



## FY3/25 1Q Consolidated Financial Statements [J-GAAP]

August 9, 2024

Company name: Matsuda Sangyo Co., Ltd. Exchanges listed on: Tokyo Stock Exchange (Prime Market)  
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 Date to start dividends distribution: —  
 Supplementary quarterly materials prepared: Yes  
 Results briefing for quarterly financial results held: None

(Figures are rounded down to the nearest million yen)

### 1. FY3/25 1Q consolidated results (April 1, 2024 – June 30, 2024)

#### (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)	(%)
FY3/25 1Q	111,769	26.2	3,126	29.3	3,731	28.0	2,578	27.6
FY3/24 1Q	88,564	0.4	2,418	(43.3)	2,915	(34.9)	2,021	(34.6)

(Note) Comprehensive income: FY3/25 1Q: ¥3,639 million [29.9%] FY3/24 1Q: ¥2,802 million [(41.0)%]

	Earnings per share	Diluted earnings per share
	(yen)	(yen)
FY3/25 1Q	99.50	—
FY3/24 1Q	77.50	—

#### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	(millions of yen)	(millions of yen)	(%)
End-FY3/25 1Q	157,676	94,236	59.6
End-FY3/24	148,937	91,374	61.2

(Reference) Shareholders' equity: End-FY3/25 1Q: ¥93,964 million End-FY3/24: ¥91,115 million

### 2. Dividends

	Annual dividends				
	1Q	2Q	3Q	4Q	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
FY3/24	—	30.00	—	30.00	60.00
FY3/25	—				
FY3/25 (Projections)		35.00	—	35.00	70.00

(Note) Revisions to the most recently announced projections of dividends: None

### 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

(Note) Revisions to the most recently announced projections of consolidated earnings: None

\* 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: | Yes |
| 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-FY3/25 1Q	26,908,581 shares	End-FY3/24	26,908,581 shares
2) Number of treasury shares	End-FY3/25 1Q	991,326 shares	End-FY3/24	991,326 shares
3) Average number of shares during the period	FY3/25 1Q	25,917,255 shares	FY3/24 1Q	26,085,669 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

\* 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.

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

### (1) Qualitative information on consolidated results

During the first three months of the cumulative consolidated fiscal year ending March 31, 2025, the Japanese economy showed signs of gradual recovery, including improvements in employment and personal income, despite the stagnation in personal consumption due to rising prices and other factors. However, with the prolonged tightening of monetary policy worldwide, 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 first three months of the cumulative consolidated fiscal year ending March 31, 2025, net sales were ¥111,769 million (up 26.2% year on year) and operating profit was ¥3,126 million (up 29.3% year on year). Ordinary profit was ¥3,731 million (up 28.0% year on year) and quarterly profit attributable to owners of parent was ¥2,578 million (up 27.6% 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, overall demand did not recover despite signs of expansion in new demand associated with artificial intelligence (AI) technology, and the production situation for semiconductors and electronic parts remained sluggish. Against this backdrop, the Precious Metals Business Segment recorded year-on-year increases in both net sales and operating profit on the back of an increase in precious metals recycling volume from the jewelry sector as well as the steady market price of gold.

As a result of the above, net sales for the Precious Metals Business Segment were ¥85,747 million (up 42.9% year on year) and operating profit was ¥2,415 million (up 33.9% year on year).

#### ***Food business segment:***

In the food production sector, which is the key market for the Food Business Segment, personal consumption was sluggish despite the growth in inbound demand. Although raw material prices stabilized, the market environment was unstable due to the impact of yen depreciation and rising logistics costs. Amidst these circumstances, the Food Business Segment registered an increase in the sales volume of seafood products. However, the sales volume of livestock and agricultural products decreased, along with an overall decline in selling prices, which contributed to a year-on-year fall in net sales. On the other hand, due to efforts to optimize costs by improving inventory turnover ratio, operating profit increased year on year.

As a result of the above, net sales for the Food Business Segment were ¥26,030 million (down 9.0% year on year) and operating profit was ¥711 million (up 15.8% 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 three months of the consolidated fiscal year under review were ¥157,676 million, an increase of ¥8,738 million from the previous fiscal year end. This was mainly due to increases in notes and accounts receivable-trade, inventories, and property, plant and equipment.

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

Total liabilities as of the end of the first three months of the consolidated fiscal year under review were ¥63,439 million, an increase of ¥5,876 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 three months of the consolidated fiscal year under review were ¥94,236 million, an increase of ¥2,861 million from the previous fiscal year end. This was mainly due to an increase in retained earnings, alongside increases in foreign currency translation adjustment and deferred gains or losses on hedges.

**2) Cash flows status**

As of the end of the first three months of the cumulative consolidated fiscal year under review, the balance of cash and cash equivalents (hereafter, “cash”) stood at ¥13,290 million, a decrease of ¥1,158 million from the previous fiscal year end. The status of each type of cash flow in the first three months of the cumulative consolidated fiscal year under review and the associated factors are as follows.

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

Operating activities in the first three months of the cumulative consolidated fiscal year under review used cash of ¥4,783 million. This mainly reflected the difference between an increase in cash from quarterly profit before income taxes 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 ¥952 million, cash from operating activities increased by ¥3,831 million.

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

Investing activities in the first three months of the cumulative consolidated fiscal year under review used cash of ¥1,487 million. This was mainly for the acquisition of property, plant and equipment, such the new installation of factory equipment, as well as the acquisition of intangible assets such as software. Compared with the same period in the previous fiscal year, when investing activities used cash of ¥2,344 million, cash used by investing activities decreased by ¥857 million.

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

Financing activities in the first three months of the cumulative consolidated fiscal year under review provided cash of ¥4,809 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 and cash dividends paid. Compared with the same period in the previous fiscal year, when financing activities provided cash of ¥4,928 million, cash from financing activities decreased by ¥119 million.

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

There are no revisions to the Company’s earnings projections for the first six months of the cumulative consolidated fiscal year and the full fiscal year announced in the Financial Statements Briefing for FY3/25 released on May 13, 2024.

## 2. Quarterly consolidated financial statements and related notes

### (1) Quarterly consolidated balance sheets

(millions of yen)

	End-FY3/24 (As of March 31, 2024)	End FY3/25 1Q (As of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	14,568	13,417
Notes and accounts receivable – trade	31,990	33,834
Merchandise and finished goods	28,183	31,092
Work in process	688	801
Raw materials and supplies	19,471	21,638
Accounts receivable – other	1,981	2,043
Others	5,433	7,028
Allowance for doubtful accounts	(16)	(16)
<b>Total current assets</b>	<b>102,300</b>	<b>109,840</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,750	17,899
Accumulated depreciation	(7,197)	(7,405)
Buildings and structures, net	10,553	10,494
Machinery, equipment and vehicles	15,285	15,479
Accumulated depreciation	(11,884)	(12,198)
Machinery, equipment and vehicles, net	3,401	3,281
Land	16,666	16,689
Leased assets	1,775	1,784
Accumulated depreciation	(968)	(1,013)
Leased assets, net	806	770
Construction in progress	2,636	3,660
Others	1,750	1,782
Accumulated depreciation	(1,480)	(1,519)
Others, net	269	263
<b>Total property, plant and equipment</b>	<b>34,335</b>	<b>35,159</b>
Intangible assets		
Others	2,135	2,083
<b>Total intangible assets</b>	<b>2,135</b>	<b>2,083</b>
Investments and other assets		
Investment securities	6,984	7,544
Deferred tax assets	310	168
Others	2,926	2,940
Accumulated depreciation	(28)	(34)
Others, net	2,897	2,906
Allowance for doubtful accounts	(26)	(26)
<b>Total investments and other assets</b>	<b>10,166</b>	<b>10,592</b>
<b>Total non-current assets</b>	<b>46,637</b>	<b>47,836</b>
<b>Total assets</b>	<b>148,937</b>	<b>157,676</b>

(millions of yen)

	End-FY3/24 (As of March 31, 2024)	End FY3/25 1Q (As of June 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	12,397	13,466
Short-term loans payable	15,559	22,178
Current portion of long-term loans payable	3,002	3,002
Lease obligations	288	263
Income taxes payable	640	1,044
Provision for bonuses	1,061	676
Accounts payable – other	1,253	954
Advances received	7,515	6,788
Others	2,796	2,483
Total current liabilities	44,516	50,858
Non-current liabilities		
Long-term loans payable	10,021	9,270
Lease obligations	534	520
Deferred tax liabilities	135	477
Provision for directors' retirement benefits	789	762
Provision for executive officers' retirement benefits	23	24
Net defined benefit liability	1,430	1,406
Others	111	118
Total non-current liabilities	13,046	12,580
Total liabilities	57,562	63,439
<b>Net assets</b>		
Shareholders' equity		
Common stock	3,559	3,559
Capital surplus	4,008	4,008
Retained earnings	81,793	83,594
Treasury shares	(1,395)	(1,395)
Total shareholders' equity	87,965	89,767
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	810	909
Deferred gains or losses on hedges	(630)	(187)
Foreign currency translation adjustment	2,948	3,394
Remeasurements of defined benefit plans	21	81
Total accumulated other comprehensive income	3,149	4,197
Non-controlling interests	259	272
Total net assets	91,374	94,236
Total liabilities and net assets	148,937	157,676

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

(Quarterly consolidated statements of income)

	(million yen)	
	FY3/24 1Q (April 1, 2023 – June 30, 2023)	FY3/25 1Q (April 1, 2024 – June 30, 2024)
Net sales	88,564	111,769
Cost of sales	80,845	103,131
Gross profit	7,719	8,638
Selling, general and administrative expenses	5,300	5,511
Operating profit	2,418	3,126
Non-operating income		
Interest income	2	2
Dividend income	11	12
Share of profit of entities accounted for using equity method	231	344
Purchase discounts	3	3
Insurance claim income	6	2
Foreign exchange gains	263	288
Others	34	39
Total non-operating income	553	692
Non-operating expenses		
Interest expenses	36	71
Loss on retirement of fixed assets	3	0
Others	16	16
Total non-operating expenses	56	87
Ordinary profit	2,915	3,731
Profit before income taxes	2,915	3,731
Income taxes – current	748	925
Income taxes – deferred	135	217
Total income taxes	883	1,143
Profit	2,031	2,588
Profit attributable to non-controlling interests	9	9
Profit attributable to owners of parent	2,021	2,578



(Quarterly consolidated statements of comprehensive income)

	(millions of yen)	
	FY3/24 1Q (April 1, 2023 – June 30, 2023)	FY3/25 1Q (April 1, 2024 – June 30, 2024)
Profit	2,031	2,588
Other comprehensive income		
Valuation difference on available-for-sale securities	62	98
Deferred gains or losses on hedges	427	444
Foreign currency translation adjustment	126	372
Remeasurements of defined benefit plans	82	61
Share of other comprehensive income of entities accounted for using equity method	72	73
Total other comprehensive income	771	1,050
Comprehensive income	2,802	3,639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,786	3,626
Comprehensive income attributable to non-controlling interests	15	12

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

	(millions of yen)	
	FY3/24 1Q (April 1, 2023 – June 30, 2023)	FY3/25 1Q (April 1, 2024 – June 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,915	3,731
Depreciation	550	633
Increase (decrease) in allowance for doubtful accounts	(1)	(0)
Increase (decrease) in provision for bonuses	(331)	(385)
Increase (decrease) in net defined benefit liability	94	65
Increase (decrease) in provision for directors' retirement benefits	11	11
Increase (decrease) in provision for executive officers' retirement benefits	1	1
Interest and dividend income	(14)	(14)
Interest expenses	36	71
Share of (profit) loss of entities accounted for using equity method	(231)	(344)
Decrease (increase) in notes and accounts receivable – trade	(3,240)	(1,751)
Decrease (increase) in notes and accounts receivable – other	28	(58)
Decrease (increase) in inventories	(2,300)	(5,101)
Increase (decrease) in accounts payable – trade	3,631	1,014
Increase (decrease) in accounts payable – other	116	(105)
Others	191	(2,035)
Subtotal	1,459	(4,266)
Interest and dividend income received	14	14
Interest paid	(25)	(31)
Income taxes paid	(2,399)	(500)
Net cash provided by (used in) operating activities	(952)	(4,783)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,997)	(1,427)
Purchase of intangible assets	(327)	(32)
Others	(19)	(26)
Net cash provided by (used in) investing activities	(2,344)	(1,487)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	6,504	6,400
Repayments of long-term loans payable	(850)	(750)
Cash dividends paid	(652)	(777)
Purchase of treasury shares	(0)	–
Others	(72)	(62)
Net cash provided by (used in) financing activities	4,928	4,809
Effect of exchange rate change on cash and cash equivalents	193	303
Net increase (decrease) in cash and cash equivalents	1,825	(1,158)
Cash and cash equivalents at beginning of period	11,761	14,449
Cash and cash equivalents at end of period	13,586	13,290

#### **(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.

##### **(Changes in accounting policies)**

###### ***Application of the "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations***

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the quarterly consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Guidance of 2022 from the beginning of the first quarter of the fiscal year ending March 31, 2025. The change in the accounting policies has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year.

**(Segment information, etc.)**

I. FY3/24 1Q (April 1, 2023 – June 30, 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	59,987	28,576	88,564	-	88,564
Net sales & remittances between segments	-	19	19	(19)	-
Total	59,987	28,596	88,584	(19)	88,564
Segment profit	1,803	614	2,418	-	2,418

(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. FY3/25 1Q (April 1, 2024 – June 30, 2024)

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	85,747	26,022	111,769	-	111,769
Net sales & remittances between segments	-	7	7	(7)	-
Total	85,747	26,030	111,777	(7)	111,769
Segment profit	2,415	711	3,126	-	3,126

(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.

**(Important Subsequent Event)**

There is nothing to report.