



Presentation of Financial Results for the First Quarter Ended June 2023

Mitsui Matsushima Holdings Co., Ltd.

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1Q FY2023 Financial Results

Consolidated Income Statement

Income Statement

- Both net sales and profits increased due to a rise in coal prices.

(Million yen)

	FY2022 1Q	FY2023 1Q	Y-o-y change	Main factor behind changes
Net sales	14,197	22,806	+8,608	<ul style="list-style-type: none"> Conversion of MOS into a subsidiary (Consumer Goods Business) Rise in coal prices in the Coal Production Business
Operating profit [before amortization of Goodwill]*	3,495 [3,686]	9,890 [10,102]	+6,394 [+6,415]	<ul style="list-style-type: none"> Rise in coal prices in the Coal Production Business
Ordinary profit	3,496	10,302	+6,805	
Net profit attributable to owners of parent	2,303	7,082	+4,779	

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

Consolidated Segment Information

- The Consumer Goods and Services Business segment comprises the Consumer Goods Business and the Industrial Products Business.
 ✓ MOS Co., Ltd. (Consumer Goods Business) was consolidated (1Q FY2023).
- The Energy Business segment comprises the Coal Production Business (Note), the Coal Sales Business, and the Renewable Energy Business.

(Note) The fiscal year end of the Coal Production Business is December 31, and the financial figures for January to March are used.

Net sales

Business	FY2022 1Q	FY2023 1Q	Y-o-y change
Consumer Goods and Services	8,160	8,347	+186
Energy	5,708	14,135	+8,426
Other	360	354	(6)
Adjustments	(32)	(30)	+1
Total	14,197	22,806	8,608

Segment profit

(Million yen)

Business	FY2022 1Q	FY2023 1Q	Y-o-y change
Consumer Goods and Services	1,061	842	(218)
[before amortization of goodwill]	[1,252]	[1,053]	[(198)]
Energy	2,788	9,482	+6,693
Other	45	50	+4
Adjustments	(399)	(483)	(84)
Total [before amortization of goodwill]	3,495 [3,686]	9,890 [10,102]	+6,394 [+6,415]

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

* Adjustments in segment profit include companywide expenses not allocated to each reporting segment.

Breakdown of the Energy Business Division

- Coal Production Business

Net sales and segment profit: Both rose owing to a rise in coal prices

Net sales

Business	FY2022 1Q	FY2023 1Q	Y-o-y change
Coal Production Business	5,550	14,009	+8,459
Sales volume	240,000 tons	320,000 tons	+80,000 tons
Coal Sales Business	55	44	(10)
Sales volume	730,000 tons	600,000 tons	(130,000) tons
Renewable Energy Business	102	80	(22)
Total	5,708	14,135	+8,426

Segment profit

(Million yen)

Business	FY2022 1Q	FY2023 1Q	Y-o-y change
Coal Production Business	2,629	9,419	+6,789
Coal Sales Business	94	21	(73)
Renewable Energy Business	64	41	(22)
Total	2,788	9,482	+6,693

Major indicators

	FY2022 1Q	FY2023 1Q	Change	
Coal Production Business (Jan.–Mar. results)	Sales volume: Thermal coal	190,000 tons	280,000 tons	+90,000 tons
	Sales volume: Semi-soft coking coal	50,000 tons	40,000 tons	(10,000) tons
	Average coal price: Thermal coal	US\$183.7	US\$ 343.0	US\$ +159.3
	Average coal price: Semi-soft coking coal	US\$ 269.0	US\$ 254.2	US\$ (14.8)
	Exchange rate: A\$/US\$ (average rate)	US\$ 0.73	US\$ 0.69	Weaker A\$ against US\$ (0.04)
	Exchange rate: A\$/¥ (average rate)	¥ 84.3	¥ 90.6	Yen depreciation ¥ +6.3

Consolidated Balance Sheet

Balance sheet

(Million yen)

		March 31, 2023		June 30, 2023		Change	Major factors behind changes
		Amount	Ratio (%)	Amount	Ratio (%)		
	Current assets	63,237	66.6	64,159	68.0	+921	Cash and deposits: +2,281; Trade receivables: (1,385)
	Fixed assets	31,788	33.5	30,216	32.0	(1,571)	Intangible assets: (345); Investment securities: (1,075)
	Total assets	95,025	100.0	94,376	100.0	(649)	
	Current liabilities	26,330	27.7	25,729	27.3	(600)	Trade payables: (1,347); Short-term borrowings, etc.: +1,008
	Fixed liabilities	12,093	12.7	11,633	12.3	(459)	Long-term borrowings: (367)
	Total liabilities	38,423	40.4	37,363	39.6	(1,060)	
	Total net assets	56,602	59.6	57,012	60.4	+410	Net profit attributable to owners of parent: +7,082 FY2022: Year-end dividend (240 yen per share): (3,135) Capital surplus (Additional acquisition of MOS): (1,648)
	Total liabilities and net assets	95,025	100.0	94,376	100.0	(649)	

Other indicators

	March 31, 2023	June 30, 2023	Change
Cash and deposits (including long-term deposits)	39,501	41,785	+2,283
Debt	12,660	13,302	+641
Net cash and deposits	26,840	28,482	+1,642
Shareholders' equity ratio (%)	58.7	60.3	+1.6
Debt/equity ratio (times)	0.25	0.25	+0.00

Consolidated Balance Sheet (June 30, 2023)

Balance sheet

Current assets 64.1 billion

- Cash and deposits 41.7 billion
- Accounts receivable 12.4 billion
- Inventories 7.8 billion

Current liabilities 25.7 billion

- Accounts payable 6.5 billion
- Debt 7.8 billion

Fixed liabilities 11.6 billion

- Debt 5.4 billion

Net assets 57.0 billion

Shareholders'
equity ratio
60.3%

Debt/equity ratio
0.25 times

Fixed assets 30.2 billion

- Tangible fixed assets 12.6 billion
 - [Buildings] [3.2 billion]
 - [Land] [7.3 billion]
 - [Machinery and equipment, leases, etc.] [2.0 billion]
- Intangible assets 13.1 billion
 - [Goodwill] [12.4 billion]
- Securities 2.8 billion

Total assets 94.3 billion

**Total liabilities and net assets
94.3 billion**

FY2023
Consolidated Earnings and
Dividend Forecasts
(Disclosed on May 15, 2023)

FY2023 Consolidated Earnings Forecast

- In view of the recent trends in earnings results, the Company **has made no change in its consolidated earnings forecasts** for FY2023 announced on May 15, 2023.

Consolidated earnings forecast

(Million yen)

	FY2022 Results	FY2023 Forecast	Y-o-y Change
Net sales	80,015	66,000	(14,015)
Operating profit [before amortization of Goodwill]	35,789 [36,553]	16,000 [16,846]	(19,789) [(19,707)]
Ordinary profit	35,933	17,000	(18,933)
Net profit attributable to owners of parent	22,977	11,000	(11,977)
Dividend per share	320 yen	80 yen	(240) yen

* The FY2022 per-share dividend of 320 yen consists of an ordinary dividend for common shares of 80 yen and a commemorative dividend of 240 yen.

In addition to paying the ordinary dividend, the Company is acquiring its own shares (subject to the upper limit of 3 billion yen) with a view to achieving a total shareholder return ratio of around 30% for FY2023.

* 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.

Latest Topics

Toward Termination of Liddell Coal Mine in Australia

Status of Liddell Coal Mine in Australia

- Operational structure: Joint venture between local unit Mitsui Matsushima Australia Pty. Ltd. (32.5%) and Glencore (67.5%)
- High-quality thermal coal (approximately 80 to 90% of the total) and coking coal are produced and shipped mainly to Japan.
- **All raw coal mining and production** in mining areas currently approved by the state government **were discontinued in July 2023**. Following the discontinuation of production, coal sales will continue until the end of FY2023.
- Toward the termination of the coal mine, sales (for 100% of interest) are expected to **decline to about 2,300,000 tons** in FY2023, compared to about 3,300,000 tons in FY2022.
- The Company had applied for environmental permits to extend the mining area to adjacent areas to continue mining after the termination of the existing mining area, but the local authority **rejected the application** in October 2022.

Outlook

- **The Company plans to discontinue the Coal Production Business and the Coal Sales Business in FY2023.**
- The Company had already formulated its management strategy based on **the assumption that no profit from the Coal Production Business is expected for FY2024 and beyond**, and will continue to work to **enhance its earning base through new M&A investments** in accordance with the Medium-term Management Plan (up to FY2023).

New Business through M&A



Plus One Techno Co., Ltd. (<https://www.plusonetec.jp/>)

Outline

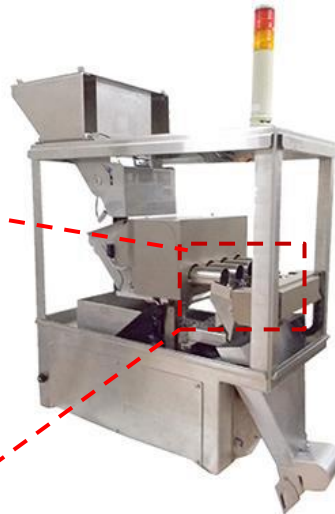
- The Company is to acquire this company's shares on August 29, 2023 (the first **business succession transaction** for the Company to acquire **a business from a local company in Kyushu**).
- Founded in 1996. Engages mainly in the **manufacture of measuring devices** and also in the manufacture of special measuring instruments, such as connecting and repair pipe manufacturing equipment, and has a leading share in a niche market for extra light weight measurement that large measuring device manufacturers are unlikely to enter.
- **No. 1 market share in the industry** in the field of pipe-feeder type automatic measuring equipment

Main product

Petit Scale® pipe-feeder type automatic measuring equipment

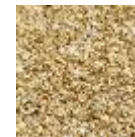
- (1) Featuring measurement of a wide variety of materials and automatic high precision measurement
- (2) Mainly used for measuring materials in food manufacturing processes

Example of use: Measuring *furikake*
(Japanese condiment)



Examples of materials that can be measured

Powder



Powdered soup



Granules

MIX



Furikake



Cereals

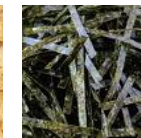
Light weight



Tea leaves



Croutons



Shredded
nori laver

Other



Raisins

Acquisition of a Business from Katsumata Co., Ltd. by MOS Co., Ltd.

- The Board of Directors of the Company resolved that MOS Co., Ltd., a Mitsui Matsushima Group company, would acquire the **thermal-paper processing and sales business of Katsumata Co., Ltd., a consolidated subsidiary (sub-subsidiary) of Mitsubishi Paper Mills Limited** (scheduled for execution in October 2023).

Katsumata corporate profile

- Katsumata has been supplying high-quality thermal paper products, etc. for more than 60 years since its foundation.
- It has secured a certain market share in this field due to **its strength in the processing and sales of thermal cash register rolls used by major convenience store chains, etc. as end users.**

Name	Katsumata Co., Ltd.
Establishment	1976
Location	Headquarters plant: 1678-5 Miyado, Asaka City, Saitama Prefecture
Net sales	1.5 billion yen (fiscal year ended March 31, 2023)
Business	Processing of thermal paper, etc.

Synergy expected from the acquired business

- Following the business acquisition, MOS will start handling the processing of thermal cash register rolls for the Mitsubishi Paper Mills Group, and thereby enter a market that caters to major convenience store chains, a growing field in which such products are used in large volumes.
- In this way, MOS can expand business and further solidify its No. 1 position in the industry.
- The relationship with the Mitsubishi Paper Mills Group will be fortified.

Selected as a Constituent of the JPX-Nikkei Index 400 and the JPX-Nikkei Mid and Small Cap Index

- **The Company's stock has been selected as a constituent of the JPX-Nikkei Index 400 and the JPX-Nikkei Mid and Small Cap Index**, which are calculated jointly by JPX Market Innovation & Research, Inc. and Nikkei Inc., **for FY2023**.
- The effective date of selection is August 31, 2023.

JPX-Nikkei Index 400

- A stock index composed of companies with high appeal for investors, which meet the requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives.

Japan Exchange Group web page "JPX-Nikkei Index 400": <https://www.jpx.co.jp/english/markets/indices/jpx-nikkei400/index.html>

JPX-Nikkei Mid and Small Cap Index

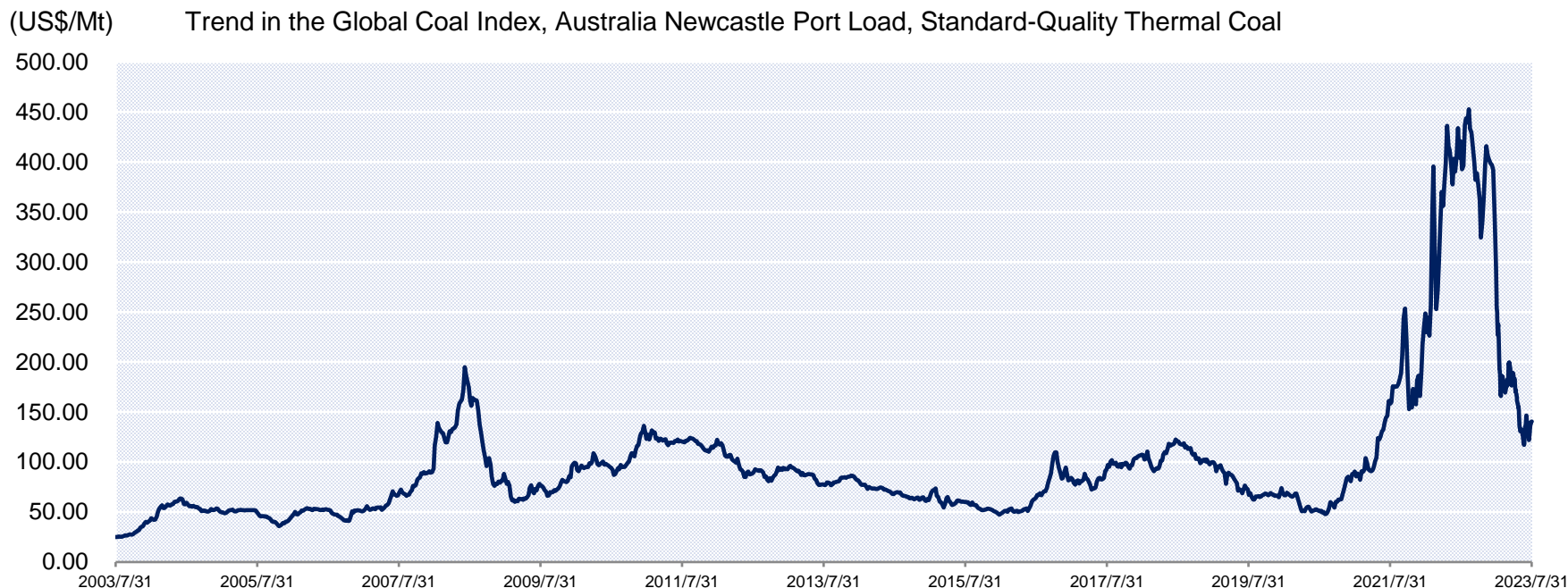
- A stock index that applies the concept of the JPX-Nikkei Index 400, which is an index comprised of highly attractive listed companies, to mid and small cap equities, by selecting companies that focus on capital efficiency and investor-oriented management.
- It aims to foster greater awareness of such issues among corporate executives, and also to meet the needs of investors looking to invest in such companies.

Japan Exchange Group web page "JPX-Nikkei Mid and Small Cap Index":

<https://www.jpx.co.jp/english/markets/indices/jpx-nikkei400/01-01.html>

Reference Materials

Trend in the Coal Market



Market information

		2020				2021				2022				2023				
		Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	Jan.–Mar.	Apr.–Jun.	Jul.–Sep.	Oct.–Dec.	
		Results															Forecast	
Thermal coal	Apr. contract	94.75	68.75			109.97				375.00				199.95				
	Oct. contract	72.75			N/A				N/A				395				100	
	GCI	67.6	55.3	51.5	67.4	88.7	109.0	167.5	183.9	262.8	376.8	420.8	379.5	247.8	160.7	100		
Coking coal	Heavy coking coal	147-148	136	110	116	122	117	203	371	395	526	287	279	315	283			
	Semi-soft coking coal	100-104	95-104	82-86	87-91	91-92	93-94	149	218	275	368	237	230	268	TBD	150		
Foreign exchange	US\$/A\$	US\$0.78				US\$0.75				US\$0.69				US\$0.68				US\$0.68
	Yen/A\$	85.0 yen				82.5 yen				91.1 yen				91.2 yen				89.0 yen

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

* The coal prices in the table above are benchmark prices and index prices, which are used as the basis for transaction prices, and do not represent the Company's actual transactions.

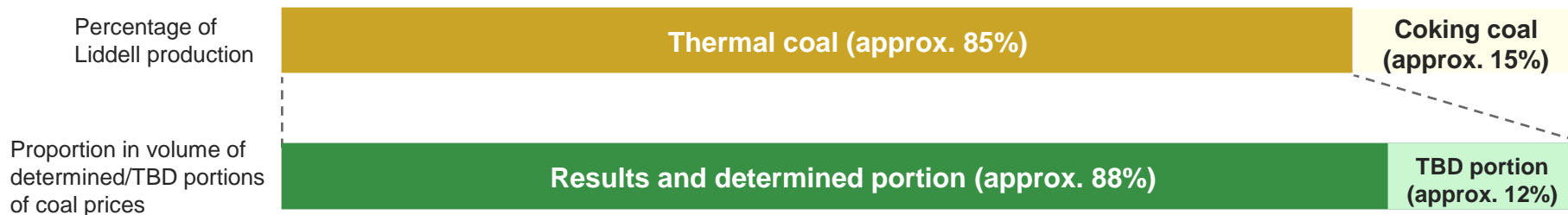
Proportion in Volume of the Determined/TBD Portions of Coal Prices

Method of determining a contract price

Contract type	Reference price	Global Coal Index price
Timing of determination	Semi-annually in April and October only	Daily
Contract method	A contract price is determined according to the quality of coal in reference to prices determined bilaterally among Japanese electric power companies and certain coal majors as a benchmark (reference).	It is common to use a monthly/quarterly average (over three months), etc. of the index price primarily prior to loading, rather than the index price at the time of a contract, as a contract price.

Reference: Ministry of Economy, Trade and Industry, "Coal Market Study Group—Report—Reference Materials" published in April 2018

FY2023 proportion in volume of the determined/TBD portions of coal prices (current estimate)





HANABISHI
THE TAILOR OF JAPAN SINCE 1935



Hanabishi, a tailoring company founded in 1935, provides custom-made suit tailoring tickets as thank-you gifts to people paying hometown taxes to Yomogita-mura, Aomori Prefecture, the location of Hanabishi's manufacturing base.

Please visit the Satofull website or the Hanabishi website for how to apply and other information.



Website of Satofull

https://www.satofull.jp/products/detail.php?product_id=1357994
(in Japanese)

Website of
HANABISHI Co., Ltd.

<https://www.hanabishi-housei.co.jp/furusato/>
(in Japanese)

Tailoring tickets
for a contribution
of 100,000 yen
Equivalent
to 30,000 yen

Can also be used
in conjunction
with shareholder
perks

Can be used at
18 stores located
nationwide



* Valid for two years after sending

The tailoring tickets are valid for both men's and women's suits.

The tickets can be used for the tailoring of suits, jackets, and pants.



The RKB × Mitsui Matsushima Ladies tournament winner Chisato Iwai (in a tournament winner jacket made by HANABISHI)



As thank-you gifts sent to people paying hometown taxes to Omuta City, Fukuoka Prefecture, we offer Mitsui Minato Club meal tickets and wedding ceremony and banquet complementary tickets.



Please enjoy superb French cuisine produced by Grand Chef Sakai of French cuisine at the guest house of Mitsui, boasting a heritage of over 100 years.

*Applications are accepted through **Furusato Choice, Rakuten Furusato Nozei, Furunavi**, etc.

For more information, search for

三井港倶楽部 ふるさと納税

Executive Chef Hatae of Mitsui Minato Club and Grand
Chef Sakai of French cuisine

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