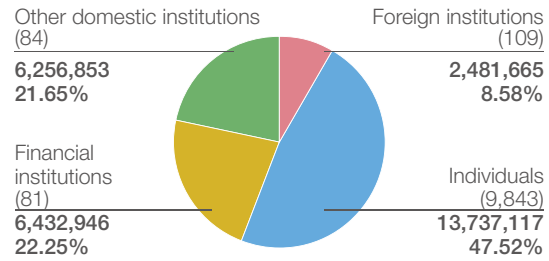
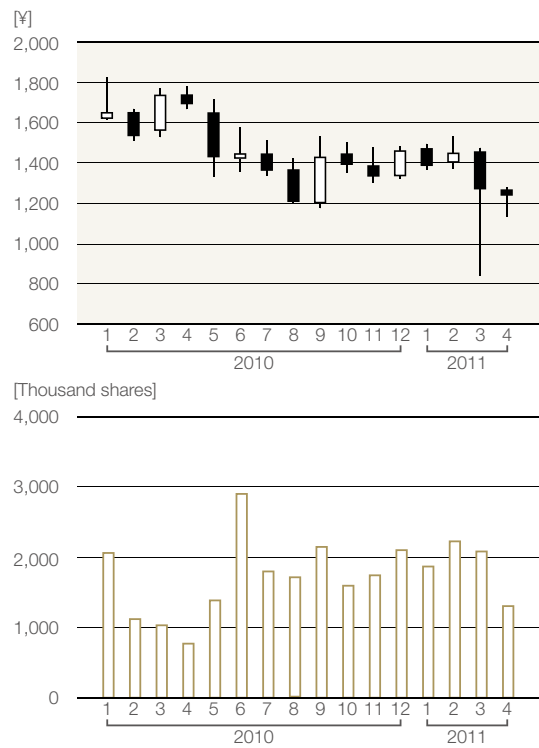


Distribution of Shares

As of March 31, 2011



Stock Price and Trading Volume



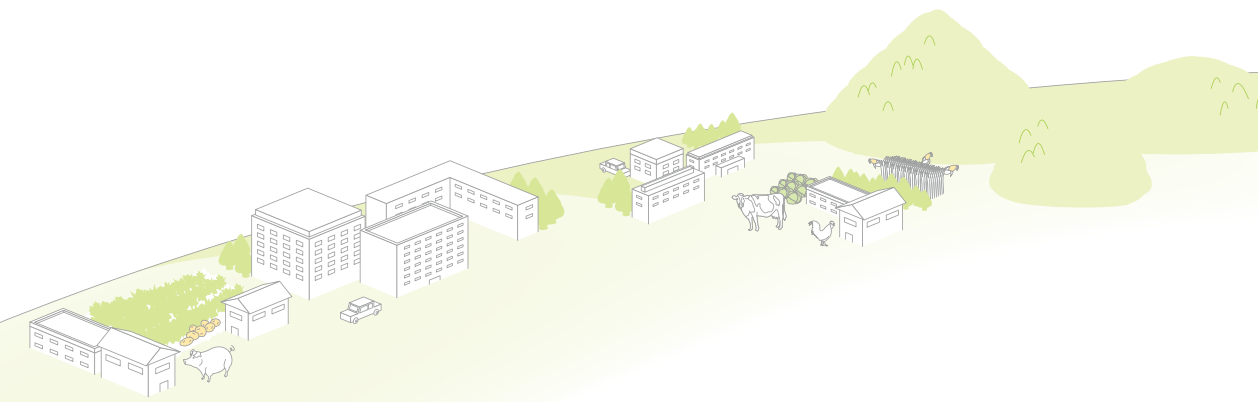
Stock Data

As of March 31, 2011

Total number of shares authorized to be issued:	40,000,000
Total number of shares issued and outstanding:	28,908,581
Number of shareholders:	10,117

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:	Mitsubishi UFJ Trust and Banking Corporation
Contact:	Corporate Agency Department, Mitsubishi UFJ Trust and Banking Corporation 10-11 Higashisuna 7-chome, Koto-ku, Tokyo 137-8081 Toll free: 0120-232-711 (only in Japan)
Agents:	Branches of Mitsubishi UFJ Trust and Banking Corporation in Japan
Quoted securities exchange:	Tokyo Stock Exchange
URL for public notices:	http://ir.matsuda-sangyo.co.jp/ja/Top.html <small>(Note that public notices will appear in The Nikkei if there is any trouble in posting public notices by electronic means or for any other unavoidable reason.)</small>



IR HAND BOOK 2011

BUSINESS REPORT Year ended March 31, 2011

MATSUDA SANGYO CO., LTD.

Shinjuku Nomura Bldg. 26-2, 1-chome,
Nishi-shinjuku, Shinjuku-ku, Tokyo
TEL +81-3-5381-0001
URL: <http://www.matsuda-sangyo.co.jp/english/>



For Prosperity
and
a Beautiful Earth

The Matsuda Sangyo Group's corporate ethics are rooted in "making effective use of the earth's resources and contributing to society through business," and the Group has developed its business on the three pillars of the precious metals operation, in working to recycle and make effective use of precious metals and limited resources; the environmental operation, which aims to pass on a pristine environment to the next generation; and the food business, which aims to provide stable food resources and the abundant bounty from the earth.

Precious metals business

Precious metals operation

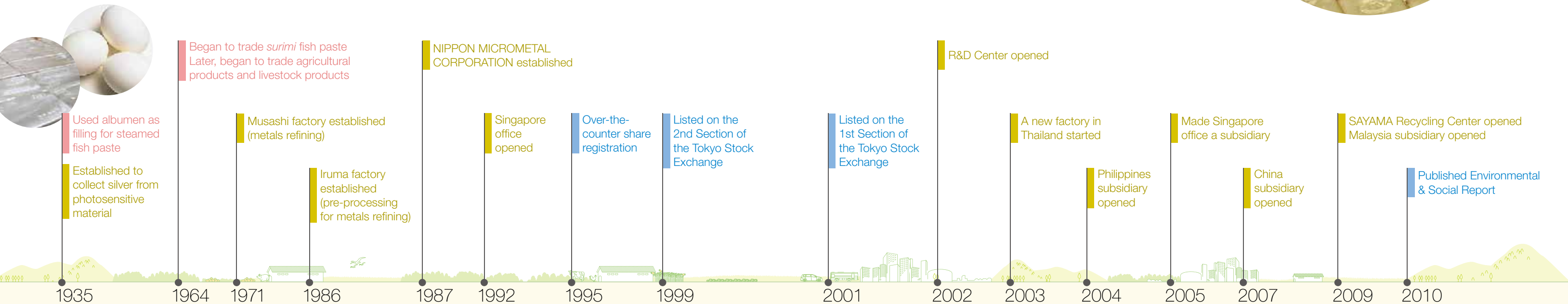
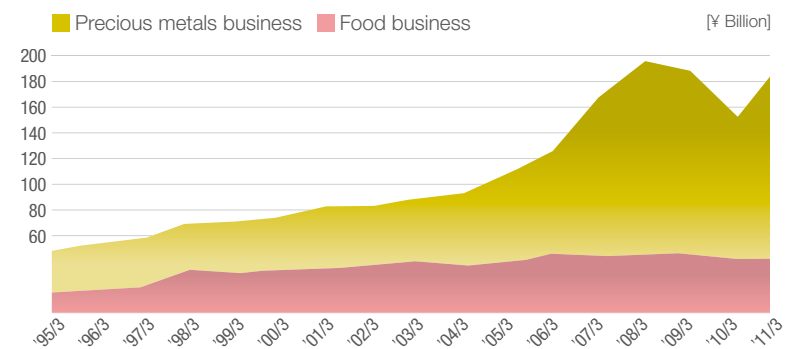
- Precious metal bullion manufacturing
- Precious metal chemical products manufacturing
- Precious metals recycling
- Jig precision cleaning
- Semiconductors, electronic materials sales

Environmental operation

- Recycling silver in photo-sensitive materials
- Industrial waste collection, transportation
- Detoxification, intermediate treatment
- Vacuum thermal recycling (VTR) equipment

Food business

- Marine products
- Livestock products
- Agricultural products
- Quality assurance
- Logistics



We deploy a medium to long term strategy that positions the precious metals business as the driving force behind expansion and growth and the food business as a stable growth business.

Forecasts and other predictive statements in this document are based on information that were available to the company as of May 13, 2011 when FY3/11 Financial Statements were announced, and assumptions that are deemed reasonable. Actual results may differ greatly due to various reasons.

Steadily expanding our business base in an effort to achieve sustainable growth

First of all, We would like to extend our deepest sympathies to those affected by the Tohoku Earthquake. We hope for everyone's safety and a speedy recovery. I would like to express my sincere gratitude for the support of all of our shareholders. This is our IR HAND BOOK for the fiscal year ended March 2011 (April 1, 2010 to March 31, 2011). We hope it will help you gain a deeper understanding of the company.

Results and Dividends for the fiscal year ended March 31, 2011

Amid sustained high production levels in the electronics sector—one of key customers—throughout the fiscal year driven by growing demand in emerging economies, the Group focused aggressively on sales to meet the various needs of its customers. As a result of these efforts, net sales rose 17.3% year on year to ¥183,494 million, and operating income 27.1% to ¥6,051 million for the fiscal year ended March 2011. Ordinary income advanced 23.7% year on year to ¥6,136 million and net income 24.3% to ¥3,629 million. In light of the recovery in earnings, we have decided to maintain our annual dividend at ¥24 yen per share (unchanged from the previous fiscal year), reflecting the initially planned interim dividend of ¥12 per share and a year-end dividend of ¥12.

Aiming for sustainable growth

The business environment has grown increasingly unclear owing to delays in supply chain recovery in the manufacturing industry and concerns over power supply shortages in the summer as a result of the Tohoku Earthquake. However, these conditions have only served to draw our attention back to our corporate philosophy, which calls on us to “make effective use of the earth's resources and contributing to society through business.” Accordingly, we continue to aim for sustainable growth in line with our medium- to long-term business strategy which emphasizes the precious metals business as our main expansion and growth driver and the food business as a stable growth business. We would like to ask our shareholders for their understanding and continued support going forward.

Yoshiaki Matsuda
President and Representative Director

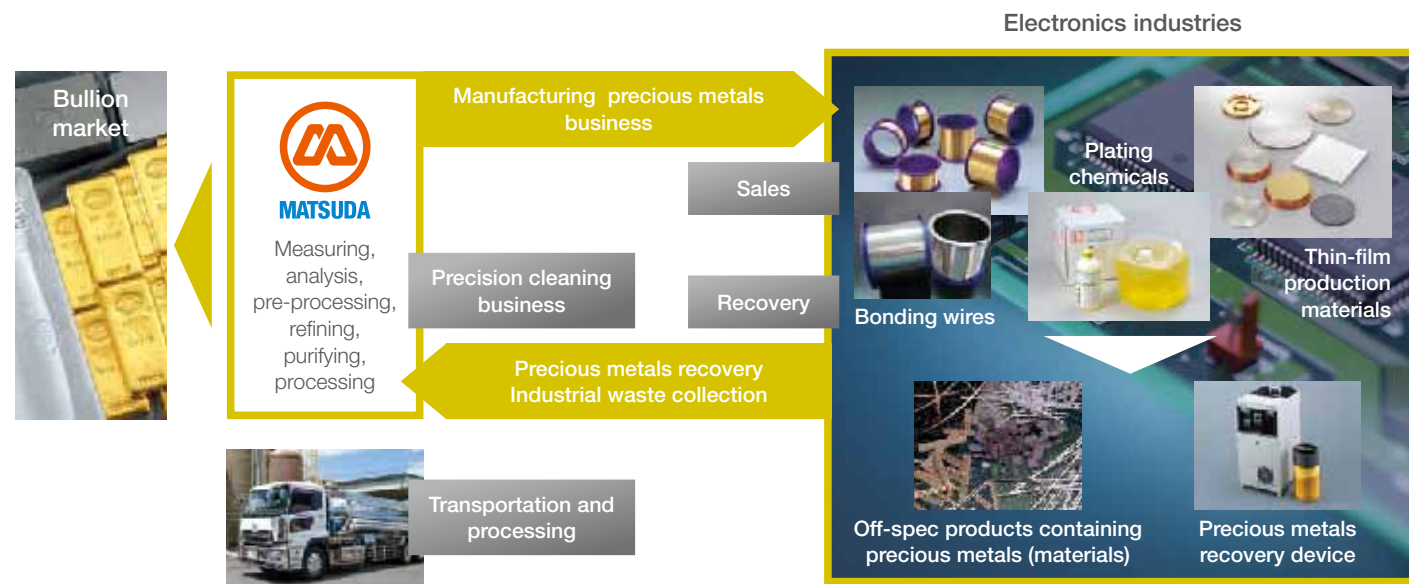


East Asia business base steadily expanding

Amid rising demand in emerging economies and persistent yen strength, East Asia has emerged as a prominent source of parts supply. As part of our efforts to become the No. 1 refiner in East Asia, we have established bases of operation in Singapore, Thailand, the Philippines, China, and Malaysia. Our Malaysian subsidiary is scheduled to start operation of local factory equipped with a refining facility in the fall of 2011. We believe this addition will further strengthen our precious metals recovery and refinery business.

Precious metals business

Business Model



Our Strength

- The advanced technology and expertise we have acquired in over 70 years of operations, enable us to handle everything from pre-processing to refining and analysis. The Group's high level of technical strength in recovering gold, silver, and platinum group metals, and its high volume of business place it continuously among the industry leaders.
- In addition to the development, manufacturing, and sales of diverse products for the electronics industry, such as plating chemical products, we provide a total recycling service that includes disposal of industrial waste.
- We have permits for collecting and transporting industrial waste throughout the country.

Strategies and Major Policies

Strategies	Major Policies and Focal Points
Strengthen overseas operations	Launch of Malaysian factory Utilize the alliance with the Taiwanese company Focal points Preparation of East Asia operations network
Strengthen domestic network	Strengthen bases in Iruma district Focal points Renovate facilities Expand capacity
Enhance research and development	Improve recovery technologies Raise the level of our precision cleaning capabilities Develop new products such as plating solution Focal points Synergies by sales of products and recovery of materials

Quality Assurance

Our production division, which form the core of our precious metals business and where the bulk of operations require some degree of quality management, formulated a Quality Policy in July 2005, premised on the four pillars of "Putting customer satisfaction first," "Enhancing manufacturing technology infrastructure," "Company-wide participation," and "Achievement of the PDCA (plan-do-check-act) management process." Later in March 2006, it obtained ISO 9001 certification in the two categories of "Precision cleaning of devices such as semiconductor production equipment" and "Production of plating chemicals." In July of the same year, our precious metals division also obtained ISO 9001 certification. The Group's quality management system was built on these foundations and aims to boost our customers' confidence in our products as well as generate a large number of new business opportunities.

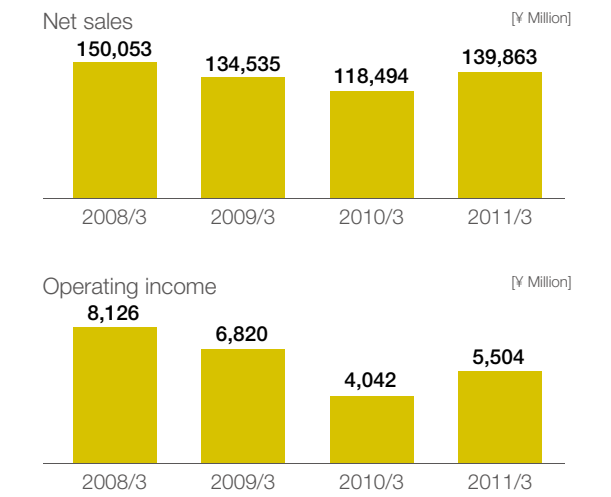


ISO 9001 certificates

Performance Highlights for the Fiscal Year through March 2011



- Precious metals operation**
 - The precious metals division benefited from overall strong production at semiconductor and electronic parts makers (both key customers), reflecting rising demand for automobiles, electric home appliances, and telecommunication and IT products in overseas markets, and brisk demand at home supported by policy measures such as the eco-point system.
 - Sales volume of precious metal chemical products and recovery of precious metals both remained at high levels.
 - Precious metals prices rose throughout the year.
- Environmental operation**
 - Recycling volume and sales in the environment division rose year on year as output of industrial wastes by the industrial clients showed upward trend.



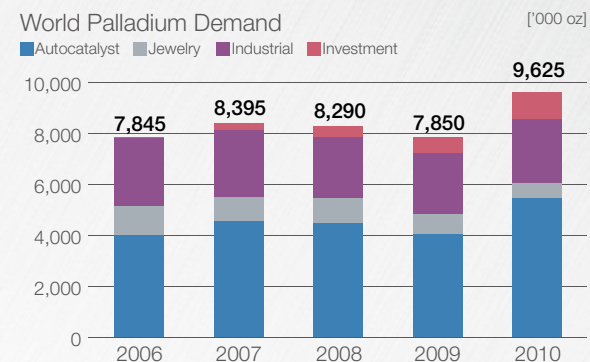
Feature | Products Handled by Matsuda Sangyo

[Pd] Palladium

Palladium, which, similar to platinum itself, belongs to the platinum group of metals, is a rare metal that is used as an industrial material in various applications. It has a distinctive glaze and is easy to process and as a result of these characteristics, the metal is used in a wide variety of sectors, including the jewelry industry.

Expanding Demand

The 2010 Nobel Prize in Chemistry was awarded for research in cross-coupling reactions which aim to synthesize complex organic materials using palladium. This research stands out for its significant social contribution, as its findings are used today in many pharmaceutical, electrical, and other products. Palladium has many other uses and demand for use in electronic materials such as semiconductors, and cleaning equipment for automotive exhaust gases is currently expanding. In the dentistry sector, the so-called "silver-crown teeth" also typically contain roughly 20% of palladium.



Source: 'Platinum 2011' / Johnson Matthey Plc

Matsuda Sangyo's Palladium-related Business

Matsuda Sangyo possesses advanced refining technology which enables the refining and recovery of palladium, based on which it manufactures and sells plating chemical products and palladium bullion. We process the metal in large volume and using advanced technology, both always on par with industry leaders, and we have received favorable reviews from our customers who have shown great confidence in our products. Going forward, we intend to pursue development of chemical products with even greater standards of quality, strengthen sales and recovery operations, and aim for further growth.



Palladium bullion offerings at Matsuda Sangyo

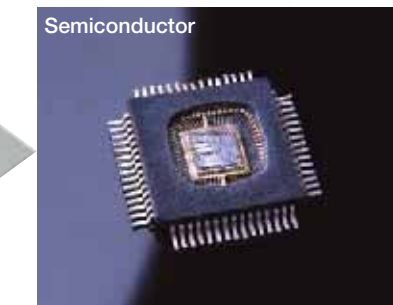
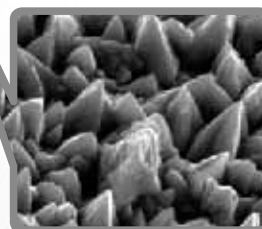
Our palladium bullion comes with a quality guarantee and is distributed in various countries.



Palla Sigma: a palladium-based plating solution

Matsuda Sangyo's palladium-based plating solution is a product which is used in palladium plating of semiconductor lead frames, electrical components, and decorative items in general.

The application of palladium plating to lead frames can generate cost savings as it reduces the number of processes required.

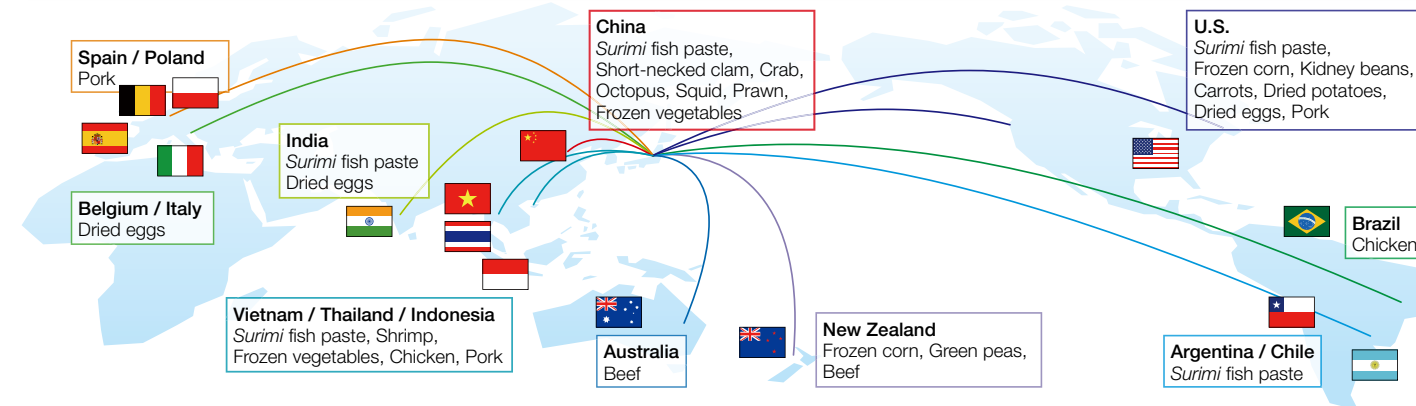


Palla Sigma-plated morphology-controlled membrane surface; Palla Sigma enables morphology control on a micron scale.

Segment Overview

Food business

Matsuda Sangyo's Global Food Procurement Network



Market and Industry Trends

- Increased awareness of food safety and reliability
- Strengthening of legal restrictions on agricultural chemicals and food additives
- Increased competition in food resources procurement due to economic growth in developing nations
- Customers' preferences for lower prices, and an increasing inclination toward take-out or eating at home

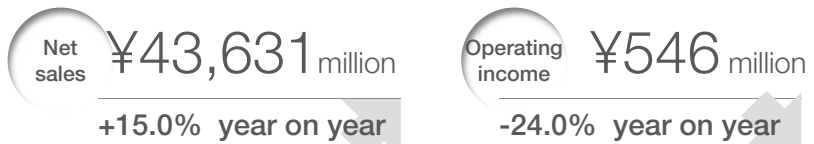
Our Strength

- As a specialized food products trading company, we procure products through a global network of suppliers to meet customer demand
- We provide flexible primary processing using configurations and lots to maximize convenience for users
- Our Quality Assurance Department differentiates our services by providing product quality control training at production centers, issuing Quality Assurance specifications and utilizing traceability

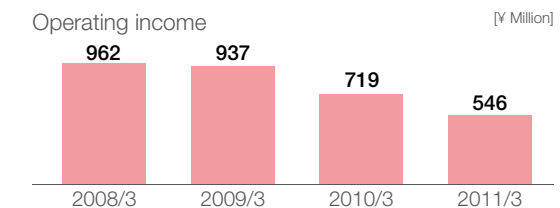
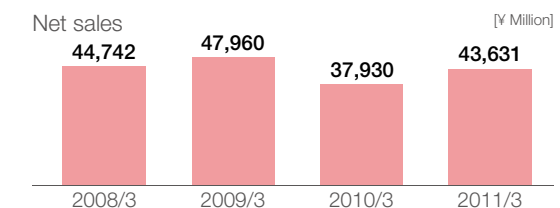
Strategies and Major Policies

- Further improve quality control and traceability to ensure a stable supply of safe and reliable products
- Expand sales of materials for commercial food products by strengthening relationships with vendors and developing new materials and production centers
- Strengthen sales to take-out, and eating at home markets

Performance Highlights for the Fiscal Year through March 2011



- The food business continued to operate under difficult conditions as a result of rising global food prices combined with weaker consumer sentiment seeking out lower-priced food products.
- Sales of seafood products such as *surimi* fish paste and sales of agricultural products such as vegetables both increased year on year due to higher sales volume.
- Sales of livestock products including eggs and chicken increased year on year due to higher sales volume and unit prices.
- The division recorded a loss of about ¥250 million on credit costs and inventory losses caused by the Tohoku Earthquake.



Highlight of Consolidated Financial Statements

Business Performance and Dividends

Selected Financial Data

[¥ Million]

Consolidated Statements of Income		2011 2010.4~2011.3	2010 2009.4~2010.3	Change	Change rate
Net sales		183,494	156,424	+27,070	+17.3% ↗
Operating income		6,051	4,762	+1,289	+27.1% ↗
Ordinary income		6,136	4,961	+1,175	+23.7% ↗
Net income		3,629	2,921	+708	+24.3% ↗

Consolidated Balance Sheet		2011 2011.3.31	2010 2010.3.31	Change	Consolidated Statements of Cash Flow		2011 2010.4~2011.3	2010 2009.4~2010.3
Current assets		45,256	42,509	+2,747	Cash flow from operating activities		3,656	(711)
Fixed assets		15,786	13,924	+1,862	Cash flow from investing activities		(3,209)	(1,450)
Current liabilities		18,686	19,016	-330	Cash flow from financing activities		2,079	(1,675)
Fixed liabilities		4,006	1,842	+2,164	Cash and cash equivalents at the end of period		6,609	4,103
Total net assets		38,349	35,574	+2,775				
Total assets		61,042	56,433	+4,609				

For detailed information, please see the Financial Statements of our Investor Relations section.

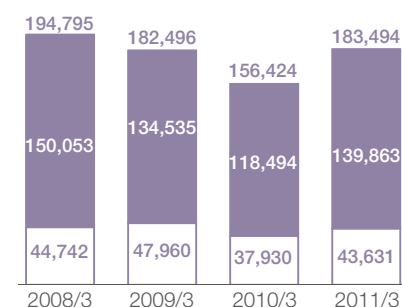
Matsuda Sangyo

Search

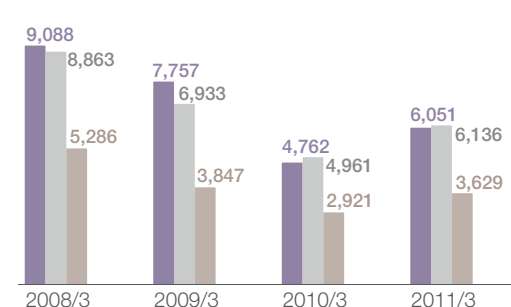
English Home Investor Relations

Business Performance and Dividends

Net sales
■ Precious metals business ■ Food business [¥ Million]

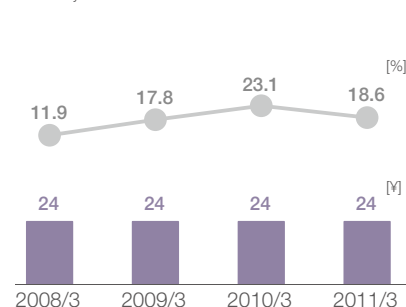


Operating income / Ordinary income / Net income
■ Operating income ■ Ordinary income ■ Net income [¥ Million]



Annual dividend per share / Payout ratio
■ Annual dividend per share ● Payout ratio

Note: Payout ratio is based on consolidated results.



Information

Subsidiaries & Affiliates

As of March 31, 2011

	Company name	Business
Precious metals business	MATSUDA ECOLOGY Co., Ltd.	Truck transportation
	HOKKAIDO AOKI KAGAKU Co., Ltd.	Collection, transportation and processing of industrial waste, recovery and sales of metal raw materials
	JAPAN MEDICAL TECHNOLOGY Co., Ltd.	Collection, Recovery and sales of metal raw materials
	Z.E.R.O-JAPAN Co., Ltd.	Development and sales of Vacuum Thermal Recycling (VTR) furnaces
	Matsuda Sangyo (Thailand) Co., Ltd.	Collection and sale of metal raw materials, sales of precious metal products
	Matsuda Sangyo (Philippines) Corporation	Collection and sale of metal raw materials, sales of precious metal products
	Matsuda Sangyo (Singapore) Pte. Ltd.	Collection and sale of metal raw materials, sales of precious metal products
	Matsuda Resource Recycling (Suzhou) Co., Ltd.	Collection and sale of metal raw materials, sales of precious metal products
	Matsuda Sangyo (Malaysia) Sdn. Bhd.	Collection and sale of metal raw materials, sales of precious metal products
	NIPPON MICROMETAL CORPORATION	Production and sales of metal products for the electronics industry
Food business	MATSUDA RYUTSU Co., Ltd.	Truck transportation, sales of raw materials for food processing

Offices and Factories

As of March 31, 2011

Precious metals division	Food products division	Environment division	Production division	Overseas
Head office / Sendai Mito / Tokyo Iruma / Kawasaki / Kofu Nagano / Nagoya / Osaka Kanazawa / Fukuyama Fukuoka / Kagoshima	Head office / Sendai Shiogama / Iwaki / Tokyo Odawara / Nagoya / Osaka Fukuoka Quality assurance department	Head office / Sendai Saitama / Tokyo Kanagawa / Nagoya Osaka / Fukuyama Fukuoka	Musashi factory Musashi No.2 factory Iruma factory Iruma No.2 factory Research and development center	Singapore (Subsidiary) Thailand (Subsidiary) Philippines (Subsidiary) Malaysia (Subsidiary) China-Suzhou (Subsidiary) China-Qingdao (Representative Office)

Company Overview

As of March 31, 2011

Corporate name: MATSUDA SANGYO Co., Ltd.
 Head office: Shinjuku Nomura Bldg. 26-2
 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo
 Foundation: June 18, 1951
 Common stock: ¥3,559 million
 Number of employees: 870
 Main businesses: Recovery and refining of precious metals, sale of precious metal bullions 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 29, 2011

President and Representative Director: Yoshiaki Matsuda
 Vice-president and Director: Koji Tsumura
 Senior Managing Director: Tsuneo Tokunaga
 Managing Directors: Kenji Hosoda, Yuji Katayama, Yoshitaka Tashiro, Masanori Funamoto, Takashige Sasaki, Ryuichi Yamazaki, Yasuyuki Ito, Nobuaki Baba
 Directors: Toshihiko Uchiyama, Tetsuo Tani, Takeo Ishihara, Hiroyuki Kumasaka
 Corporate Auditor (standing): Tetsuo Tani
 Corporate Auditors: Tetsuo Tani, Takeo Ishihara, Hiroyuki Kumasaka