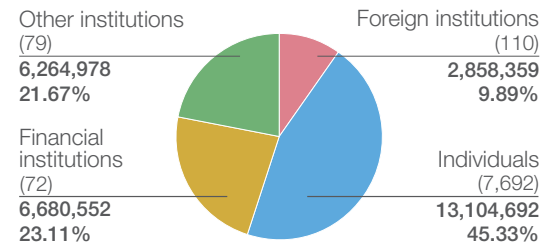
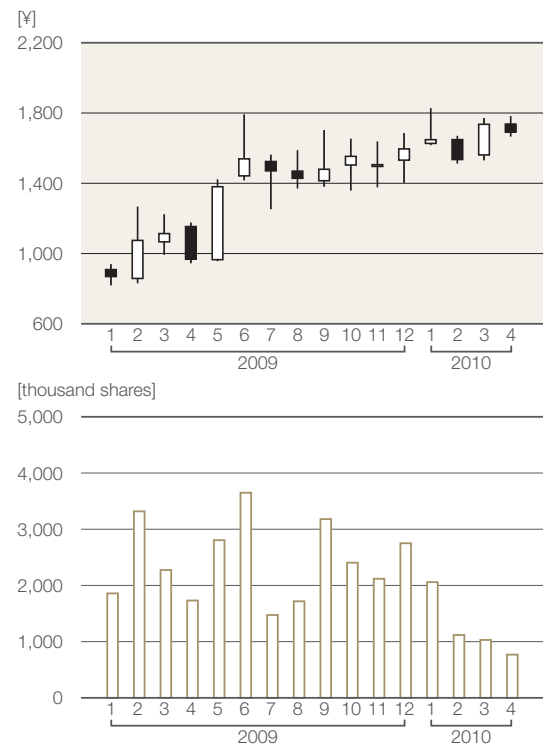


### Distribution of shares As of March 31, 2010



### Stock price and trading volume



### Stock data As of March 31, 2010

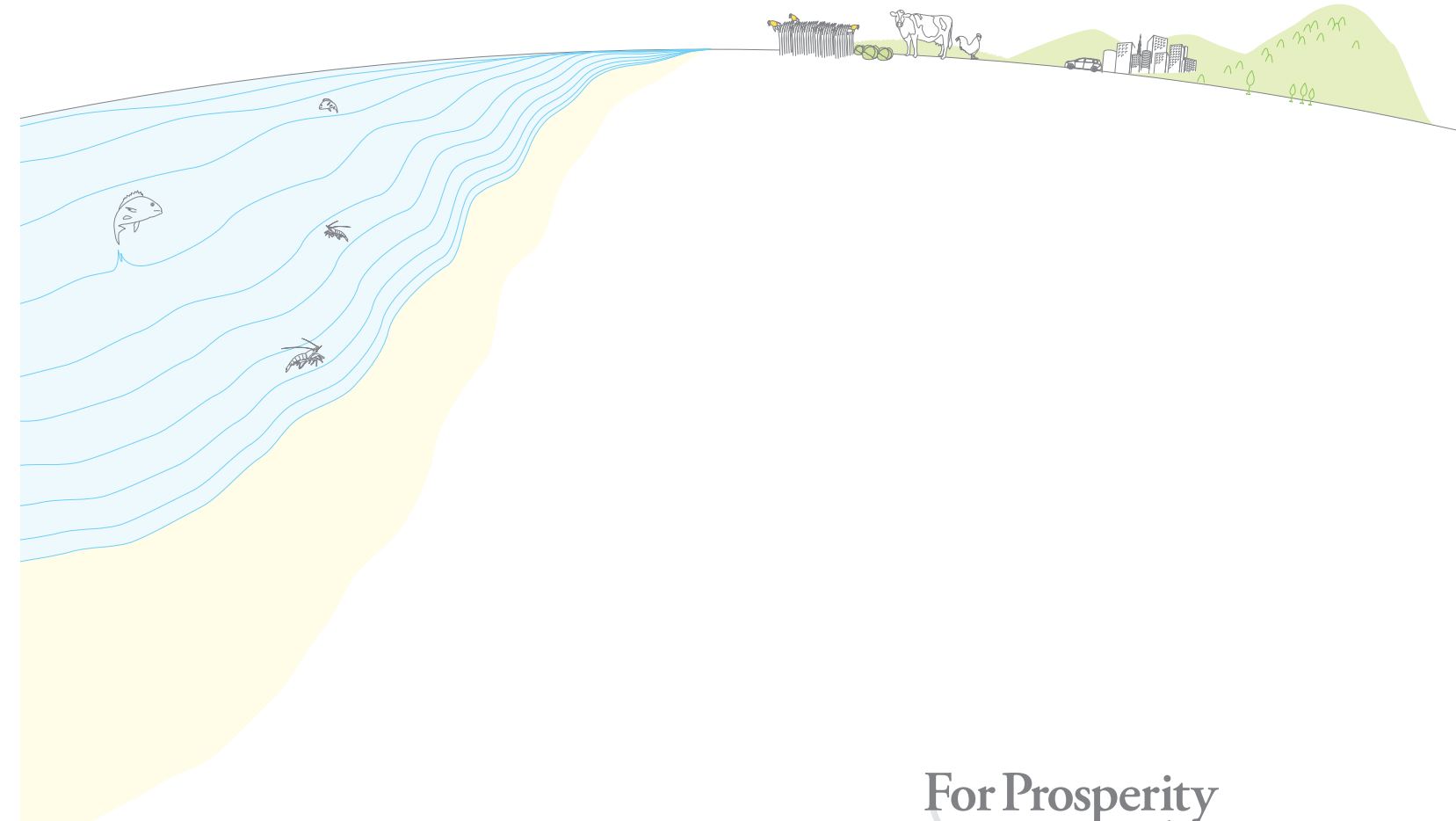
Total number of shares authorized to be issued:	40,000,000
Total number of shares issued and outstanding:	28,908,581
Number of shareholders:	7,953

### 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:	<a href="http://ir.matsuda-sangyo.co.jp/ja/Top.html">http://ir.matsuda-sangyo.co.jp/ja/Top.html</a> <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 2010

BUSINESS REPORT Year ended March 31, 2010



## MATSUDA SANGYO CO., LTD.

Shinjuku Nomura Bldg. 26-2, 1-chome,  
Nishi-shinjuku, Shinjuku-ku, Tokyo  
TEL 03-5381-0001  
URL: <http://www.matsuda-sangyo.co.jp/english/>



For Prosperity  
and  
a Beautiful Earth

Matsuda Sangyo  
**At a Glance**

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.

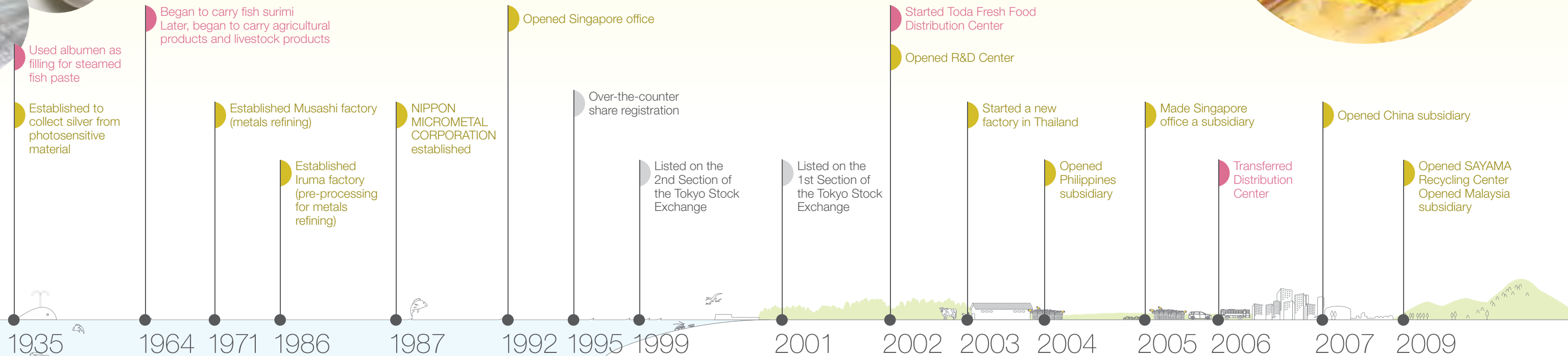
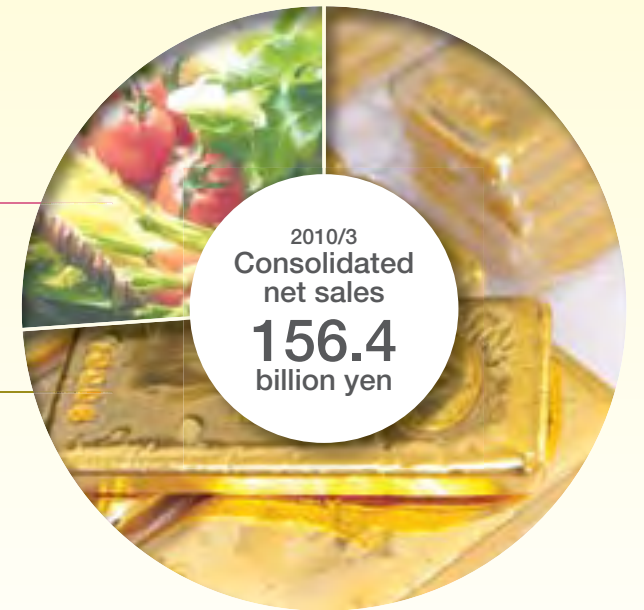
Food business

24%

Precious metals business

76%

2010/3  
Consolidated  
net sales  
**156.4**  
billion yen



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 14, 2010 when FY3/10 Financial Statements were announced, and assumptions that are deemed reasonable. Actual results may differ greatly due to various contributing factors.

**Precious metals business**

**Precious metals operation**

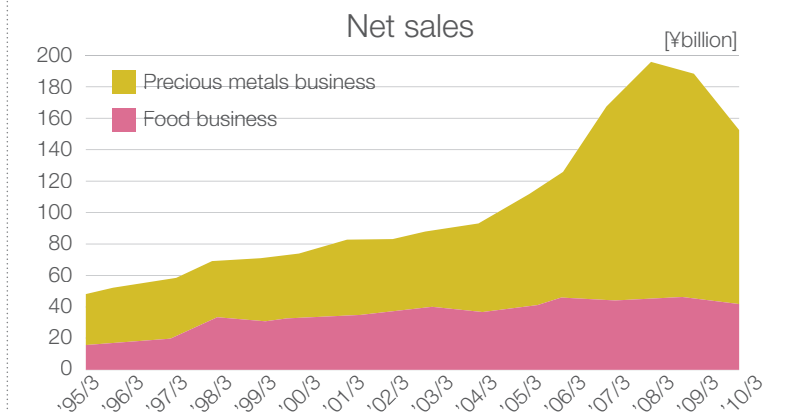
- Precious metal bullion manufacturing
- Precious metal chemical products manufacturing
- Precious metals recycling
- Jig precision cleaning
- Semiconductors, electronic materials sales

**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



# Top Message

We at Matsuda Sangyo will continue to work together to reach the next stage of growth.

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 2010 (April 1, 2009 to March 31, 2010). We hope it will help you gain a deeper understanding of the company.

## Results and Dividends for fiscal year ended March 31, 2010

Sluggish consumption and reduced demand in the electronics industry since October 2008 has had a major impact on our earnings. In the fiscal year ended March 31, 2010, consolidated net sales were 156,424 million yen (a year-on-year decrease of 14.3%) and operating income was 4,762 million yen (decreased 38.6%). Ordinary income fell 28.4% to 4,961 million yen, and net income was 2,921 million yen (decreased 24.1%). Despite these dismal results, we intend to meet the expectations of our stockholders by offering a year-end dividend of 12 yen per share, which matches the dividend paid at the end of the previous year. Combined with the 12 yen dividend paid at the end of the second quarter, the year's total dividend was 24 yen, the same as the previous fiscal year.

## Working to achieve medium- to long-term goals

The Matsuda Sangyo Group continues to aim for its previously stated medium- to long-term targets: consolidated net sales of 200,000 million yen and ordinary income of 10,000 million yen. To do this, we will continue to raise management efficiency and reduce costs. In our Precious Metal business, we will use bases in Japan, Thailand, the Philippines, Singapore, Malaysia, China, and Taiwan to aggressively expand our recycling of precious metals and sales of electronic parts and precious metal chemical products, with the goal of becoming the number one refiner in East Asia, a region where growth is expected. In its Food business, the Group will strive to improve its ability to meet the needs of each customer by acquiring safe and reliable ingredients from around the world.

The medium- to long-term strategy

**Aiming to be the number one refiner in East Asia**

## Sharp recovery expected in fiscal year ending March 31, 2011

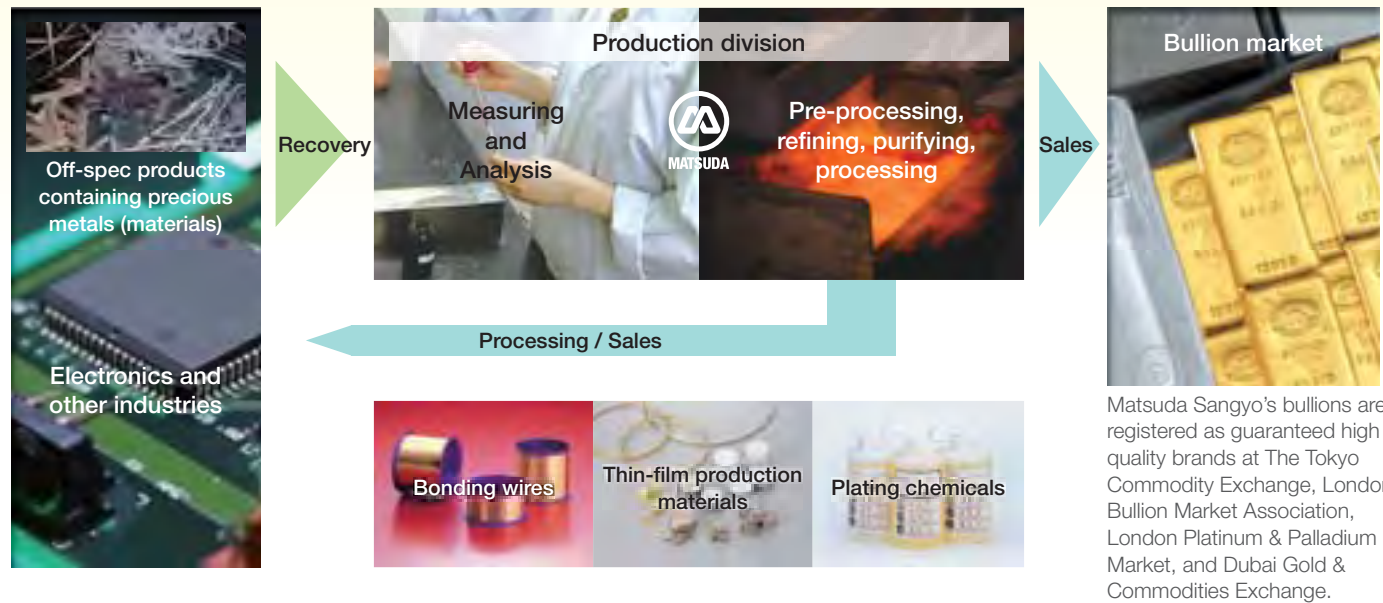
We see signs of recovery and improved conditions in the operating environment, as well as a change from sharp reductions in production to increased production by our customers in the semiconductor and electronic parts industries. In addition, we have seen an increase in sales of electronic materials and precious metal chemical products and in volumes of recovered precious metals, as well as other signs of improved conditions in the Environment division. Moreover, we have continued our efforts to build a base for stable growth in the Food business. Given these favorable developments, the Group is positioning the current fiscal year as a year for business recovery. We will continue to work in an integrated fashion to ensure a robust "V"-shaped recovery.

**Yoshiaki Matsuda**  
President and Representative Director



# Precious metals business

## Business model



## Our Strength

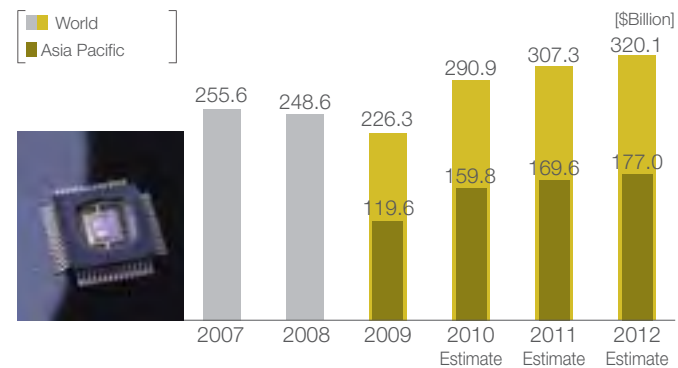
- The advanced technology and expertise we have acquired in over 70 years of operations, enable us to handle everything from preprocessing to refining and analysis. The Group's high level of technical strength in recovering gold, silver, and platinum group metals, and its high volume of business place 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

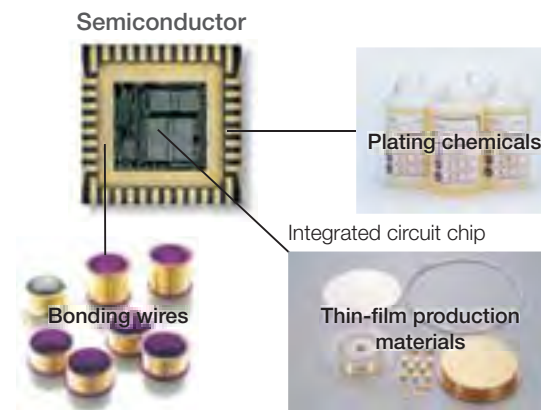
Strategies	Major Policies
<b>Strengthen overseas operations</b>	Strengthen operations in Thailand, Singapore, Malaysia, China(Suzhou) Taiwan: Reinforce collaboration in capital and technologies
<b>Strengthen domestic network</b>	Opened SAYAMA Recycling Center Fully equip our domestic factories and bases
<b>Enhance research and development</b>	Improve recovery technologies Raise the level of our precision cleaning capabilities Develop new products such as plating solution

## Market and Industry Trends

### World Semiconductor Market Trend

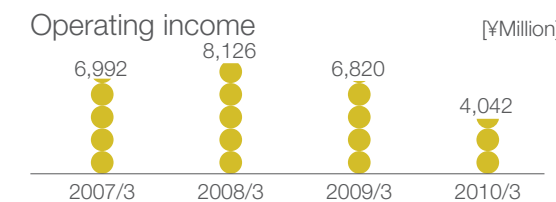
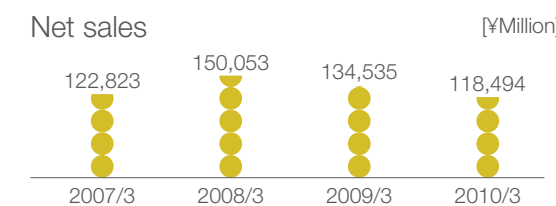


The semiconductor market, which is the primary target of the Company's Precious Metals business, is expected to greatly recover in 2010 and expand to its largest size ever. This market is estimated to exceed 320 billion dollars in 2012. In particular, the Asia-Pacific region is expected to exhibit growth of 57 billion dollars in the three years starting with 2009. (Source: "WSTS Semiconductor Market Forecast Spring 2010")



Matsuda Sangyo sells the bonding wires that connect IC chips and lead frames on semiconductors, thin-film production materials used in IC chips, and plating chemicals required for lead frames.

## Performance Highlights from the Fiscal Year through March 2010



### Precious metals operation

- Production in the semiconductors and electronic parts industries has recovered from the sharp decline triggered by the global financial crisis of 2008. Therefore, our sales of precious metal chemical products and electronic materials products recovered, and recovery volumes of precious metal materials have also rebounded.
- In the second half, precious metal prices also recovered from the decline of the previous year, contributing to segment sales.
- Earnings during the first half of the fiscal year were hit hard by the slowdown in production in the semiconductors and electronic parts industries, and as a result, full-term sales were down year-on-year.

### Environmental operation

- Signs of recovery were also seen, but they were rather lackluster, and given that the overall cutback in manufacturing by industrial clients also led to less waste products, the division's recycling volumes declined year-on-year.

# Food business



### 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
- A stagnant restaurant industry, 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
- The Chiba Distribution Center ships to individual stores in the restaurant industry

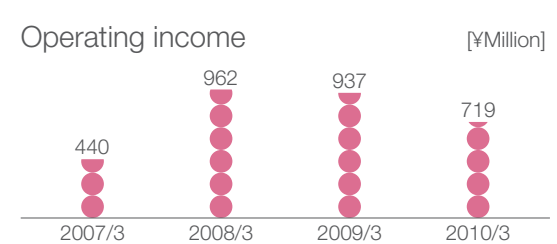
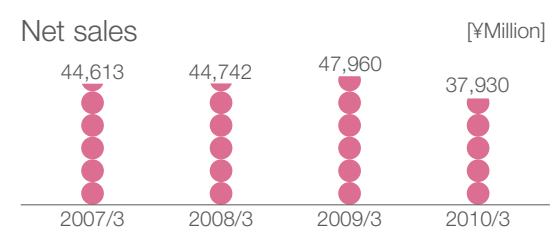
### Strategies and Major Policies

- 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
- Make full use of the capabilities of the Chiba Distribution Center to improve sales to the restaurant, take-out, and eating at home markets

### Performance Highlights from the Fiscal Year through March 2010



- Continued to face harsh operating conditions as a loss of consumer confidence and ongoing weakness in the restaurant industry.
- Shrimp and the like saw growth in sales volume, but not enough to counter a decline in volume of our key Surimi products; consequently, sales in seafood products contracted overall.
- In addition, sales of chicken meat as well as vegetables were also pushed down by a combination of volume decline and price erosion.



# Information

### Subsidiaries & affiliates As of March 31, 2010

	Company name	Business
<b>Precious metals business</b>	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
<b>Food business</b>	MATSUDA RYUTSU Co., Ltd.	Truck transportation, sales of raw materials for food processing

### Office and factories As of March 31, 2010

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

### Company overview As of March 31, 2010

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: 887  
 Main businesses: Recovery and refining of precious metals, sale of precious metal materials 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, 2010

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

# Consolidated Financial Statements

## Consolidated Balance Sheet

(¥ million)

Assets	2009	2010	Liabilities	2009	2010
	As of March 31, 2009	As of March 31, 2010		As of March 31, 2009	As of March 31, 2010
<b>Current assets</b>	<b>35,169</b>	<b>42,509</b>	<b>Current liabilities</b>	<b>13,239</b>	<b>19,016</b>
Cash and deposits	7,891	4,107	Notes and accounts payable	7,506	10,741
Notes and accounts receivable	13,979	18,478	Short-term debt	630	30
Merchandise and finished goods	5,473	6,797	Long-term debt expected to be repaid within a year	340	290
Work in process	130	303	Lease liabilities	48	67
Raw materials and supplies	4,873	6,979	Accrued income taxes	1,428	1,523
Deferred tax assets	940	770	Allowance for bonuses	607	632
Other accounts receivable	546	2,941	Other accounts payable	681	3,528
Others	1,355	2,164	Others	1,996	2,202
Allowance for doubtful accounts	(20)	(33)			
<b>Fixed assets</b>	<b>13,270</b>	<b>13,924</b>	<b>Fixed liabilities</b>	<b>2,111</b>	<b>1,842</b>
<b>Tangible fixed assets</b>	<b>9,053</b>	<b>9,776</b>	Long-term debt	1,267	977
Buildings and structures, net	2,000	2,389	Lease liabilities	159	164
Machinery and delivery equipment, net	1,227	1,045	Allowance for retirement benefits	349	311
Land	5,148	5,761	Allowance for directors' retirement benefits	332	379
Leased assets, net	208	232	Others	3	10
Construction in progress	328	205			
Others, net	140	142	<b>Total liabilities</b>	<b>15,351</b>	<b>20,859</b>
<b>Intangible fixed assets</b>	<b>1,423</b>	<b>1,143</b>	<b>Net assets</b>		
Good will	12	-	<b>Shareholders' equity</b>	<b>33,470</b>	<b>35,715</b>
Others	1,410	1,143	Common stock	3,559	3,559
<b>Investments and other assets</b>	<b>2,792</b>	<b>3,004</b>	Legal capital surplus	4,008	4,008
Investment securities	1,562	1,755	Retained earnings	26,683	28,929
Deferred tax assets	220	192	Treasury stock	(780)	(781)
Others	1,230	1,263	<b>Valuation and translation adjustments</b>	<b>(382)</b>	<b>(141)</b>
Allowance for doubtful accounts	(220)	(208)	Unrealized gains on other marketable securities	104	126
<b>Total assets</b>	<b>48,439</b>	<b>56,433</b>	Deferred hedge gain/loss	(174)	(41)
			Foreign currency translation adjustments	(312)	(226)
			<b>Total net assets</b>	<b>33,088</b>	<b>35,574</b>
			<b>Total liabilities and net assets</b>	<b>48,439</b>	<b>56,433</b>

POINT

### Assets

Total assets increased 7,993 million yen year-on-year to 56,433 million yen. The main factor behind this is current assets growth brought about by an increase in notes and accounts receivable, inventory, and other accounts receivable, which outweighed a drop in cash and deposits.

### Liabilities

Total liabilities increased 5,508 million yen year-on-year to 20,859 million yen. Chiefly, this is the result of the difference between an increase in accounts payable and other accounts payable and a decrease in debts.

POINT

POINT

### Net assets

Net assets increased 2,485 million yen year-on-year to 35,574 million yen. The main factors behind this are an increase in shareholders' equity due to net income and the like and an increase in valuation and translation adjustments.

## Consolidated Statement of Income

(¥ million)

	2009	2010
	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Net sales	182,496	156,424
Cost of sales	163,268	141,052
Selling, general, and administrative expenses	11,470	10,610
Operating income	7,757	4,762
Non-operating income	197	275
Non-operating expenses	1,021	76
Ordinary income	6,933	4,961
Extraordinary income	1	11
Extraordinary losses	141	30
Income before income taxes	6,793	4,942
Income taxes, etc	2,745	1,930
Income taxes - deferred	(122)	90
Net income	3,847	2,921

## Consolidated Statement of Cash Flow

(¥ million)

	2009	2010
	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010
Cash flow from operating activities	14,392	(711)
Cash flow from investing activities	(1,729)	(1,450)
Cash flow from financing activities	(7,086)	(1,675)
Foreign currency translation adjustment on cash and cash equivalents	(412)	52
Change in cash and cash equivalents	5,164	(3,784)
Cash and cash equivalents at beginning of period	2,724	7,888
Cash and cash equivalents at end of period	7,888	4,103

POINT

Operating activities resulted in a cash outflow of 711 million yen. This was mainly due to the increase in accounts receivable and inventory in excess of the increase in accounts payable and net income after income taxes. It should be noted that this represents a drop of ¥15,103 million from the ¥14,392 million generated in the previous fiscal year.

Investing activities resulted in an outflow of 1,450 million yen. This was principally due to the acquisition of land, enhancement of the environmental business base, and replacement investment for production equipment. Furthermore, this represents a drop of 278 million from the ¥1,729 million of the previous fiscal year.

Financing activities resulted in an outflow of 1,675 million yen. This was mainly due to the payment of short-term debt and long-term debt, and also to dividend payments. It should be noted that this represents a narrowing of ¥5,410 million from the ¥7,086 million outflow of the previous fiscal year.

## Consolidated Statement of Changes in Shareholders' Equity

(¥ million)

April 1, 2009 to March 31, 2010

	Shareholders' equity					Valuation and translation adjustments				Total net assets
	Common stock	Legal capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains on other securities	Deferred hedge gain/loss	Foreign currency translation adjustments	Total valuation and translation adjustments	
Balance as of March 31, 2009	3,559	4,008	26,683	(780)	33,470	104	(174)	(312)	(382)	33,088
Changes during the consolidated fiscal year										
Dividends of retained earnings			(674)		(674)					(674)
Net income			2,921		2,921					2,921
Purchase of treasury stock				(1)	(1)					(1)
Change of scope of equity method		-		-	-					-
Net changes in items other than shareholders' equity						22	133	85	240	240
Total change during the consolidated fiscal year	-	-	2,246	(1)	2,244	22	133	85	240	2,485
Balance as of March 31, 2010	3,559	4,008	28,929	(781)	35,715	126	(41)	(226)	(141)	35,574



We will announce our FY3/11 Q1 results on our web site at 4 p.m. on August 9, 2010.

<http://ir.matsuda-sangyo.co.jp/en/Top.html>