



# Presentation of Financial Results for the Second Quarter Ended September 2023

**Mitsui Matsushima Holdings Co., Ltd.**

# Contents

---

3P

2Q FY2023 Financial Results

10P

FY2023 Consolidated Earnings Forecast  
(Revised) and Dividend Forecast

16P

Latest Topics

19P

Reference Materials

# **2Q FY2023 Financial Results**

# Consolidated Income Statement

## Income statement

- Net sales increased as a result of the conversion of MOS into a subsidiary.
- Both net sales and profit increased due to a rise in coal prices.

(Million yen)

	FY2022 2Q	FY2023 2Q	Y-o-y change	Main factors behind changes
Net sales	33,437	39,628	+6,191	<ul style="list-style-type: none"> <li>• Conversion of MOS into a subsidiary (Consumer Goods Business)</li> <li>• Rise in coal prices in the Coal Production Business</li> </ul>
Operating profit (before amortization of goodwill*)	11,879 (12,261)	16,593 (17,016)	+4,713 (+4,754)	<ul style="list-style-type: none"> <li>• Rise in coal prices in the Coal Production Business</li> </ul>
Ordinary profit	12,469	17,329	+4,859	
<b>Net profit attributable to owners of parent</b>	<b>8,525</b>	<b>11,904</b>	<b>+3,378</b>	

\* 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 June are used.

Net sales				Segment profit				(Million yen)
Business	FY2022 2Q	FY2023 2Q	Y-o-y change	Business	FY2022 2Q	FY2023 2Q	Y-o-y change	
Consumer Goods and Services	14,985	17,115	+2,129	Consumer Goods and Services (before amortization of goodwill)	1,498 (1,880)	1,754 (2,177)	+256 (+297)	
Energy	17,794	21,895	+4,100	Energy	10,927	15,622	+4,694	
Other	719	688	-30	Other	79	91	+12	
Adjustments	(62)	(70)	-8	Adjustments	(625)	(874)	-249	
<b>Total</b>	<b>33,437</b>	<b>39,628</b>	<b>+6,191</b>	<b>Total (before amortization of goodwill)</b>	<b>11,879 (12,261)</b>	<b>16,593 (17,016)</b>	<b>+4,713 (+4,754)</b>	

\* "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 net sales and profit increased due to a rise in coal prices.

## Net sales

Business	FY2022 2Q	FY2023 2Q	Y-o-y change
Coal Production Business	17,474	21,631	+4,157
Sales volume	530,000 tons	540,000 tons	+10,000 tons
Coal Sales Business	117	86	-31
Sales volume	1,550,000 tons	1,390,000 tons	-160,000 tons
Renewable Energy Business	202	177	-24
<b>Total</b>	<b>17,794</b>	<b>21,895</b>	<b>+4,100</b>

## Segment profit

(Million yen)

Business	FY2022 2Q	FY2023 2Q	Y-o-y change
Coal Production Business	10,734	15,477	+4,743
Coal Sales Business	66	44	-22
Renewable Energy Business	126	99	-26
<b>Total</b>	<b>10,927</b>	<b>15,622</b>	<b>+4,694</b>

## Major indicators

		FY2022 2Q	FY2023 2Q	Change
Coal Production Business (Jan.–Jun. results)	Sales volume: Thermal coal	430,000 tons	470,000 tons	+40,000 tons
	Sales volume: Semi-soft coking coal	100,000 tons	70,000 tons	-30,000 tons
	Average coal price: Thermal coal	US\$ 255.2	US\$ 306.4	+US\$ 51.1
	Average coal price: Semi-soft coking coal	US\$ 316.3	US\$ 221.9	-US\$ 94.4
	Exchange rate: A\$/US\$ (average rate)	US\$ 0.72	US\$ 0.68	Weaker A\$ against US\$: -0.03
	Exchange rate: A\$/¥ (average rate)	88.5 yen	91.2 yen	Yen depreciation: +2.8 yen

# Consolidated Balance Sheet

## Balance sheet

(Million yen)

	March 31, 2023		September 30, 2023		Change	Major factors behind changes
	Amount	Ratio (%)	Amount	Ratio (%)		
Current assets	63,237	66.6	64,123	67.7	+885	Cash and deposits: +4,785; Trade receivable: -4,386
Fixed asset	31,788	33.5	30,561	32.3	-1,226	Intangible assets: -150; investment securities: -901
<b>Total assets</b>	<b>95,025</b>	<b>100.0</b>	<b>94,685</b>	<b>100.0</b>	<b>-340</b>	
Current liabilities	26,330	27.7	19,802	20.9	-6,528	Trade payables: -1,391; Short-term borrowings payable -3,151
Fixed liabilities	12,093	12.7	11,607	12.3	-485	Long-term borrowings: -538
<b>Total liabilities</b>	<b>38,423</b>	<b>40.4</b>	<b>31,410</b>	<b>33.2</b>	<b>-7,013</b>	
<b>Total net assets</b>	<b>56,602</b>	<b>59.6</b>	<b>63,275</b>	<b>66.8</b>	<b>+6,672</b>	Net profit attributable to owners of parent: +11,904 FY2022: Year-end dividend (240 yen per share) -3,135 Capital surplus (acquisition of additional shares of MOS): -1,678 Acquisition of own shares: -1,289
<b>Total liabilities and net assets</b>	<b>95,025</b>	<b>100.0</b>	<b>94,685</b>	<b>100.0</b>	<b>-340</b>	

## Other indicators

	March 31, 2023	September 30, 2023	Change
Cash and deposits (including long-term deposits)	39,501	44,292	+4,790
Debt	12,660	8,970	-3,690
Net cash and deposits	26,840	35,321	+8,481
Shareholders' equity ratio (%)	58.7	66.7	+8.0
Debt/equity ratio (times)	0.25	0.16	-0.09

# Consolidated Balance Sheet (September 30, 2023)

## Balance sheet

Current assets 64.1 billion

- Cash and deposits 44.2 billion
- Accounts receivable 9.4 billion
- Inventories 8.6 billion

Fixed assets 30.6 billion

- Tangible fixed assets 12.8 billion
  - (Buildings) (3.1 billion)
  - (Land) (7.6 billion)
  - (Machinery and equipment, leases, etc.) (1.9 billion)
- Intangible assets 13.3 billion
  - (Goodwill) (12.7 billion)
- Securities 3.0 billion

**Total assets 94.7 billion**

Current liabilities 19.8 billion

- Accounts payable 6.4 billion
- Debt 3.6 billion

Fixed liabilities 11.6 billion

- Debt 5.2 billion

Net assets 63.3 billion

Shareholders'  
equity ratio  
66.7%

Debt/equity ratio  
0.16 times

**Total liabilities and net assets 94.7 billion**



# Consolidated Cash Flows

## Cash flows

(Million yen)

	FY2022 2Q	FY2023 2Q	Main factors
Net profit before income taxes	12,452	17,394	
Depreciation and amortization (including goodwill amortization expenses)	981	1,221	
Working capital	(1,693)	3,118	
Other	(2,486)	(7,638)	• Payment of accrued consumption taxes, income taxes payable, etc.
<b>CF from operating activities</b>	<b>9,254</b>	<b>14,096</b>	
Changes in fixed assets			
Investment securities	(337)	(481)	
Acquisition of subsidiaries accompanying a change in the scope of consolidation	(9)	1,002	
Other	(1,270)	(455)	• Acquisition of shares of Plus One Techno
	1,009	(17,384)	• Changes in time deposits, etc.
<b>CF from investing activities</b>	<b>(607)</b>	<b>(17,317)</b>	
Changes in debt	(1,076)	(4,034)	
Payment of dividends	(1,044)	(3,119)	• Payment of year-end dividend for FY2022: 240 yen per share (+160)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,870)	(2,415)	• Acquisition of additional shares of MOS
Other	(141)	(1,359)	• Acquisition of own shares, etc.
<b>CF from financing activities</b>	<b>(4,133)</b>	<b>(10,928)</b>	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,900</b>	<b>769</b>	
<b>Changes in cash and cash equivalents</b>	<b>6,414</b>	<b>(13,379)</b>	
<b>Cash and cash equivalents at beginning of period</b>	<b>19,413</b>	<b>38,064</b>	
<b>Cash and cash equivalents at end of period</b>	<b>25,828</b>	<b>24,685</b>	

**FY2023 Consolidated  
Earnings Forecast (Revised)  
and Dividend Forecast**

# Revised FY2023 Consolidated Earnings Forecast

- In light of the recent trend of earnings, the Company has revised its previous FY2023 consolidated earnings forecast announced on May 15, 2023 as shown below.
- Net sales and profit at all levels **are expected to exceed the initial forecast** mainly due to an increase in coal sales volume, a rise in coal prices, and a reduction in production costs in the Coal Production Business.
- **The revised earnings forecast reflects** in extraordinary losses **an estimated amount of approximately 3 billion yen for additional costs related to the termination of the Liddell Coal Mine.**

## Consolidated earnings forecast

(Million yen)

	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast	Year-on-year Change
Net sales	80,015	66,000	70,000	+4,000	-10,015
Operating profit (Operating profit before amortization of goodwill)	35,789 (36,553)	16,000 (16,846)	21,000 (21,859)	+5,000 (+5,013)	-14,789 (-14,694)
Ordinary profit	35,933	17,000	22,000	+5,000	-13,933
<b>Net profit attributable to owners of parent</b>	<b>22,977</b>	<b>11,000</b>	<b>12,000</b>	<b>+1,000</b>	<b>-10,977</b>
Dividend per share	320 yen	80 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 an upper limit of 3 billion yen) with a view to achieving a total shareholder return ratio of around 30% for FY2023.

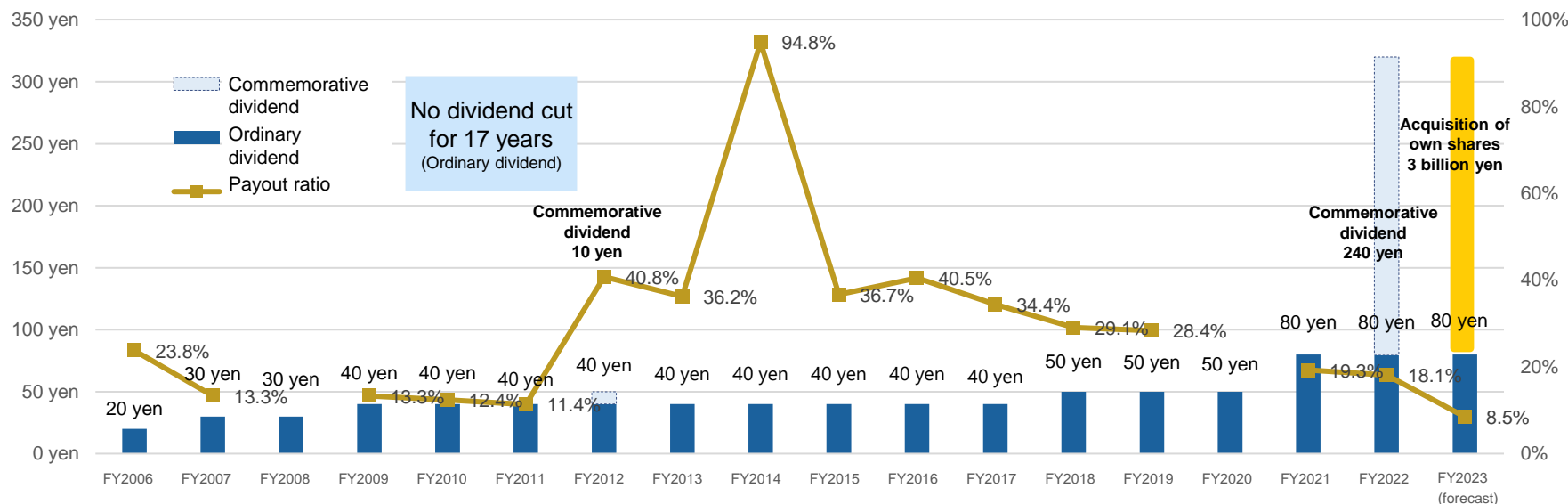
\* The forecast above is based on information available as of the date of this publication. Actual results may vary due to various future factors. If a revision of the forecast of financial results becomes necessary, the Company will disclose the revised figures promptly.

# Shareholder Returns for FY2023

## Dividend forecast and interim dividend result

- Dividend forecast for FY2023 (annual total): **80 yen** per share (no change from the initial forecast)
- Interim dividend per share at the end of the second quarter of FY2023: **40 yen** (record date of September 30, 2023)
- The Company has not cut dividends for the past 17 years (ordinary dividend). **The Company aims to continue to keep the ordinary dividend at no less than 80 yen (annual total) in the future.**

## Dividend trend



\* Since a 10-to-1 share consolidation was conducted effective October 1, 2016, the dividend per share was calculated based on the assumption that the share consolidation was conducted.  
 \* The payout ratio was not calculated for FY2008 and FY2020 due to negative net profit.

# FY2023 Consolidated Segment Earnings Forecast

- Consumer Goods and Services Business Division: Profit is expected to increase compared to the initial forecast mainly due to an increase in orders received by Nippon Katan and the acquisition of a business from Katsumata by MOS.
- Energy Business Division: Both net sales and profit are expected to increase compared to the initial forecast mainly due to an increase in coal sales volume, a rise in coal prices, and a reduction in production costs.

## Net sales

Business	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast
Consumer Goods and Services	29,504	37,000	37,000	–
Energy	49,068	28,000	32,000	+4,000
Other - Adjustments	1,443	1,000	1,000	–
<b>Total</b>	<b>80,015</b>	<b>66,000</b>	<b>70,000</b>	<b>+4,000</b>

## Segment profit

(Million yen)

Business	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast
Consumer Goods and Services (before amortization of goodwill)	3,718 (4,482)	3,600 (4,446)	3,900 (4,759)	+300 (+313)
Energy	33,922	14,100	19,200	+5,100
Other - Adjustments	(1,852)	(1,700)	(2,100)	-400
<b>Total (before amortization of goodwill)</b>	<b>35,789 (36,553)</b>	<b>16,000 (16,846)</b>	<b>21,000 (21,859)</b>	<b>+5,000 (+5,013)</b>

\* "Others" represent a business segment 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.

· FY2022: Expenses increased temporarily mainly due to the payment of special grants from the Company to the employees of subsidiaries and special sponsorship of a ladies professional golf tournament.

· FY2023: Expenses have increased temporarily mainly due to special sponsorship of a ladies professional golf tournament, M&A expenses, and advertising expenses.

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

- Coal Production Business: Both net sales and profit are expected to increase compared to the initial forecast mainly due to an increase in coal sales volume, a rise in coal prices, and a reduction in production costs.

## Net sales

Business	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast
Coal Production Business	48,493	27,600	31,600	+4,000
Sales volume	1,100,000 tons	760,000 tons	870,000 tons	+110,000 tons
Coal Sales Business	244	100	100	–
Sales volume	3,060,000 tons	1,460,000 tons	1,760,000 tons	+300,000 tons
Renewable Energy Business	330	300	300	–
<b>Total</b>	<b>49,068</b>	<b>28,000</b>	<b>32,000</b>	<b>+4,000</b>

## Segment profit

(Million yen)

Business	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast
Coal Production Business	33,607	14,000	19,100	+5,100
Coal Sales Business	148	0	0	–
Renewable Energy Business	166	100	100	–
<b>Total</b>	<b>33,922</b>	<b>14,100</b>	<b>19,200</b>	<b>+5,100</b>

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

## Major indicators

	FY2022 Results	FY2023 Initial Forecast (Disclosed on May 15)	FY2023 Revised Forecast	Change from Initial Forecast	
<b>Coal Production (Jan.–Dec. results)</b>	<b>Sales volume (Thermal coal)</b>	930,000 tons	630,000 tons	710,000 tons	+80,000 tons
	<b>Sales volume (Semi-soft coking coal)</b>	180,000 tons	130,000 tons	160,000 tons	+30,000 tons
	<b>Average coal price: Thermal coal</b> (Jan. to Dec. average)	US\$ 344.0	US\$ 250	US\$ 258	+US\$8
	<b>Average coal price: Semi-soft coking coal</b> (Jan. to Dec. average)	US\$ 263.3	US\$ 180	US\$ 190	+US\$10
	<b>Exchange rate: A\$/US\$ (average rate)</b>	US\$ 0.69	US\$ 0.68	US\$ 0.68	–
	<b>Exchange rate: A\$/¥ (average rate)</b>	91.1 yen	89.0 yen	91.5 yen	Yen depreciation +2.5 yen

\* Sales volume is for Mitsui Matsushima's share (32.5%)

## Market information

(US\$/Mt)		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.
		<b>Results</b>														
Thermal coal	Apr. contract	94.75	68.75			109.97				375.00				199.95		
	Oct. contract	72.75			N/A				N/A				395			
	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	147.8
Coking coal	Heavy coking coal	147-148	136	110	116	122	117	203	371	395	526	287	279	315	283	240
	Semi-soft coking coal	100-104	95-104	82-86	87-91	91-92	93-94	149	218	275	368	237	230	268	N/A	162.7
Foreign exchange	US\$/A\$	US\$0.78				US\$0.75				US\$0.69				US\$0.67		
	Yen/A\$	85.0 yen				82.5 yen				91.1 yen				92.4 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.

# 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%)
- **All raw coal mining and production** in mining areas currently approved by the state government **were discontinued in July 2023.**  
The application for environmental permits to extend the mining area to adjacent areas was rejected by the local authority in October 2022.
- **The Company plans to discontinue also the Coal Sales Business in FY2023.**
- Toward the termination of the coal mine, sales (for 100% of interest) are expected to **decline to about 2,600,000 tons** in FY2023, compared to about 3,300,000 tons in FY2022.
- In response to the indication from the Liddell Joint Venture of additional costs related to the termination of the Liddell Coal Mine, **the Company has reflected an estimated amount of approximately 3 billion yen for such costs in the revised consolidated earnings forecast.**

# New Business through M&A

## Japan Chain Holdings, Inc.

### Outline



- The Company is scheduled to acquire 50.1% of the shares of Japan Chain Holdings, Inc (“JCH”) on December 8, 2023 (the seller retains a put option for the remaining shares).
- JCH and the three companies organized under it, SUGIYAMA CHAIN CO., LTD., ZEXUS CHAIN Co., Ltd., and MAXCO Chain, Ltd. (U.S.), are a group engaged in the **manufacture, sales, etc., of industrial roller chains and conveyer chains**, with a strong presence in the Japanese and the U.S. industrial chain markets.
- **Holding a high market share** for roller chains for power transmission **both in Japan and overseas**.
- **Boasting the highest share in the Japanese market** for large conveyer chains for water treatment systems.

### Main products

#### (1) Roller chains

Small chains used for power transmission  
Mainly used for embedding in industrial equipment, manufacturing facilities, etc.



Standard roller chain



Double-capacity chain

#### (2) Conveyer chains

Chains used for conveying things  
Mainly used for installation on manufacturing lines



Chain for water treatment systems



Chain for steel manufacturing

# Reference Materials

# Outline of the Consumer Goods and Services Business

## Investment policy

In anticipation of a decarbonized society, we have restructured the business portfolio through active M&A based on the following investment policy:

### Stable revenues

### Niche market

### Easy to understand

## Consumer Goods Business



### Nippon Straw

- Joined in February 2014
- Manufacture and sales of straws
- Approx. 70% share of the Japanese telescopic straw market



### KMT

- Joined in April 2020
- Planning and sales of pet food
- Brand strength in the healthy premium pet food market



### Hanabishi

- Joined in October 2015
- Sales of custom-made suits
- A pioneer in custom-made suits, highly praised by customers



### Systech Kyowa

- Joined in February 2021
- Manufacture and sales of housing-related materials
- Integrated production within the group, interior door-related materials with high market shares



### Meiko Shokai

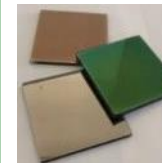
- Joined in April 2019
- Manufacture and sales of shredders
- No. 1 market share in the Japanese office shredder market



### MOS

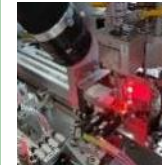
- Joined in February 2023
- Processing and sales of thermosensitive cash register paper rolls
- No. 1 market share in the industry

## Industrial Products Business



### CST

- Joined in February 2017
- Manufacture and sales of mask blanks
- Japan's first specialized manufacturer of mask blanks with a blue-chip customer base



### Sansei Denshi

- Joined in April 2020
- Manufacture and sales of crystal device manufacturing equipment
- The only manufacturer in Japan capable of building in-line systems that handle processes from assembly to inspection



### Nippon Katan

- Joined in May 2022
- Manufacture and sales of mounting hardware for power lines
- A specialized manufacturer that boasts a leading market share in Japan



### Plus One Techno

- Joined in August 2023
- Manufacture and sale of measuring equipment
- No. 1 market share in pipe-feeder type automatic measuring equipment

\* Businesses within the Consumer Goods and Services Business Division have been grouped into the two segments shown above, starting from the financial reporting for the first quarter of FY2023.

# Trend in the Coal Market

(US\$/Mt) Trend in the Global Coal Index, Australia Newcastle Port Load, Standard-Quality Thermal Coal



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

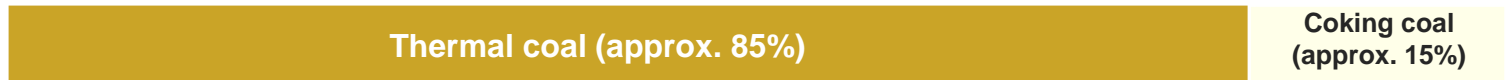
## Method of determining a contract price

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)

Percentage of Liddell production



Proportion in volume of determined/TBD portions of coal prices



# HANABISHI Notice of Thank-you Gifts Sent to People Paying Hometown Taxes (*Furusato Nozei*)



**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

Website of

HANABISHI Co., Ltd.

[https://www.satofull.jp/products/detail.php?product\\_id=1357994](https://www.satofull.jp/products/detail.php?product_id=1357994)  
(In Japanese)

<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 will be 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 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



**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.**