



FY3/24 Financial Statements [J-GAAP]

May 13, 2024

Company name: Matsuda Sangyo Co., Ltd. Exchanges listed on: Tokyo Stock Exchange (Prime Market)
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 Date of regular shareholders' meeting: June 26, 2024
 Date of filing the financial report: June 26, 2024
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 Supplementary materials for financial results prepared: Yes
 Results briefing for financial results held: Yes (Live stream of results briefing for institutional investors scheduled for May 23, 2024)

(Figures are rounded down to the nearest million yen)

1. FY3/24 Consolidated results (April 1, 2023 – March 31, 2024)

(1) Consolidated operating 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	360,527	2.7	9,356	(32.3)	10,551	(23.8)	7,286	(24.9)
FY3/23	351,028	28.9	13,818	9.0	13,843	0.8	9,696	1.4

(Note) Comprehensive income: FY3/24 8,517 million yen [(26.0)%] FY3/23 11,506 million yen [18.8%]

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit / total assets	Operating margin
	(yen)	(yen)	(%)	(%)	(%)
FY3/24	280.20	—	8.3	7.6	2.6
FY3/23	371.70	—	12.2	11.3	3.9

(Reference) Equity in earnings or losses of affiliates: FY3/24 850 million yen FY3/23 418 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
FY3/24	148,937	91,374	61.2	3,515.61
FY3/23	129,208	84,648	65.4	3,238.61

(Reference) Shareholders' equity: FY3/24 91,115 million yen FY3/23 84,481 million yen

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
FY3/24	1,833	(7,956)	8,084	14,449
FY3/23	10,646	(12,194)	1,382	11,761

2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	Q1	Q2	Q3	Q4	Annual			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
FY3/23	—	25.00	—	25.00	50.00	1,304	13.5	1.6
FY3/24	—	30.00	—	30.00	60.00	1,557	21.4	1.8
FY3/25 (projections)	—	35.00	—	35.00	70.00	—	—	—

3. Consolidated earnings projections for FY3/25 (April 1, 2024 – March 31, 2025)

(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)
1H FY3/25	186,000	4.0	4,500	(11.4)	5,000	(14.9)	3,450	(15.1)	133.11
FY3/25	380,000	5.4	10,000	6.9	11,000	4.3	7,600	4.3	293.24

* Notes

(1) Material changes in subsidiaries during the fiscal year (changes in specified subsidiaries resulting from changes in scope of consolidation): No

(2) 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 |

(3) Number of issued shares (common shares)

1) Number of issued shares (including treasury shares)	FY3/24	26,908,581 shares	FY3/23	26,908,581 shares
2) Number of treasury shares	FY3/24	991,326 shares	FY3/23	822,870 shares
3) Average number of shares during the period	FY3/24	26,002,826 shares	FY3/23	26,085,770 shares

(Reference) Summary of non-consolidated results

1. FY3/24 Non-consolidated results (April 1, 2023 – March 31, 2024)

(1) Non-consolidated operating results (Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net profit	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
FY3/24	354,579	3.2	7,452	(34.1)	9,096	(19.5)	6,807	(15.3)
FY3/23	343,554	29.4	11,309	17.5	11,300	(9.4)	8,041	(11.1)

	Net profit per share	Diluted net profit per share
	(yen)	(yen)
FY3/24	261.79	–
FY3/23	308.28	–

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
FY3/24	133,884	77,187	57.7	2,978.24
FY3/23	116,584	72,273	62.0	2,770.60

(Reference) Shareholders' equity: FY3/24 77,187 million yen FY3/23 72,273 million yen

*This kessan tanshin 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.

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1. Operating results and others

(1) Analysis of operating results

Consolidated operating results	(millions of yen) [year-on-year comparison]		
Net sales	360,527	[9,499	2.7%]
Operating profit	9,356	[(4,461)	(32.3)%]
Ordinary profit	10,551	[(3,291)	(23.8)%]
Profit attributable to owners of parent	7,286	[(2,410)	(24.9)%]

During the consolidated fiscal year ended March 31, 2024, the Japanese economy showed signs of gradual recovery, including improvements in employment and personal income, and growth in inbound demand. However, with rising prices and accompanying stagnation, alongside concerns over the tightening of monetary policy worldwide and slowdown in the Chinese economy, as well as heightening geopolitical risks, the future outlook remains uncertain.

Against this backdrop, the Matsuda Sangyo Group's Precious Metals Business Segment advanced efforts to improve and expand production facilities within and outside Japan, and 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 consolidated fiscal year ended March 31, 2024, net sales were ¥360,527 million (up 2.7% year on year) and operating profit was ¥9,356 million (down 32.3% year on year). Ordinary profit was ¥10,551 million (down 23.8% year on year) and profit attributable to owners of parent was ¥7,286 million (down 24.9% year on year).

The following is a summary of business by segment:

Consolidated results by segment	(millions of yen) [year-on-year comparison]					
Segment	Net sales			Operating profit		
Precious metals business segment	252,905	[6,326	2.6%]	7,042	[(5,000)	(41.5)%]
Food business segment	107,700	[3,169	3.0%]	2,313	[538	30.4%]
Eliminations or corporate	(78)			—		
Total	360,527	[9,499	2.7%]	9,356	[(4,461)	(32.3)%]

Precious metals business segment:

In the electronic devices field of the electronics sector, which is the key market for the Precious Metals Business Segment, progress made in inventory adjustment did not lead to recovery in demand, and market conditions were challenging as the overall production situation remained sluggish.

Against this backdrop, the Precious Metals Business Segment recorded an increase in net sales compared to the previous consolidated fiscal year, boosted by an increase in precious metals recycling volume from the jewelry sector as well as the steady market price of gold. However, operating profit fell due to the impact of a decline in precious metals recycling volume in the electronic devices field.

As a result of the above, net sales for the Precious Metals Business Segment were ¥252,905 million (up 2.6% year on year) and operating profit was ¥7,042 million (down 41.5% 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 growth in inbound demand, among other factors. On the other hand, market conditions were challenging due to sluggish personal consumption associated with rising prices, and 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 both net sales and operating profit.

As a result of the above, net sales for the Food Business Segment were ¥107,700 million (up 3.0% year on year) and operating profit was ¥2,313 million (up 30.4% year on year).

(2) Analysis of financial position**Assets:**

Total assets as of the end of the consolidated fiscal year under review were ¥148,937 million, an increase of ¥19,728 million from the previous fiscal year end. This was mainly due to increase in cash and deposits, notes and accounts receivable-trade, inventories, and property, plant and equipment.

Liabilities:

Total liabilities as of the end of the consolidated fiscal year under review were ¥57,562 million, an increase of ¥13,002 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 consolidated fiscal year under review were ¥91,374 million, an increase of ¥6,726 million from the previous fiscal year end. This was mainly due to an increase in retained earnings.

(3) Analysis of cash flows

Cash and cash equivalents (hereafter, “cash”) as of the end of the consolidated fiscal year under review were ¥14,449 million, up ¥2,687 million compared to the end of the previous fiscal year. The status of the respective cash flows in the consolidated fiscal year under review, and the relevant factors, are as follows.

Cash flows from operating activities:

Operating activities in the consolidated fiscal year under review provided net cash of ¥1,833 million. This was mainly due to an increase in cash from profit before income taxes, depreciation, and accounts payable-trade, outweighing a decrease in cash from an increase in accounts receivable-trade, inventories, and income taxes paid. Operating activities used net cash of ¥8,812 million compared to net cash provided of ¥10,646 million in the previous fiscal year.

Cash flows from investing activities:

Investing activities in the consolidated fiscal year under review used net cash of ¥7,956 million. This was mainly from payments for the purchase of property, plant and equipment, such as newly installed plant equipment. Cash used in investing activities decreased by ¥4,238 million compared to expenditures of ¥12,194 in the previous fiscal year.

Cash flows from financing activities:

Financing activities in the consolidated fiscal year under review provided net cash of ¥8,084 million. This was mainly due to an increase in cash from short-term loans payable, which outweighed the decrease in cash from repayments 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 net cash of ¥1,382 million, financing activities provided an increase in net cash of ¥6,701 million.

(Reference) Trend in cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Shareholders' equity ratio	63.9	62.8	64.2	65.4	61.2
Shareholders' equity ratio on a market value basis	35.3	50.9	55.8	45.8	43.5
Ratio of interest-bearing debt to cash flow	—	93.2	2.3	1.8	16.0
Interest coverage ratio	—	2.6	106.4	55.6	12.2

(Notes) Shareholders' equity ratio: Shareholders' equity/total assets

Shareholders' equity ratio on a market value basis: Total market value of shares/total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/interest paid

* All the indicators are calculated using consolidated financial figures.

* The total market value of shares is calculated as the product of the share price and the number of issued shares, excluding treasury shares, at the end of the fiscal year.

* Cash flows from operating activities is the cash flows from operating activities shown in the consolidated statements of cash flows. Interest-bearing debt is the total amount of debt shown in the consolidated balance sheets on which interest is paid. In addition, interest paid is the amount of interest paid shown in the consolidated statements of cash flows.

* The ratio of interest-bearing debt to cash flow and interest coverage ratio for the fiscal year ended March 31, 2020 are not included as cash flows from operating activities was negative.

(4) Future outlook

Consolidated earnings projections	(millions of yen) [year-on-year comparison]		
Net sales	380,000	[19,472	5.4%]
Operating profit	10,000	[643	6.9%]
Ordinary profit	11,000	[448	4.3%]
Profit attributable to owners of parent	7,600	[313	4.3%]

With the improvement in employment and income environments alongside the effects of various measures, the domestic economy is expected to continue recovering at a moderate pace. On the other hand, the impact of the tightening of monetary policy worldwide, concerns over the outlook of the Chinese economy, and other factors are risks that put downward pressure on the economy. Along with the economic impact of geopolitical risks and rising prices, the outlook is expected to remain uncertain.

Under these circumstances, we expect to see an improvement in the production situation alongside a recovery in demand in the electronic devices sector of the electronics industry, which is the main customer of the Precious Metals Business Segment. We will continue to adapt to the needs of a circular society by leveraging on our comprehensive resource recycling capability, expand our development to other sectors such as the jewelry industry, and strive to increase our precious metals recycling volume and product sales volume as well as expand industrial waste treatment outsourcing. In the Food Business Segment, while coping with challenges such as concerns about supply of food resources and rising logistics costs, we will further strengthen our procurement capabilities including the utilization of overseas business sites, engage in sales activities that accurately capture the needs of customers, and develop and provide products rooted in the principles of safety, reliability, and stable supply. Through these efforts, we will differentiate the Food Business Segment, expand sales volume, and secure profits.

(5) Basic policy on distribution of profits and dividends for FY3/23 and FY3/24

With regard to the distribution of company profits, we have established the basic policy of meeting our shareholders' expectations by paying stable and sustainable dividends, while giving consideration to maintaining a balance with internal resources for growth investment.

For the fiscal year under review, we plan to pay a year-end ordinary dividend of 30 yen per share. Combined with the interim dividend, this brings the full-year dividend to 60 yen per share.

For the next fiscal year, we forecast a full-year dividend of 70 yen per share (interim dividend of 35 yen and year-end dividend of 35 yen). Going forward, we will continue to work toward offering comprehensive shareholder returns based on the basic policy, while taking profit levels into account.

2. Basic stance on selection of accounting standards

For the time being, the Group intends to continue preparing consolidated financial statements based on Japanese Generally Accepted Accounting Principles (Japanese GAAP) to facilitate comparison with financial statements for other periods and financial statements disclosed by other companies. However, the Group will look into the possibility of adopting International Financial Reporting Standards (IFRS), taking into account conditions in Japan and overseas and trends in accounting standard adoption by other companies.

3. Consolidated financial statements and related notes

(1) Consolidated balance sheets

(millions of yen)

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Assets		
Current assets		
Cash and deposits	11,761	14,568
Notes and accounts receivable – trade	25,615	31,990
Merchandise and finished goods	28,925	28,183
Work in process	606	688
Raw materials and supplies	16,058	19,471
Accounts receivable – other	2,055	1,981
Others	4,336	5,433
Allowance for doubtful accounts	(32)	(16)
Total current assets	89,327	102,300
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,954	17,750
Accumulated depreciation	(6,609)	(7,197)
Buildings and structures, net	7,345	10,553
Machinery, equipment and vehicles	13,510	15,285
Accumulated depreciation	(10,394)	(11,884)
Machinery, equipment and vehicles, net	3,116	3,401
Land	16,625	16,666
Leased assets	1,815	1,775
Accumulated depreciation	(1,054)	(968)
Leased assets, net	761	806
Construction in progress	1,129	2,636
Others	1,619	1,750
Accumulated depreciation	(1,392)	(1,480)
Others, net	227	269
Total property, plant and equipment	29,205	34,335
Intangible assets		
Others	1,341	2,135
Total intangible assets	1,341	2,135
Investments and other assets		
Investment securities	5,825	6,984
Deferred tax assets	695	310
Others	2,858	2,926
Accumulated depreciation	(6)	(28)
Others, net	2,851	2,897
Allowance for doubtful accounts	(38)	(26)
Total investments and other assets	9,334	10,166
Total non-current assets	39,880	46,637
Total assets	129,208	148,937

(millions of yen)

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	10,874	12,397
Short-term loans payable	2,346	15,559
Current portion of long-term loans payable	3,102	3,002
Lease obligations	246	288
Income taxes payable	2,584	640
Provision for bonuses	1,030	1,061
Accounts payable – other	818	1,253
Advances received	5,747	7,515
Others	1,142	2,796
Total current liabilities	27,893	44,516
Non-current liabilities		
Long-term loans payable	13,023	10,021
Lease obligations	520	534
Deferred tax liabilities	12	135
Provision for directors' retirement benefits	788	789
Provision for executive officers' retirement benefits	22	23
Net defined benefit liability	2,183	1,430
Others	116	111
Total non-current liabilities	16,667	13,046
Total liabilities	44,560	57,562
Net assets		
Shareholders' equity		
Common stock	3,559	3,559
Capital surplus	4,008	4,008
Retained earnings	75,939	81,793
Treasury shares	(995)	(1,395)
Total shareholders' equity	82,512	87,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	577	810
Deferred gains or losses on hedges	(91)	(630)
Foreign currency translation adjustment	2,235	2,948
Remeasurements of defined benefit plans	(751)	21
Total accumulated other comprehensive income	1,969	3,149
Non-controlling interests	166	259
Total net assets	84,648	91,374
Total liabilities and net assets	129,208	148,937

(2) Consolidated statements of income and comprehensive income

(Consolidated statements of income)

(millions of yen)

	FY3/23 (April 1, 2022 – March 31, 2023)	FY3/24 (April 1, 2023 – March 31, 2024)
Net sales	351,028	360,527
Cost of sales	317,728	330,446
Gross profit	33,299	30,080
Selling, general and administrative expenses	19,481	20,724
Operating profit	13,818	9,356
Non-operating income		
Interest income	7	14
Dividend income	34	33
Share of profit of entities accounted for using equity method	418	850
Purchase discounts	14	12
Insurance claim income	20	24
Foreign exchange gains	—	340
Subsidy income	29	26
Others	168	182
Total non-operating income	694	1,487
Non-operating expenses		
Interest expenses	185	193
Loss on retirement of non-current assets	3	35
Foreign exchange losses	401	—
Cost of rental income	46	32
Others	32	30
Total non-operating expenses	669	291
Ordinary profit	13,843	10,551
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	91	—
Gain on sales of fixed assets	40	—
Total extraordinary income	132	—
Profit before income taxes	13,975	10,551
Income taxes – current	4,483	2,933
Income taxes – deferred	(235)	300
Total income taxes	4,247	3,234
Profit	9,727	7,317
Profit attributable to non-controlling interests	31	30
Profit attributable to owners of parent	9,696	7,286

(Consolidated statements of comprehensive income)

(millions of yen)

	FY3/23 (April 1, 2022 – March 31, 2023)	FY3/24 (April 1, 2023 – March 31, 2024)
Profit	9,727	7,317
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	233
Deferred gains or losses on hedges	673	(536)
Foreign currency translation adjustment	844	604
Remeasurements of defined benefit plans	173	775
Share of other comprehensive income of entities accounted for using equity method	91	123
Total other comprehensive income	1,779	1,200
Comprehensive income	11,506	8,517
(Breakdown)		
Comprehensive income attributable to owners of parent	11,462	8,466
Comprehensive income attributable to non-controlling interests	44	50

(3) Consolidated statements of changes in shareholders' equity

FY3/23 (April 1, 2022 – March 31, 2023)

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	3,559	4,008	69,940	(3,413)	74,095
Change of items during the period					
Dividends from surplus			(1,278)		(1,278)
Profit attributable to owners of parent			9,696		9,696
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares			(2,418)	2,418	—
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	5,999	2,417	8,417
Balance at the end of the period	3,559	4,008	75,939	(995)	82,512

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	580	(766)	1,311	(923)	202	122	74,420
Change of items during the period							
Dividends from surplus							(1,278)
Profit attributable to owners of parent							9,696
Purchase of treasury shares							(0)
Cancellation of treasury shares							—
Net changes of items other than shareholders' equity	(3)	674	923	171	1,766	44	1,810
Total change of items during the period	(3)	674	923	171	1,766	44	10,228
Balance at the end of the period	577	(91)	2,235	(751)	1,969	166	84,648

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of period	3,559	4,008	75,939	(995)	82,512
Change of items during the period					
Dividends from surplus			(1,432)		(1,432)
Profit attributable to owners of parent			7,286		7,286
Purchase of treasury shares				(400)	(400)
Cancellation of treasury shares					—
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	5,853	(400)	5,453
Balance at the end of the period	3,559	4,008	81,793	(1,395)	87,965

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	577	(91)	2,235	(751)	1,969	166	84,648
Change of items during the period							
Dividends from surplus							(1,432)
Profit attributable to owners of parent							7,286
Purchase of treasury shares							(400)
Cancellation of treasury shares							—
Net changes of items other than shareholders' equity	233	(539)	713	773	1,180	93	1,273
Total change of items during the period	233	(539)	713	773	1,180	93	6,726
Balance at the end of the period	810	(630)	2,948	21	3,149	259	91,374

(4) Consolidated statements of cash flows

(millions of yen)

	FY3/23 (April 1, 2022 – March 31, 2023)	FY3/24 (April 1, 2023 – March 31, 2024)
Cash flows from operating activities		
Profit before income taxes	13,975	10,551
Depreciation	2,315	2,483
Increase (decrease) in allowance for doubtful accounts	(0)	(27)
Increase (decrease) in provision for bonuses	17	31
Increase (decrease) in net defined benefit liability	302	364
Increase (decrease) in provision for directors' retirement benefits	45	0
Increase (decrease) in provision for executive officers' retirement benefits	(3)	1
Interest and dividend income	(42)	(48)
Interest expenses	185	193
Share of (profit) loss of entities accounted for using equity method	(418)	(850)
Decrease (increase) in notes and accounts receivable – trade	858	(6,231)
Decrease (increase) in accounts receivable – other	(12)	76
Decrease (increase) in inventories	(3,445)	(2,565)
Increase (decrease) in accounts payable – trade	(607)	1,364
Increase (decrease) in accounts payable – other	(372)	241
Others	2,835	1,026
Subtotal	15,633	6,611
Interest and dividend income received	206	174
Interest paid	(191)	(149)
Income taxes paid	(5,002)	(4,802)
Net cash provided by (used in) operating activities	10,646	1,833
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,138)	(6,530)
Proceeds from sale of property, plant and equipment	116	0
Purchase of intangible assets	(634)	(1,243)
Purchase of investment securities	(16)	(14)
Proceeds from sale of investment securities	57	61
Others	(578)	(228)
Net cash provided by (used in) investing activities	(12,194)	(7,956)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(7,348)	13,246
Proceeds from long-term loans payable	13,500	—
Repayments of long-term loans payable	(3,202)	(3,102)
Cash dividends paid	(1,278)	(1,432)
Purchase of treasury shares	(0)	(400)
Others	(287)	(226)
Net cash provided by (used in) financing activities	1,382	8,084
Effect of exchange rate change on cash and cash equivalents	548	725
Net increase (decrease) in cash and cash equivalents	382	2,687
Cash and cash equivalents at beginning of period	11,379	11,761
Cash and cash equivalents at end of period	11,761	14,449

(5) Notes on consolidated financial statements

(Notes on premise of a going concern)

There is nothing to report.

(Segment information, etc.)

1. Overview of reportable segments

Reportable segments of the Company are structural units of the Company whose separate financial information is available, and are subject to regular examination by the Board of Directors so that they can decide on allocation of managerial resources and evaluate business performance.

The Company (or Matsuda Sangyo) established operation divisions respectively for products, merchandise and services in the head office. Each division formulates comprehensive domestic and foreign strategies to expand business for the corresponding products, merchandise and services.

The Company thus comprises product, merchandise and service segments built around operation divisions, and the precious metals business segment and food business segment are designated as reportable segments.

The precious metals business segment recovers and refines precious metals, sells precious metal bullions, chemical products, and electronic materials, and collects, transports and processes industrial wastes. The food business segment sells and transports seafood products, agricultural products, livestock products, and other raw materials for food processing.

2. Calculation method for net sales, profits/loss, assets, liabilities and other items for each reportable segment

Accounting methods used for each reportable segment follow the accounting methods for the preparation of consolidated financial statements. Profit listed for each reportable segment refers to operating profit. Inter-segment sales/transfers are based on market value.

3. Information for net sales, profit/loss, assets, liabilities and other items for each reportable segment

FY3/23 (April 1, 2022 – March 31, 2023)

(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	246,578	104,449	351,028	—	351,028
Net sales & remittances between segments	—	81	81	(81)	—
Total	246,578	104,530	351,109	(81)	351,028
Segment profit	12,043	1,774	13,818	—	13,818

(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.

FY3/24 (April 1, 2023 – March 31, 2024)

(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	252,905	107,622	360,527	—	360,527
Net sales & remittances between segments	—	78	78	(78)	—
Total	252,905	107,700	360,605	(78)	360,527
Segment profit	7,042	2,313	9,356	—	9,356

(Notes)

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

(Per share information)

	FY3/23 (April 1, 2022 – March 31, 2023)	FY3/24 (April 1, 2023 – March 31, 2024)
Net assets per share	3,238.61 yen	3,515.61 yen
Basic earnings per share	371.70 yen	280.20 yen

(Notes) 1. Diluted net profit per share has not been disclosed because there are no dilutive shares.

2. The following is the basis used for the calculation of net assets per share.

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Total net assets (millions of yen)	84,648	91,374
Amount deducted from total net assets (millions of yen)	166	259
(non-controlling interests (millions of yen))	166	259
Net assets at the end of the period related to common stock (millions of yen)	84,481	91,115
Number of common shares at the end of the period used in the calculation of net assets per share (thousands of shares)	26,085	25,917

3. The following is the basis used for the calculation of basic earnings per share.

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Basic earnings per share		
Net profit attributable to owners of parent (millions of yen)	9,696	7,286
Amount not attributable to ordinary shareholders (millions of yen)	—	—
Net profit attributable to owners of parent related to common stock (millions of yen)	9,696	7,286
Average number of common shares during the period (thousands of shares)	26,085	26,002

(Significant post-balance sheet events)

There is nothing to report.

4. Non-consolidated financial statements and related notes

(1) Non-consolidated balance sheets

(millions of yen)

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Assets		
Current assets		
Cash and deposits	4,733	5,682
Notes receivable	279	296
Accounts receivable – trade	23,269	28,790
Merchandise and finished goods	25,062	23,801
Work in process	536	593
Raw materials and supplies	14,244	17,595
Advance payments	2,945	2,929
Prepaid expenses	247	379
Accounts receivable – other	2,089	2,172
Short-term loans to subsidiaries and affiliates	2,506	3,102
Others	707	1,477
Allowance for doubtful accounts	(35)	(11)
Total current assets	76,587	86,809
Non-current assets		
Property, plant and equipment		
Buildings	5,995	8,744
Structures	416	869
Machinery and equipment	2,569	2,699
Vehicles	6	4
Tools, instruments and equipment	157	188
Land	15,806	15,806
Leased assets	375	351
Construction in progress	604	1,120
Total property, plant and equipment	25,931	29,785
Intangible assets		
Leasehold	10	10
Software	1,145	1,988
Others	23	23
Total intangible assets	1,179	2,022
Investments and other assets		
Investment securities	1,476	1,781
Shares of subsidiaries and affiliates	3,765	3,451
Investments in subsidiaries and affiliates	959	959
Long-term loans to subsidiaries and affiliates	3,175	5,775
Deferred tax assets	1,054	807
Others	2,492	2,519
Allowance for doubtful accounts	(38)	(26)
Total investments and other assets	12,885	15,268
Total non-current assets	39,996	47,075
Total assets	116,584	133,884

(millions of yen)

	FY3/23 (March 31, 2023)	FY3/24 (March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	9,877	11,070
Short-term loans payable	2,346	15,559
Current portion of long-term loans payable	3,102	3,002
Lease obligations	152	129
Accounts payable – other	702	1,094
Accrued expenses	1,460	1,613
Income taxes payable	2,316	368
Advances received	5,533	7,280
Deposits received	52	126
Deposits from subsidiaries and affiliates	2,500	2,500
Provision for bonuses	1,011	1,043
Others	171	497
Total current liabilities	29,227	44,286
Non-current liabilities		
Long-term loans payable	13,023	10,021
Lease obligations	223	222
Provision for retirement benefits	1,002	1,343
Provision for directors' retirement benefits	788	789
Provision for executive officers' retirement benefits	22	23
Others	23	10
Total non-current liabilities	15,083	12,410
Total liabilities	44,310	56,696
Net assets		
Shareholders' equity		
Common stock	3,559	3,559
Capital surplus		
Capital reserve	4,008	4,008
Total capital surplus	4,008	4,008
Retained earnings		
Retained earnings reserve	177	177
Other retained earnings		
Dividend equalization reserve	140	140
Retirement allowance reserve	450	450
Other reserves	6,500	6,500
Retained earnings carried forward	57,811	63,186
Total retained earnings	65,079	70,454
Treasury shares	(995)	(1,395)
Total shareholders' equity	71,652	76,626
Valuation/Translation difference, etc.		
Valuation difference on available-for-sale securities	569	799
Deferred gains or losses on hedges	50	(238)
Total valuation/translation difference, etc.	620	561
Total net assets	72,273	77,187
Total liabilities and net assets	116,584	133,884

(2) Non-consolidated statements of income

(millions of yen)

	FY3/23 (April 1, 2022 – March 31, 2023)	FY3/24 (April 1, 2023 – March 31, 2024)
Net sales	343,554	354,579
Cost of sales	315,201	329,053
Gross profit	28,352	25,525
Selling, general and administrative expenses	17,042	18,073
Operating profit	11,309	7,452
Non-operating income		
Interest income	85	180
Dividend income	290	1,190
Purchase discounts	14	12
Foreign exchange gains	—	388
Subsidy income	29	26
Others	166	189
Total non-operating income	587	1,988
Non-operating expenses		
Interest expenses	217	258
Foreign exchange losses	307	—
Others	71	85
Total non-operating expenses	596	344
Ordinary profit	11,300	9,096
Extraordinary income		
Gain on liquidation of subsidiaries and affiliates	202	—
Gain on sales of fixed assets	40	—
Gain on sales of shares of subsidiaries and affiliates	—	317
Total extraordinary income	242	317
Profit before income taxes	11,543	9,413
Income taxes -current	3,838	2,333
Income taxes – deferred	(336)	273
Total income taxes	3,501	2,606
Profit	8,041	6,807

(3) Non-consolidated statements of changes in shareholders' equity

FY3/23 (April 1, 2022 – March 31, 2023)

(millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance at the beginning of period	3,559	4,008	4,008
Change of items during the period			
Dividends from surplus			
Profit			
Purchase of treasury shares			
Cancellation of treasury shares			
Net changes of items other than shareholders' equity			
Total change of items during the period	—	—	—
Balance at the end of the period	3,559	4,008	4,008

	Shareholders' equity							
	Retained earnings						Treasury shares	Total shareholders' equity
	Retained earnings reserve	Other retained earnings				Total retained earnings		
		Dividend equalization reserve	Retirement allowance reserve	Other reserves	Retained earnings carried forward			
Balance at the beginning of period	177	140	450	6,500	53,466	60,734	(3,413)	64,889
Change of items during the period								
Dividends from surplus					(1,278)	(1,278)		(1,278)
Profit					8,041	8,041		8,041
Purchase of treasury shares							(0)	(0)
Cancellation of treasury shares					(2,418)	(2,418)	2,418	—
Net changes of items other than shareholders' equity								
Total change of items during the period	—	—	—	—	4,345	4,345	2,417	6,763
Balance at the end of the period	177	140	450	6,500	57,811	65,079	(995)	71,652

	Valuation/Translation difference, etc.			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation/translation difference, etc.	
Balance at the beginning of period	572	(534)	38	64,927
Change of items during the period				
Dividends from surplus				(1,278)
Profit				8,041
Purchase of treasury shares				(0)
Cancellation of treasury shares				—
Net changes of items other than shareholders' equity	(2)	585	582	582
Total change of items during the period	(2)	585	582	7,346
Balance at the end of the period	569	50	620	72,273

FY3/24 (April 1, 2023 – March 31, 2024)

(millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance at the beginning of period	3,559	4,008	4,008
Change of items during the period			
Dividends from surplus			
Profit			
Purchase of treasury shares			
Cancellation of treasury shares			
Net changes of items other than shareholders' equity			
Total change of items during the period	—	—	—
Balance at the end of the period	3,559	4,008	4,008

	Shareholders' equity							
	Retained earnings						Treasury shares	Total shareholders' equity
	Retained earnings reserve	Other retained earnings				Total retained earnings		
		Dividend equalization reserve	Retirement allowance reserve	Other reserves	Retained earnings carried forward			
Balance at the beginning of period	177	140	450	6,500	57,811	65,079	(995)	71,652
Change of items during the period								
Dividends from surplus					(1,432)	(1,432)		(1,432)
Profit					6,807	6,807		6,807
Purchase of treasury shares							(400)	(400)
Cancellation of treasury shares								—
Net changes of items other than shareholders' equity								
Total change of items during the period	—	—	—	—	5,375	5,375	(400)	4,974
Balance at the end of the period	177	140	450	6,500	63,186	70,454	(1,395)	76,626

	Valuation/Translation difference, etc.			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation/translation difference, etc.	
Balance at the beginning of period	569	50	620	72,273
Change of items during the period				
Dividends from surplus				(1,432)
Profit				6,807
Purchase of treasury shares				(400)
Cancellation of treasury shares				—
Net changes of items other than shareholders' equity	229	(289)	(59)	(59)
Total change of items during the period	229	(289)	(59)	4,914
Balance at the end of the period	799	(238)	561	77,187