



IR HAND BOOK

Annual Report 2005
Year ended March 31, 2005



Security Code : 7456



VISION



For the

INDUSTRY

Contributing to the development of industries worldwide and enhancing lifestyles through our operations related to all sectors that use products containing precious metals, from semiconductors and electronic components to decorative ornaments.



For the

EARTH

Contributing to protect the environment in Japan and on the earth as a whole through our recycling and environmental management businesses in this age of environmental awareness.



For the

HUMAN LIFE

Contributing to society by striving to ensure health through the procurement of stable supplies of food—a basic human necessity—from all around the world.

C O N T E N T S

| | |
|---------------------------------------|----|
| To our shareholders | 1 |
| Review of operations | 2 |
| Overview by business segments | 4 |
| Topics | 7 |
| Consolidated financial statements | 8 |
| Non-consolidated financial statements | 11 |
| Information | 12 |

To our shareholders

I am delighted to have this opportunity of addressing our shareholders.

I would like to express my sincere gratitude for the support of all of our shareholders and present an overview of the business performance in the year ended March 31, 2005.

On the basis of our corporate philosophy of effectively utilizing earth's resources and contributing to society through business, we are developing our business centered on three pillars: the precious metals-related business, which seeks to recycle and effectively use precious metals, a limited resource; the environment-related business, which aims to pass on a clean environment to the next generation; and the food products-related business, which endeavors to supply food resources in a stable manner.

During the year under review, there were some positive signs seen in the Japanese economy, such as an improvement in corporate business results which was fueled by an increase in capital expenditures and exports. However, overall business sentiment worsened as a result of the negative impact of a steep rise in material prices and inventory adjustments in the IT-related industry in the second half of the fiscal year.

Under these circumstances, while the precious metals-related business was negatively affected by the industry-wide inventory adjustments in the second half of the fiscal year, we racked up good results thanks to the semiconductors and electronic components industry, which generally sustained a high-level performance driven by the increased sales in products designed for digital consumer electronics. In addition, while the food products-related business was in general crippled by difficult operating conditions due to the lack of improvement in a sluggish consumption and the restrictions on imports of meat products, the overall results in this business segment were in excess of the level that was reported in the previous year

thanks to the robust performance of marine products.

As a result of the foregoing, we were able to reach the ¥100,000 million mark for net sales for the first time, reaching the target which we had been working towards for a long time. Accordingly, as an expression of our appreciation to our shareholders, we set the year-end dividend at ¥12 per share, which includes a commemorative dividend of ¥2 per share.

Going forward, we will continue to engage in active business activities to ensure a more efficient management and to increase opportunities for reaping profits, while striving to strengthen our business management through improvements in risk management and internal control, as well as other measures.

We look forward to your further understanding and support of this endeavor.

Yoshiaki Matsuda

President and Representative Director

June 2005



Review of operations

Overview of the fiscal year ended March 31, 2005

During the year under review, there were some positive signs seen in the Japanese economy, such as an improvement in corporate business results which was fueled by an increase in capital expenditures and exports. However, overall business sentiment worsened as a result of the negative impact of a steep rise in material prices and inventory adjustments in the IT-related industry in the second half of the fiscal year.

Against this background, in the precious metals-related business of our group we saw a high-level performance sustained in the semiconductors and electronic components industry, while we were adversely impacted by the inventory adjustments in the said industry in the second half of the fiscal year under review. In addition, in the food products-related business there were no improvements in a sluggish consumption and in the restrictions on imports of meat products. As a result, overall operating conditions surrounding the food products-related business remained challenging.

Under these conditions, our group continued to undertake efforts

towards improving our management efficiency and expanding our businesses and the precious metals-related business was driven by the semiconductors and electronic components industry which sustained a high-level overall performance. In the food products-related business, marine products showed a strong performance despite the sluggish business environment. As a consequence, both business segments produced results that were in excess of the levels that were reported in the previous year in terms of sales and profits.

As a result of the foregoing, in the year under review we reported net sales of ¥107,980 million, up 16.4% from the previous year, reaching the ¥100,000 million mark for the first time. In addition, we achieved a substantial increase in our earnings, with ordinary income of ¥3,787 million, up 62.5% from the previous year, and net income of ¥2,053 million, up 63.7% from the previous year.

Medium-term to long-term management strategy

Our medium- and long-term management strategy positions the precious metals-related business as our leading engine of expansion and growth and the food products-related business as our stable-growth division.

In the precious metals-related business, we believe that the IT-related industry, which is our principal target industry, will continue to demonstrate a sustainable growth on a global scale. Through our business development efforts, such as the utilization of the overseas bases which we have been expanding and strengthening over the past few years, we will further pursue increases in the recovery volume of precious metal materials both in Japan and overseas. At the same time, we will strive to expand the sales of plating chemical products and electronic materials. In addition, in the precision cleaning business for components of semiconductor process equipments we will ensure high quality service with the goal of expanding the volume of business handled.

In the environment division, amidst the growing needs in society for the proper disposal of industrial waste, we will utilize our own license-based nationwide waste collection, transportation, and disposal network in order to offer diversified services that are based on the maintenance and strengthening of the trust of our customers by fully reinforcing the safe and

proper disposal of waste. In doing so, we will strive to increase our share in the industry.

In the production division, we will strive to establish processing technologies, upgrade and expand facilities, design an efficient processing system, and improve our raw material processing technology, while working on the development of new products.

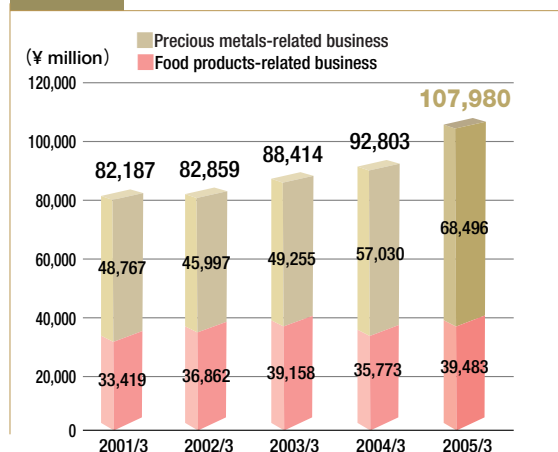
In the food products-related business, while it is expected that the current constraints in supply will continue to prevail, we will further pursue the diversification of supply sources and the differentiation of our services, as well as promote business activities that flexibly cater to the needs of our customers. To realize this goal, we will attempt to further enhance and strengthen our quality assurance capability and work to improve our capacity to propose new business materials to our customers. In addition, we will steadily engage in the enhancement of our delivery service to the food service industry that takes advantage of the information system that is provided by the Fresh Foods and Vegetables Distribution Center.

Furthermore, we will strive to strengthen our risk management and improve internal control, while pursuing the building of a more efficient operation structure.

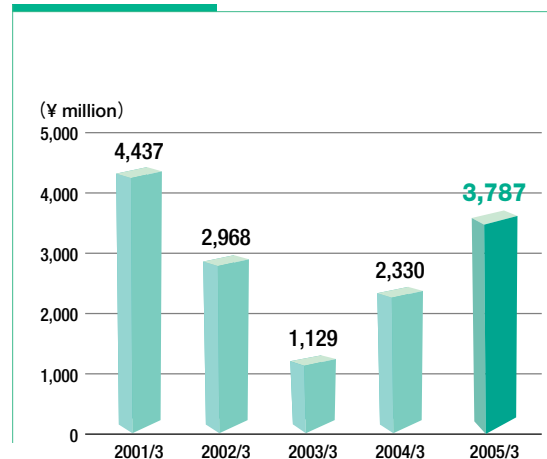
Earnings forecasts for the fiscal year from April 1, 2005 to March 31, 2006

| Consolidated | | Non-consolidated | |
|-----------------|-------------------|------------------|-------------------|
| Net sales | ¥ 109,000 million | Net sales | ¥ 106,500 million |
| Ordinary income | ¥ 3,250 million | Ordinary income | ¥ 3,000 million |
| Net income | ¥ 1,900 million | Net income | ¥ 1,700 million |

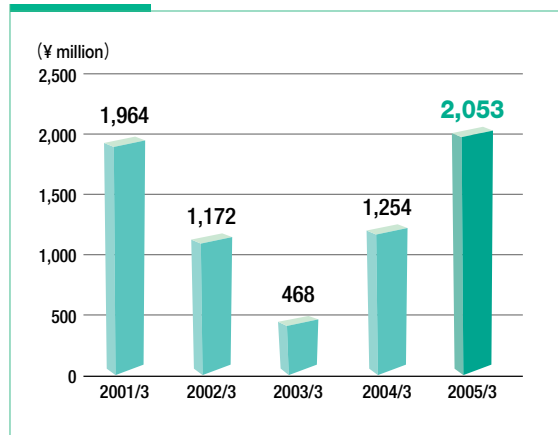
Net sales



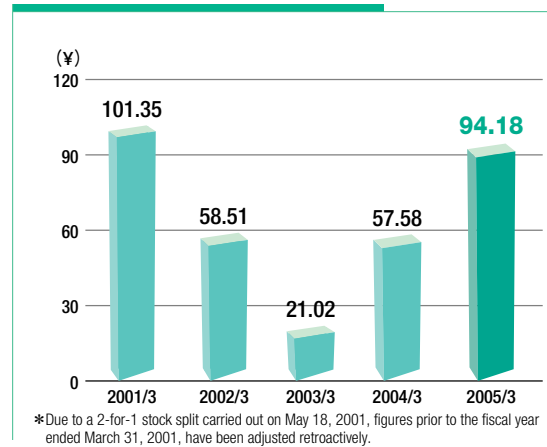
Ordinary income



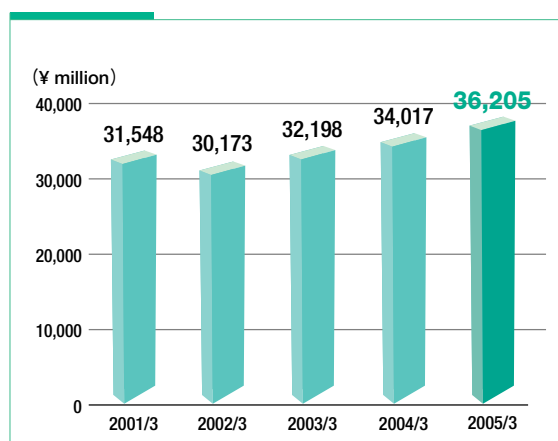
Net income



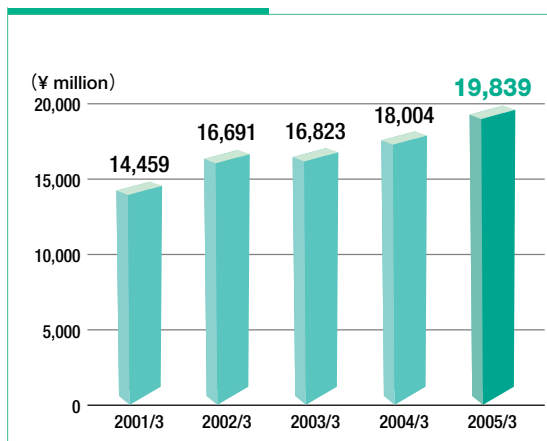
Adjusted net income per share



Total assets



Shareholders' equity



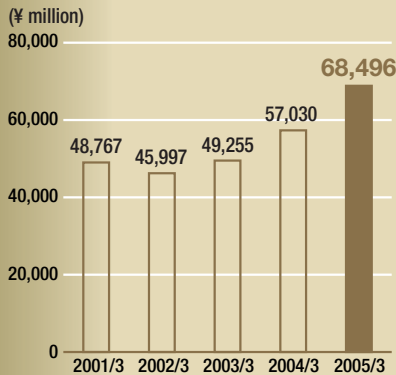
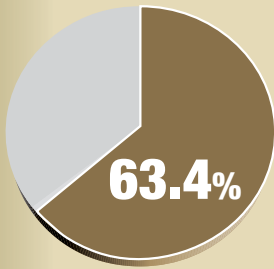
Precious metals-related business

- Precious Metals Operation
- Environment Operation

Precious metals-related business: Net sales

¥68,496 million

(up 20.1% year on year)



Precious metals-related business: Operating income

¥2,666 million

(up 63.7% year on year)

Overview by business segments

Precious Metals Operation



In the precious metals operation of the precious metals-related business, the recovery volume of precious metal recyclable materials increased thanks to a high level of production in the semiconductors and electronic components industry, which is our main target industry. Under this circumstance, sales of gold bullion as well as gold products rose significantly as a result of the increased sales volume in plating chemical products. Sales of silver products increased as we offset a

declining volume of silver collected from photo sensitive materials as a result of advancements in digitalization by increasing the volume of silver collected from other industries. Sales of platinum products, too, increased due to the growing sales of ingots and palladium plating chemical products.

On the other hand, in spite of inventory adjustments in the second half of the fiscal year, the full-year sales of electronic materials such as gold bonding wires remained nearly at the same level as in the previous fiscal year. In addition, the volume of business handled in the cleaning business for the components of semiconductor deposition equipments steadily increased as a result of a thorough quality control.

Environment Operation



In the environment operation, the recovery volume of silver and liquid waste from the sensitive materials industry continues to be on the decline as a result of advancements in digitalization. In spite of this trend, we undertook efforts to increase our sales through the development of aggressive sales activities that take advantage of the waste acid and waste alkali processing technology of our production division, which has acquired the ISO14001 certification in its plants, as well

as infrastructure such as a nationwide collection and transportation network.

In addition, Z.E.R.O. Japan Co., Ltd., a consolidated subsidiary, contributed to our consolidated results through its sales of vacuum thermal recycling (VTR) furnaces to the polychlorinated biphenyl (PCB) processing facilities of the Japan Environmental Safety Corporation.



For the INDUSTRY



Our subsidiary in Singapore: In April 2005, our subsidiary in Singapore took over the operations of our former Singapore Branch and commenced business. The subsidiary engaged in activities as the key sales and distribution stronghold in the ASEAN region.



Chemical products: We manufacture and sell potassium gold cyanide, which is used to plate semiconductors and electronic components, and environment-friendly non-cyanide plating chemicals. In addition, we handle various palladium plating solutions used to attach functions to ornaments, leadframes, and connectors.



For the EARTH



Promoting the appropriateness of industrial waste management: In order to comply with the program that was established by the Japan Industrial Waste Management Foundation for promoting the appropriateness of industrial waste management companies, we disclosed information relating to industrial waste disposal on our website (Japanese version only).



Solar power generation system: Out of consideration for the global environment, we have implemented a solar power generation system and have taken steps to reduce emissions of CO₂ and other gases. Going forward, we will continue to undertake efforts to preserve our environment and make contributions to the creation of a recycling-based society.



Food products-related business

Overview by business segments



In the food products-related business, consumption remained sluggish as evidenced by the current slump in the food service industry, while the supply side continued to face difficult conditions, such as the ban on US beef imports as a result of concerns over bovine spongiform encephalopathy (BSE), or mad cow disease, as well as the ban on broiler chicken imports from China and Thailand as a result of concerns over chicken influenza.



Under these circumstances, in this business segment we undertook efforts to increase our sales by working to diversify our supply sources and by responding in an appropriate manner to the needs of our customers, who strongly demand food safety, and thorough product quality control and quality record management.

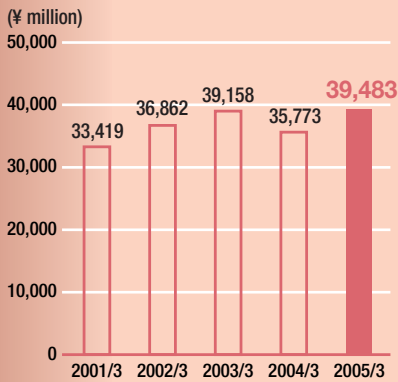
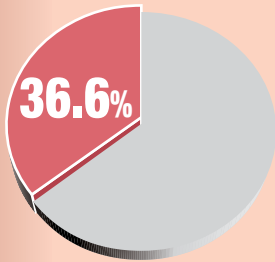
Food products: We are delivering high-quality products that respond in a fine-tuned manner to consumer needs at low cost by utilizing our worldwide production network and directly processing fresh materials in the producing regions.

As a result of the above, the volume of marine products we handled increased, and while livestock products did not perform strongly, sales and profits grew above the levels that were reported in the previous year.

Food products-related business: Net sales

¥39,483 million

(UP 10.4% year on year)



Food products-related business: Operating income

¥883 million

(up 35.4% year on year)



Quality Assurance Department: Through product quality control training at producing regions, various quality inspections, and the issuance of quality assurance certificates, we are designing a structure that will enable us to ensure the safety of food materials and offer these food materials to our customers.



Test kitchen: We are developing new products and proposing new menus that cater to the needs of our customers, and creating quality standards for products.

For the **HUMAN LIFE**

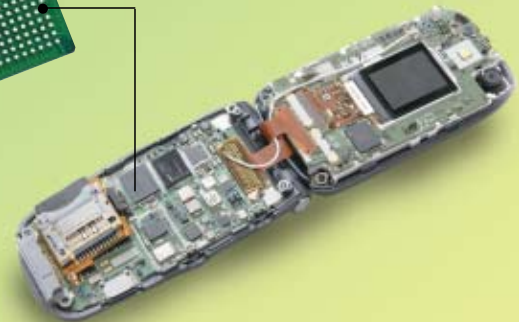
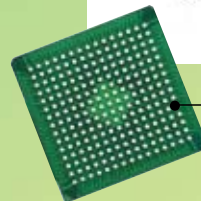
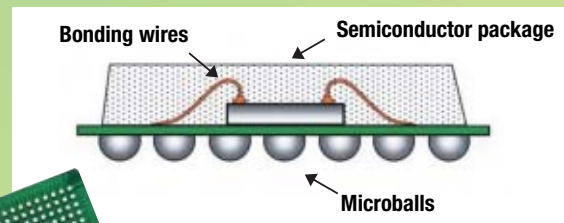
Microballs

As mobile phones, notebook PCs, and other IT-related devices become increasingly downsized and more sophisticated, it has become a great challenge to load as many semiconductors as possible into a small space. As a result, a semiconductor package called the ball grid array (BGA) has appeared on the market in place of the conventional pin-type package that connects to external circuits through a leadframe. BGA packaging allows the ball-shaped connectors that are lined on the surface of a semiconductor to be mounted to a substrate. The Nippon Micrometal Corporation* manufactures the microballs used for BGA packaging.



The role of microballs

If you look into the interior of a mobile phone, you will find a semiconductor that is wrapped in resin mounted on the surface of the substrate. On the back of the semiconductor, where microballs are used, there are connectors that are lined across to connect the semiconductor and the substrate. Microballs are balls that have a diameter of about the size of the lead used in a mechanical pencil. Traditionally, microballs have been manufactured with “solder,” which is an alloy of tin and lead. In recent years, however, there has been a continuous transition to lead-free (containing no lead) microballs, which are more environmentally friendly.



The level of reliability demanded of microballs, which are used in connecting to high-performance integrated circuits (IC), is particularly high. Under a strict quality control regime which is based on ISO9001, the Nippon Micrometal Corporation manufactures high quality products that are tailored to features that are required by our customers, such as balls with a reduced diameter of 100 to 760 microns, and LF35, a lead-free material with a high drop impact resistance used in mobile phones and digital cameras.

* The Nippon Micrometal Corporation was established in 1987 with capital that was provided by Matsuda Sangyo and the Nippon Steel Corporation. The company manufactures electronic parts and materials, such as bonding wires and microballs, which are distributed by Matsuda Sangyo.

Consolidated financial statements

Consolidated Balance Sheets

As of March 31, 2004 and 2005

(¥ million)

| | 2004 | 2005 |
|-------------------------------------|---------------|---------------|
| Assets | | |
| Current assets | 22,349 | 25,175 |
| Cash and deposits | 1,915 | 1,788 |
| Notes and accounts receivable | 11,885 | 14,113 |
| Inventories | 6,032 | 6,650 |
| Deferred tax assets | 382 | 296 |
| Other accounts receivable | 793 | 957 |
| Other | 1,440 | 1,435 |
| Allowance for doubtful accounts | △ 100 | △ 64 |
| Fixed assets | 11,667 | 11,029 |
| Tangible fixed assets | 7,708 | 7,384 |
| Buildings and structures | 2,203 | 2,040 |
| Machinery and delivery equipment | 1,290 | 1,073 |
| Land | 4,148 | 4,138 |
| Construction in progress | 11 | 35 |
| Other | 53 | 96 |
| Intangible fixed assets | 352 | 408 |
| Consolidated adjustment account | 4 | 117 |
| Other | 347 | 290 |
| Investments and other assets | 3,606 | 3,236 |
| Investment securities | 1,722 | 1,928 |
| Long-term loans | 3 | 0 |
| Membership | 169 | 130 |
| Deposits | 455 | 450 |
| Deferred tax assets | 656 | 344 |
| Other | 879 | 656 |
| Allowance for doubtful accounts | △ 280 | △ 274 |
| Total assets | 34,017 | 36,205 |

Current assets

As a result of the increase of account receivables and inventories following the expansion in the range of our businesses, the total of current assets rose by ¥2,826 million.

Fixed assets

Because capital investment in the year under review was limited to the renewal of plant and equipment, depreciation expenses exceeded capital investment amount, and fixed assets declined by ¥637 million.

(¥ million)

| Liabilities | 2004 | 2005 |
|---|---------------|---------------|
| Current liabilities | 13,197 | 14,613 |
| Notes and accounts payable | 8,729 | 10,078 |
| Short-term debt | 130 | 384 |
| Current portion of long-term debt | 485 | 519 |
| Accrued income taxes | 1,032 | 344 |
| Allowance for bonuses | 437 | 478 |
| Other accounts payable | 1,204 | 1,453 |
| Other | 1,177 | 1,355 |
| Fixed liabilities | 2,815 | 1,740 |
| Long-term debt | 1,572 | 1,049 |
| Accrued pension and severance costs | 409 | 382 |
| Accrued directors' retirement benefits | 827 | 300 |
| Other | 6 | 7 |
| Total liabilities | 16,012 | 16,354 |
| Minority interests | | |
| Minority interests | — | 11 |
| Shareholders' equity | | |
| Common stock | 3,559 | 3,559 |
| Legal capital surplus | 4,008 | 4,008 |
| Retained earnings | 10,310 | 12,134 |
| Unrealized gains on marketable securities | 203 | 234 |
| Translation adjustments | 0 | △ 18 |
| Treasury stock | △ 78 | △ 78 |
| Total shareholders' equity | 18,004 | 19,839 |
| Total liabilities, minority interests and shareholders' equity | 34,017 | 36,205 |

Liabilities

Accounts payable increased by ¥1,348 million, which is a reflection of an expansion in the range of our businesses. On the other hand, accrued income taxes declined by ¥687 million due to the payment of income taxes, and accrued directors' retirement benefits decreased by ¥526 million due to a payment of directors' severance pay.

Shareholders' equity

We recorded net income of ¥2,053 million for the year under review, which is the highest level to date, and retained earnings increased by ¥1,823 million. Our shareholders' equity ratio increased by 1.9 points to 54.8% from 52.9% in the previous year.

Consolidated financial statements

Consolidated Statements of Income

| Years ended March 31, 2004 and 2005 | (¥ million) | |
|---|---------------|----------------|
| | 2004 | 2005 |
| Net sales | 92,803 | 107,980 |
| Cost of sales | 81,674 | 95,663 |
| Selling, general and administrative expenses | 8,846 | 8,766 |
| Operating income | 2,281 | 3,549 |
| Non-operating income | 137 | 301 |
| Non-operating expenses | 89 | 63 |
| Ordinary income | 2,330 | 3,787 |
| Extraordinary Income | 318 | 41 |
| Extraordinary losses | 162 | 541 |
| Income before income taxes | 2,486 | 3,287 |
| Income taxes | 1,431 | 864 |
| Deferred income taxes | △ 222 | 377 |
| Minority interests (losses) | 23 | △ 7 |
| Net income | 1,254 | 2,053 |

Consolidated Statements of Retained Earnings

| Years ended March 31, 2004 and 2005 | (¥ million) | |
|---|-------------|--------|
| | 2004 | 2005 |
| Capital surplus | | |
| Capital surplus at beginning of year | 4,008 | 4,008 |
| Capital surplus at end of year | 4,008 | 4,008 |
| Consolidated retained earnings | | |
| Consolidated retained earnings at beginning of year | 9,261 | 10,310 |
| Increase in consolidated retained earnings | 1,254 | 2,053 |
| Net income | 1,254 | 2,053 |
| Decrease in consolidated retained earnings | 204 | 229 |
| Cash dividends paid | 173 | 216 |
| Directors and auditors bonuses paid | 12 | 13 |
| Of which, auditors bonuses | 1 | 1 |
| Loss from disposal of treasury stock | 19 | — |
| Consolidated retained earnings at end of year | 10,310 | 12,134 |

Consolidated Statements of Income

While gross profits on sales increased by ¥1,188 million, selling, general and administrative expenses fell by ¥79 million as a result of a decrease in the provision for doubtful accounts and the positive impact from a reduction in other expenses, as well as other factors. As a result, operating income increased by ¥1,267 million. Non-operating income amounted to ¥301 million, which includes equity earnings in affiliates and other income. Extraordinary losses are comprised largely of directors' severance pay and losses from the sale of fixed assets.

Consolidated Statements of Cash Flows

| Years ended March 31, 2004 and 2005 | (¥ million) | |
|--|----------------|--------------|
| | 2004 | 2005 |
| Cash flow from operating activities | | |
| Income before income taxes | 2,486 | 3,287 |
| Depreciation and amortization | 634 | 604 |
| Increase (decrease) in accrued directors' retirement benefits | 44 | △ 526 |
| Equity earnings in affiliates | △ 88 | △ 131 |
| Valuation losses on investment securities | 99 | 19 |
| Increase(decrease) in notes and accounts receivables | △ 1,968 | △ 2,260 |
| Increase(decrease) in inventories | △ 672 | △ 620 |
| Increase(decrease) in notes and accounts payables | 1,014 | 1,350 |
| Income taxes paid | △ 474 | △ 1,551 |
| Other | △ 472 | 508 |
| Net cash provided by operating activities | 603 | 681 |
| Cash flow from investing activities | | |
| Purchases of tangible fixed assets | △ 385 | △ 297 |
| Purchases of investment securities | △ 58 | △ 112 |
| Proceeds from the sale of investments securities | — | 80 |
| Proceeds from insurance claims | 478 | — |
| Proceeds from the acquisition of shares of consolidated subsidiaries | — | △ 69 |
| Other | △ 41 | △ 47 |
| Net cash used in investing activities | △ 6 | △ 447 |
| Cash flow from financing activities | | |
| Increase in short-term loans | △ 328 | 261 |
| Proceeds from long-term debt | 200 | — |
| Repayment of long-term debt | △ 671 | △ 489 |
| Proceeds from the sale of treasury stock | 65 | — |
| Purchases of treasury stock | △ 93 | △ 0 |
| Cash dividend paid | △ 173 | △ 216 |
| Net cash used in financing activities | △ 1,001 | △ 445 |
| Effect of exchange rate changes on cash and cash equivalents | △ 70 | 84 |
| Increase(decrease) in cash and cash equivalents | △ 475 | △ 127 |
| Cash and cash equivalents at beginning of year | 2,390 | 1,915 |
| Cash and cash equivalents at end of year | 1,915 | 1,788 |

Consolidated Statements of Cash Flows

Cash flows from operating activities amounted to ¥681 million due to an increase in income before income taxes and other adjustments for the year under review, in spite of an increase in notes and accounts receivable and inventories, and increased payments for income taxes. Cash used in investing activities amounted to ¥447 million, which reflects capital expenditures, the acquisition of shares of subsidiaries, and other items. Cash used in financing activities amounted to ¥445 million as a result of debt repayment and other items.

Non-consolidated financial statements

Non-consolidated Balance Sheets

As of March 31, 2004 and 2005

(¥ million)

| Assets | 2004 | 2005 | Liabilities | 2004 | 2005 |
|------------------------------------|---------------|---------------|---|---------------|---------------|
| Currents assets | 22,128 | 22,966 | Current liabilities | 12,222 | 12,178 |
| Cash and deposits | 1,588 | 1,512 | Accounts payable | 8,082 | 8,173 |
| Notes receivable | 514 | 621 | Current portion of long term debt | 462 | 500 |
| Accounts receivable | 10,802 | 11,280 | Other accounts payable | 1,076 | 1,378 |
| Inventories | 5,913 | 6,368 | Accrued expenses | 502 | 513 |
| Other accounts receivable | 837 | 1,118 | Accrued income taxes | 1,024 | 335 |
| Deferred tax assets | 372 | 287 | Allowance for bonuses | 426 | 466 |
| Other | 2,198 | 1,842 | Other accounts payable | 648 | 811 |
| Allowance for doubtful accounts | △ 99 | △ 64 | Fixed liabilities | 2,715 | 1,685 |
| Fixed assets | 10,781 | 10,353 | Long-term debt | 1,490 | 990 |
| Tangible fixed assets | 6,974 | 6,709 | Accrued pension and severance costs | 397 | 370 |
| Buildings | 1,694 | 1,565 | Accrued directors' retirement benefits | 827 | 300 |
| Land | 3,922 | 3,916 | Other | 0 | 24 |
| Construction in progress | 9 | 35 | Total liabilities | 14,938 | 13,864 |
| Other | 1,347 | 1,192 | Shareholders' equity | | |
| Intangible fixed assets | 333 | 279 | Common stock | 3,559 | 3,559 |
| Investment and other assets | 3,472 | 3,364 | Legal capital surplus | 4,008 | 4,008 |
| Investment securities | 1,256 | 1,338 | Capital reserve | 4,008 | 4,008 |
| Investment in affiliates | 385 | 863 | Retained earnings | 10,273 | 11,729 |
| Membership | 169 | 124 | Earned reserve | 177 | 177 |
| Deposits | 447 | 436 | Voluntary reserve | 7,090 | 7,090 |
| Deferred tax assets | 652 | 338 | Unappropriated retained earnings | 3,005 | 4,461 |
| Other | 942 | 687 | Unrealized gains on marketable securities | 203 | 233 |
| Allowance for doubtful accounts | △ 380 | △ 424 | Treasury stock | △ 74 | △ 74 |
| Total assets | 32,910 | 33,320 | Total shareholders' equity | 17,971 | 19,456 |
| | | | Total liabilities and shareholders' equity | 32,910 | 33,320 |

Non-consolidated Statements of Income

Years ended March 31, 2004 and 2005

(¥ million)

| | 2004 | 2005 |
|---|---------------|----------------|
| Net sales | 91,124 | 105,076 |
| Cost of sales | 80,719 | 93,718 |
| Selling, general and administrative expenses | 8,167 | 8,010 |
| Operating income | 2,236 | 3,348 |
| Non-operating income | 69 | 172 |
| Non-operating expenses | 180 | 105 |
| Ordinary income | 2,126 | 3,414 |
| Extraordinary income | 318 | 41 |
| Extraordinary losses | 124 | 541 |
| Income before income taxes | 2,320 | 2,914 |
| Income taxes | 1,423 | 850 |
| Deferred income taxes | △ 223 | 378 |
| Net income | 1,120 | 1,685 |
| Unappropriated retained earnings brought forward | 1,904 | 2,776 |
| Loss from disposal of treasury stock | 19 | — |
| Unappropriated retained earnings | 3,005 | 4,461 |

Appropriation of Retained Earnings

As of June 29, 2004 and 2005

(¥ million)

| | 2004 | 2005 |
|---|-------------|-------------|
| Unappropriated retained earnings | 3,005 | 4,461 |
| This was appropriated as follows | | |
| Dividends | 216 | 259 |
| Directors' bonuses | 13 | 16 |
| Earning carried forward to the following year | 2,776 | 4,185 |

Stock data

as of March 31, 2005

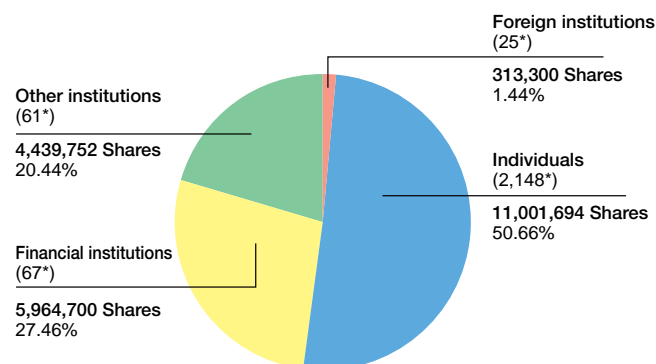
Total number of shares authorized to be issued: 40,000,000 shares

Total number of shares issued and outstanding: 21,719,446 shares

Number of shareholders: 2,301

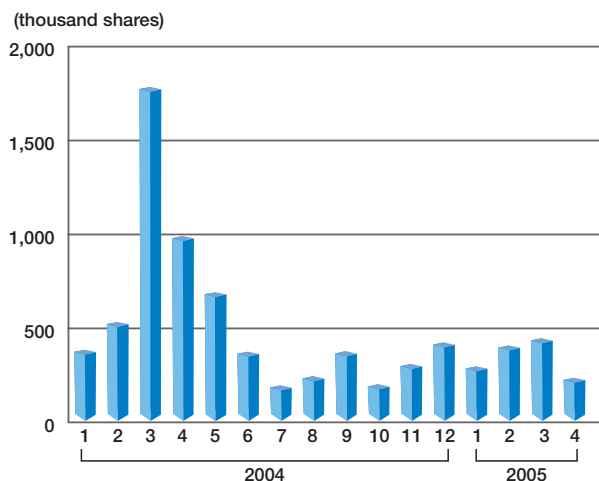
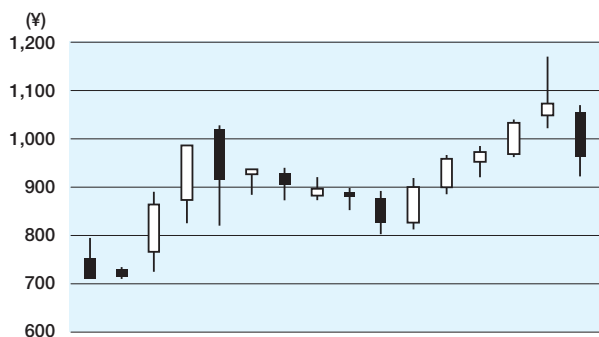
Distribution of shares

as of March 31, 2005



*Number of Shareholders

Stock price and trading volume



Company overview

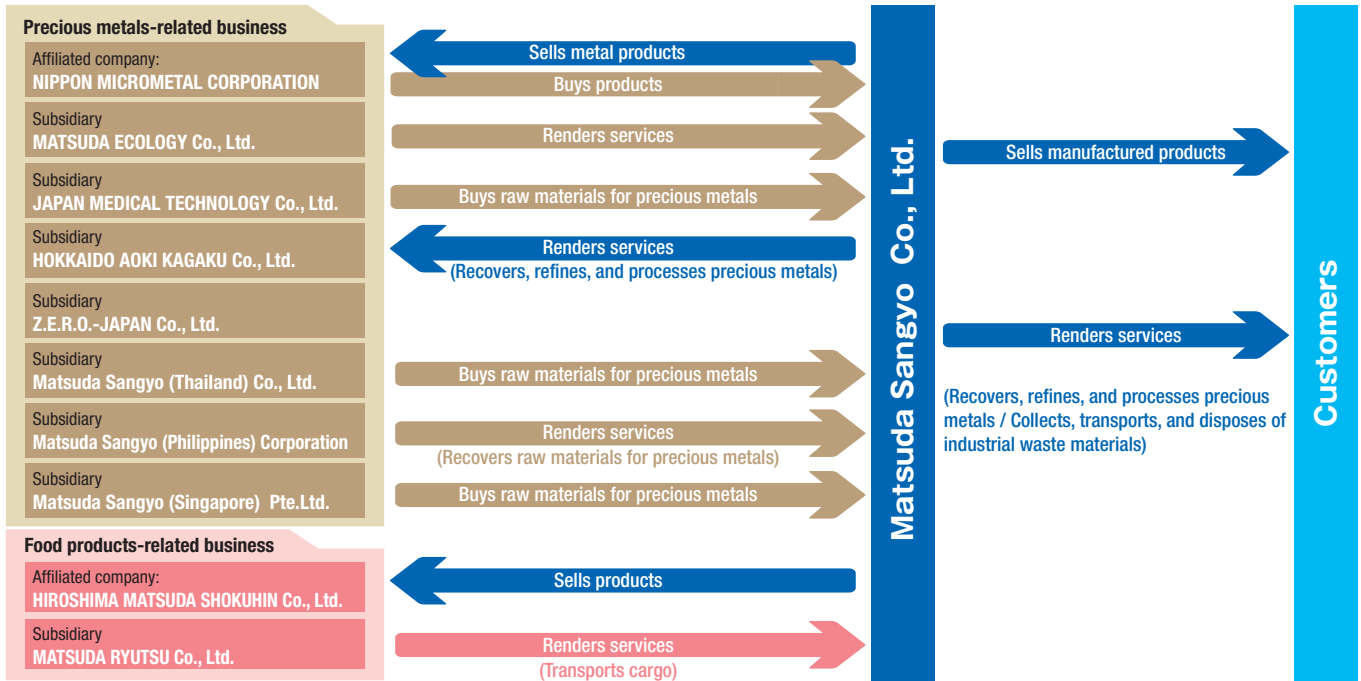
as of March 31, 2005

| | |
|----------------------|--|
| Corporate name: | MATSUDA SANGYO Co., Ltd. |
| Head office: | Shinjuku Nomura Bldg. 6F, 26-2, 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo |
| Foundation: | June 18, 1951 |
| Common stock: | ¥3,559 million |
| Number of employees: | 638 |
| Main businesses: | Recovery and refining of precious metals, sale of precious metal materials and electronic materials, wholesale of food product processed and raw materials, collection, transportation, and processing of industrial waste |
| Accounting auditor: | ChuoAoyama PricewaterhouseCoopers |

Board of directors

as of June 29, 2005

| | |
|--|---|
| President and Representative Director: | Yoshiaki Matsuda |
| Senior Managing Directors: | Koji Tsushima Kenichi Tategami Shin-e Watanuki |
| Managing Directors: | Norio Kojima Yukihiro Kaku Tsuneo Tokunaga Yasuhiko Kumagai |
| Directors: | Yoshitaka Tashiro Yuji Katayama Masanori Funamoto Kenji Hosoda Takashi Sasaki |
| Corporate Auditor (standing): | Yasuo Tamura |
| Corporate Auditors: | Tatsuo Asami Tetsuo Tani Tadashi Uematsu |



Precious Metal Division

Head office / Sendai / Mito / Tokyo
 Iruma / Kawasaki / Kofu
 Nagano / Nagoya / Osaka
 Kanazawa / Fukuyama
 Fukuoka / Kagoshima

Environment Division

Head office / Aomori / Sendai
 Saitama / Tokyo / Chiba
 Kanagawa / Yokohama
 Shizuoka / Nagoya / Osaka
 Fukuyama / Fukuoka

Overseas

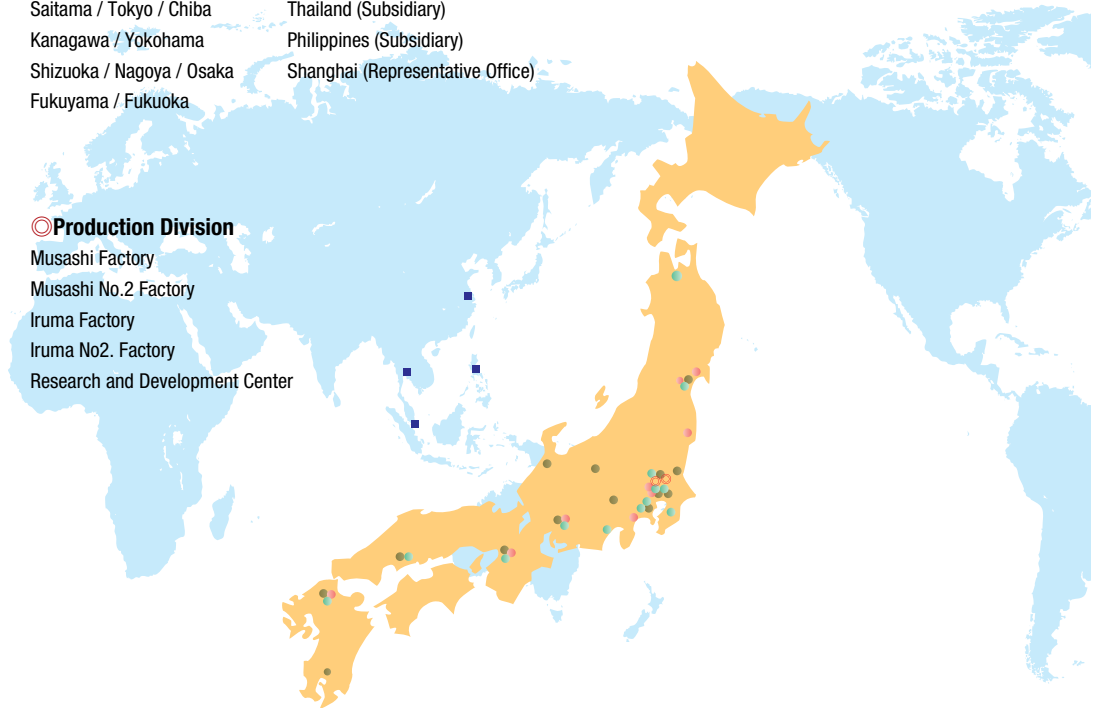
Singapore (Subsidiary)
 Thailand (Subsidiary)
 Philippines (Subsidiary)
 Shanghai (Representative Office)

Food Products Division

Head office / Sendai
 Shiogama / Iwaki / Tokyo
 Odawara / Nagoya / Osaka
 Fukuoka
 Quality Assurance Department
 Food Service Industry Section

Production Division

Musashi Factory
 Musashi No.2 Factory
 Iruma Factory
 Iruma No2. Factory
 Research and Development Center





Investor information

| | |
|---|--|
| Fiscal year ends on: | March 31 |
| Record date for annual dividend payment: | March 31 |
| Record date for interim dividend payment: | September 30 |
| General meetings of shareholders: | June every year |
| Stock transfer agent: | UFJ Trust Bank, Ltd. |
| Stock transfer administrative office: | Corporate Agency Department, UFJ Trust Bank, Ltd. 10-11 Higashisuna 7-chome, Koto-ku, Tokyo 137-8081 Toll free: 0120-232-711 |
| Stock transfer offices: | Branches of UFJ Trust Bank, Ltd. in Japan |
| Quoted securities exchange: | Tokyo Stock Exchange |
| URL for Public Notices: | http://www.matsuda-sangyo.co.jp/english/investment/ (Note that public notices will appear in the <i>Nihon Keizai Shimbun</i> if there is any trouble in posting public notices by electronic means or for any other unavoidable reason) |

Notes:

●Regarding requests for forms related to the Company's shares

Regarding requests for forms related to the Company's shares (including notifications of change in registered address, identification seal, name, or other investor information, designation form concerning bank transfer of dividends, applications for the purchase of less than the minimum trading unit, and the transfer of shares), please contact the abovementioned stock transfer agent by telephone or over the Internet. Services are available 24 hours a day.

Toll free: **0120-244-479** (Corporate Agency Department; UFJ Trust Bank, Ltd. Head Office)
0120-684-479 (Corporate Agency Department; UFJ Trust Bank, Ltd. Osaka Branch)

Internet: <http://www.ufjtrustbank.co.jp/>

Shareholders who use the share certificate custody & transfer system are requested to forward inquiries to the securities firms with which they have their accounts.

MATSUDA SANGYO CO., LTD.

Shinjuku Nomura Bldg. 6F, 26-2, 1-chome, Nishi-Shinjuku,
Shinjuku-ku, Tokyo
TEL 03-5381-0001

Internet: <http://www.matsuda-sangyo.co.jp/english/>

ISO 14001 (Production Division)



"This annual report is printed on recycled paper using 100% old paper and uses soybean ink approved by the American Soybean Association."