

BUSINESS REPORT

Year ended March 31, 2025

For Human Happiness and
a Beautiful Earth



Securities Code: 7456



Matsuda Sangyo makes effective use of the limited earth resources and contributing to society through business.

The Matsuda Sangyo Group operates the **Precious Metals Business Segment**—which combines the Precious Metals Related Business focusing on recycling and effective use of precious metals, a limited resource, and the Environmental Related Business that aims to pass on a clean environment to the next generation; and the **Food Business Segment**—which concentrates on tapping nature’s resources and providing stable supplies of food to enrich human life.

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Precious Metals Business Segment

A leading company that creates resource circulation (utilization)

No. of employees in the business segment: **1,339** (as of March 31, 2025)

In 1935, the Company started the recovery and refining of silver from film and other photosensitive materials. Silver production developed into the Precious Metals Related Business for gold and platinum group metals, and into the Environmental Related Business which utilizes technology to detoxify industrial waste such as waste liquids.



Promote growth strategy

- Materiality “Acceleration of diverse human growth through the activities of resources”
- Promote health management and where diverse human resources create a workplace environment can play an active role
- Provide wage increments in response to social conditions

Food Business Segment

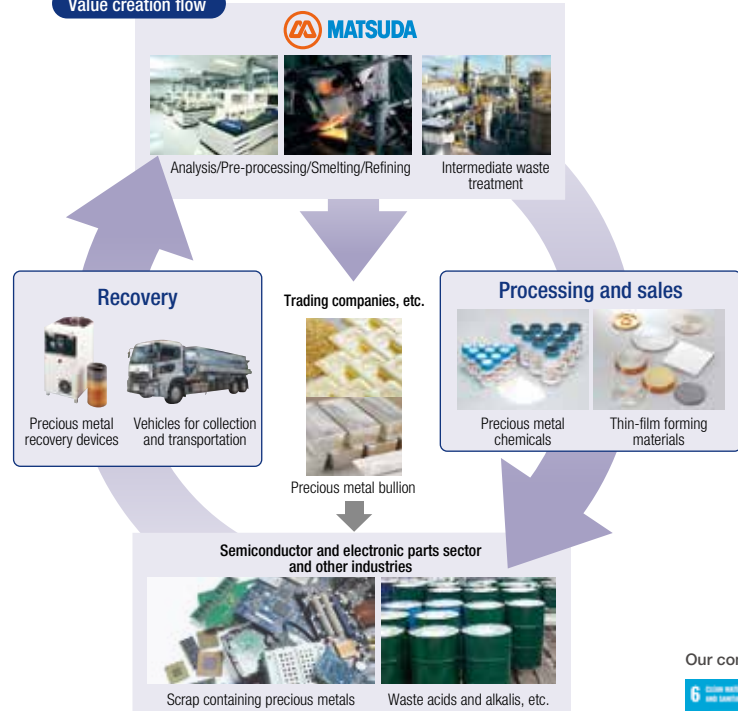
Best partner for customers in product development

No. of employees in the business segment: **259** (as of March 31, 2025)

In 1984, the Company started to sell egg whites discarded during mayonnaise production at food processing companies, to the manufacturers of boiled fish paste products. Expanded into the handling of seafood products such as surimi fish paste, as well as agricultural and livestock products.



Value creation flow



Overview of the Precious Metals Related Business

- Engages in the recovery and smelting of precious metals, manufacturing and sale of precious metal materials and products, and cleaning of thin-film deposition system parts.
- Our key customers are in the electronics, jewelry, dental, and catalyst industries, etc.

Strengths of the Precious Metals Related Business

- Cyclical business model contributing to stable supply chains, advanced technology to refine high-purity precious metals and integrated precious metal recycling system
- Network in East Asia for collection of precious metal materials and supply of precious metal materials and products
- Trust in the precious metal bullion brand born from our advanced recycling technology
- Precision cleaning that recycles jigs as well as recovers and recycles precious metals

Overview of the Environmental Related Business

- Engages in the collection, transportation, detoxification, and recycling of industrial wastes including waste acids, alkalis, oil, plastic, and polluted mud.
- Our key customers are in the electronics and chemical/pharmaceutical industries, and medical institutions, etc.

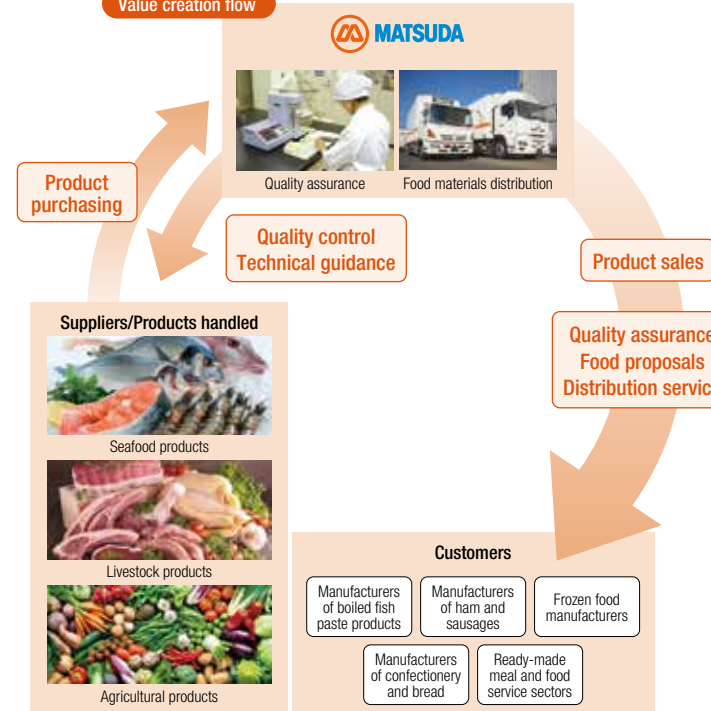
Strengths of the Environmental Related Business

- Detoxification technology and effective use of industrial wastes contribute to efficient recycling that enables customers to achieve zero emission
- One of the best nationwide networks for the collection and transportation of industrial waste

Our contributions to social issue: SDGs



Value creation flow



Overview of the Food Business Segment

- Procures safe and reliable food materials (including seafood, livestock and agricultural products) via an extensive worldwide network that encompasses such regions as Europe, North America, Asia and South America.
- Our key customers include manufacturers of boiled fish paste products, ham and sausages, frozen food, confectionery and bread, as well as the ready-made meal and food service sectors.

Strengths of the Food Business Segment

- Offers a myriad of products including surimi fish paste, shrimp, squid, octopus, shellfish, eggs, chicken, pork, beef, and dried and frozen vegetables through a global procurement network utilizing local subsidiaries.
- Proposes production areas and food processing businesses that meet customers’ needs, and procures ingredients processed locally with optimal technology into optimum forms and lots for customers.
- Offers distinctive services for ensuring safety and reliability such as guidance for suppliers in producing regions through the Quality Assurance Department, quality standard documentation and traceability.
- Stable supply of food through total supply chain management

Our contributions to social issue: SDGs





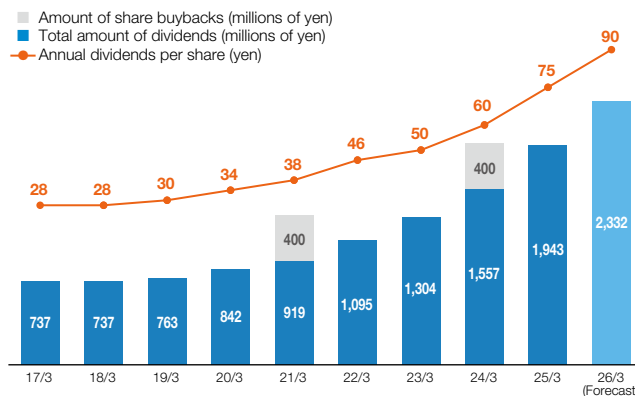
We aim to achieve our Medium-term Management Plan by focusing on further increasing quantity and improving capital efficiency.

Yoshiaki Matsuda
President

Please explain the results and dividends for the fiscal year ended March 31, 2025.

During the fiscal year ended March 31, 2025, the Japanese economy showed signs of gradual recovery, including improvements in employment and personal income, and growth in inbound demand. However, with the impact of factors such as global inflation, slowdown in the Chinese economy, and the impact of U.S. trade policies, the future outlook remains uncertain.

Against this backdrop, the Matsuda Sangyo Group's Precious Metals Business Segment advanced efforts to improve and expand production facilities within and outside Japan, and worked to secure precious metal materials, as well as expand its industrial waste

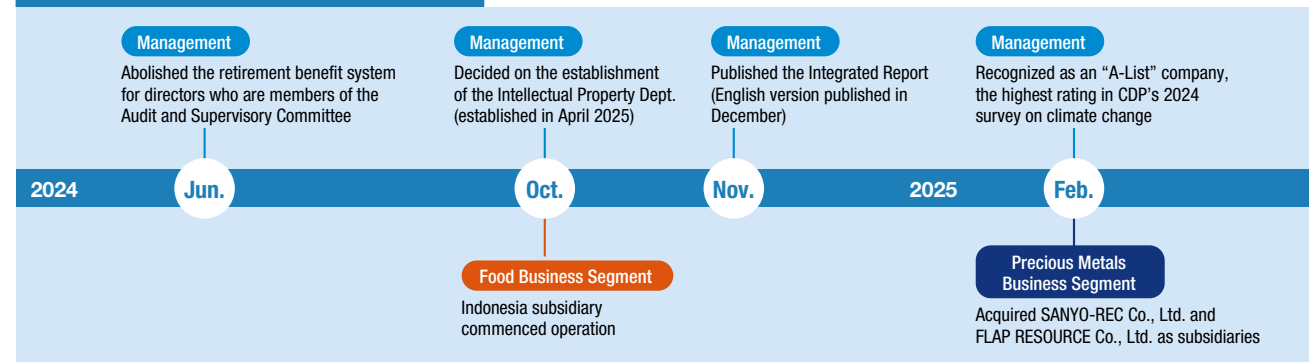


treatment outsourcing business, based on a strategy of differentiating itself through its comprehensive resource recycling capability and the development of high-performance electronic materials. As a result, it recorded increases in both net sales and operating profit on the back of an increase in precious metals recycling volume, including the jewelry sector, as well as the steady market price of gold.

The Food Business Segment utilized its global procurement capabilities to source products that meet customer needs and ensure stable supplies of safe and reliable food products, with the aim of increasing sales volumes. Although it registered an increase in the sales volume of seafood products, the sales volume of livestock and agricultural products decreased, along with a decline in sales prices in some areas, contributing to a decline in net sales. On the other hand, operating margin improved due to efforts to optimize costs by improving the inventory turnover ratio. As a result, net sales decreased, but operating profit increased.

Consequently, for the consolidated fiscal year ended March 31, 2025, net sales were ¥468,841 million (up 30.0% year on year) and operating profit was ¥12,676 million (up 35.5% year on year). Ordinary profit was ¥13,523 million (up 28.2% year on year) and profit attributable to owners of the parent was ¥9,456 million (up 29.8% year on year). We paid a year-end ordinary dividend of 40 yen per share, which, combined with the interim dividend, brought the full-year dividend to 75 yen per share. For the fiscal year ending March 31, 2026, we plan to pay a full-year dividend of 90 yen per share, an increase of 15 yen compared to the previous fiscal year.

Highlights for the period from April 1, 2024 to March 31, 2025



Please tell us about your reflections on the third year of the Medium-term Management Plan, and the priority measures for the final year.

In the year ended March 31, 2025, the third year of the Medium-term Management Plan (FY2022 to FY2025), the Group achieved a record high consolidated net sales that exceeded the 400-billion-yen mark for the first time. We also steadily produced results in various initiatives implemented under our Medium-term Management Plan. Specifically, based on our basic policy, "strengthen revenue base and create new revenue sources by continuing with proactive investments," we acquired Sanyo-Rec Co., Ltd. and FLAP RESOURCE Co., Ltd. as subsidiaries to reinforce our business base, and our Indonesia subsidiary in the Food Business Segment commenced full-scale operation. To "strengthen management foundation to support and accelerate sustainable growth," we improved our systems to protect and effectively utilize the Company's technologies and knowhow; for example, through the establishment of the Intellectual Property Department. Furthermore, in order to "enhance corporate value by promoting ESG management," our initiatives and information disclosure in regard to climate change were highly appraised, and we were recognized as an "A-List" company (the highest rating) in the 2024 climate change survey conducted by CDP. This provided a significant boost to our carbon neutrality efforts.

In the fiscal year ending March 31, 2026, the final year of our Medium-term Management Plan, while the Japanese economy is expected to recover gradually, the future remains uncertain due to concerns over U.S. tariff policy and the outlook of the Chinese economy. To achieve the targets set out in the Medium-term Management Plan, it will be necessary to further increase quantity in the Precious

Metals Business Segment, as well as to improve capital efficiency. Therefore, we aim to achieve our Medium-term Management Plan by addressing these issues, based upon the foundation of what we have achieved in the period leading up to the third year.

Please tell us about the initiatives to address materiality (priority issues) with a view to enhancing the Company's corporate value.

In addition to promoting our business strategies, as we have been communicating to date, the Group will also focus on initiatives to address materiality (priority issues) with the aim of enhancing our corporate value in a sustainable manner.

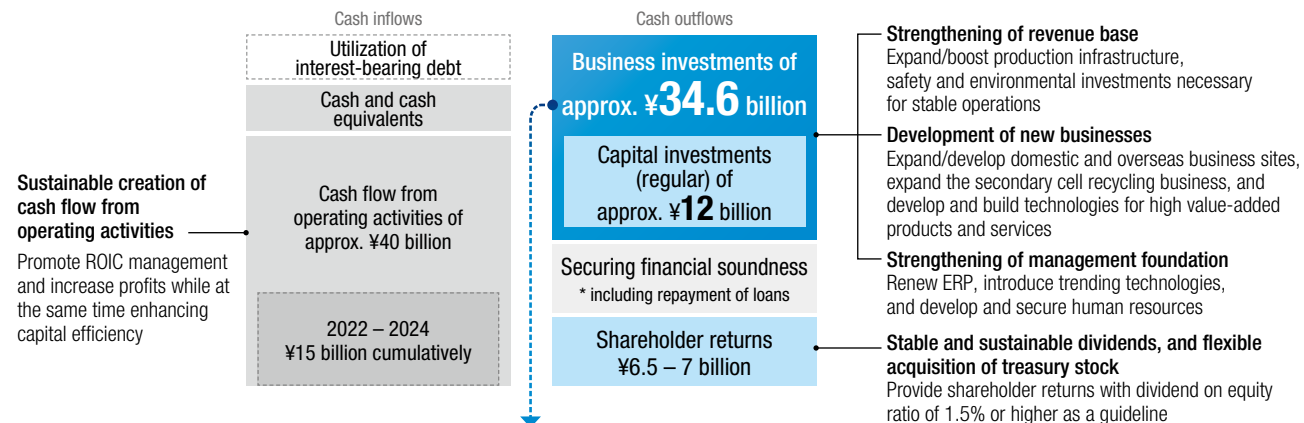
In the fiscal year ended March 31, 2025, we obtained third-party assurance for GHG emissions as a part of our efforts to "strike a balance between reducing environmental burden and business growth." We also made progress in various GHG reduction measures. With respect to the "acceleration of growth through the activities of diverse human resources," we conducted employee engagement surveys and identified issues based on the results of the surveys. We also nurtured local staff overseas, implemented diversity and innovation programs, and expanded the Company's systems to support employees in balancing work with the demands of childbirth, child-care, and nursing care. As for the "enhancement of customer satisfaction and securing the trust of society, we advanced efforts in our ISO14001/9001 Management Program, supplier engagement, and human rights due diligence among some overseas suppliers.

I hope we can count on the continued understanding and support of all our shareholders going forward.

Forward-looking business investment and capital policy

Capital policy (basic policy) Enhance our corporate value in a sustainable manner while taking into consideration optimal resource allocation to business opportunities that capture growth potential, securing financial soundness, and achieving balance with shareholder returns.

- Cash allocation assumptions based on the Medium-term Management Plan (FY2022 to 2025)



Progress of the investment plans for each business segment		FY2024 – FY2025 (planned)
Precious Metals Business Segment Leading company that creates resource circulation (utilization)	• Develop high value-added products and services, and build technologies	ECO PGC
	• Expand processing facilities/bases for the smelting environment toward the development of new businesses	PTP material recycling Secondary cell recycling business
	• Expand production infrastructure toward expansion of business scale and domains	Phase 1 operation of Kitakyushu Factory Renewal of the Iruma area
Food Business Segment Best partner for customers in product development	• Global expansion and growth of procurement network	Operation of PT Matsuda Sangyo Trading Indonesia (Indonesia base)
	• Customer-based sales and creation of new businesses/trade areas	Building and strengthening of supply chain functions
Strengthening of management foundation	• Reinforcing management functions and improving productivity through the utilization of IT	ERP renewal/Promoting DX (digital democratization)
	• Promotion of human capital management	Nurturing management talents/Creating workplace environments where diverse human resources can play active roles
	• Initiatives toward improving capital efficiency	Strengthening business portfolio management
	• Promotion of sustainability management	Initiatives toward decarbonization/Improvement of working environment (RBA)

Management

TOPIC 1:

Recognition as an “A-List” company, the highest rating in CDP’s 2024 survey on climate change

Matsuda Sangyo Group was recognized as an “A-List” company, the highest rating awarded in the FY2024 survey on climate change conducted by CDP, an international non-profit organization. This result reflects high praise and commendation for Matsuda Sangyo’s climate change initiatives, specifically in the transparency of information disclosure, risk management, setting and implementation of GHG emission reduction targets, and promotion of decarbonization management. Going forward, we will continue to contribute to the development of a sustainable society through our resource recycling business, with a view to achieving carbon neutrality in FY2050.



TOPIC 2:

Food Business Segment

Start of full-scale operation at our Indonesian subsidiary

PT Matsuda Sangyo Trading Indonesia is an Indonesian subsidiary established in 2022 (as our third base of the Food Business Segment in the ASEAN region). In October 2024, it commenced full-scale operation, with the aim of strengthening the Company’s purchasing and processing functions for agricultural and seafood products, as well as expanding the sale of food materials within Indonesia and overseas, including Japan. Headquartered in Jakarta, it will leverage the city’s strength as a local transportation hub to develop the business with an eye toward the future growth of the domestic market.

TOPIC 3:

Precious Metals Business Segment

Acquired two companies as subsidiaries under the Precious Metals Business Segment

At a meeting convened in January 2025, the Board of Directors passed a resolution to acquire Sanyo-Rec Co., Ltd. and FLAP RESOURCE Co., Ltd. as fully-owned subsidiaries. Sanyo-Rec is engaged in the business of processing, collecting, and transporting industrial waste, while FLAP RESOURCE is engaged in the non-ferrous metal recovery and wholesale business. Both companies have an extensive track record and know-how in the intermediate processing and recycling of industrial waste. With this acquisition, Matsuda Sangyo aims to strengthen the lithium-ion recycling business in the Precious Metals Business Segment, expand our market coverage including regional complementarity, achieve synergies by increasing sales, and further enhance corporate value.

Precious Metals Business Segment

Performance in the fiscal year ended March 31, 2025

In the electronic devices field of the electronics sector, which is the key market for the Precious Metals Business Segment, with no signs of a recovery in demand for smartphones and auto-motives, production of semiconductors and electronic parts failed to achieve a full-fledged recovery despite the continued expansion in data center-related demand to support the generative AI sector. Against this backdrop, the Precious Metals Business Segment recorded year-on-year increases in both net sales and operating profit on the back of efforts to increase precious metals recycling volume, including the jewelry sector, due to the steady market price of gold.

Forecasts and initiatives for the year ending March 31, 2026

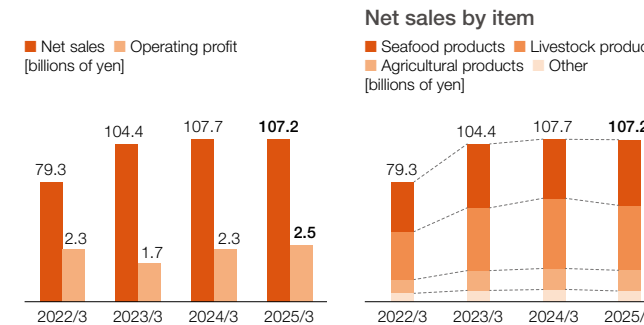
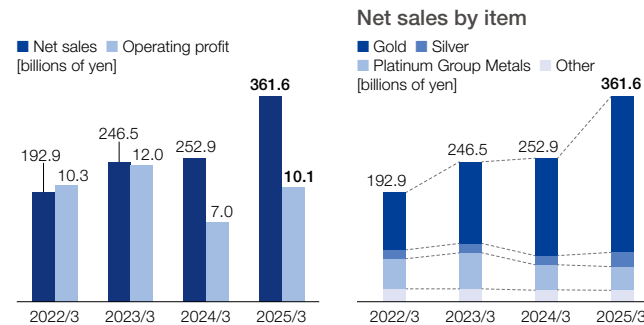
We expect to see gradual improvement in the production situation alongside a recovery in demand in the electronic devices sector. We will continue to respond to the needs of a circular society by leveraging our comprehensive resource recycling capability, and strive to increase our precious metals recycling volume and product sales volume, as well as secure and expand industrial waste treatment outsourcing.



The Company's website describes a "proprietary closed-loop solution" under its "precious metal life cycle management" service. What does this refer to specifically?



This is a mechanism that involves recycling waste and used products and utilizing them as raw materials for new products. Through this mechanism, we aim to strike a balance between the effective use of precious metal resources and reducing environmental burden, as well as to contribute to building a sustainable society. We offer proposals to customers by making full use of the Company's functions, including not only the "arterial" aspects of material procurement, development, and production activities, but also the "venous" aspects of industrial waste disposal, product destruction, and disposal of used products. By leveraging our domestic and overseas bases, we are able to provide prompt and high-quality services through our global network.



Food Business Segment

Performance in the fiscal year ended March 31, 2025

In the food production sector, which is the key market for the Food Business Segment, despite the growth in inbound demand, personal consumption was sluggish due to rising prices, which suppressed consumer sentiment. This, coupled with persistently high raw material prices and logistics costs, created an unstable market environment. Amid these circumstances, the Food Business Segment registered an increase in the sales volume of seafood products. However, the sales volume of livestock and agricultural products decreased. A decline in sales prices was also observed in some areas due to changes in the product mix, which contributed to a year-on-year fall in net sales. On the other hand, operating profit increased due to efforts to optimize costs by improving the inventory turnover ratio.

Forecasts and initiatives for the year ending March 31, 2026

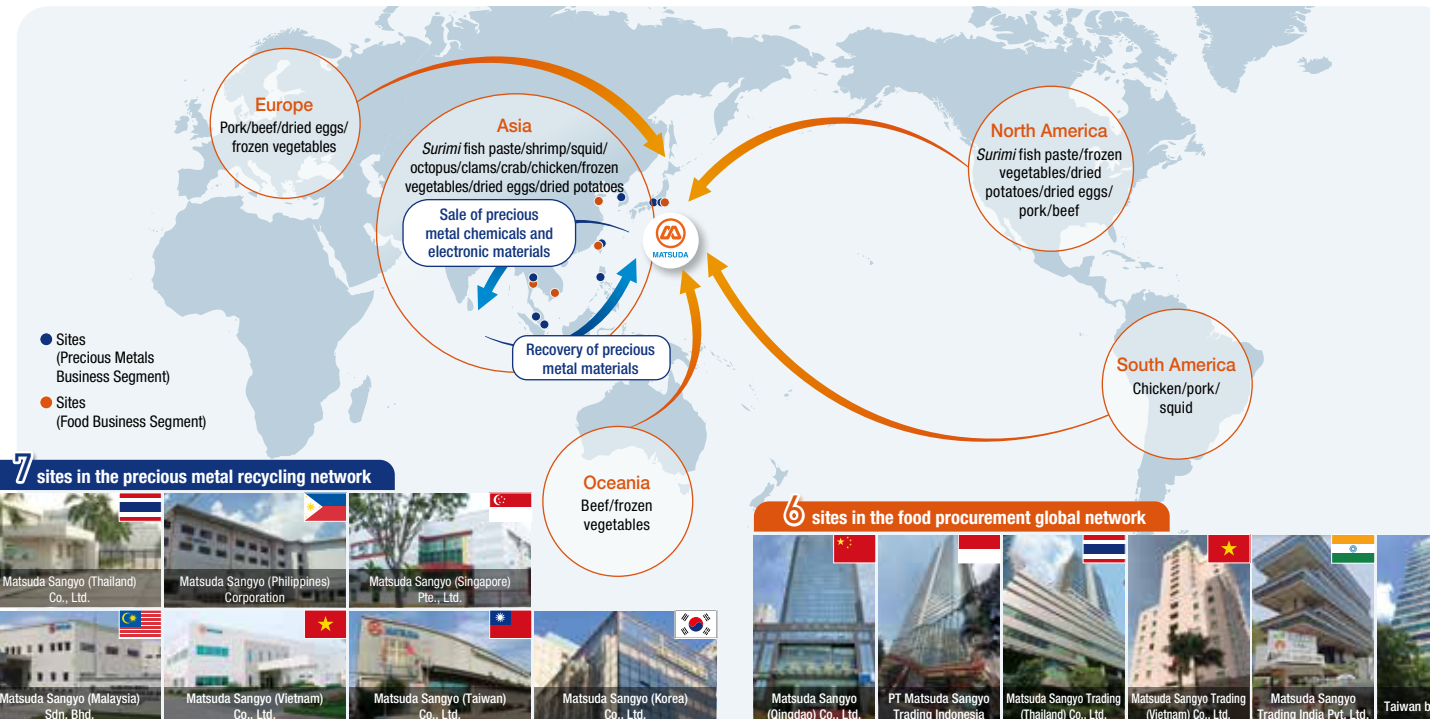
In the Food Business Segment, while coping with challenges such as concerns about the supply of food resources and rising logistics costs, we will further strengthen our procurement capabilities, including the utilization of overseas business sites, and engage in sales activities that accurately capture the needs of customers. By developing and providing products rooted in the principles of safety, reliability, and stable supply, we will differentiate the Food Business Segment, expand sales volume, and secure profits.



The second Trump administration is tightening U.S. trade policies. How will Matsuda Sangyo respond?

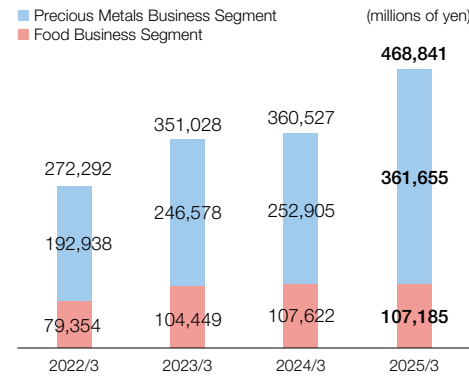


To minimize the impact on our U.S.-related businesses, we will monitor the tariff trends closely and work to diversify our procurement sources and sales destinations as necessary. We will strive to maintain our competitiveness through concrete measures to respond to the increase in tariff costs, including reviewing our prices and cost-cutting measures. We will also strengthen cooperation with our local subsidiaries and promote product development and service provision that are tailored to the needs of the local markets.

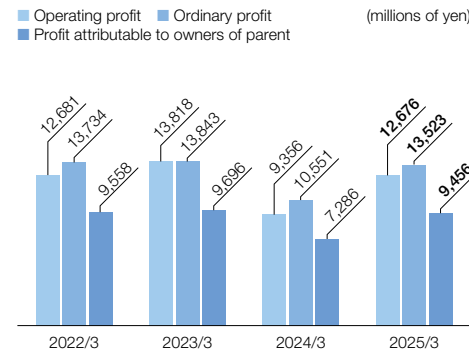


Consolidated Financial Highlights

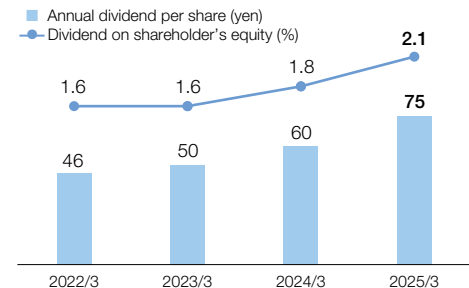
Net sales



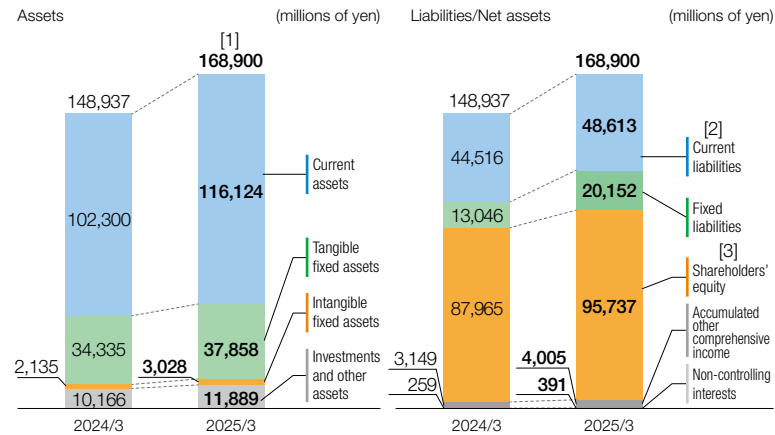
Operating profit/Ordinary profit/ Profit attributable to owners of parent



Annual dividend per share/ Dividend on shareholder's equity

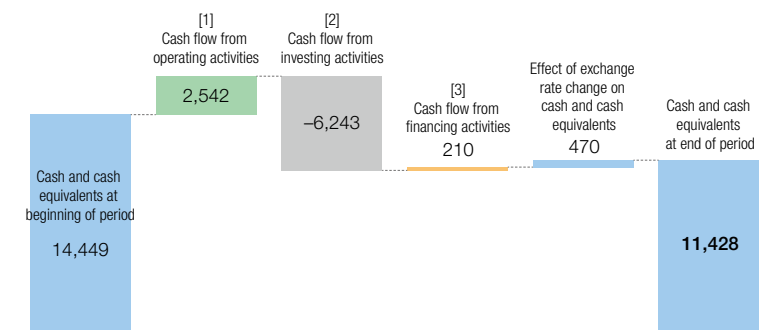


Consolidated balance sheet



- [1] Total assets increased ¥19,962 million, mainly due to an increase in notes and accounts receivable-trade, inventories, and property, plant, and equipment.
 [2] Total liabilities increased ¥11,203 million, which mainly reflected the difference between an increase in accounts payable-trade, income taxes payable, and long-term loans payable, and a decrease in short-term loans payable.
 [3] Net assets increased ¥8,759 million, mainly due to an increase in retained earnings and an increase in foreign currency translation adjustment.

Statements of cash flow



- [1] Operating activities provided net cash of ¥2,542 million, mainly due to an increase in cash from profit before income taxes, depreciation, and accounts payable-trade, outweighing a decrease in cash from an increase in accounts receivable-trade, inventories, and income taxes paid.
 [2] Investing activities used net cash of ¥6,243 million, mainly from payments for the purchase of property, plant, and equipment, such as newly installed plant equipment, the acquisition of intangible assets such as software, and the acquisition of shares of subsidiaries.
 [3] Financing activities provided net cash of ¥210 million, mainly due to an increase in cash from long-term loans payable, which outweighed the decrease in cash from repayments of short-term loans payable and cash dividends paid.

Company Information

Company Overview (As of March 31, 2025)

Corporate name	MATSUDA SANGYO Co., Ltd. Shinjuku Nomura Bldg. 26-2, 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo Tel. +81-3-5381-0001 (Main line)
Head office	Same as Corporate name
Foundation	June 18, 1951
Common stock	¥3,559 million
Number of employees	1,698
Main businesses	Recovery and smelting of precious metals, sale of precious metal bullion and electronic materials, wholesale of raw materials for food processing, collection, transportation, and processing of industrial waste
Accounting auditor	Ernst & Young ShinNihon LLC

Board of Directors (As of June 25, 2025)

President	Yoshiaki Matsuda
Vice-president and Director	Koji Tushima
Director	Ryuichi Yamazaki
Director	Kenji Isawa
Director	Takehiro Ueda
Director	Hidehito Imai
Director	Yoshinori Tanaka
Audit and Supervisory Committee member	Kazuhiro Suzuki
Audit and Supervisory Committee member	Shinichi Hatakeyama
Audit and Supervisory Committee member	Reiko Miyata
Audit and Supervisory Committee member	Yasuo Kojima

* Audit and Supervisory Committee members are all outside directors.

Major Subsidiaries (As of March 31, 2025)

Precious Metals Business Segment
Recovery and sales of metal materials, sales of precious metal products
Matsuda Sangyo (Thailand) Co., Ltd.
Matsuda Sangyo (Philippines) Corporation
Matsuda Sangyo (Singapore) Pte. Ltd.
Matsuda Sangyo (Malaysia) Sdn. Bhd.
Matsuda Sangyo (Vietnam) Co., Ltd.
Matsuda Sangyo (Taiwan) Co., Ltd.
Matsuda Sangyo (Korea) Co., Ltd.

Offices and Factories (As of April 1, 2025)

Precious Metals Business Segment offices
Headquarters / Sendai / Mito / Tokyo / Kanagawa / Nagano / Shizuoka / Nagoya / Kanazawa / Osaka / Fukuyama / Fukuoka / Kagoshima
Food Business Segment offices
Headquarters / Sapporo / Sendai / Kitakanto / Tokyo / Shizuoka / Nagoya / Osaka / Matsuyama / Fukuoka / Kagoshima / Quality Assurance Department / Taiwan
Production division
Research and development center / Musashi factory / Musashi No. 3 factory / Musashi No. 4 factory / Iruma factory / Iruma No. 2 factory / Seki factory / Seki No. 2 factory / Kitakyushu Factory / Quality Assurance Department

Affiliates (As of March 31, 2025)

MATSUDA RYUTSU Co., Ltd.	Truck transportation
MATSUDA ECOLOGY Co., Ltd.	Sales of precious metal products
JAPAN MEDICAL TECHNOLOGY Co., Ltd.	Recovery and sales of metal materials
HOKKAIDO AOKI KAGAKU Co., Ltd.	Collection, transportation and processing of industrial waste, recovery and sales of metal materials
Z.E.R.O. JAPAN Co., Ltd.	Various waste processing and equipment sales
Gulf Foods Co., Ltd.	Import and wholesale of seafood products
NIPPON MICROMETAL CORPORATION	Production and sales of metal products for the electronics industry
SANYO-REC Co., Ltd.	Industrial waste disposal, collection, and transportation
FLAP RESOURCE Co., Ltd.	Non-ferrous metal recovery and wholesale

Food Business Segment

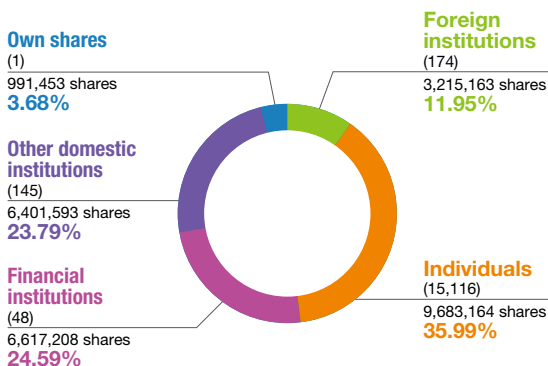
Sales of raw materials for food processing, intermediary services
Matsuda Sangyo Trading (Qingdao) Co., Ltd.
Matsuda Sangyo Trading (Thailand) Co., Ltd.
Matsuda Sangyo Trading (Vietnam) Co., Ltd.
Matsuda Sangyo Trading India Pvt. Ltd.
PT Matsuda Sangyo Trading Indonesia

Investor Information

Stock Data (As of March 31, 2025)

Total number of shares authorized to be issued	40,000,000
Total number of shares issued and outstanding	26,908,581
Number of shareholders	15,484

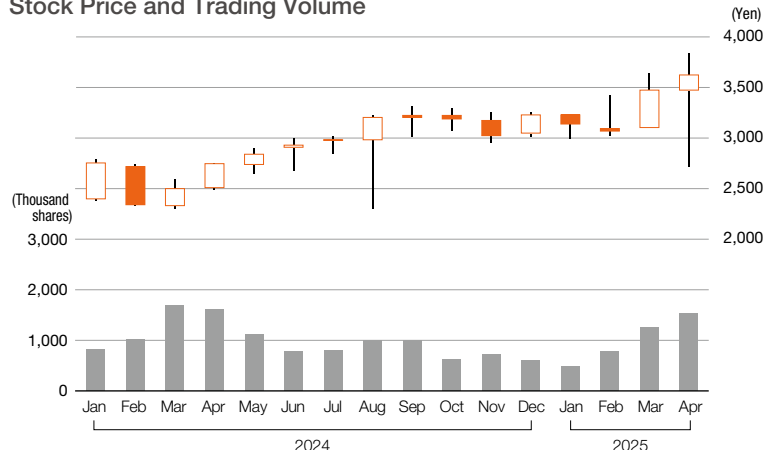
Distribution of Shares (As of March 31, 2025)



Investor Information

Business year	April 1 to the following March 31
Register closing date for term-end dividend payments	March 31
Register closing date for interim dividend payments	September 30
General meeting of shareholders	June every year
Shareholder register administrator and Transfer account management institution for special account	Mitsubishi UFJ Trust and Banking Corporation
Contact information for transfer account management institution for special account	Corporate Agency Department, Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikko-cho, Fuchu-shi, Tokyo Toll free: 0120-232-711 (only in Japan) Mailing address: P.O. Box 29, Shin-tokyo, Tokyo 137-8081 Corporate Agency Department, Mitsubishi UFJ Trust and Banking Corporation
Quoted securities exchange	Tokyo Stock Exchange
Method of public notice	Public notices of financial results are provided through the Annual Securities Report, based on the provisions of Article 440, Paragraph 4 of the Companies Act.

Stock Price and Trading Volume



Major Shareholder (As of March 31, 2025)

Name of shareholders	Number of shares	Shareholding ratio (%)
Matsuda Bussan Co., Ltd.	3,470,649	13.39%
Yoshiaki Matsuda	3,032,765	11.70%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,143,100	8.27%
Custody Bank of Japan, Ltd. (Trust Account)	999,200	3.86%
Meiji Yasuda Life Insurance Company	931,700	3.59%
Kazuko Matsuda	793,796	3.06%
Junko Tsushima	793,758	3.06%
Kuniko Matsuda	763,240	2.94%
SUMITOMO LIFE INSURANCE COMPANY	665,500	2.57%
Emukikaku Co., Ltd	479,000	1.85%

Treasury stock is excluded from the calculation of the above shareholding ratios.

Website Information

Matsuda Sangyo Search [Homepage](#)

Please visit the Matsuda Sangyo website which was renewed in March 2023.



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URL: <http://www.matsuda-sangyo.co.jp/en/>

FORWARD-LOOKING STATEMENTS

This business report contains forward-looking statements concerning the future plans, strategies, beliefs and performance of Matsuda Sangyo Co., Ltd. and its group companies. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on information currently available to the Company and are subject to a number of risks, uncertainties and assumptions, which, without limitation, include economic trends, competition in markets where the Company is active, personal consumption, market demand, the tax system and other legislation. As such, actual results may differ materially from those projected.