



January 9, 2024

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 Manager of Business Planning Dept.
Tel: +81-92-771-2171

Notice of Acquisition of Equity Interest in Saunders & Associates, LLC by Sansei Denshi Co., Ltd., a Consolidated Subsidiary of the Company, 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 January 9, 2024, it resolved to approve the acquisition of a 50.1% equity interest in Saunders & Associates, LLC (hereinafter, the “Target Company”) by Sansei Denshi Co., Ltd. (hereinafter, “Sansei Denshi”), a consolidated subsidiary of the Company, through Sansei America, Inc. (hereinafter, “Sansei America”), a company newly established by Sansei Denshi in the U.S., (this transaction is hereinafter referred to as the “Acquisition”) and make it and its group companies subsidiaries.

Although the Acquisition does not fall under matters requiring timely disclosure, we have decided to disclose it as we have determined that this information would be useful for the market and investors.

1. 1. Reason for the 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 is in line with this policy, and the Group plans to actively support the growth and development of its new consolidated subsidiaries.

Sansei Denshi joined the Group in April 2020. It manufactures and sells production facilities and measurement devices for quartz crystal devices, which are used in various electronic communication equipment, such as in-vehicle equipment, smartphones, and home appliances, to control electronic circuits. As the only Japanese equipment manufacturer capable of manufacturing and building inline systems that cover a wide range of processes from assembly to inspection among the manufacturing processes of quartz crystal devices, Sansei Denshi boasts a more than 50 year track record of supplying products for keeping pace with the evolution of quartz crystal devices, has excellent technological strengths and has established a direct sales network based on strong relationships of trust with customers both in Japan and overseas.

The Target Company’s measurement devices are indispensable in the manufacture of quartz crystal devices as they are used in all processes (blanking, assembly, and inspection processes) of the manufacturing of quartz crystal devices.

In particular, its network analyzers (measurement devices for crystal oscillators) are used by quartz crystal device manufacturers both in Japan and all over the world, such as in China, Taiwan, and the U.S. and Europe for their high precision and ease of use.

Through the Acquisition, Sansei Denshi is expected to realize further enhancement of its presence in the quartz crystal device industry, as well as contribution to the development of the industry and the creation of Group synergy. The Company will continue to work to enhance the corporate value of the Group by focusing

on new M&A transactions and the provision of active support to the growth of Group companies.

2. Outline of the subsidiary to be changed (Saunders & Associates, LLC)

(1) Name	Saunders & Associates, LLC		
(2) Founded	1973		
(3) Address	2520 East Rose Garden Lane, Phoenix, Arizona 85050 USA		
(4) Name and title of representative	Dwane Rose, President		
(5) Business	Manufacture and sale of measurement devices for quartz crystal devices		
(6) Major shareholder	S&A Enterprise, LLC: 100%		
(7) Relationship between the Company and the company in question	Capital relationship	There is no such relationship to report.	
	Personal relationship	There is no such relationship to report.	
	Business relationship	There is no such relationship to report.	
(8) Consolidated operating results and financial position for the most recent three years of the company in question (in thousand USD)			
	FY ended December 2020	FY ended December 2021	FY ended December 2022
Net assets	8,401	11,573	9,377
Total assets	11,025	14,411	12,940
Net sales	12,554	22,989	15,002
Operating profit	4,750	11,624	5,162
EBITDA	4,777	11,651	5,192

3. Outline of the subsidiary to acquire equity interest

(Sansei Denshi)

(1) Name	Sansei Denshi Co., Ltd.
(2) Founded	October 7, 1963
(3) Address	1-11-8 Iwadokita, Komae City, Tokyo
(4) Name and title of representative	Tadashi Uchino, Representative Director and President
(5) Net sales	5.0 billion yen (fiscal year ended March 2023)
(6) Business	Manufacture and sale of measurement devices and production facilities for quartz crystal devices and related hardware and software
(7) Capital	50 million yen
(8) Major shareholder	Mitsui Matsushita Holdings Co., Ltd.: 100%

(Sansei America)

(1) Name	Sansei America, Inc.
(2) Founded	December 2023
(3) Address	2520 East Rose Garden Lane, Phoenix, Arizona 85050 USA
(4) Business	Holding company
(5) Major shareholder	Sansei Denshi Co., Ltd.: 100%

4. Outline of the counterparty of the acquisition

(1) Name	S&A Enterprise, LLC
(2) Address	2520 East Rose Garden Lane, Phoenix, Arizona 85050 USA
(3) Name and title of representative	Dwane Rose, President

5. Equity interest to be acquired and the status of equity interest held before and after the acquisition

(1) Equity interest held before the change	0%
(2) Equity interest to be acquired	50.1%
(3) Equity interest held after the change	50.1%

Notes:

1. Acquisition price is not disclosed at the request of the counterparty.
2. S&A Enterprise, LLC (the counterparty) has a right (put option) to claim, during the period of five years that starts after three months from the date of execution of the Acquisition, the purchase by Sansei America of the remaining equity interest that S&A Enterprise, LLC continuously holds after the Acquisition.

6. Schedule

(1) Date of resolution of the Board of Directors	January 9, 2024
(2) Date of contract	January 9, 2024
(3) Date of execution of the transfer of equity interest	January 31, 2024 (provisional)

7. Future outlook

The impact of the Acquisition on the consolidated financial results of the Company for the fiscal year ending March 31, 2024 is expected to be immaterial. The Company will disclose any necessary matters promptly as they arise in the future.