



April 8, 2022

To Whom It May Concern:

Company name: Mitsui Matsushima Holdings Co., Ltd.  
Representative: Taishi Yoshioka, Representative Director  
and President  
(Stock Code: 1518, Prime Market of the Tokyo  
Stock Exchange and Fukuoka Stock Exchange)  
Contact: Mikiko Abe, Executive Officer and General  
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## **Notice Concerning Acquisition of Shares of Nippon Katan Holdings Co., Ltd. (Making it a Subsidiary)**

Mitsui Matsushima Holdings Co., Ltd. (the “Company”) hereby announces that, at the meeting of the Board of Directors held on April 8, 2022, the Company resolved to acquire 50.06% of the shares outstanding (excluding treasury shares) of Nippon Katan Holdings, Co., Ltd. (“Nippon Katan Holdings”) (hereinafter, referred to as the “Share Acquisition”) and make it a subsidiary.

Prior to the Share Acquisition, Nippon Katan Holdings will absorb its subsidiary, Nippon Katan Co., Ltd. (“Nippon Katan”) as of May 1, 2022 and change its name to Nippon Katan Co., Ltd.

### 1. Reason for the Share Acquisition

In line with the Mid-term Management Plan (five-year plan) established in November 2018, the Group has set forth a policy of actively investing in non-coal production businesses, and this plan will be implemented as part of this policy.

Nippon Katan, a subsidiary of Nippon Katan Holdings, produces “line hardware for transmission lines” that connects steel towers and power transmission lines and is a dedicated manufacturer in the market with the largest share in Japan. Nippon Katan’s strengths include (1) the ability to manufacture all components of line hardware in Japan, while enjoying the advanced technical abilities to flexibly offer custom-made solutions to orders from domestic electric power companies, its key clients; (2) a wide variety of test facilities so as to maintain high product quality through thorough analysis; (3) extensive experience and an ample database of observation and analysis data of transmission line behavior, and a track record of many advanced tests, observations and analysis services that make use of them; and (4) a solid customer base and a high level of trust from electric power companies acquired through proposal-based sales activities that make use of its many years

of experience. Accordingly, it has established a solid position in the industry as one of the leading companies.

Transmission line works are expected to remain robust in the future due to the replacement of aging facilities, etc., and this will provide steady demand for Nippon Katan's products in the future. We expect that such demand will contribute greatly to enhancing the Group's corporate value.

2. Outline of Subsidiary to Be Changed (Nippon Katan Holdings, Co., Ltd.)

(1) Name	Nippon Katan Holdings, Co., Ltd.		
(2) Address	13-1, Isoshima-minamimachi, Hirakata, Osaka		
(3) Name and title of representative	Yoshihiko Ota, Representative Director and President		
(4) Business description	Shareholding		
(5) Capital stock	9 million yen		
(6) Date of establishment	May 17, 2017		
(7) Major shareholders and shareholding ratio	Endeavour United Investment Business Limited Partnership 98.6% (excluding treasury shares)		
(8) Relationship between the listed company and the relevant company	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
(9) Business results and financial position of the relevant company in the last three years (non-consolidated)			
Fiscal year end	FY2018	FY2019	FY2020
Net assets	3,825 million yen	3,929 million yen	4,175 million yen
Total assets	7,718 million yen	7,571 million yen	7,566 million yen
Net asset per share	68,313.94 yen	73,856.57 yen	77,688.62 yen
Net sales	1,000 million yen	290 million yen	260 million yen
Operating income	990 million yen	281 million yen	251 million yen
Ordinary income	893 million yen	248 million yen	219 million yen
Net income	891 million yen	246 million yen	218 million yen
Net income per share	15,925.68 yen	4,426.38 yen	4,103.22 yen
Dividend per share	-	-	-

3. Outline of Sub-subsidiary to Be Changed (Nippon Katan Co., Ltd.) (Note 1)

(1) Name	Nippon Katan Co., Ltd.		
(2) Address	13-1, Isoshima-minamimachi, Hirakata, Osaka		
(3) Name and title of representative	Yoshihiko Ota, Representative Director and President		
(4) Business description	Manufacturing and sale of line hardware for power transmission and transformation and line hardware for power distribution, as well as various surveys, commissioned tests and analyses		
(5) Capital stock	442 million yen		
(6) Date of establishment	September 2, 1918		
(7) Major shareholders and shareholding ratio	Nippon Katan Holdings, Co., Ltd. 100.0%		
(8) Relationship between the listed company and the relevant company	Capital relationship	Not applicable	
	Personal relationship	Not applicable	
	Business relationship	Not applicable	
(9) Business results and financial position of the relevant company in the last three years (non-consolidated)			
Fiscal year end	FY2018	FY2019	FY2020
Net assets	2,418 million yen	2,525 million yen	2,667 million yen
Total assets	3,456 million yen	3,389 million yen	3,661 million yen
Net asset per share	267.49 yen	279.28 yen	295.03 yen
Net sales	4,044 million yen	3,891 million yen	3,789 million yen
Operating income	642 million yen	591 million yen	575 million yen
Ordinary income	671 million yen	618 million yen	597 million yen
Net income	417 million yen	400 million yen	402 million yen
Net income per share	46.19 yen	44.32 yen	44.55 yen
Dividend per share	110.59 yen	32.07 yen	28.75 yen

(Note 1) As of April 8, 2022, Nippon Katan is a subsidiary of Nippon Katan Holdings. The two companies entered into an absorption-type merger agreement with Nippon Katan Holdings, the parent company, as the surviving company. The agreement will become effective on May 1, 2022. In addition, Nippon Katan Holdings, the surviving company, plans to change its name to Nippon Katan Co., Ltd.

## (Reference) Consolidated Indicators

Fiscal year end	FY2018	FY2019	FY2020
Consolidated net assets	3,059 million yen	3,111 million yen	3,353 million yen
Consolidated total assets	8,234 million yen	7,852 million yen	7,957 million yen
Consolidated net sales	4,223 million yen	4,055 million yen	3,955 million yen
Consolidated operating income	508 million yen	456 million yen	457 million yen
Consolidated ordinary income	421 million yen	433 million yen	432 million yen
Consolidated net income	157 million yen	199 million yen	214 million yen

## 4. Outline of the Other Party to the Share Acquisition

(1) Name	Endeavour United Investment Business Limited Partnership		
(2) Address	6th Floor, Marunouchi 2-chome Building, 2-5-1 Marunouchi, Chiyoda-ku, Tokyo		
(3) Grounds for establishment, etc.	Investment limited partnership under the Limited Partnership Act for Investment		
(4) Purpose of origination	Acquisition of securities, etc.		
(5) Date of origination	March 31, 2016		
(6) Total amount of investment	22.7 billion yen (total commitment amount of partners)		
(7) Investors, investment ratio and overview of investors	We will refrain from disclosing it from the viewpoint of confidentiality.		
(8) Outline of general partner	Name	Endeavour United Co., Ltd.	
	Address	6th Floor, Marunouchi 2-chome Building, 2-5-1 Marunouchi, Chiyoda-ku, Tokyo	
	Name and title of representative	Tomohiko Mimura, CEO	
	Business description	Management of investment funds	
	Capital stock	80 million yen	
(9) Relationship between the listed company and the relevant fund	Relationship between the listed company and the relevant fund	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable
	Relationship between the listed company and the general partner	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable

## 5. Number of shares to be acquired, acquisition price, and status of shares held before and after the acquisition

(1) Number of shares held before the change	0 (Number of voting rights: 0) (Percentage of voting rights: 0%)
(2) Number of shares to be acquired	27,000 (Number of voting rights: 27,000)
(3) Acquisition cost	1,927,368,000 yen
(4) Number of shares held after the change	27,000 (Number of voting rights: 27,000) (Percentage of voting rights: 50.06%)

Endeavour United Investment Business Limited Partnership has a right (put option) to ask the Company to purchase the shares it continues to hold after the Share Acquisition until five years have passed from the day three months after the date of the share transfer.

#### 6. Schedule

(1) Date of resolution by the Board of Directors	April 8, 2022
(2) Contract date	April 8, 2022
(3) Effective date of the absorption-type merger	May 1, 2022 (scheduled)
(4) Date of share transfer	May 9, 2022 (scheduled)

#### 7. Funds for acquisition

The entire amount will be provided by cash on hand.

#### 8. Future outlook

The Company will disclose the consolidated financial forecasts for the fiscal year ending March 31, 2023, including the impact of the Share Acquisition, in the consolidated financial results for the fiscal year ended March 31, 2022 (scheduled to be released on May 13, 2022).