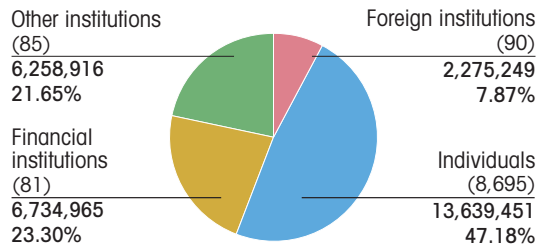
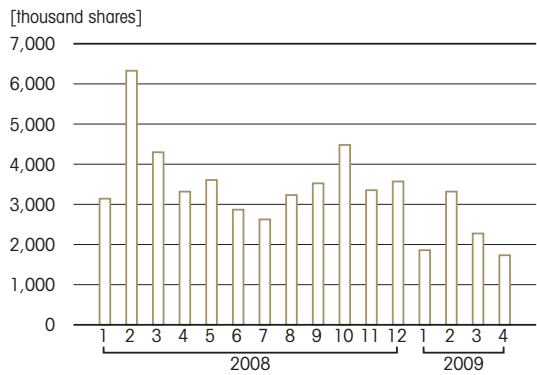
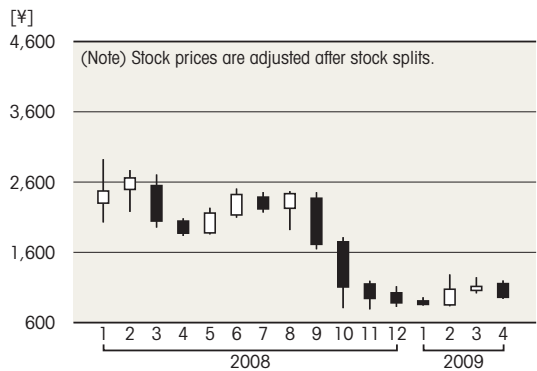


Distribution of shares As of March 31, 2009



Stock price and trading volume



Stock data As of March 31, 2009

Total number of shares authorized to be issued:	40,000,000
Total number of shares issued and outstanding:	28,908,581
Number of shareholders:	8,951

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://www.matsuda-sangyo.co.jp/investment/ (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.)



IR HAND BOOK

For the INDUSTRY For the EARTH For the HUMAN LIFE

Business Report 2009
Year ended March 31, 2009

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/>



Our Business

Division		Manufacturing precious metals business			Processing and services			Product sales					
Precious metals business	Precious metals operation		Precious metal bullion		Precious metal chemical products		Jig precision cleaning		Precious metals recycling		Semiconductors, electronic materials		For the INDUSTRY Precious Metals Operation PAGE 4
	Environmental operation		Recycling silver in photo-sensitive materials		Industrial waste collection/transportation		Detoxification, intermediate treatment		Vacuum thermal recycling (VTR) equipment		Vacuum thermal recycling (VTR) equipment		For the EARTH Environment Operation PAGE 4
Food business			Marine products		Livestock products		Agricultural products		Quality assurance		Logistics		For the HUMAN LIFE Food business PAGE 4
			Logistics		Logistics		Logistics		Logistics		Logistics		Logistics



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.

The Group's basic management policy is to focus on customers and focus on shareholders. The Group sees its path to growth as understanding customer needs precisely and working for mutual survival and prosperity with its customers. The Group's goal is to contribute to securing resources through its resource recycling business, to contribute to the development of cutting-edge technology through precious metal processing and sales, to contribute to environmental protection through its environmental operation, and to contribute to culinary life and culture through its food business, and is striving to expand the scope of its business and earn reasonable profits through sustained marketing efforts.

Yoshiaki Matsuda
President and Representative Director

In the precious metals business, Matsuda Sangyo recorded a decline in sales and profit in the fiscal year ended March 2009 due to a decrease in sales in the semiconductor industry and a drop in the bullion market. In the food business, we recorded an increase in sales and a decline in profit, mainly due to factors such as declines in market prices. As a result, consolidated net sales fell 6.3% year-on-year to 182,496 million yen, operating income fell 14.6% to 7,757 million yen, ordinary income fell 21.8% to 6,933 million yen, and net income fell 27.2% to 3,847 million yen.

With respect to profit distribution, our basic policy is to maintain a stable dividend payout to our shareholders while taking the balance of dividends and internal reserves into consideration. In accordance with this policy, we set year-end dividends at 12 yen per share. Along with the interim dividend of 12 yen per share, the year's total dividend amounted to 24 yen per share, the same as the previous fiscal year. Given the 1.1:1 stock split on September 1, 2008, this results in the equivalent of a 10% year-on-year dividend increase for the full fiscal year.

The payout for the year ending March 2010 is planned to be 24 yen per share (12 yen per share as an interim dividend and 12 yen as year-end).

We look forward to your continued understanding and support of our endeavors going forward.

Our Business	
Interview with the President	2
Segment Overview	4
Consolidated Financial Statements	6
Feature — Products Handled by Matsuda Sangyo	8
Information	9

Forecasts and other predictive statements in this document are based on information that were available to the company as of May 18, 2009 when FY3/09 Financial Statements were announced, and assumptions that are deemed reasonable. Actual results may differ greatly due to various contributing factors.

We are achieving steady progress on our medium-to long-term growth strategy.

What are your views on the results for the fiscal year ended March 2009 and the outlook for the fiscal year ending March 2010 ?

Japan's economy experienced a severe contraction following the tremors in the global financial system. Our results for the fiscal year ended March 2009 reflect this, with net sales declining following a drop in product and service sales in the semiconductor industry and a profit declined due to a sharp drop in sales volumes and a decline in the precious metals markets. The company's outlook for the fiscal year ending March 2010 is that, despite concerns about the deepening global financial crisis and a worsening global recession, a gradual recovery in production can be expected subsequent to corrections in inventory levels. In the precious metals business, while closely monitoring demand trends in each industry, we intend to make further progress in raising work efficiency, increasing the amount handled, and expanding the scope of our operations. In our food business, we will seek to strengthen relations with vendors, expand wholesale business sales by developing new food materials products and new grower regions, and strive to increase sales in the food service and take-out sector by using the capabilities of the Chiba distribution center to their full advantage. Despite anticipating a year-on-year decrease in consolidated net sales in the fiscal year ending March 2010, we expect a recovery trend to appear in the second half.

Tell us about the activities you are undertaking for your medium-to long-term growth strategy.

Although the company is currently facing a short-term correction, our final goal of becoming the number one refiner in East Asia remains unchanged. Our plan calls for a further focus on expanding our sales force to aid the expected boost in demand for electronics products in Southeast Asia over the medium-to long-term. In the environment division, the company feels the need to deal with social environmental issues, and will seek to do so by utilizing its facilities for the disposal of waste acids and alkali and a nationwide disposal network authorized for such disposal, and expanding the collection of materials from the electronics, chemical, and pharmaceutical industries in order to strengthen business operations and adhere to all related legislation. As part of this initiative, in July 2009 we have transferred the logistics functions from Iruma to Sayama. The new location is our integrated hub for environmental logistics and distribution in the Kanto region, from which we plan to enhance our temporary storage and classification functions and strengthen services for handling small waste.

We established the Sayama facility to strengthen environmental logistics (completed in July 2009).

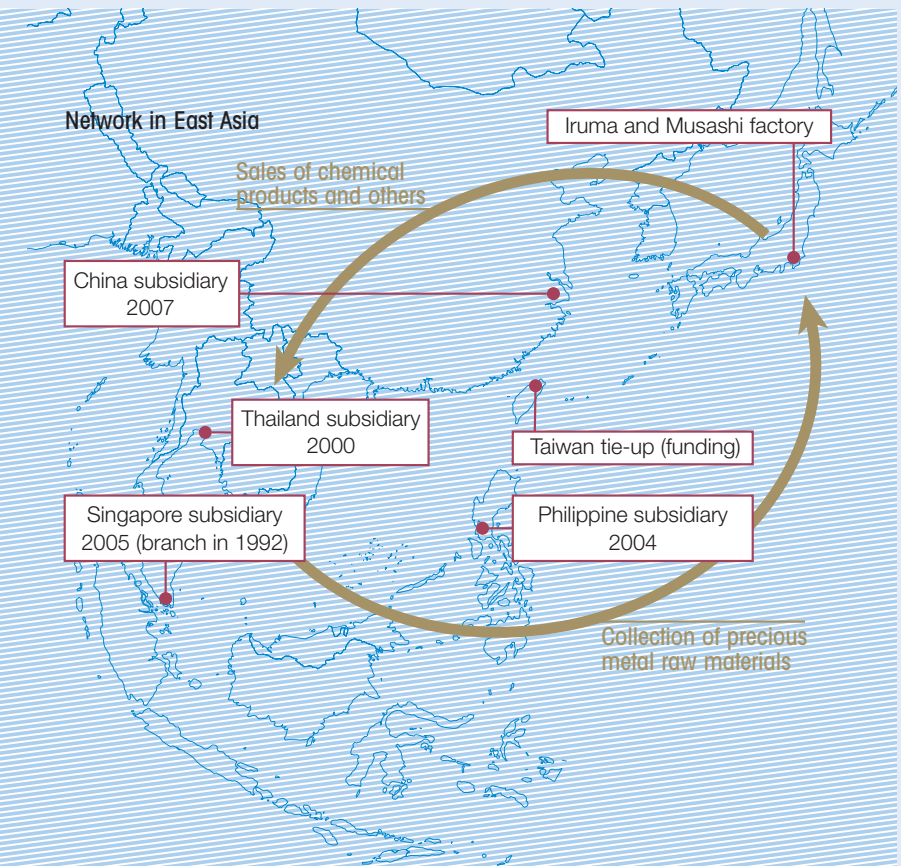


Growth strategy for the medium-to long-term

Aiming to be the number one refiner in East Asia

Matsuda Sangyo aims to become the number one refiner in East Asia through its overseas structure: Japan, Thailand, the Philippines, Singapore and now China.

After we established our branch in Singapore in 1992, we added locations in Thailand (2000) and the Philippines (2004). In June 2007, we added refining equipment in the Thai subsidiary in addition to the already present preprocessing facility. And we started operations in China by establishing a local subsidiary in Suzhou in April 2007. We will expand our comprehensive business including recycling of precious metals and sales of items such as electronic materials and chemical products and precision cleaning in East Asia, where economic growth is expected to continue.



Thailand subsidiary

- ▶ In 2000, established subsidiary (sales office) for recovery of precious metals from scrap.
- ▶ In 2003, constructed a pre-processing plant for refining precious metals.
- ▶ In 2007, began the precious metal refining process.

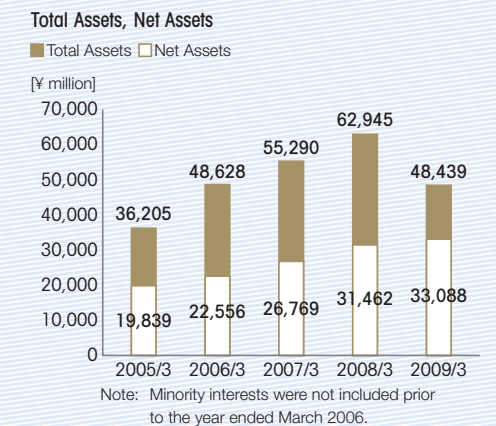
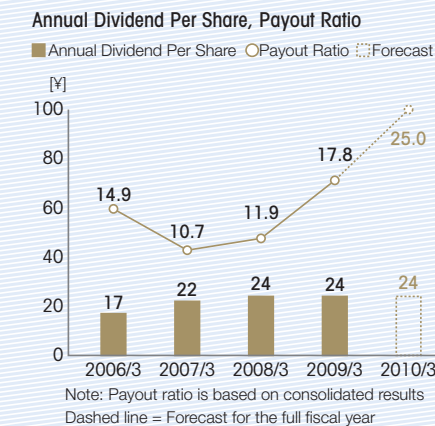
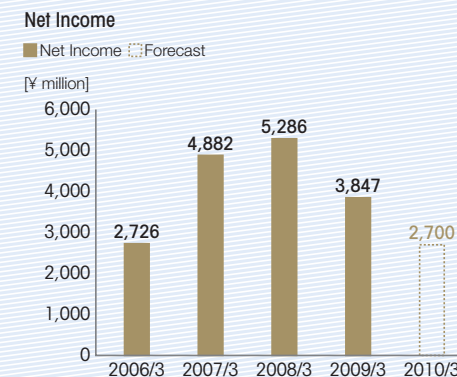
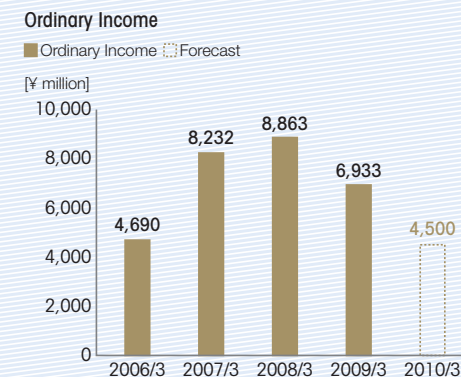
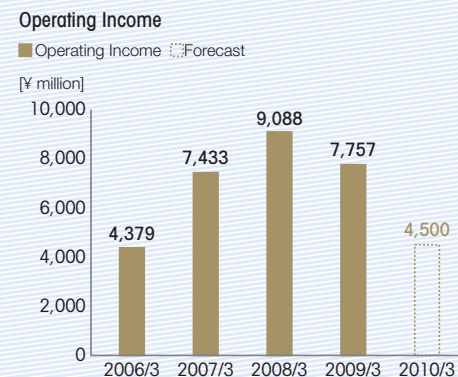
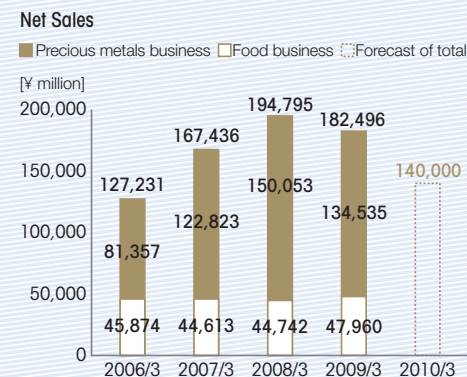


Singapore subsidiary

- ▶ In 1992, established Singapore branch as our first overseas sales office in Singapore.
- ▶ In 2005, converted to a locally-incorporated company (a subsidiary).



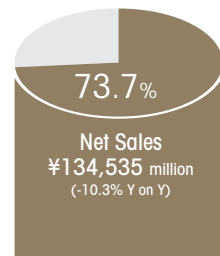
Consolidated Financial Highlights





For the **INDUSTRY** For the **EARTH**

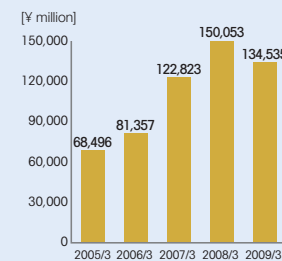
Precious Metals Business



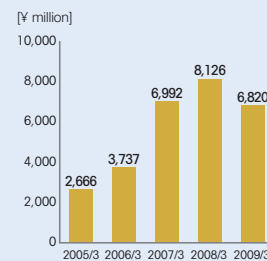
Precious metals operation

Recovery of recycling materials and sales of precious metal chemical products were relatively firm during the first half. However, in the last half of the term, because of the drastic production adjustments occurred in our chief targets, the semiconductor and electronic parts industries, the sales amount of precious metal chemical products and gold bonding wires decreased sharply, and the recovery and recycling of precious metals was also on a declining trend. In addition to the reduction of production amount, with the decrease in price of precious metals, the net sales decreased.

Net sales in precious metals business



Operating income in precious metals business



Environment operation

The amount handled by our environment division declined by the influence of emission decrease due to production adjustment of our client manufacturers in the last half. In addition, Z.E.R.O.-Japan Co., Ltd., the subsidiary that develops and manufactures PCB disposal devices, supplied the disposal devices for the second phase of construction of Japan Environmental Safety Corporation's (JESCO's) Kitakyushu facility.

On the other hand, as the precious metals market fell, some of the precious metals inventory had write-down in the book value of ¥462 million (recorded as a valuation loss). And, from this consolidated fiscal year, FIFO cost accounting was used instead of LIFO cost accounting with regard to assessing the value of products (except some processes and inventory) and work in progress. The effect of adoption of this change was to decrease, operating income by ¥80 million respectively.

As a result, sales for the precious metals business fell 10.3% year-on-year to 134,535 million yen, and operating income fell 16.1% year-on-year to 6,820 million yen.

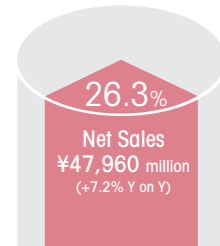
Creating quality capable of meeting advanced technology's needs and providing recycling services

Business fields	Products	Main initiatives
Semiconductor and electronic parts ~ conservation of energy and reduction of environmental load	Recovery/Refining	<ul style="list-style-type: none"> Au Ag PGM <ul style="list-style-type: none"> Structure for increased production, mainly of gold Promotion of diversified mining sources and technologies to enhance recovery rates
	Environmental Processing	<ul style="list-style-type: none"> Acid and alkali waste PCB etc. <ul style="list-style-type: none"> Utilizing nationwide collection/transportation approval network Linking in-house processing facilities and regional disposal networks
	Surface Treatment	<ul style="list-style-type: none"> Precious metal chemicals Precision cleaning <ul style="list-style-type: none"> Developing and producing plating chemicals for advanced needs High-quality cleaning and reprocessing jigs for thin-film production equipment
	Processing	<ul style="list-style-type: none"> Gold bonding wires Micro balls Thin-film production materials etc. <ul style="list-style-type: none"> Nippon Micrometal's development and production of high-quality products Marketing through in-house sales network



For the **HUMAN LIFE**

Food Business

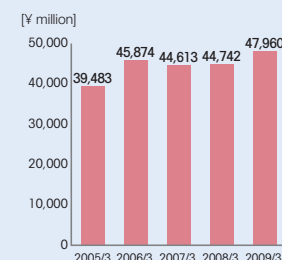


Food business

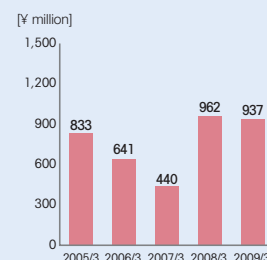
Conditions are still difficult because of such problems as imported foods' safety and food labeling. Under these conditions, the amount of seafood (such as surimi) sold declined, but sales prices rose, especially for high-end foods, so that sales were up.

The sales price of livestock products including poultry and chicken meat as well as agricultural

Net sales in food business



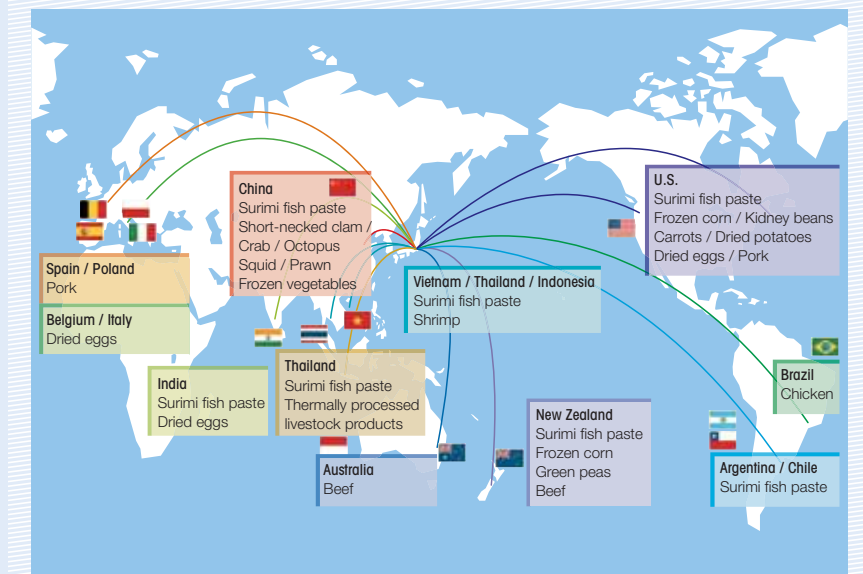
Operating income in food business



products such as vegetables rose and our Fresh Goods and Vegetables Distribution Center, which delivers directly to individual shops in the restaurant industry, also contributed to the increase in sales. But the chicken meat and low-price surimi market experienced a decline since the summer, worsening results.

As a result, the food business reported consolidated net sales of 47,960 million yen (up 7.2% year-on-year) and operating income of 937 million yen (down 2.6% year-on-year).

Procuring raw food materials around the world



Consolidated Financial Statements

Consolidated Balance Sheet

Assets	2008		2009		Liabilities	2008		2009																																																																																																																																																																																	
	As of March 31, 2008	As of March 31, 2009	As of March 31, 2008	As of March 31, 2009		As of March 31, 2008	As of March 31, 2009	As of March 31, 2008	As of March 31, 2009																																																																																																																																																																																
Current assets	49,537	35,169	Current liabilities	29,392	13,239	Notes and accounts payable	12,880	7,506	Cash and deposits	2,727	7,891	Short-term debt	6,030	630	Notes and accounts receivable	20,868	13,979	Long-term debt expected to be repaid within a year	640	340	Inventory	17,888	–	Lease payables	–	48	Merchandise and finished goods	–	5,473	Accrued income taxes	2,001	1,428	Work in process	–	130	Allowance for bonuses	590	607	Raw materials and supplies	–	4,873	Other accounts payable	4,289	681	Deferred tax assets	605	940	Others	2,960	1,996	Other accounts receivable	4,276	546	Fixed liabilities	2,090	2,111	Others	3,196	1,355	Long-term debt	1,307	1,267	Allowance for doubtful accounts	(25)	(20)	Lease payables	–	159	Fixed assets	13,408	13,270	Allowance for retirement benefit	410	349	Tangible fixed assets	8,699	9,053	Allowance for directors' retirement benefits	370	332	Buildings and structures, net	2,287	2,000	Others	2,960	1,996	Machinery and delivery equipment, net	1,478	1,227	Land	4,752	5,148	Construction in progress	0	328	Leased assets, net	–	208	Others, net	180	140	Construction in progress	0	328	Others, net	180	140	Others, net	180	140	Intangible fixed assets	1,219	1,423	Total liabilities	31,483	15,351	Good will	38	12	Net assets			Others	1,181	1,410	Common stock	3,559	3,559	Shareholders' equity	30,941	33,470	Legal capital surplus	4,009	4,008	Investments and other assets	3,489	2,792	Retained earnings	23,494	26,683	Investment securities	2,256	1,562	Treasury stock	(121)	(780)	Memberships	92	–	Valuation and translation adjustments	520	(382)	Guarantee deposits	497	–	Unrealized gains on shareholders' equity	203	104	Deferred tax assets	207	220	Deferred hedge gain/loss	54	(174)	Others	696	1,230	Foreign currency translation adjustments	263	(312)	Allowance for doubtful accounts	(259)	(220)	Foreign currency translation adjustments	263	(312)	Total assets	62,945	48,439	Total net assets	31,462	33,088	Total liabilities & net assets	62,945	48,439

Assets
Total assets decreased 14,506 million yen year-on-year. The decrease resulted mainly from current assets declining 14,367 million yen due to decreases of accounts receivable and inventories, and tangible and intangible fixed assets growing 558 million yen due to purchase of land, development of ERP system.

Liabilities
Total liabilities declined 16,132 million yen due to a 5,740 million yen decrease in short-term and long-term debt, a 5,373 million yen decrease in accounts payable, and a 3,607 million yen decrease in other accounts payable.

Net assets
Net assets increased 1,626 million yen year-on-year. Chiefly, this is the result of a gain in retained earnings of ¥3,188 million and a loss by share buyback of ¥658 million and a loss by foreign currency translation adjustments of ¥902 million caused by a strengthening of the yen.

Consolidated Statement of Income

	2008	2009
	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009
Net sales	194,795	182,496
Cost of sales	174,752	163,268
Selling, general, and administrative expenses	10,954	11,470
Operating income	9,088	7,757
Non-operating income	254	197
Non-operating expenses	480	1,021
Ordinary income	8,863	6,933
Extraordinary income	41	1
Extraordinary losses	41	141
Income before income taxes	8,863	6,793
Income taxes, etc	3,498	3,068
Income taxes - deferred	78	(122)
Net income	5,286	3,847

Consolidated Statement of Cash Flow

	2008	2009
	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009
Cash flow from operating activities	(262)	14,392
Cash flow from investing activities	(2,463)	(1,729)
Cash flow from financing activities	2,834	(7,086)
Foreign currency translation adjustment on cash and cash equivalents	87	(412)
Change in cash and cash equivalents	196	5,164
Cash and cash equivalents at beginning of period	2,527	2,724
Cash and cash equivalents at end of period	2,724	7,888

Consolidated Statement of Changes in Shareholders' Equity

April 1, 2008 to March 31, 2009

	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, 2008	3,559	4,009	23,494	(121)	30,941	203	54	263	520	31,462
Changes during the consolidated fiscal year										
Dividends of retained earnings			(659)		(659)					(659)
Net income			3,847		3,847					3,847
Purchase of treasury stock				(664)	(664)					(664)
Change of scope of equity method				5	4					4
Net changes in items other than shareholders' equity						(98)	(228)	(575)	(902)	(902)
Total change during the consolidated fiscal year	–	(0)	3,188	(658)	2,529	(98)	(228)	(575)	(902)	1,626
Balance as of March 31, 2009	3,559	4,008	26,683	(780)	33,470	104	(174)	(312)	(382)	33,088



We will announce our FY3/10 Q1 results on our web site at 4 p.m. on August 11, 2009.

<http://www.matsuda-sangyo.co.jp/investment/index.html>

Net cash provided by operating activities amounted to 14,392 million yen, mainly due to net income and decrease of accounts receivable and inventories exceeding decrease of accounts payable.

Net cash used in investing activities amounted to 1,729 million yen, mainly due to the replacement of factory equipments, purchase of land, development of ERP system.

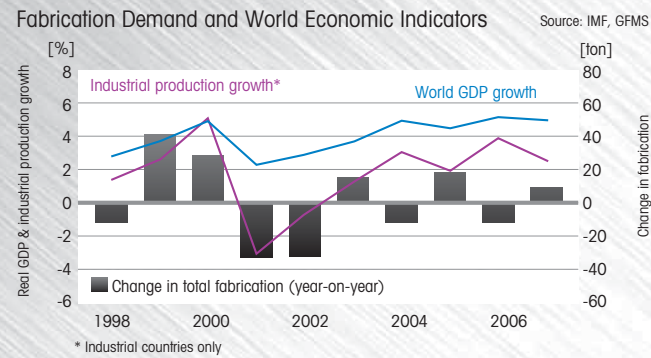
Net cash used in financing activities amounted to 7,086 million yen, mainly due to the payment of short-term debt and long-term debt, and dividend payment and share buyback.

Silver [Ag]

Silver is often mentioned alongside gold as a high-grade precious metal. It tends to pale in comparison before the more sought-after gold, but its unique features make for an important role, especially in the industrial world.

Number one in thermal and electrical conductivity

Among precious metals, silver has the advantage of having the highest thermal conductivity, lowest melting point, and lowest electrical resistance, and can thus be used in a number of areas. Therefore, the fluctuation in overall silver volumes processed in a year is closely linked to economic indicators such as GDP growth rates and industrial production growth trends.



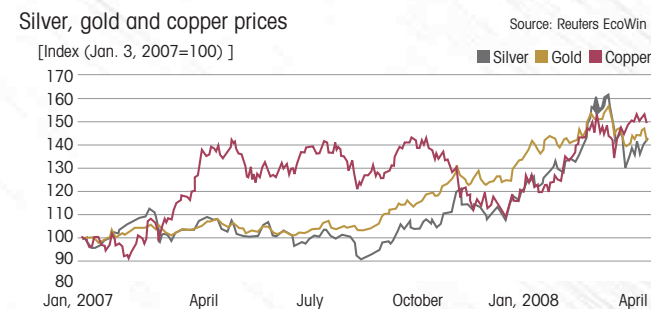
Matsuda Sangyo's silver business

Matsuda Sangyo is now primarily involved in the business of recovering and refining precious metals, but this has become possible due to our expertise in recycling silver from silver salt film and photosensitized material, a business we have been involved since our founding in 1935. The demand for photosensitized material has fallen because general households are switching to digital cameras, but the company has continued a steady silver business based on the demand for precision machinery and electronics (home appliances).

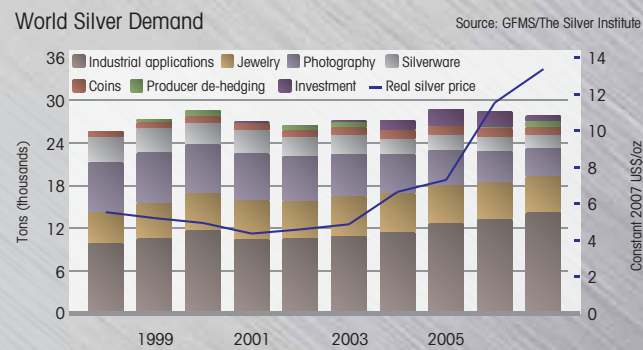


Silver as an investment product

Silver is primarily used in industrial processes, which account for around 50% of the global demand for silver. However, silver accounts for only about 20% of overall jeweler demand, a stark contrast with the approximately 75% for gold. Therefore, its appeal as an investment product is fundamentally different from gold and presents a separate set of issues. This is evident, for example, from the spike in prices following the Hunt brothers' accumulation of silver bullions between 1979 and 1980 and the famous investor Warren Buffett's purchase of approximately 20% of the annual global supply in the latter half of the 1990s. However, recently gold and silver are more often traded together, and both commodities tend to show similar price trends.



Data of Silver



Matsuda Sangyo's silver bullions are registered brands at The Tokyo Commodity Exchange, London Bullion Market Association, and Dubai Gold & Commodities Exchange. They circulate in countries around the world as guaranteed high quality bullion.

Information

Subsidiaries & affiliates

As of March 31, 2009

	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.	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.	Recovery and sale of metal raw materials, sales of precious metal products
	Matsuda Sangyo (Philippines) Corporation	Recovery and sale of metal raw materials, sales of precious metal products
	Matsuda Sangyo (Singapore) Pte. Ltd.	Recovery and sale of metal raw materials, sales of precious metal products
	Matsuda Resource Recycling (Suzhou) Co., Ltd.	Recovery and sale of metal raw materials, sales of precious metal products
Food business	NIPPON MICROMETAL CORPORATION	Production and sales of metal products for the electronics industry
	MATSUDA RYUTSU Co., Ltd.	Truck transportation, sales of raw materials for food processing

Office and plants

As of March 31, 2009

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

Company overview

As of March 31, 2009

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:	872
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 26, 2009

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