



January 21, 2021

To Whom It May Concern:

Company Name: Mitsui Matsushima Holdings Co., Ltd.
Representative: Taishi Yoshioka, Representative Director and
President
(Stock Code 1518, First Section of the Tokyo Stock Exchange
and Fukuoka Stock Exchange)
Contact: Mikiko Abe, Executive Officer and General Manager of
Business Planning Dept.
Tel: +81-92-771-2468

Notice of Stock Acquisition (Subsidiary Acquisition) of Systech Kyowa Co., Ltd.

On January 21, 2021, the board of directors of Mitsui Matsushima Holdings Co., Ltd. (the Company) passed a resolution to acquire 100% of the shares of Systech Kyowa Co., Ltd. (Systech Kyowa) to make the company a wholly owned subsidiary. The details are as follows.

1. Reason for Stock Acquisition

The Mitsui Matsushima Group has been actively working on investment projects for the Non-coal Production Business in line with the medium-term management plan (covering five years) formulated in November 2018, and this is part of such efforts.

Systech Kyowa is a manufacturer that boasts a high share of the market for housing materials such as corner caps for baseboards and door stoppers used in new homes and home renovations. The company's main strengths include 1. an integrated manufacturing system within the group, from planning to molding, shaping, and assembly, 2. being recognized by business partners as a manufacturer that can create high-value-added products through proposal-based sales activities backed by its advanced product development capabilities, 3. low manufacturing costs thanks to it having its own factory in Thailand, and 4. being able to directly provide price-competitive products, without an intermediary margin, to major housing and building materials manufacturers by eliminating the need for a trading company.

Although there has been a temporary drop in economic indicators related to housing starts due to the impact of the novel coronavirus, we believe that demand for new homes and home renovation will be firm in the future as such demand has gradually recovered. We expect Systech Kyowa to contribute greatly to enhancing our Group's corporate value through the trinity of its high technological capabilities, superior quality and cost, and strong relationships of trust with business partners.

2. Outline of New Subsidiary

(1) Name	Systech Kyowa Co., Ltd.		
(2) Location	1-5-19 Hiranokita, Hirano-ku, Osaka City, Osaka		
(3) Representative's name and title	Fumihiro Yoshikawa, Representative Director and President		
(4) Business operations	Planning, manufacture, and sales of hardware and plastic products for housing and furniture		
(5) Capital	50 million yen		
(6) Date of establishment	May 13, 1987		
(7) Major shareholders and stock ownership ratio	This will not be described because the seller is a private person.		
(8) Relationship between the listed company and the new subsidiary	Capital relationships	Not applicable	
	Personal relationships	Not applicable	
	Transactional relationships	Not applicable	
(9) Operating performance and financial status of the new subsidiary for the past 3 years (non-consolidated)			
Financial accounting period	FY2018 (year ended July 2018)	FY2019 (year ended July 2019)	FY2020 (year ended July 2020)
Net assets	2,302 million yen	2,500 million yen	2,577 million yen
Total assets	2,417 million yen	2,640 million yen	2,673 million yen
Net assets per share	2,302,418.78 yen	2,500,015.85 yen	2,577,294.77 yen
Net sales	1,700 million yen	1,692 million yen	1,485 million yen
Operating profit	420 million yen	349 million yen	181 million yen
Ordinary profit	442 million yen	345 million yen	171 million yen
Net profit	283 million yen	197 million yen	77 million yen
Net profit per share	283,726.21 yen	197,597.07 yen	77,278.91 yen
Dividend per share	—	—	—

(Reference) Consolidated financial indicators

Financial accounting period	FY2018 (year ended July 2018)	FY2019 (year ended July 2019)	FY2020 (year ended July 2020)
Consolidated net assets	2,251 million yen	2,671 million yen	2,867 million yen
Consolidated total assets	2,503 million yen	2,820 million yen	3,015 million yen
Consolidated net sales	1,779 million yen	1,794 million yen	1,540 million yen
Consolidated operating profit	628 million yen	615 million yen	397 million yen
Consolidated ordinary profit	650 million yen	609 million yen	399 million yen
Consolidated net profit	469 million yen	429 million yen	280 million yen

3. Outline of Seller

(1) Name	This will not be described because the seller is a private person.	
(2) Address	This will not be described because the seller is a private person.	
(3) Relationship between the listed company and the said individual	Capital relationships	Not applicable
	Personal relationships	Not applicable
	Transactional relationships	Not applicable

4. Number of acquired shares, acquisition price, and status of retained stock before and after acquisition

(1) Retained shares prior to acquisition	0 shares (No. of voting rights: 0) (Percentage of voting rights: 0%)
(2) Number of acquired shares	1,000 shares (No. of voting rights: 1,000)
(3) Acquisition price	It will not be disclosed due to confidentiality obligations between the parties.
(4) Retained shares after	1,000 shares

acquisition	(No. of voting rights: 1,000) (Percentage of voting rights: 100%)
-------------	--

5. Schedule

(1) Date of resolution of board of directors	January 21, 2021
(2) Contract date	January 21, 2021
(3) Planned stock transfer date	February 1, 2021

6. Acquisition funds

Cash in bank and on hand as well as bank borrowings will be used.

7. Future projections

The impact of the stock acquisition on the Company's consolidated results for the fiscal year ending March 2021 is currently under review. We will promptly announce any matters to be disclosed.