



## FY3/24 3Q Consolidated Financial Statements [J-GAAP]

February 9, 2024

Company name: Matsuda Sangyo Co., Ltd. Exchanges listed on: Tokyo Stock Exchange (Prime Market)  
 Company code: 7456 URL: <https://www.matsuda-sangyo.co.jp>  
 Representative: President Yoshiaki Matsuda  
 Executive Officer/  
 Inquiries: General Manager of CSR IR Dept. Yoshinori Tanaka TEL: +81-3-5381-0728  
 Filing date of quarterly report: February 13, 2024  
 Date to start dividends distribution: —  
 Supplementary quarterly materials prepared: Yes  
 Results briefing for quarterly financial results held: No

(Figures are rounded down to the nearest million yen)

### 1. FY3/24 3Q consolidated results (April 1, 2023 – December 31, 2023)

#### (1) Consolidated results

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FY3/24 3Q	271,388	0.3	7,181	(37.1)	7,960	(30.0)	5,343	(33.0)
FY3/23 3Q	270,528	32.9	11,416	9.1	11,374	0.9	7,976	1.0

(Note) Comprehensive income: FY3/24 3Q: ¥6,870 million [(34.2)%] FY3/23 3Q: ¥10,447 million [24.9%]

	Earnings per share		Diluted earnings per share	
	(yen)		(yen)	
FY3/24 3Q	205.28		—	
FY3/23 3Q	305.76		—	

#### (2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio	
	(millions of yen)		(millions of yen)		(%)	
End-FY3/24 3Q	144,246		89,727		62.0	
End-FY3/23	129,208		84,648		65.4	

(Reference) Shareholders' equity: End-FY3/24 3Q: ¥89,468 million End-FY3/23: ¥84,481 million

### 2. Dividends

	Annual dividends				
	1Q	2Q	3Q	4Q	Annual
	(yen)				
FY3/23	—	25.00	—	25.00	50.00
FY3/24	—	30.00	—		
FY3/24 (Projections)				30.00	60.00

(Note) Revisions to the most recently announced projections of dividends: No

### 3. Consolidated earnings projections for FY3/24 (April 1, 2023 – March 31, 2024)

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
FY3/24	360,000	2.6	10,000	(27.6)	11,000	(20.5)	7,600	(21.6)	291.42

(Note) Revisions to the most recently announced projections of consolidated earnings: No

\* Notes

- (1) Material changes in subsidiaries during the period (changes in specified subsidiaries resulting from changes in scope of consolidation): No
- (2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and restatement of revisions
  - 1) Changes in accounting policies with revision of accounting standards: No
  - 2) Changes in accounting policies other than the above: No
  - 3) Changes in accounting estimates: No
  - 4) Restatement of revisions: No

(4) Number of issued shares (common shares)

1) Number of issued shares (including treasury shares)	End-FY3/24 3Q	26,908,581 shares	End-FY3/23	26,908,581 shares
2) Number of treasury shares	End-FY3/24 3Q	991,290 shares	End-FY3/23	822,870 shares
3) Average number of shares during the period	FY3/24 3Q	26,031,137 shares	FY3/23 3Q	26,085,787 shares

\* This document is outside the scope of audit procedures conducted by certified public accountants and the independent auditor.

\* Explanation of the proper use of earnings projections and other notes

This document contains earnings projections and other information that constitute forward-looking statements. These statements are based on reasonable assumptions and information currently available to the Company and provide no guarantee of future performance. Actual results may differ materially from forward-looking statements due to a number of factors. For more information about earnings projections, please refer to “1. Qualitative information on consolidated results during the period, (3) Qualitative information on consolidated earnings projections” on page 3 of the attached documents.

## Contents of Attached Document

<b>1. Qualitative information on consolidated results during the period.....</b>	<b>2</b>
(1) Qualitative information on consolidated results.....	2
(2) Qualitative information on consolidated financial position .....	2
(3) Qualitative information on consolidated earnings projection .....	3
<b>2. Quarterly consolidated financial statements and related notes .....</b>	<b>4</b>
(1) Quarterly consolidated balance sheets .....	4
(2) Quarterly consolidated statements of income and comprehensive income .....	6
(3) Quarterly consolidated statements of cash flows .....	8
(4) Notes on quarterly consolidated financial statements .....	9
(Notes on premise of a going concern) .....	9
(Notes on significant changes in the amount of shareholders' equity) .....	9
(Segment information, etc.) .....	9

## 1. Qualitative information on consolidated results during the period

### (1) Qualitative information on consolidated results

During the first nine months of the cumulative consolidated fiscal year ending March 31, 2024, the global economy showed a general recovery trend, but the situation remains uncertain due to the impact of continued tightening of monetary policy worldwide, concerns about the future of the Chinese economy, and geopolitical risks, against other factors.

Against this backdrop, the Matsuda Sangyo Group's Precious Metals Business Segment worked to secure precious metals materials, boost sales of products such as high-performance electronic materials, and expand its industrial waste treatment outsourcing business, based on a strategy of differentiating itself through its comprehensive resource recycling capability and the development of high-performance electronic materials. In addition, the Food Business Segment utilized its global procurement capabilities to source products that meet customer needs and ensure stable supplies of safe and reliable food products, with the aim of increasing sales volumes.

As a result of the above, for the first nine months of the cumulative consolidated fiscal year ending March 31, 2024, net sales were ¥271,388 million (up 0.3% year on year) and operating profit was ¥7,181 million (down 37.1% year on year). Ordinary profit was ¥7,960 million (down 30.0% year on year) and quarterly profit attributable to owners of parent was ¥5,343 million (down 33.0% year on year).

The following is a summary of business by segment.

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

In the electronic devices field of the electronics sector, which is the key market for the Precious Metals Business Segment, despite signs of new demand associated with artificial intelligence (AI) technology, market conditions were challenging as the overall production situation remained sluggish.

Against this backdrop, the Precious Metals Business Segment recorded a decrease in both precious metals recycling volume and product sales volume in the electronic devices field. Although precious metals recycling volume from the jewelry sector increased and the market price of gold remained steady, net sales and operating profit decreased year on year.

As a result of the above, net sales for the Precious Metals Business Segment were ¥186,701 million (down 2.4% year on year) and operating profit was ¥5,319 million (down 43.5% year on year).

#### ***Food Business Segment:***

The food production sector, which is the key market for the Food Business Segment, saw a gradual recovery due to an increase in selling prices and other factors, although there were no significant changes on the demand side. However, market conditions were challenging as raw material prices and logistics costs remain persistently high.

Amidst these circumstances, the Food Business Segment registered a decrease in the sales volume of marine products. However, the sales volume of livestock and agricultural products increased alongside an increase in selling prices, contributing to a year-on-year increase in net sales. Operating profit decreased year-on-year due to rising transportation and storage costs, the impact of increasing procurement prices, and other factors.

As a result of the above, net sales for the Food Business Segment were ¥84,747 million (up 6.7% year on year) and operating profit was ¥1,861 million (down 7.3% year on year).

### (2) Qualitative information on consolidated financial position

#### 1) Assets, liabilities and net assets status

##### ***Assets:***

Total assets as of the end of the first nine months of the consolidated fiscal year under review were ¥144,246 million, an increase of ¥15,038 million from the previous fiscal year end. This was mainly due to increase in notes and accounts receivable-trade, inventories, and property, plant and equipment.

##### ***Liabilities:***

Total liabilities as of the end of the first nine months of the consolidated fiscal year under review were ¥54,518 million, an increase of ¥9,958 million from the previous fiscal year end. This mainly reflected the difference between an increase in accounts payable-trade and short-term loans payable, and a decrease in long-term loans payable.

***Net assets:***

Net assets as of the end of the first nine months of the consolidated fiscal year under review were ¥89,727 million, an increase of ¥5,079 million from the previous fiscal year end. This was mainly due to an increase in retained earnings.

**2) Cash flows status**

As of the end of the first nine months of the cumulative consolidated fiscal year under review, the balance of cash and cash equivalents (hereafter, “cash”) stood at ¥12,478 million, an increase of ¥717 million from the previous fiscal year end.

***Cash flows from operating activities:***

Operating activities in the first nine months of the cumulative consolidated fiscal year under review used cash of ¥2,794 million. This mainly reflected the difference between an increase in cash from quarterly profit before income taxes, depreciation, and accounts payable-trade, and a decrease in cash from an increase in notes and accounts receivable-trade and inventories as well as income taxes paid. Compared with the same period in the previous fiscal year, when operating activities used cash of ¥4,274 million, cash from operating activities increased by ¥1,480 million.

***Cash flows from investing activities:***

Investing activities in the first nine months of the cumulative consolidated fiscal year under review used cash of ¥5,075 million. This was mainly for the acquisition of property, plant and equipment, such the new installation of factory equipment. Compared with the same period in the previous fiscal year, when investing activities used cash of ¥10,357 million, cash used by investing activities decreased by ¥5,281 million.

***Cash flows from financing activities:***

Financing activities in the first nine months of the cumulative consolidated fiscal year under review provided cash of ¥7,800 million. This mainly reflected the difference between an increase in cash from an increase in short-term loans payable and a decrease in cash from the repayment of long-term loans payable, cash dividends paid, and purchase of treasury shares. Compared with the same period in the previous fiscal year, when financing activities provided cash of ¥12,222 million, cash from financing activities decreased by ¥4,422 million.

**(3) Qualitative information on consolidated earnings projections**

At this stage, there are no revisions to the Company’s earnings projections released on November 10, 2023.

## 2. Quarterly consolidated financial statements and related notes

### (1) Quarterly consolidated balance sheets

(millions of yen)

	End-FY3/23 (As of March 31, 2023)	End-FY3/24 3Q (As of December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	11,761	12,608
Notes and accounts receivable – trade	25,615	32,859
Merchandise and finished goods	28,925	28,456
Work in process	606	770
Raw materials and supplies	16,058	18,180
Accounts receivable - other	2,055	1,813
Others	4,336	4,590
Allowance for doubtful accounts	(32)	(9)
<b>Total current assets</b>	<b>89,327</b>	<b>99,269</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,954	14,197
Accumulated depreciation	(6,609)	(7,050)
Buildings and structures, net	7,345	7,147
Machinery, equipment and vehicles	13,510	15,049
Accumulated depreciation	(10,394)	(11,676)
Machinery, equipment and vehicles, net	3,116	3,373
Land	16,625	16,680
Leased assets	1,815	1,793
Accumulated depreciation	(1,054)	(1,002)
Leased assets, net	761	790
Construction in progress	1,129	5,424
Others	1,619	1,725
Accumulated depreciation	(1,392)	(1,470)
Others, net	227	255
<b>Total property, plant and equipment</b>	<b>29,205</b>	<b>33,670</b>
Intangible assets		
Others	1,341	1,691
<b>Total intangible assets</b>	<b>1,341</b>	<b>1,691</b>
Investments and other assets		
Investment securities	5,825	6,539
Deferred tax assets	695	240
Others	2,858	2,896
Accumulated depreciation	(6)	(23)
Others, net	2,851	2,872
Allowance for doubtful accounts	(38)	(38)
<b>Total investments and other assets</b>	<b>9,334</b>	<b>9,614</b>
<b>Total non-current assets</b>	<b>39,880</b>	<b>44,977</b>
<b>Total assets</b>	<b>129,208</b>	<b>144,246</b>

(millions of yen)

	End-FY3/23 (As of March 31, 2023)	End-FY3/24 3Q (As of December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	10,874	12,268
Short-term loans payable	2,346	14,526
Current portion of long-term loans payable	3,102	3,002
Lease obligations	246	242
Income taxes payable	2,584	171
Provision for bonuses	1,030	580
Accounts payable - other	818	1,844
Others	6,890	7,373
Total current liabilities	27,893	40,010
Non-current liabilities		
Long-term loans payable	13,023	10,771
Lease obligations	520	562
Deferred tax liabilities	12	170
Provision for directors' retirement benefits	788	765
Provision for executive officers' retirement benefits	22	22
Net defined benefit liability	2,183	2,103
Others	116	112
Total non-current liabilities	16,667	14,508
Total liabilities	44,560	54,518
Net assets		
Shareholders' equity		
Common stock	3,559	3,559
Capital surplus	4,008	4,008
Retained earnings	75,939	79,850
Treasury shares	(995)	(1,395)
Total shareholders' equity	82,512	86,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	577	709
Deferred gains or losses on hedges	(91)	113
Foreign currency translation adjustment	2,235	3,125
Remeasurements of defined benefit plans	(751)	(503)
Total accumulated other comprehensive income	1,969	3,444
Non-controlling interests	166	259
Total net assets	84,648	89,727
Total liabilities and net assets	129,208	144,246

## (2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(millions of yen)

	FY3/23 3Q (April 1, 2022 – December 31, 2022)	FY3/24 3Q (April 1, 2023 – December 31, 2023)
Net sales	270,528	271,388
Cost of sales	244,448	248,568
Gross profit	26,080	22,820
Selling, general, and administrative expenses	14,663	15,638
Operating profit	11,416	7,181
Non-operating income		
Interest income	6	7
Dividend income	30	30
Gain on sale of investment securities	40	19
Share of profit of entities accounted for using equity method	345	609
Purchase discounts	11	9
Insurance claim income	5	11
Foreign exchange gains	—	171
Others	65	121
Total non-operating income	505	979
Non-operating expenses		
Interest expenses	145	129
Foreign exchange losses	353	—
Others	48	71
Total non-operating expenses	547	200
Ordinary profit	11,374	7,960
Extraordinary income		
Gain on liquidation of subsidiaries and associates	88	—
Gain on sale of non-current assets	40	—
Total extraordinary income	129	—
Profit before income taxes	11,503	7,960
Income taxes – current	3,393	2,233
Income taxes – deferred	105	352
Total income taxes	3,498	2,586
Profit	8,005	5,374
Profit attributable to non-controlling interests	29	30
Profit attributable to owners of parent	7,976	5,343



(Quarterly consolidated statements of comprehensive income)

(millions of yen)

	FY3/23 3Q (April 1, 2022 – December 31, 2022)	FY3/24 3Q (April 1, 2023 – December 31, 2023)
Profit	8,005	5,374
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	132
Deferred gains or losses on hedges	882	212
Foreign currency translation adjustment	1,274	836
Remeasurements of defined benefit plans	226	248
Share of other comprehensive income of entities accounted for using equity method	92	66
Total other comprehensive income	2,442	1,495
Comprehensive income	10,447	6,870
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,398	6,819
Comprehensive income attributable to non-controlling interests	49	50

**(3) Quarterly consolidated statements of cash flows**

(millions of yen)

	FY3/23 3Q (April 1, 2022 – December 31, 2022)	FY3/24 3Q (April 1, 2023 – December 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	11,503	7,960
Depreciation	1,694	1,792
Increase (decrease) in allowance for doubtful accounts	(41)	(22)
Increase (decrease) in provision for bonuses	(477)	(450)
Increase (decrease) in net defined benefit liability	217	277
Increase (decrease) in provision for directors' retirement benefits	34	(22)
Increase (decrease) in provision for executive officers' retirement benefits	(5)	(0)
Interest and dividend income	(37)	(37)
Interest expenses	145	129
Share of (profit) loss of entities accounted for using equity method	(345)	(609)
Decrease (increase) in notes and accounts receivable – trade	(8,613)	(7,091)
Decrease (increase) in notes and accounts receivable – other	(101)	249
Decrease (increase) in inventories	(4,506)	(1,532)
Increase (decrease) in accounts payable – trade	1,408	1,231
Increase (decrease) in accounts payable – other	(385)	(102)
Others	96	(89)
Subtotal	585	1,682
Interest and dividend income received	201	162
Interest paid	(137)	(121)
Income taxes paid	(4,923)	(4,517)
Net cash provided by (used in) operating activities	(4,274)	(2,794)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,567)	(4,240)
Proceeds from sale of property, plant and equipment	115	0
Purchase of intangible assets	(513)	(719)
Purchase of investment securities	(14)	(12)
Proceeds from sale of investment securities	57	58
Others	(434)	(161)
Net cash provided by (used in) investing activities	(10,357)	(5,075)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	2,670	12,147
Proceeds from long-term loans payable	13,500	—
Repayments of long-term loans payable	(2,451)	(2,351)
Cash dividends paid	(1,278)	(1,432)
Purchase of treasury shares	(0)	(400)
Others	(217)	(162)
Net cash provided by (used in) financing activities	12,222	7,800
Effect of exchange rate change on cash and cash equivalents	863	786
Net increase (decrease) in cash and cash equivalents	(1,545)	717
Cash and cash equivalents at beginning of period	11,379	11,761
Cash and cash equivalents at end of period	9,833	12,478

#### (4) Notes on quarterly consolidated financial statements

##### (Notes on premise of a going concern)

There is nothing to report.

##### (Notes on significant changes in the amount of shareholders' equity)

There is nothing to report.

##### (Segment information, etc.)

###### I. FY3/23 3Q (April 1, 2022 – December 31, 2022)

Information for net sales and profit/loss for each reportable segment

(millions of yen)

	Reportable Segments			Adjustments Note1	Amount recorded on consolidated statements of income Note2
	Precious metals business segment	Food business segment	Total		
Net sales					
Net sales to external parties	191,198	79,329	270,528	—	270,528
Net sales & remittances between segments	—	61	61	(61)	—
Total	191,198	79,391	270,590	(61)	270,528
Segment profit	9,407	2,009	11,416	—	11,416

(Notes)

1. Adjustments correspond to the elimination of transactions and remittances between segments.
2. Total segment profit matches operating profit recorded on the consolidated statements of income.

###### II. FY3/24 3Q (April 1, 2023 – December 31, 2023)

Information for net sales and profit/loss for each reportable segment

(millions of yen)

	Reportable Segments			Adjustments Note1	Amount recorded on consolidated statements of income Note2
	Precious metals business segment	Food business segment	Total		
Net sales					
Net sales to external parties	186,701	84,687	271,388	—	271,388
Net sales & remittances between segments	—	59	59	(59)	—
Total	186,701	84,747	271,448	(59)	271,388
Segment profit	5,319	1,861	7,181	—	7,181

(Notes)

1. Adjustments correspond to the elimination of transactions and remittances between segments.
2. Total segment profit matches operating profit recorded on the consolidated statements of income.