



May 13, 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, In Charge of Business Planning Dept.  
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**Notice Regarding a Capital Increase in a Consolidated Subsidiary (Conversion to a Specified Subsidiary) and Transfer (Addition) of a Specified Subsidiary**

Mitsui Matsushima Holdings Co., Ltd. (the “Company”), as disclosed in a statement dated January 9, 2024, acquired a 50.1% equity interest in Saunders & Associates, LLC (“Saunders & Associates”) through Sansei America, Inc. (“Sansei America”), which was newly established in the U.S. by consolidated subsidiary Sansei Denshi Co., Ltd. (“Sansei Denshi”), and made Saunders & Associates and its group companies subsidiaries on January 31, 2024. (The statement was titled “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.”) The acquisition of this equity interest had been disclosed on a voluntary basis. However, it was subsequently found that the matter, in fact, required timely disclosure because Saunders & Associates’ capital is 10/100 or more of the Company’s, making Saunders & Associates a specified subsidiary.

In addition, it was also found that Sansei America became a specified subsidiary of the Company because Sansei Denshi increased the capitalization of Sansei America on January 26, 2024 for the acquisition of Saunders & Associates shares.

We sincerely apologize for this after-the-fact disclosure. Please find the details of these specified companies below.

1. Outline of the specified company that increased its capital and the outline of the capital increase

(1) Name	Sansei America, Inc.,
(2) Address	2520 East Rose Garden Lane, Phoenix, Arizona 85050 USA
(3) Title and name of representative	President, Akinori Sakai
(4) Business	Holding company
(5) Capital (before increase)	US\$1.00
(6) Establishment	December 27, 2023

(7) Major shareholder	Sansei Denshi Co., Ltd. 100%	
(8) Relationship between the listed company and this company	Capital relationship	Wholly owned subsidiary of the Company
	Personnel relationship	The Company dispatches one director/president.
	Business relationship	There are no business relationships to be noted.
(9) Date of decision	January 25, 2024	
(10) Date of payment	January 26, 2024	
(11) Amount of capital increase	US\$42,000,000	
(12) Capital (after increase)	US\$42,000,000	
(13) Equity interest after capital increase	Sansei Denshi Co., Ltd. 100%	

2. Outline of the specified subsidiary transferred (added) as a result of equity acquisition

(1) Name	Saunders & Associates, LLC		
(2) Establishment	1973		
(3) Address	2520 East Rose Garden Lane, Phoenix, Arizona 85050 USA		
(4) Title and name of representative	President, Dwane Rose		
(5) Capital	US\$29,050,000		
(6) Business	Manufacture and sales of measurement devices for quartz crystal devices		
(7) Counterparty to the acquisition of equity interest	S&A Enterprise, LLC 100%		
(8) Relationship between the listed company and this company	Capital relationship	There are no capital relationships to be noted.	
	Personnel relationship	There are no personnel relationships to be noted.	
	Business relationship	There are no business relationships to be noted.	
(9) Consolidated financial results and financial position for the last three years (unit: thousand USD)			
	FY ended December 31, 2020	FY ended December 31, 2021	FY ended December 31, 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
(10) Equity interest held before transfer (acquisition)	0%		
(11) Equity interest acquired	50.1%		
(12) Equity interest held after transfer (acquisition)	50.1%		
(13) Date of transfer	January 31, 2024		

\*Information on the specified subsidiaries was current as of the date of transfer.

3. Future outlook, etc.

The matter did not impact the Company's consolidated financial results for the fiscal year ended March 31, 2024.

We also plan to submit an extraordinary report.