



May 13, 2022

To: Whom It May Concern

Company: Matsuda Sangyo Co., Ltd.  
Representative: President Yoshiaki Matsuda  
(Code: 7456 Tokyo Stock Exchange Prime Market)  
Executive Officer  
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## Notice of Formulation of Medium-term Management Plan (FY2022-2025)

The Matsuda Sangyo Group has formulated its four-year Medium-term Management Plan (FY2022-2025) effective from the year ending March 31, 2023. The details are as follows.

### 1. Reflecting on the previous Medium-term Management Plan (FY2019-2021)

The Matsuda Sangyo Group has advanced its business strategy and strengthened its management foundation as set out in its previous three-year Medium-term Management Plan (FY2019-2021) with the year ending March 31, 2022 as its final year. As a result, both the Precious Metals Business Segment and Food Business Segment have generally performed strongly and achieved all the targets set for the management indicators: consolidated net sales, consolidated operating profit, consolidated operating margin, and consolidated return on equity (ROE).

### 2. Overview of the new Medium-term Management Plan (FY2022-2025)

#### (1) Vision

The Matsuda Sangyo Group aims “to be a company that continuously evolves and adapts to social changes, and which customers and society always need.” Through the effective use of resources and securing of sustainable resources, it will provide high added value that contributes to resolving problems for customers and society.

#### (2) Management targets

The following are the targets set for the management indicators for the year ending March 31, 2026, the final year of the plan.

Unit: Hundred million

Net Sales	3,000
Operating profit	130
Operating margin	4.3%
Return on equity (ROE)	9.0%
Ordinary profit / total assets	10.0%

Note: Consolidated basis for all management indicators

#### (3) Basic policy

The Matsuda Sangyo Group will advance its growth strategy based on the following basic policy, with both the Precious Metals Business Segment and Food Business Segment as the driving forces:

- Strengthen revenue base and create new revenue sources by continuing with proactive investments
- Strengthen management foundation to support and accelerate sustainable growth
- Enhance corporate value by promoting ESG management

#### (4) Overview of growth strategy

##### [Precious Metals Business Segment]

Based on the vision of becoming a “leading company that creates resource circulation (utilization),” the Precious Metals Business Segment will differentiate itself by continuously providing customers with high environmental value through the enhancement of the comprehensive resource recycling capabilities, based on efforts to provide products and services that reduce environmental burden and to develop and sell high-performance electronic materials, among others. It will expand domestic market share and develop new markets overseas, as well as explore the electronic devices industry, alongside efforts to develop the chemicals/automotive industries and the rechargeable batteries/e-scrap markets.

##### [Food Business Segment]

Based on the vision of becoming the “best partner for customers in product development,” the Food Business Segment will strengthen its core business (sale of ingredients) by expanding its procurement network for the raw materials for food products as well as its product lineup, and at the same time, work on building sales channels and developing safe, secure and sustainable products that capture the needs of customers, as well as expand sales domains by accelerating global roll-out.

##### [Strengthening management foundation]

With a view to strengthening management foundation, which is necessary to support sustainable growth and enhance corporate value, the Matsuda Sangyo Group will advance concrete measures based on the recognition of six issues: improving productivity, promoting DX, producing management talents, the leveraging diverse human resources, enhancing the workplace environment, and strengthening governance and risk management.

##### [Investment plan]

The Matsuda Sangyo Group will proactively advance its plan to invest a total of 30 billion yen over four years, allocating management resources for sustainable growth by strengthening its revenue base, developing new businesses, and strengthening its management foundation, while giving consideration to striking a balance between securing sound financial health and providing returns to shareholders.

### 3. ESG initiatives

Based on the corporate philosophy of “making effective use of the limited earth resources and contributing to society through business,” the Matsuda Sangyo Group, is contributing to society through the expansion of both the Precious Metals and Food Business Segments. To realize a sustainable society while achieving business growth for the corporate group, it has positioned the following as important issues and will develop and advance concrete measures in these areas: striking a balance between reducing environmental burden and business growth, enhancing customer satisfaction and securing the trust of society, and accelerating growth through the activities of diverse human resources.

### 4. Returns to shareholders

With consideration for the balance with maintaining internal reserves for growth investment, the Matsuda Sangyo Group will have established the basic policies of distributing stable and sustainable dividends, enhancing corporate value through the flexible acquisition of its own shares with consideration for the market environment, and meeting the expectations of its shareholders. Dividends will be guided by a ratio of dividends to shareholders’ equity of 1.5% or more.

#### <Attachment>

Explanatory material for the Medium-term Management Plan (FY2022-2025)

• Notes on this material

The forward-looking statements in this material and the attached material, including the management targets, are forecasts prepared by the Matsuda Sangyo Group based on the current business environment, and are subject to changes due to various factors such as future changes in the business environment.

# Overview of Medium-term Management Plan (FY2022 – 2025)

**Making effective use of the limited earth resources  
and contributing to society through business**



May 13, 2022



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## I. Reflecting on the Previous Medium-term Management Plan (FY2019–2021)

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## Reflecting on the Previous Medium-term Management Plan

■ We achieved the targets ahead of schedule and realized earnings and profit growth for the third consecutive year.

Unit: Hundred million

	2019 results (FY2020)	2020 results (FY2021)	2021 target (FY2022)	2021 results (FY2022)
Net sales	2,110	2,315	2,200	2,722
Operating profit	62	80	55	126
Operating margin	3.0%	3.5%	2.5%	4.7%
ROE	6.8%	9.7%	6.0%	13.7%

## Reflecting on the Previous Medium-term Management Plan

Unit: Hundred million

By segment		2019 results (FY2020)	2020 results (FY2021)	2021 results (FY2022)
Precious Metals Business Segment	Net sales	1,307	1,530	1,929
	Operating profit	49	68	103
	Operating margin	3.7%	4.4%	5.3%
Food Business Segment	Net sales	803	785	793
	Operating profit	13	12	23
	Operating margin	1.6%	1.5%	2.9%



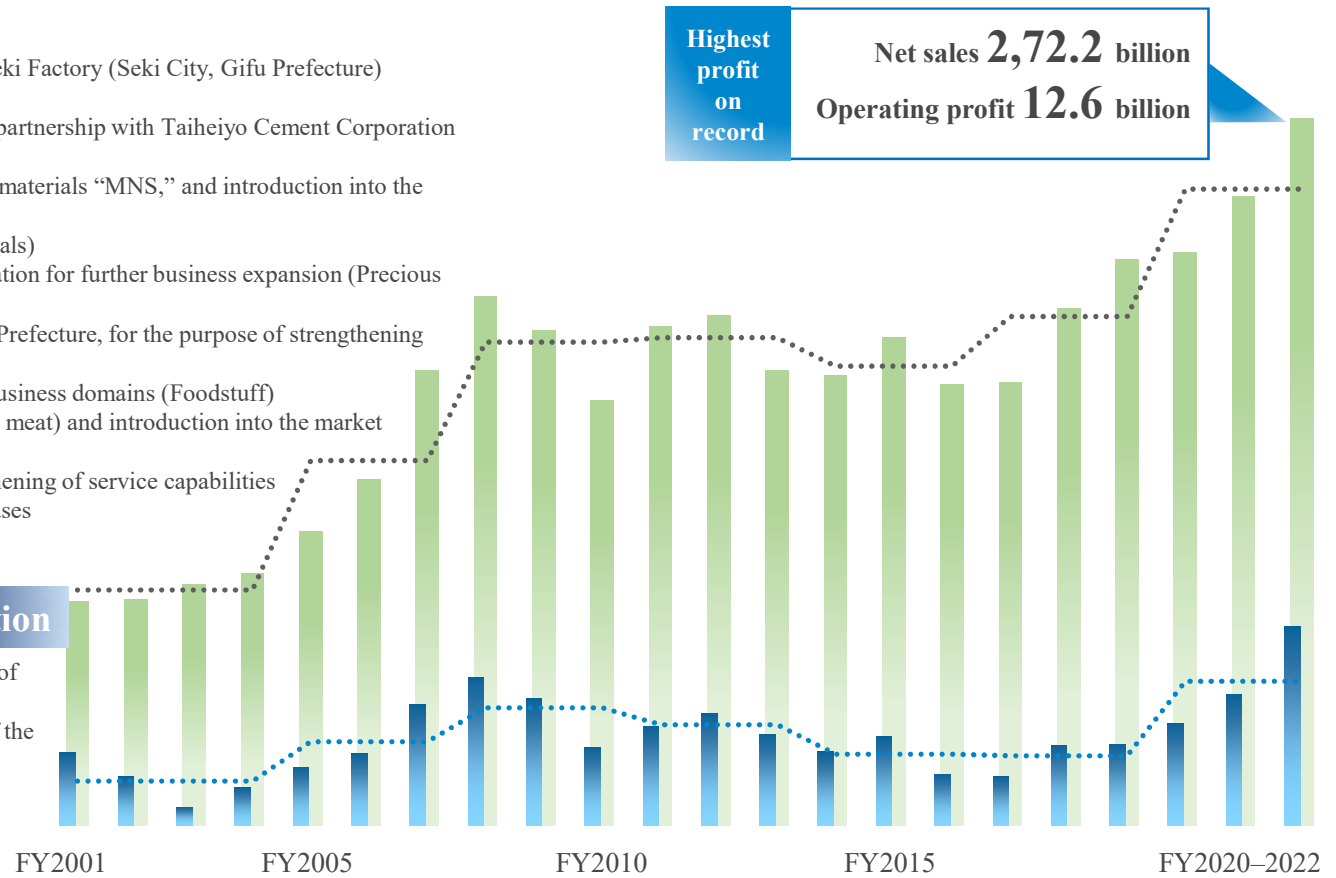
# Reflecting on the Previous Medium-term Management Plan

## Advancement of business strategy

- Start of operation of pretreatment-processing facility at Seki Factory (Seki City, Gifu Prefecture) (Precious Metals)
- Launch of recycling scheme for rechargeable batteries in partnership with Taiheiyo Cement Corporation (Precious Metals)
- Development of high-performance gold vapor deposition materials “MNS,” and introduction into the market (Precious Metals)
- Establishment of local subsidiary in Korea (Precious Metals)
- Decision to acquire business site in Kitakyushu in preparation for further business expansion (Precious Metals)
- Acquisition of land and buildings in Iruma City, Saitama Prefecture, for the purpose of strengthening production and logistics functions (Precious Metals)
- Establishment of branch office in Taiwan, expansion of business domains (Foodstuff)
- Development of high-performance plant-based meat (soy meat) and introduction into the market (Foodstuff)
- Renewal of workplaces in the Tohoku region and strengthening of service capabilities
- Implementation of the reorganization of domestic sales bases

## Strengthening of management foundation

- Enactment of Global Code of Conduct and strengthening of governance capabilities
- Renewal of human resources system and strengthening of the management foundation
- "Groupware" update, and improvements in productivity
- Acquisition of certification as Health & Productivity Management Outstanding Organization





## II. The New Medium-term Management Plan (FY2022–2025)

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## Matsuda Sangyo Group's Vision



To be a company that continuously evolves and adapts to social changes, and which customers and society always need.

### Customers/Society

Make effective use of resources and secure sustainable resources  
Provide high added value that contributes to resolving problems for customers and society

#### **Precious Metals Business Segment**

A leading company that creates  
resource circulation (utilization)

Advance growth  
strategy

#### **Food Business Segment**

Best partner for customers  
in product development

## Management Targets

■ To steadily implement the growth strategy and realize stable and sustainable growth.

Unit: Hundred million

	2016–2018 results Ave	2019–2021 results Ave	2021 results (FY2022)
Net sales	1,871	2,382	2,722
Operating profit	42	90	126
Operating margin	2.2%	3.7%	4.7%
ROE	5.6%	10.0%	13.7%
ROA (Ordinary profit / total assets)	6.0%	9.4%	12.5%



2025 target (FY2026)
3,000
130
4.3%
9.0%
10.0%

## Management Targets (By Segment)

Unit: Hundred million

		2016–2018 results Ave	2019–2021 results Ave	2021 results (FY2022)	2025 target (FY2026)
Precious Metals Business Segment	Net sales	1,184	1,589	1,929	2,000
	Operating profit	29	74	103	105
	Operating margin	2.4%	4.6%	5.3%	5.3%
Food Business Segment	Net sales	687	793	793	1,000
	Operating profit	13	16	23	25
	Operating margin	1.9%	2.0%	2.9%	2.5%

### Basic Policy

Through both the Precious Metals Business Segment and Food Business Segment as the driving force for the growth :

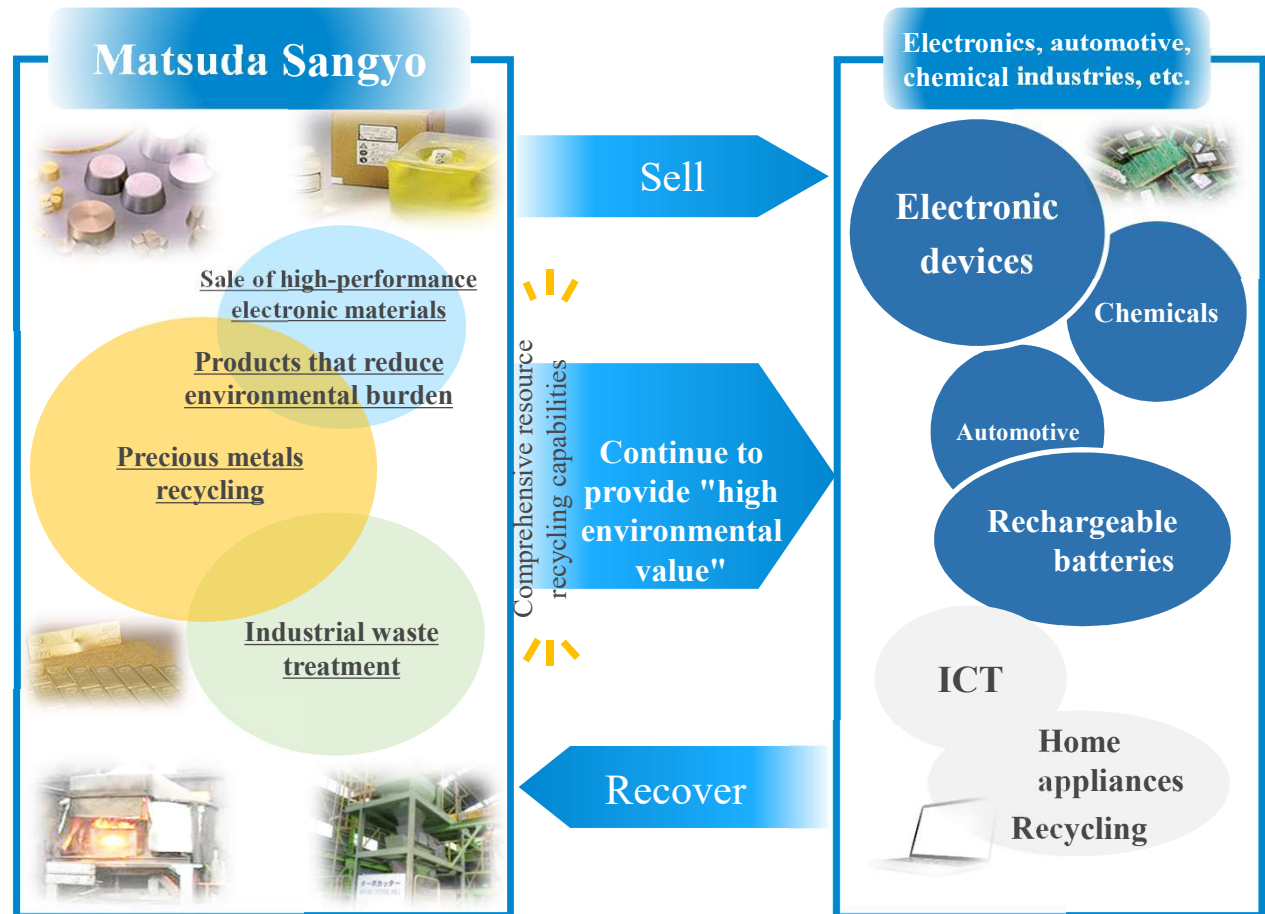
- ❑ **Strengthen revenue base and create new revenue sources** by continuing with proactive investments
- ❑ **Strengthen management foundation** to support and accelerate sustainable growth
- ❑ **Enhance corporate value** by promoting **ESG management**

# Growth Strategy

## Precious Metals Business Segment

A leading company that creates resource circulation (utilization)

- Differentiation by enhancing the collective strengths of resource recycling
  - Develop and provide products and services that reduce environmental burden
  - Develop and sell high-performance electronic materials
- Expand domestic share; develop new markets overseas
- Explore the electronic devices industry; develop the chemicals/automotive industries and the rechargeable batteries/e-scrap markets
- Develop technology and expand production infrastructure toward expanding business scale and domains
- Pursue safety, security and trust through the strengthening of the quality control system and thorough management of waste treatment

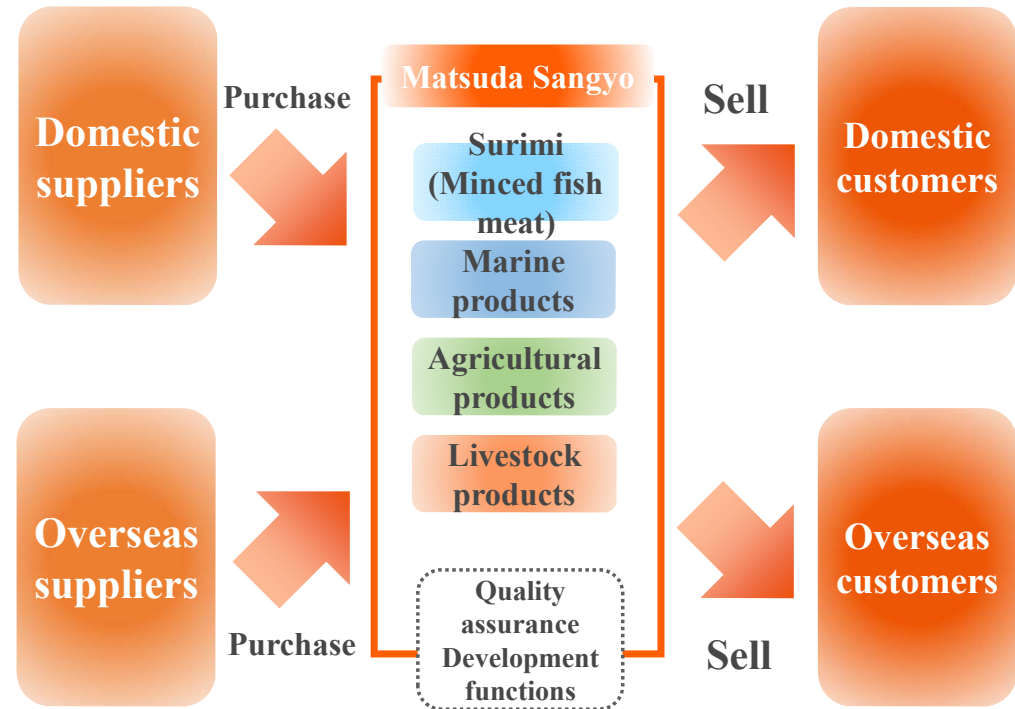


# Growth Strategy

## Food Business Segment

Best partner for customers in product development

- Strengthen the core business (sale of ingredients) through the expansion of the procurement network and product lineup
- Develop safe, secure and sustainable products that capture customers' needs, and build sales channels
- Expand sales domains through the acceleration of global roll-out
- Expand supply-chain domains based on the core business
- Build a consistent quality system by strengthening quality assurance/technical support



Expansion of procurement networks and establishment of quality control knowhow

**Continue to provide safe and secure food in a stable manner**

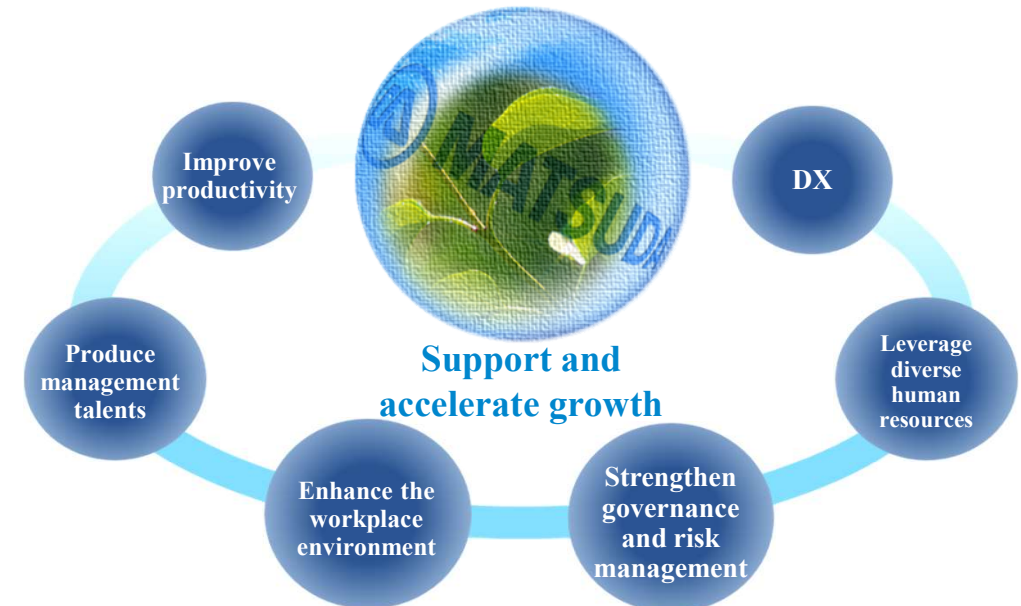


## Growth Strategy

### Strengthen management foundation

Strengthen the management foundation so that it supports sustainable growth, and enhance corporate value

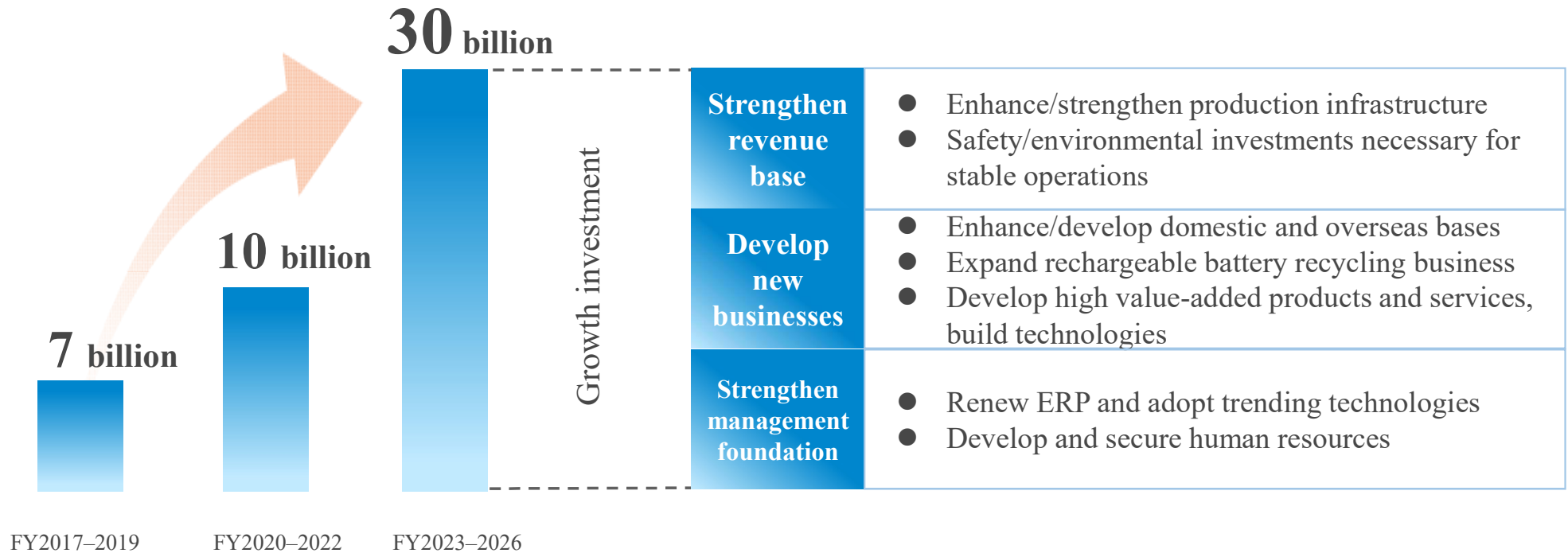
- Strengthen management functions by utilizing IT and promote automation/power conservation to improve productivity
  - Renew ERP and actively adopt trending technologies
- Produce management talents who drive growth
- Create a rewarding and comfortable workplace where diverse human resources (women, mid-career employees, the elderly, foreign nationals, etc.) can play an active part in roles that are suited to them
  - Provide opportunities for challenges and promote systematic training
  - Enhance support for career development
- Strengthen governance and ensure thorough and wide-ranging risk management (safety/legal compliance/business risks)
  - Strengthen the three-line defense
  - Address information security risks associated with a pervasive digital society



# Growth Strategy (Investment Plan)

Total of **30 billion**  
(Cumulative over  
four years)

- ❑ Realize further growth through proactive growth investment and steadily securing sales C/F.
- ❑ Allocate management resources appropriately with a view to striking a balance between sound financial health and shareholder returns.

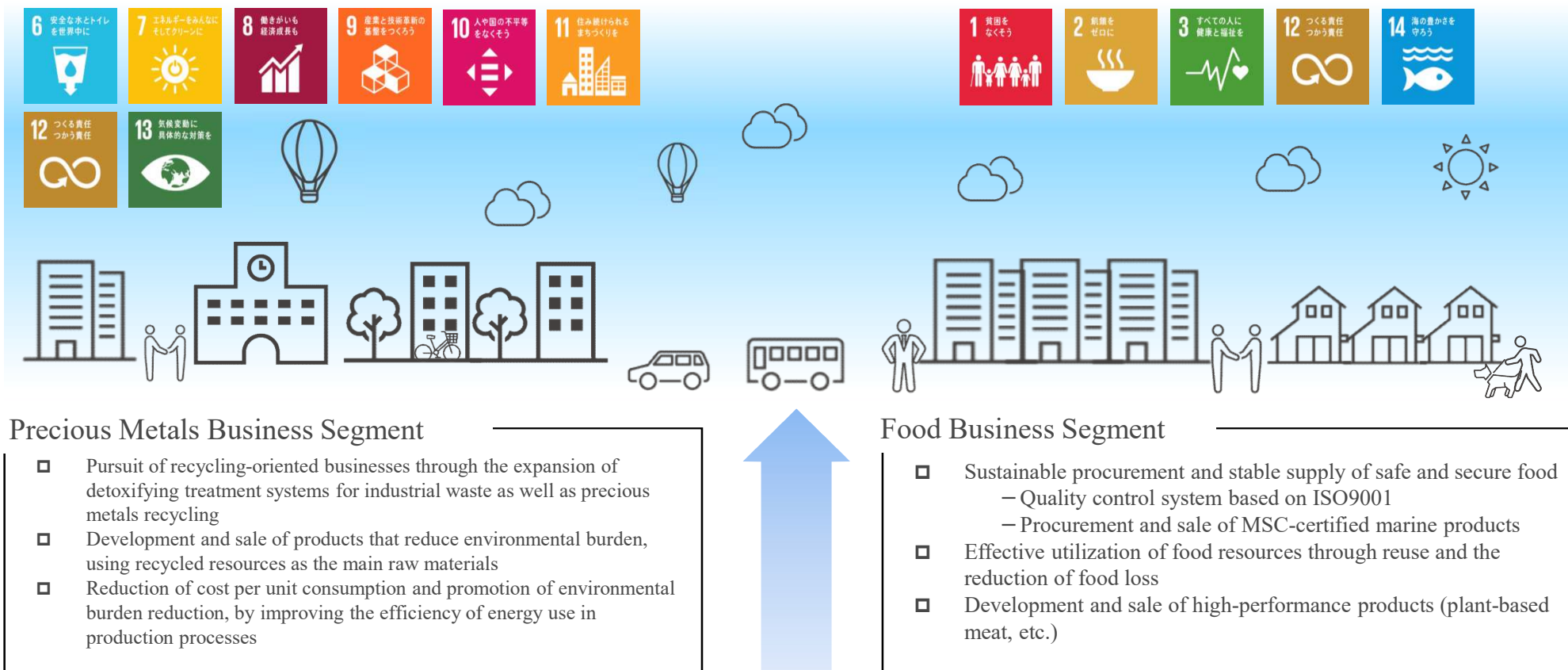




## III. ESG Initiatives

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# Toward Enhancing Corporate Value



Contribute to customers and society through business

## ○ Important Issues for Matsuda Sangyo (Materiality)



Environment

### Striking a balance between reducing environmental burden and business growth

- (1) Energy consumption and greenhouse gas emissions (2) Atmospheric emissions (3) Hazardous substances  
(4) Solid waste (5) Pollution prevention and resource reduction (6) Water management (7) Biodiversity



Quality  
Safety

### Enhancement of customer satisfaction and securing the trust of society

- (1) Provision of accurate information on products and services  
(2) Securing product safety and security

Human  
rights  
Labor

### Acceleration of growth through the activities of diverse human resources

- (1) Right person for the right job (2) Diversity and innovation (3) Work-life balance



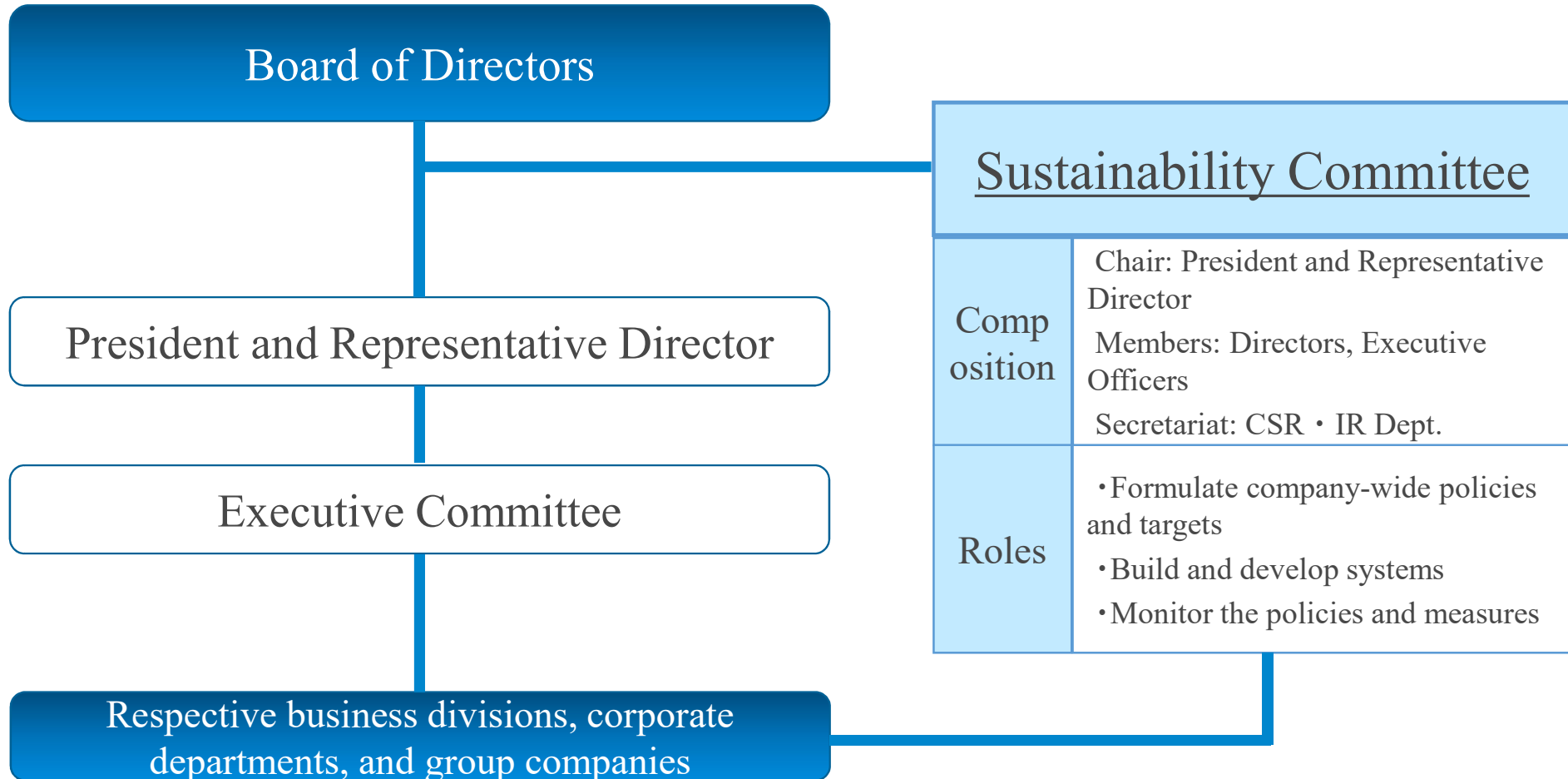
Organization  
Governance

### Establishment of Sustainability Committee, and control of group-wide initiatives

- (1) Management system (Governance) (2) Information security (3) Partnership with suppliers

- Position environment, quality and safety, and human rights and labor as important issues, and achieve a balance between social contribution and business growth.
- Non-financial targets for the important issues will be disclosed once they have been established.

# Governance System





## IV. Returns to Shareholders / Capital Policy

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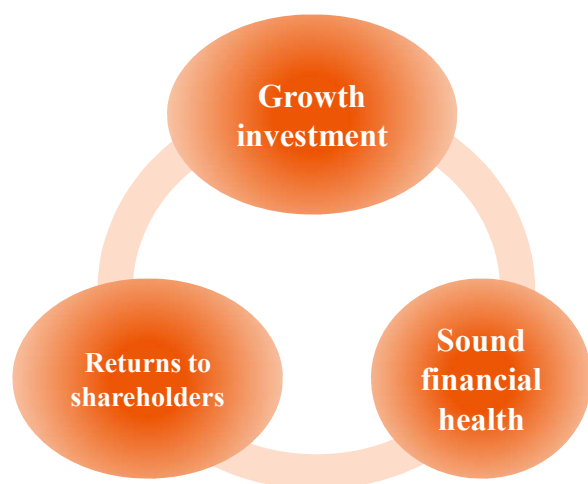
## Basic Policy on Returns to Shareholders / Capital Policy

### Returns to shareholders

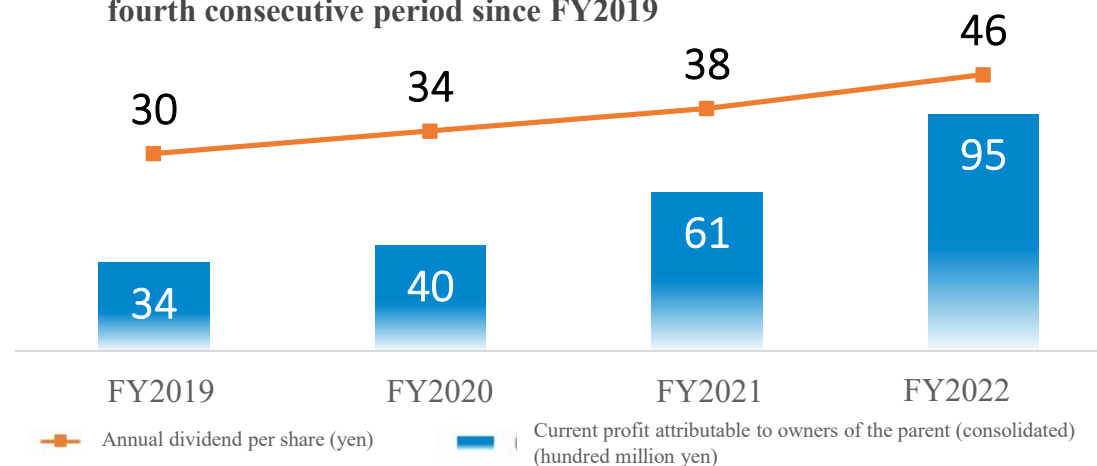
- Distribute stable and sustainable dividends with consideration for the balance with internal reserves for growth investment
- Returns guided by ratio of dividends to shareholders' equity of 1.5% or more

### Capital policy

- Enhance corporate value sustainably with consideration for optimal resource distribution toward business opportunities that capture growth potential, ensuring financial soundness, and balance with returns to shareholders
- Flexible acquisition of own shares with consideration for the market environment



Changes in shareholder returns (dividends): Expected to increase for fourth consecutive period since FY2019







~ For Prosperity and a Beautiful Earth ~

[Notes on this material]

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