



November 10, 2023

To Whom It May Concern:

Company name: Mitsui Matsushima Holdings Co., Ltd.
Representative: Taishi Yoshioka, Representative Director
and President
(Stock Code: 1518, Tokyo Stock
Exchange (Prime Market) and Fukuoka
Stock Exchange)
Contact: Mikiko Abe, Executive Officer and
General Manager of Business Planning
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Notice of Acquisition of Shares of Japan Chain Holdings, Inc. to Make It a Subsidiary

Mitsui Matsushima Holdings Co., Ltd. (the “Company”) hereby announces as detailed below, that at its Board of Directors meeting held on November 10, 2023, it resolved to acquire 50.1% of shares outstanding of Japan Chain Holdings, Inc. (“JCH”) (this transaction is hereinafter referred to as the “Share Acquisition”) and make it a subsidiary.

1. Reason for the Share Acquisition

The Mitsui Matsushima Group (the “Group”) adopts a policy of investing aggressively in the non-coal production business in line with its medium-term management plan (for five years) formulated in November 2018. This transaction will be carried out as part of this policy.

JCH, a holding company, and the three companies organized under it, SUGIYAMA CHAIN CO., LTD., ZEXUS CHAIN Co., Ltd., and MAXCO Chain, Ltd., are a group engaged in the manufacture, sales, etc., of industrial roller chains and conveyer chains (hereinafter these four companies are collectively referred to as the “JCH Group”). For more than 110 years since the founding of its business, the JCH Group has earned high trust from customers in diverse industries both in Japan and overseas. In particular, the JCH Group maintains a high share in the market for roller chains for power transmission both in Japan and overseas while maintaining the highest share in the Japanese market for large conveyer chains for water treatment systems. The JCH Group has established a strong presence in the Japanese and U.S. industrial chain markets, and the strengths of the JCH Group includes: (1) it offers an extensive lineup of chain products made in Japan, which are highly acclaimed both in Japan and overseas for their excellent durability, such as high fatigue and rupture strength, (2) it has built long-standing relationships of trust with customers and has a strong customization capability to be able to meet their diverse needs, and (3) it has a strong sales network in the U.S. industrial chain market, which is largest in the world and is expected to continue to grow going forward.

As the JCH Group meets our investment criteria of “niche,” “stable,” and “easy to understand” for M&A opportunities, we believe that it will contribute to the enhancement of the Group’s corporate value.



2. Outline of the subsidiary to be changed (Japan Chain Holdings, Inc.)

(1) Name	Japan Chain Holdings, Inc.		
(2) Address	3-4-1 Marunouchi, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Yuichi Sugiyama, Representative Director and Chairman Hiroaki Watanabe, Representative Director and President		
(4) Business	Group management		
(5) Capital	80 million yen		
(6) Establishment	April 1, 2022		
(7) Major shareholder and shareholding ratio	Rising Japan Equity No. 2 Investment Limited Partnership: 97.1%		
(8) Relationship between the Company and the company in question	Capital relationship	None	
	Personal relationship	None	
	Business relationship	None	
(9) Consolidated operating results and financial position for the most recent three years of the company in question			
Fiscal year	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023
Net assets	-	-	6,023 million yen
Total assets	-	-	14,067 million yen
Net assets per share	-	-	107,178 yen
Net sales	-	-	15,219 million yen
Operating profit	-	-	1,974 million yen
Ordinary profit	-	-	1,839 million yen
Profit attributable to owners of parent	-	-	1,478 million yen
Profit per share	-	-	26,302 yen
Dividend per share	-	-	-

3. Outline of the counterparty of the share acquisition

(1) Name	Rising Japan Equity No. 2 Investment Limited Partnership	
(2) Address	1-7-2 Otemachi, Chiyoda-ku, Tokyo	
(3) Basis of establishment	An investment limited partnership under the Limited Partnership Act for Investment	
(4) Purpose of establishment	To carry out buyout investments that provide risk money to middle-ranking/small and medium-sized companies, which play a pivotal role in the Japanese economy, with financing needs for business expansion, reorganization, succession, etc., and support their sustainable growth and further growth through hands-on management support.	
(5) Establishment	February 1, 2017	
(6) Total amount of capital contribution	30,750 million yen (upper limit)	
(7) Outline of contributors of capital and shareholding ratio	Japanese institutional investors and business companies	
(8) Outline the general partner	Name	Rising Japan Equity, Inc.
	Address	1-7-2 Otemachi, Chiyoda-ku, Tokyo
	Name and title of representative	Tetsuo Maruyama, CEO & Representative Director

	Business	Investment management	
	Capital	110 million yen	
(9) Relationship between the Company and the fund in question	Relationship between the Company and the fund in question	Capital relationship	None
		Personal relationship	None
		Business relationship	None
	Relationship between the Company and the general partner in question	Capital relationship	None
		Personal relationship	None
		Business relationship	None

4. Number of shares to be acquired, acquisition cost, and shareholdings before and after the acquisition

(1) Number of shares held before the change	0 (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2) Number of shares to be acquired	28,156 ^(Note 1) (Number of voting rights: 28,156)
(3) Acquisition cost	4,333,619,217 yen ^(Note 2)
(4) Number of shares to be held after the change	28,156 (Number of voting rights: 28,156) (Percentage of voting rights held: 50.1%)

Notes:

1. Rising Japan Equity No. 2 Investment Limited Partnership has the right (put option) to demand, during the period of five years that starts after 90 days from the date of execution of share transfer, the purchase by the Company of the remaining shares that Rising Japan Equity No. 2 Investment Limited Partnership continuously holds after the Share Acquisition.
2. This amount is before price adjustments prescribed in the contract.

5. Schedule

(1) Date of resolution of the Board of Directors	November 10, 2023
(2) Date of contract	November 10, 2023
(3) Date of execution of share transfer	December 8, 2023 (provisional)

6. Acquisition funds

The Company plans to finance the acquisition entirely with cash and deposits on hand.

7. Future outlook

The impact of the Share Acquisition on the consolidated financial forecasts of the Company for the fiscal year ending March 31, 2024 is currently under careful evaluation. The Company will disclose any necessary matters promptly as they arise in the future.