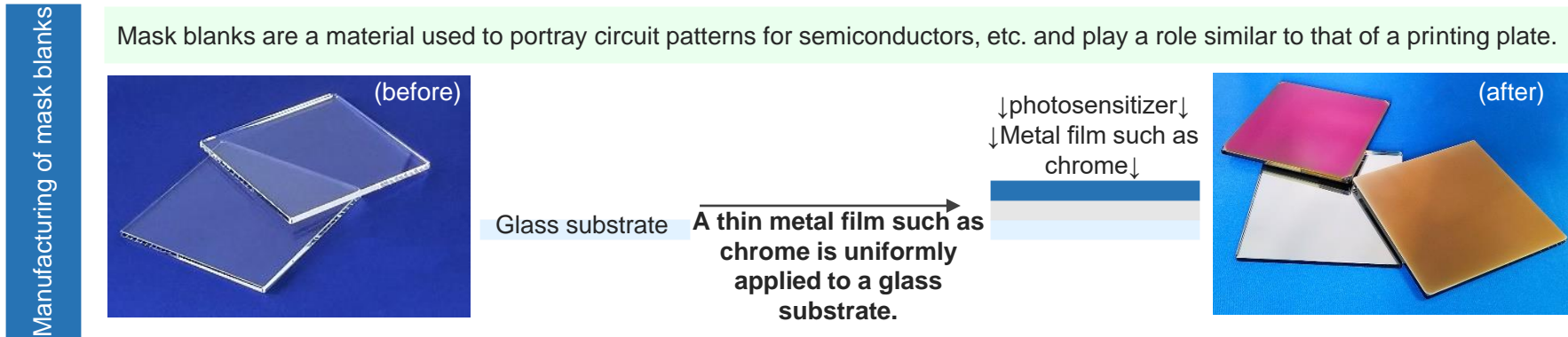
- Operating profit: (300) million yen in FY2020 ⇒ 100 million yen in FY2021
- The custom-made suits' market will continue to be severe.
- Hanabishi Sewing plans to give more weight to casual office wear.



CLEAN SURFACE TECHNOLOGY Co., Ltd. (<http://www.cst-h.com/>)

Overview and features

- 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**.



Prospects

- Since photomasks made from mask blanks are **consumed a lot in the product development process of LCD, OLED, and semiconductor manufacturers, the impact of the sales trends of final products is relatively limited**. However, in association with the development of such market where further technological innovation is expected, including the expansion of 5G-related businesses, growth of CST's business (the mask blanks market) is anticipated.

Electronic Parts Business

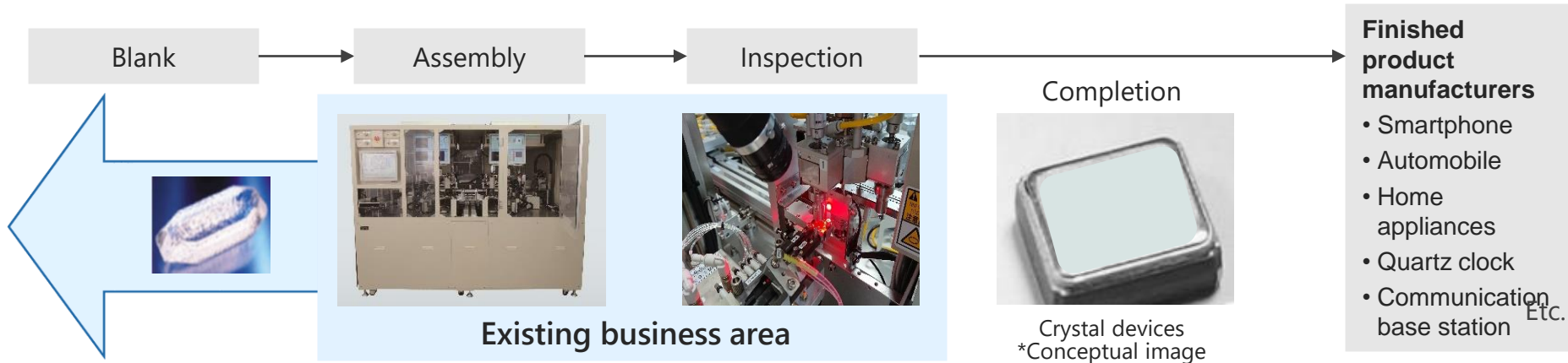


Sansei Denshi Co., Ltd. (<http://www.sanseidenshi.co.jp/>)

Overview and features

- Acquired shares in April 2020.
- Sansei Denshi manufactures and constructs manufacturing equipment and measuring instruments necessary for the production of crystal devices, and sells them to crystal device manufacturers.
- **The only equipment manufacturer in Japan capable of manufacturing in-line systems** covering a wide range of manufacturing processes from assembly to inspection for crystal devices.
- Sansei Denshi developed and launched **in-line systems covering manufacturing processes up to the blank process** in the market in FY2021.
- It succeeded in differentiating itself from its competitors by **developing the market's first dedicated equipment**.
- The company has strengths in (1) advanced technology; (2) strong relationships with customers; and (3) price competitiveness.

Manufacturing process



The business area is expected to expand further with the extended manufacturing process including the blank process.

What are crystal devices?

Electronic parts that use the (reverse) piezoelectric effect concerning crystals (the nature of vibrating rapidly and accurately when a voltage is applied)
They are installed in all kinds of electronic devices and are essential especially for wireless connectivity devices (smartphones, etc.)
Applications are expected to expand in growth sectors, such as the use of electronics in motor vehicles and 5G support in communications infrastructure

Growth Potential in Electronic Parts Business

- The Electronic Parts Business, which was expected to remain stable, is likely to expand its revenues steadily due to the favorable market environment.

5G

- Increased number of communication base stations
- Rise of smartphones with organic electroluminescent displays (higher resolution)

Demand arising from stay-at-home lifestyle

- Increased capital investment in data centers
- Increased demand for PCs

Automobile

- Electric automobiles (requiring more semiconductor chips)
- Autonomous driving (requiring more semiconductor chips)
- Connected vehicles (requiring more communication devices)

Internet of Things

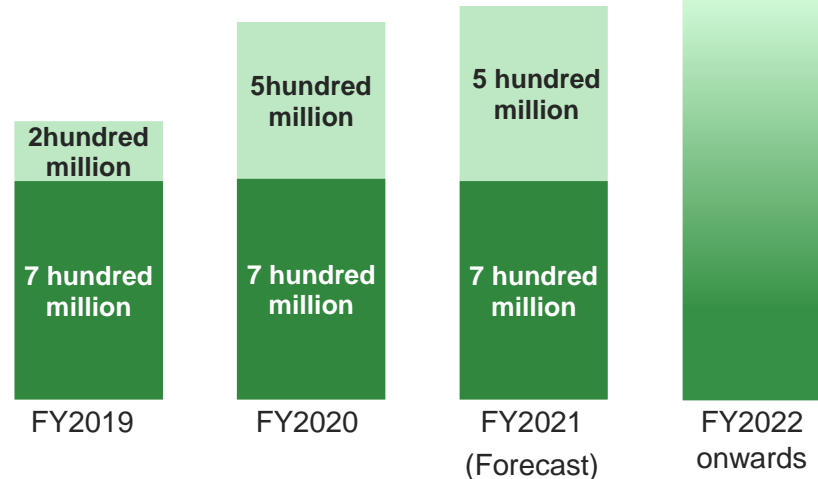
- Increased number of compact communication devices

Chronic semiconductor shortage

Conceptual image of EBITDA change

Revenues are expected to grow.

■ CLEAN SURFACE TECHNOLOGY



Office Equipment Business



Meiko Shokai Co., Ltd. (<https://www.meikoshokai.co.jp/>)

Overview and features

- 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 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.**
- Plans to make T SECURE INTERNATIONAL CO., LTD., a partner plant in Thailand, a subsidiary in FY2021. ⇒ Pursuing higher quality and higher price competitiveness as a shredder company that carries out all the processes from planning to manufacturing and sales.
- **Maintaining its steady revenue structure** through its extensive customer bases, **reliable product lineup that can deal with diversified needs and high resale rate**

Major products

MS Shredder



A wide variety of products for different applications

1. Small to large, and special machines
2. Maximum number of sheets to be shredded: 20 to over 100 sheets
3. Paper shredding size

Coarse ← → Fine
(10 mm² or smaller*)



* World's finest

Automated reception system

MS voice call NEO



Sales and after-sales service network

Network throughout Japan

- ... Sales/service bases



Pet Business



KMT Corporation (<https://kmt-dogfood.com/>)

Overview and features

- Acquired shares in April 2020.
- KMT is engaged in the planning/sales of **high-quality premium pet foods** based on preventive medicine. It develops products focusing on the health of pets, by using ingredients equivalent to those a human being can eat and by not using additives, coloring agents, and byproducts.
- **Its products have been** favorably evaluated by pet breeders and veterinary hospitals across the country, having strong brand power and a solid market share in the high-quality healthy premium pet food market.
- As it will become increasingly common for people to “treat a pet as a family member” in the future, demand for the company’s products is expected to increase.

Major products

ブリスミックス | Super premium dog food

BLISMIX[®]



Focusing on the maintenance of health from the perspective of the oral cavity environment
Attaching importance to raw materials and using fresh materials

- Example of remarkable ingredients
 - ◆ Useful for improving the oral cavity
K12 (probiotic bacteria within the oral cavity)
 - ◆ Useful for improving the intestinal
EF2001 lactic acid bacillus
 - ◆ Useful for maintaining the health of joints
Glucosamine, chondroitin
 - ◆ Abundant β -glucan
Agaricus

アガリクス I/S

AGARx[™] I/S

High-quality foods containing rich nutrients and helping to improve the immune system and self-healing power



- Example of remarkable ingredients
 - EF2001 lactic acid bacillus**
 - Glucosamine, chondroitin**
 - Agaricus**

Housing-related materials



System Kyowa Co., Ltd. (<http://www.systechkyowa.co.jp/>)

Overview and features

- Acquired shares in February 2021.
- Engaging in planning, production, and sales of housing-related materials (e.g., door stoppers, earthquake-resistant latches).
Boasting **a high share in the industry by carrying out integrated production in the group from planning, molding and forming to assembling.**
- Operating an in-house factory in Thailand.
Maintaining solid business relationships through direct sales transactions with leading housing and building materials manufacturers, engaging in joint product development and joint patent applications.
- While there has been a temporary decline in economic indicators related to new housing starts due to the impact of COVID-19, **strong growth is expected in the future.**

Major products

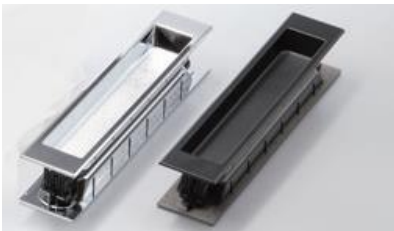
Door stopper



Earthquake-resistant latch



Pull



Caster



Strengths

Cost competitiveness

- In-house factory (Thailand)

- Direct sales system

High technological skills

- Advanced product development capabilities

- Patents

Solid relationships with business partners

- Proposal-based marketing

- Joint development

Bases



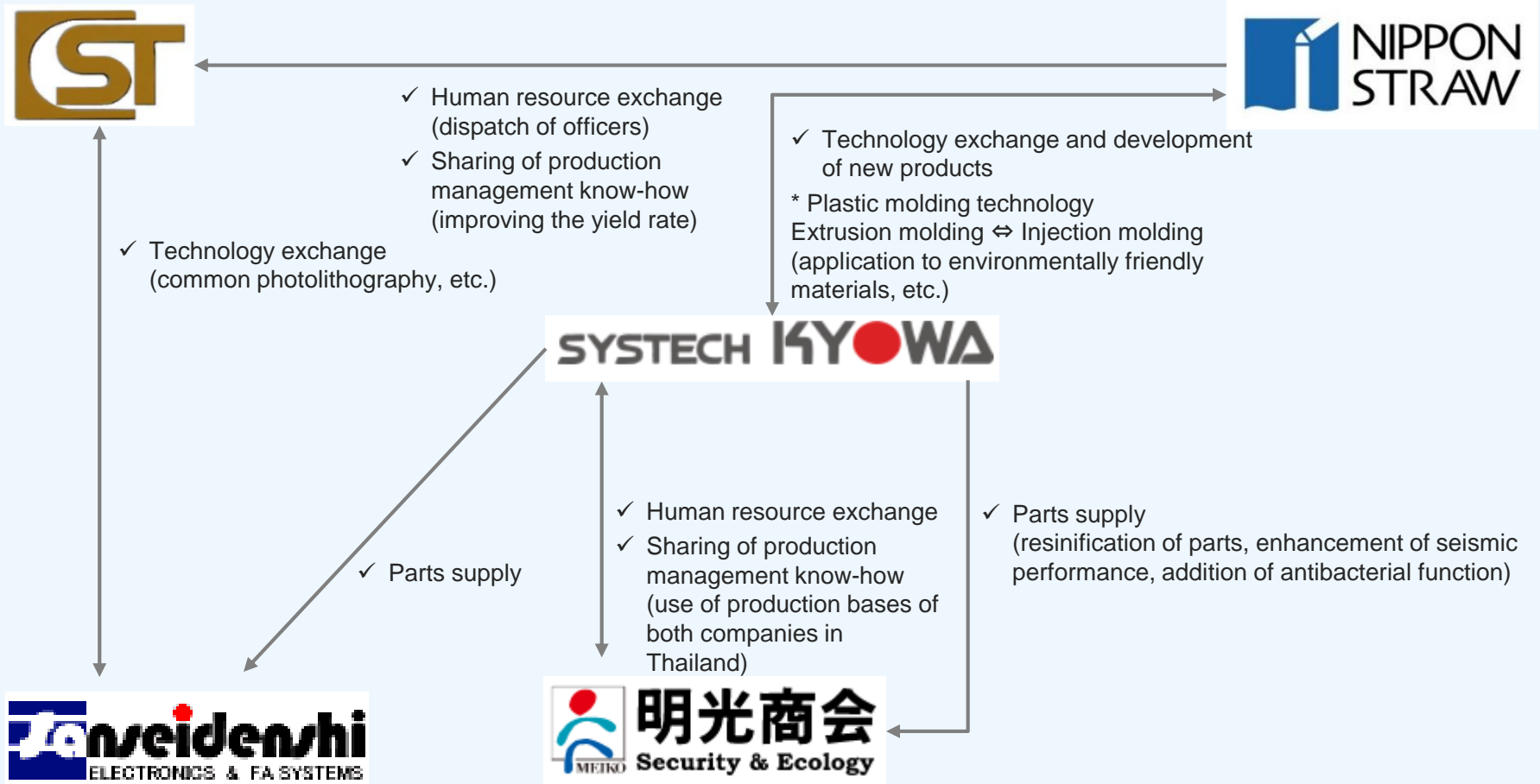
Head office and factory



Factory in Thailand

Group Synergy

- Group companies created synergies by sharing know-how and other information common to the manufacturing industry.



Nursing Care Business



MM Life Support Co., Ltd. (<http://pinegarden.jp/index.php>)

Overview and features

- 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” (81 rooms) coordinated with medical care: (Pine Garden Fujisaki: 26 rooms, Pine Garden Muromi: 55 rooms).
- Based on the concept **“Wishing to have my parents reside here, I also wish to reside here in the future,” the firm 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 while meeting the needs of Japan’s super-aged society.**

Facilities under management

Pine Garden Fujisaki



Pine Garden Muromi



Management concept

- Taking initiatives to improve the nursing care level of users and focusing on **creating facilities 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.



Energy Business Division

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

Liddell Coal Mine in Australia

Overview and features

- Operational structure: Joint venture between local unit Mitsui Matsushima Australia Pty. Ltd. (32.5%) and Glencore (67.5%)
- High-quality thermal coal and coking coal (semi-soft coking coal) are produced (approximately 90% thermal coal) and shipped mainly to Japan.
- Reserves: 850 million tons
(Proven reserves: 210 million tons; probable reserves: 240 million tons; possible reserves: 400 million tons)
Recoverable reserves: 11 million tons (volume in mining areas approved by the state government as of present)
- Production: raw coal: 5.23 million tons
Charcoal production: 3.47 million tons (2021 forecast)

Bases

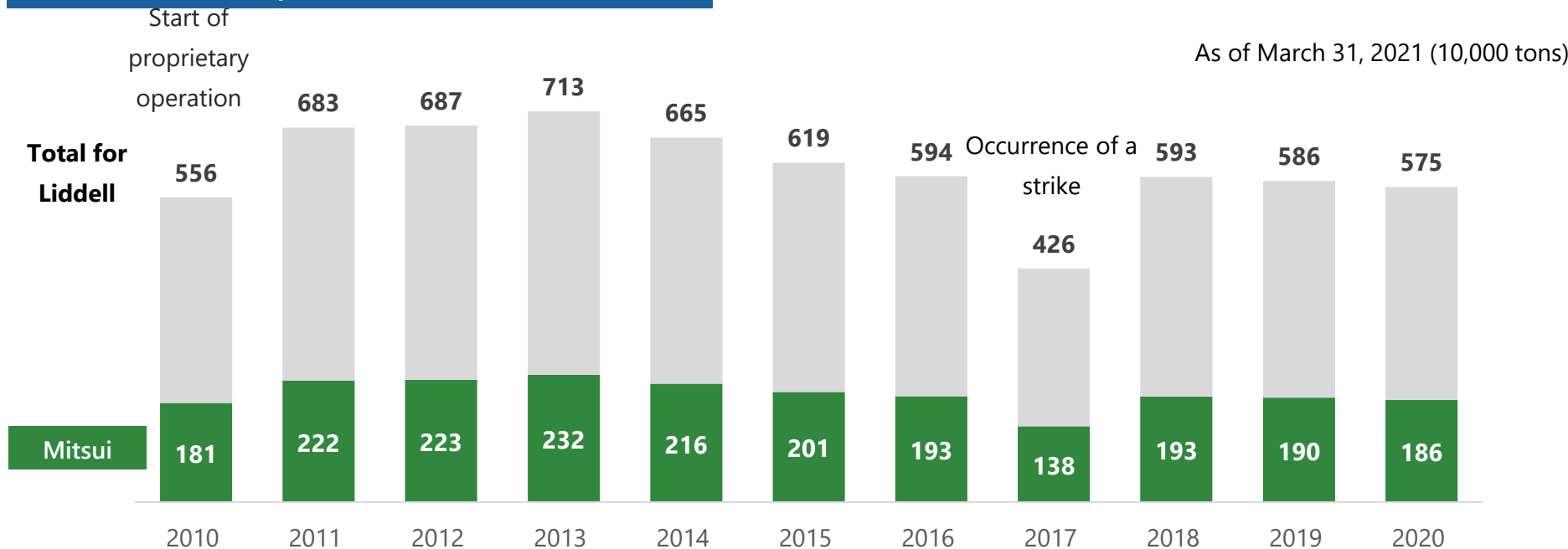


Production site



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

Liddell Coal Mine production (raw coal) results



- Mining areas approved by the state government as of present are **expected to finish mining in FY2023**. No major cost fluctuation is expected until completion.
- **The goal is to maximize the value of interests** by making steady progress in preparing to expand the mining area (e.g., procedures for obtaining environmental permits within the year).
- However, **an upfront investment of about 10.0 billion yen is projected around 2023**. Therefore, if the extension is implemented, **an option of early withdrawal** will also be considered, taking into account the surrounding environment, profitability, and other factors.

Coal Sales Business, Renewable Energy Business

Mitsui Matsushima Co., Ltd. (Coal Sales)

Overview and features

- 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.
- The impact of fluctuations of coal prices on profits is limited as commissions according to transaction volume are the main source of revenues.
- Net sales are substantially affected by the Accounting Standard for Revenue Recognition to be applied from FY2021.
 - * Reference: FY2021 net sales (forecast)
Previous: 33,790 million yen
Under new accounting standard: 230 million yen

MM Energy Co., Ltd. (Renewable Energy)

Overview and features

- 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.
- During FY2020, power limiting was conducted 64 times based on the output control instruction by Kyushu Electric Power Co., Inc.



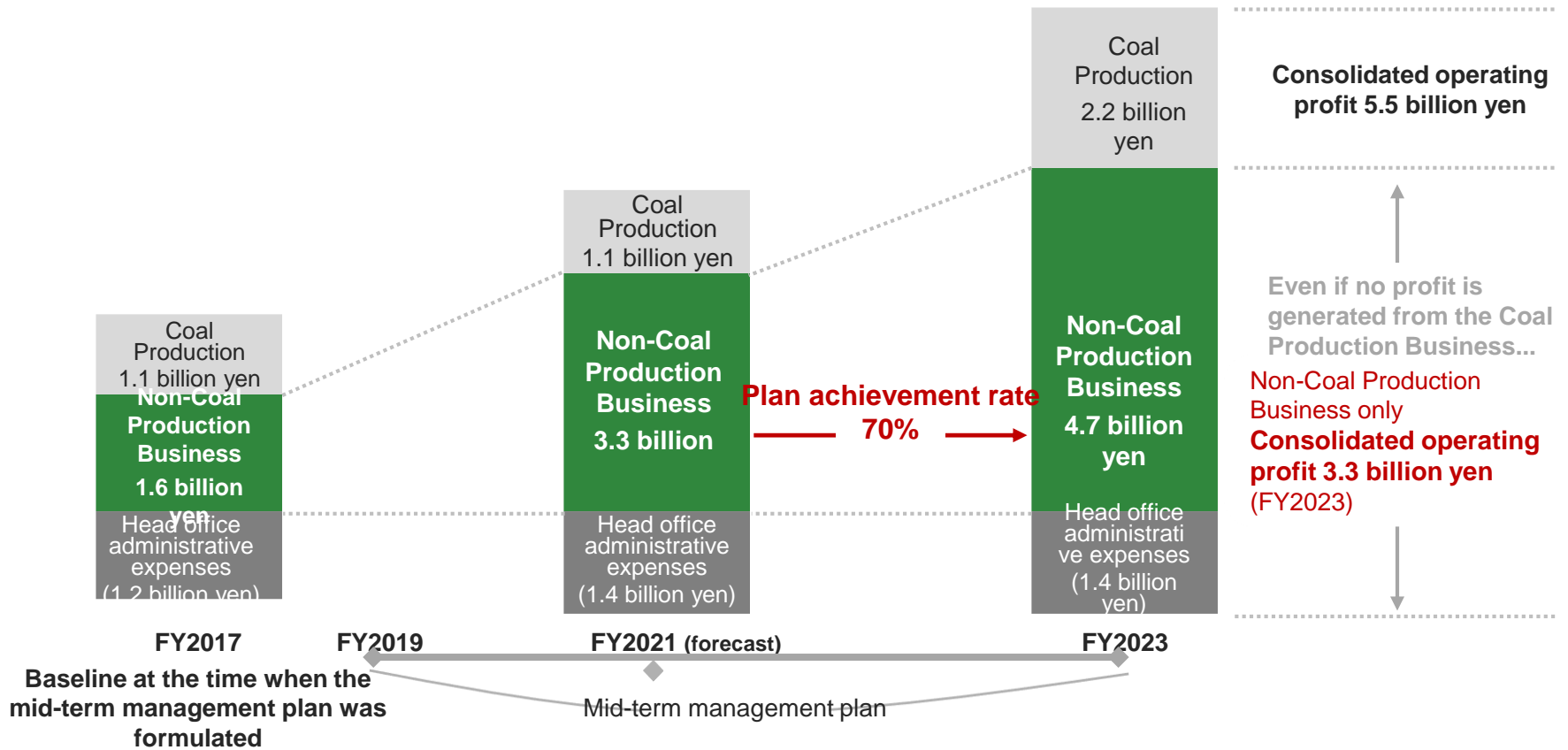
Progress of Mid-term Management Plan

Progress of Mid-term Management Plan

Overview of the plan

- The Company will **maintain its shareholder return policy focusing on steady dividend payments based on its adequate earnings base** even if no profit is generated from the Coal Production Business. This is due to the achievement of the mid-term management plan (profit of 4.7 billion yen in the Non-Coal Production Business).

Profit goals



*FY2021 figures are forecasts as of this moment.

Reference Materials

Sustainability Activities

Basic sustainability policy



Based on the corporate philosophy of "Serving People and Society," the Mitsui Matsushima Group will fulfill its social responsibility to its stakeholders and strive to resolve social issues through its business activities so that a sustainable society can be realized. Please refer to our website for specific activities of the Group.
(<https://www.mitsui-matsushima.co.jp/csr/index.html>)

Our initiatives

● Operation of Mitsui Minato Club



- Since its opening in 1908, it has served as a social gathering place and a guest house for Mitsui Zaibatsu. It is a designated tangible cultural property of Omuta City, Fukuoka Prefecture. It was inherited in June 2017 from interested persons in Omuta City.

It is a socially significant business to protect and preserve the historical heritage that has long been loved by the local community; this will lead to a significant contribution to Omuta City, which is the cornerstone of the growth of the entire Mitsui Group, and the local residents.

● Custom-made suits for wheelchair users

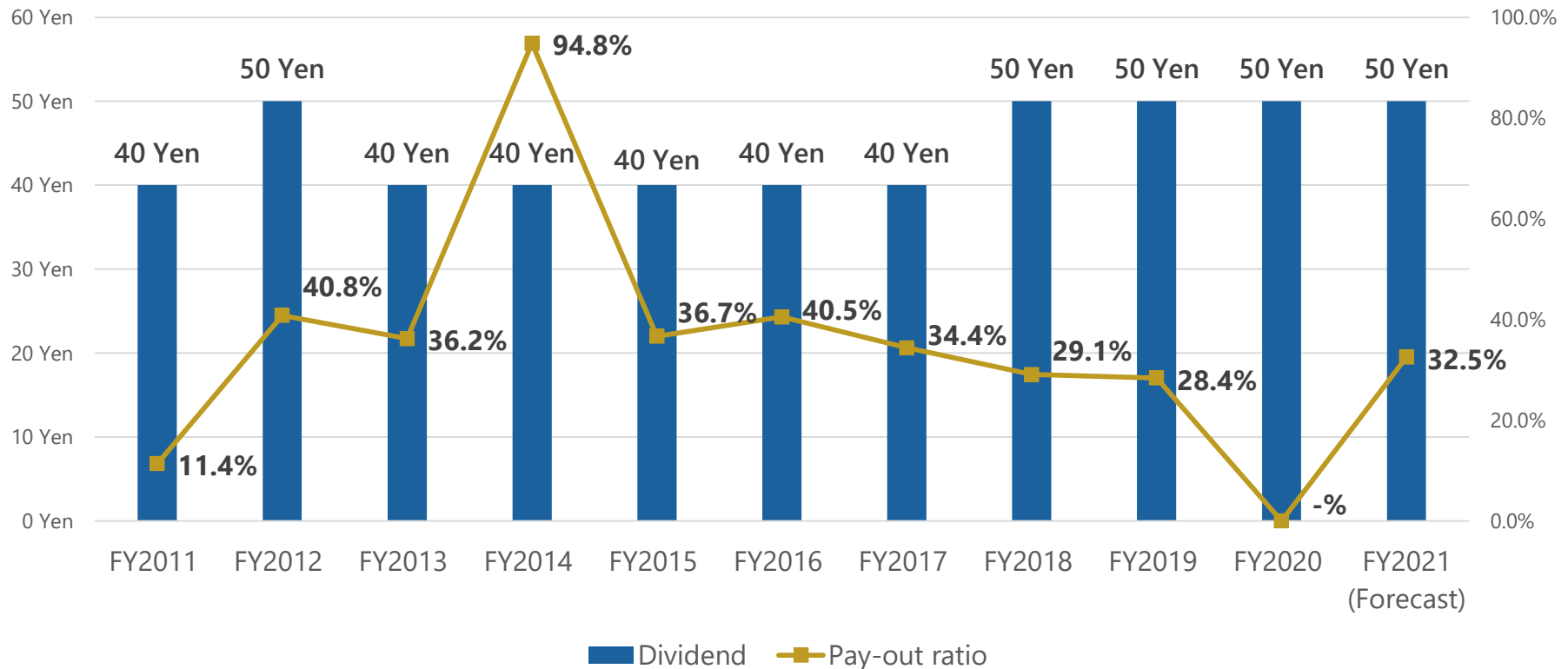


- Developed our own custom-made suits for wheelchair users, designed for a sitting posture. Solving various kinds of inconvenience that wheelchair users have when wearing suits.

Dividend Policy and Transition in Dividends

Dividend status and policy

- **The Company has set the dividend for FY2020 at 50 yen per share and the dividend forecast for FY2021 at 50 yen per share.**
- The Company 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.



*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

Shareholder incentives

The Company will provide the following Shareholder Incentive Plan for shareholders listed in the shareholders' register as of March 31, 2021.

Hanabishi Sewing: product gift tickets (10,000 yen)



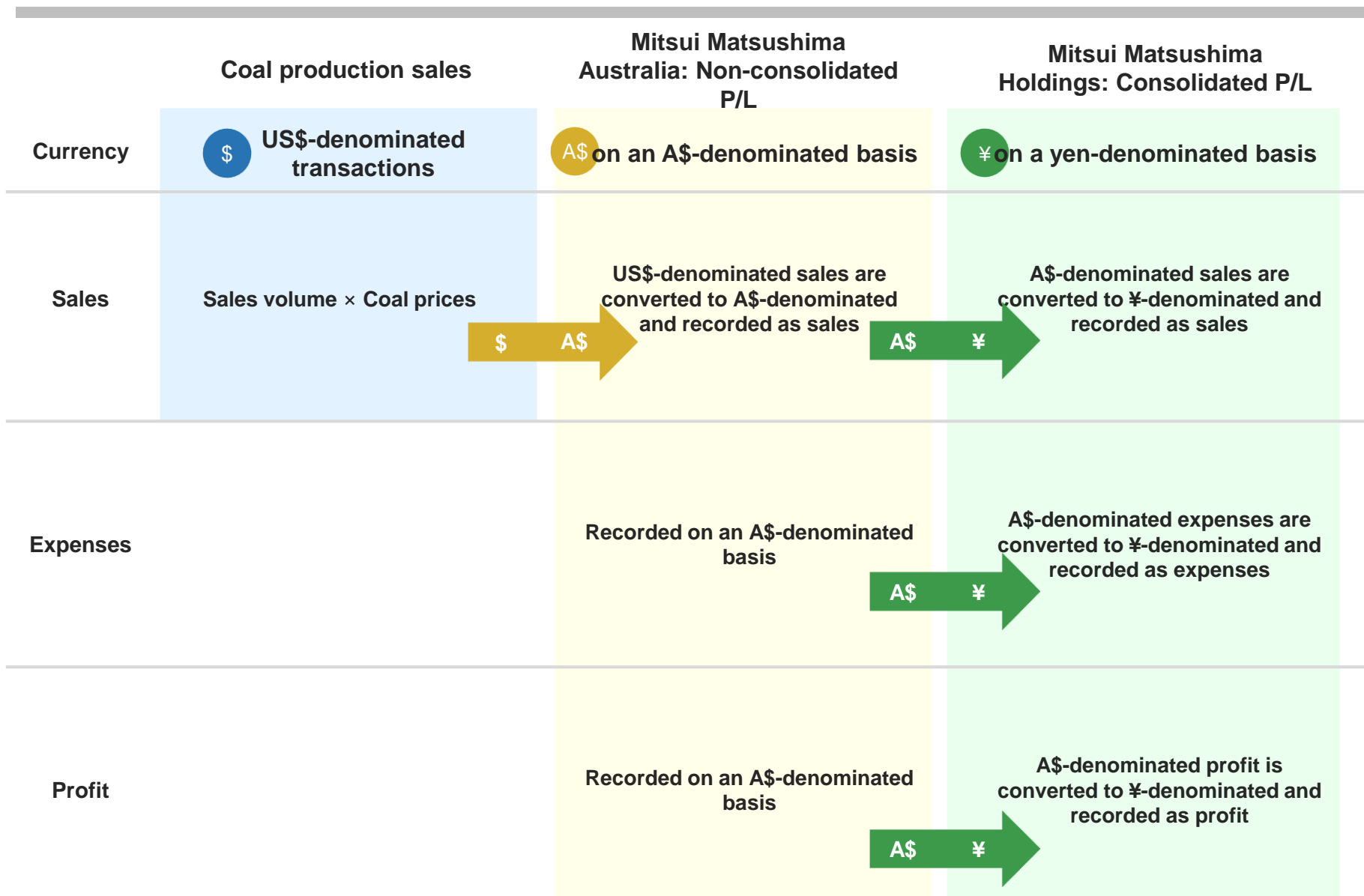
- **Eligible shareholders**
Number of shares held
 - 100 shares or more, less than 1,000 shares: 1 ticket
 - 1,000 shares or more: 2 tickets
- **Applicable items**
 - In-store purchases of any product (up to 2 tickets per visit, not applicable to online purchases)

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 (total of 17 facilities across the country)**
 - Hotels operated by M&M Service (total of 16 facilities)
 - Mitsui Minato Club <Omuta City, Fukuoka Prefecture> (meals only)

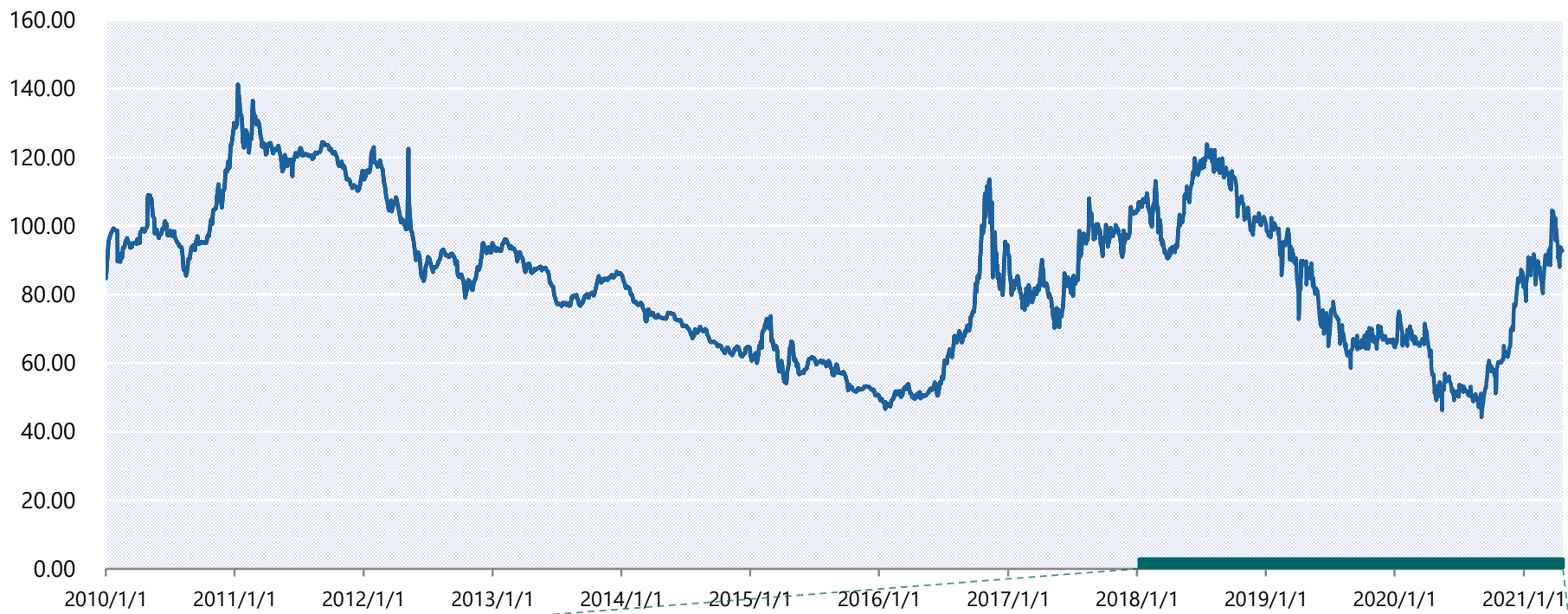
Impact of FX in Coal Production Business



Trends in the Coal Market

Coal market information

(US\$/Mt) "global COAL" INDEX, Australia Newcastle Port Load, Trend in Standard-Quality Thermal Coal Index



(US\$/Mt)		2018				2019				2020			2021		
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	1-3月	Apr.-Jun.	7-9月	10月	Jan.-Mar.	1-3月
Coking coal*	Heavy coking coal	237	197	188-189	212-213	210-211	207-208	177-178	141-142	147-148	136	110	116	122	Not determined
	Semi-soft coking coal	150	132	129	135	132	129	115	107	100-104	95-104	82-86	87-91	91-92	Not determined
Thermal coal	Apr. contract	84.97	110.00			94.75			68.75			Not determined			
	Oct. contract	94.75			109.77			72.75			None				
Foreign Exchange	US\$/A\$	US\$0.74			US\$0.69			US\$0.78			Not determined				
	Yen/A\$	82.6 yen			75.8 yen			85.0 yen			Not determined				

*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