Six months ended September 30, 2026

Financial Statements Briefing Materials



松田産業株式会社
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This document was prepared for the purpose of deepening understanding of our company, and is not intended to solicit investment. This document contains forward-looking statements related to future performance. These statements do not guarantee future performance and are subject to risks and uncertainties. Future performance may differ from the targets due to changes in the business environment and other factors.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original version shall prevail.

<Inquiries>

Matsuda Sangyo Co., Ltd.
CSR IR Dept.

Inquiry form: https://www.matsuda-sangyo.co.jp/en/contact/contact4.html

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1. Overview of Consolidated Financial Results

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Consolidated Financial Results

Net sales and operating profit increased year on year on the back of an increase in sales and profits in the Precious Metals Business Segment and the Food Business Segment.

(billion yen)

	FY3/26 1H	FY3/27 1H	Year-on-year increase (decrease)	
Net sales	288.2	**391.3**	+103.1	+35.8%
Operating profit	8.0	**16.8**	+8.8	+108.5%
Operating margin	2.8%	**4.3%**	+1.5pt	-
Ordinary profit	8.4	**17.6**	+9.2	+109.5%
Profit attributable to owners of parent	6.1	**12.2**	+6.1	+99.8%

* During the previous consolidated fiscal year, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the six months of the fiscal year ended March 31, 2026 reflect the finalization of the provisional accounting treatment.

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Consolidated Balance Sheet

Assets (billion yen)

	March 31, 2026	September 30, 2026	Increase (decrease)	Main reasons for change
Current assets	170.7	**156.4**	(14.3)	(−) Decrease in inventories
Non-current assets	57.0	**57.5**	+0.5	(+) New installation of factory equipment
Total assets	227.7	**214.0**	(13.7)	

Liabilities

	March 31, 2026	September 30, 2026	Increase (decrease)	Main reasons for change
Current liabilities	83.9	**55.3**	(28.6)	(−) Decrease in short-term loans payable and advances received
Non-current liabilities	24.7	**28.9**	+4.2	(+) Increase in long-term loans payable
Interest-bearing debt	52.4	**42.4**	(10.0)	
Total liabilities	108.7	**84.2**	(24.5)	

Net assets

	March 31, 2026	September 30, 2026	Increase (decrease)	Main reasons for change
Total net assets	119.0	**129.7**	+10.7	(+) Increase in retained earnings
Total liabilities and net assets	227.7	**214.0**	(13.7)	

Shareholders' equity ratio	52.0%	**60.3%**

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Consolidated Cash Flow Statements

(billion yen)

	FY3/26 1H	FY3/27 1H	Main reasons for change
Cash flows from operating activities	3.6	**12.9**	(+) Interim profit before income taxes, and decrease in inventories
Cash flows from investing activities	(2.5)	**(0.8)**	(−) Decrease in cash for the acquisition of property, plant and equipment
Free cash flows	1.1	**12.1**	
Cash flows from financing activities	1.3	**(11.3)**	(−) Repayment of short-term and long-term loans payable, and payment of cash dividends
Others	(0.3)	**0.1**	
Net increase (decrease) in cash and cash equivalents	2.2	**0.8**	
Cash and cash equivalents at end of period	13.6	**15.3**	

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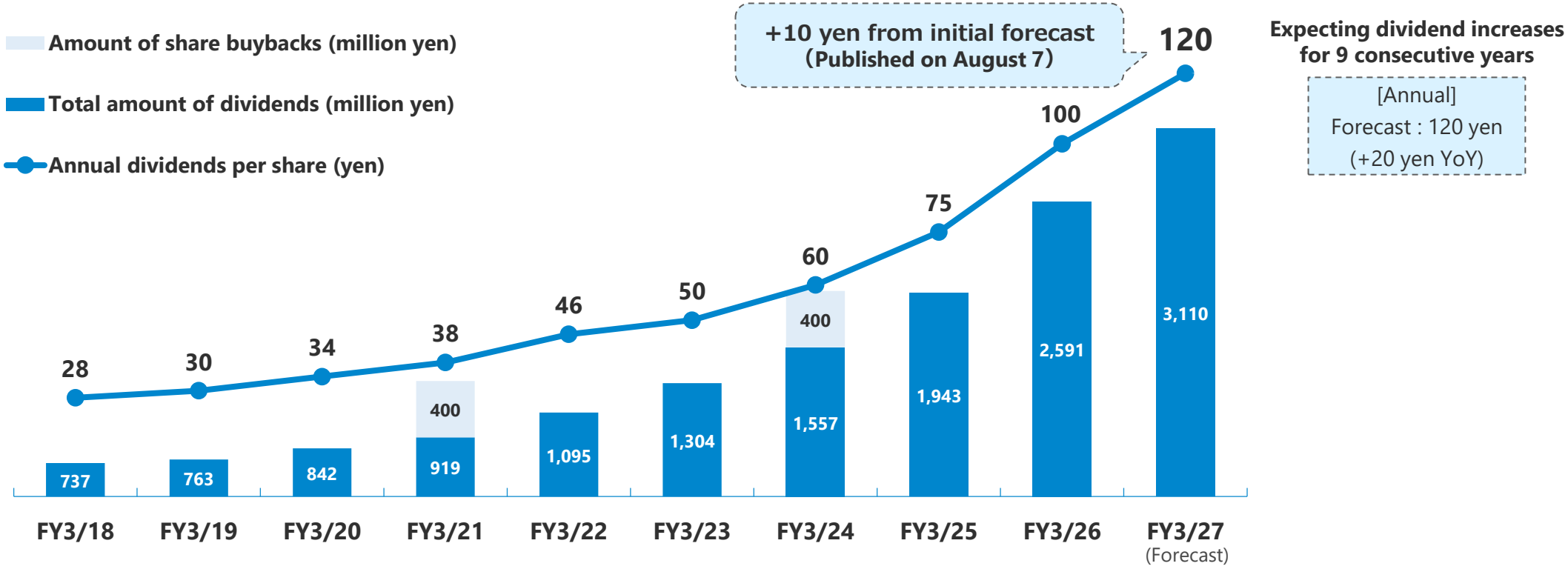
Shareholder Returns

Shareholder returns

- Providing stable and sustainable dividends while maintaining a balance with internal reserves for growth investment
- Returns based on dividend on equity (DOE) ratio
- Flexible acquisition of treasury stock that takes market conditions into consideration



* DOE = Payout ratio × ROE

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2. Segment Results and Forecast for the Full Year

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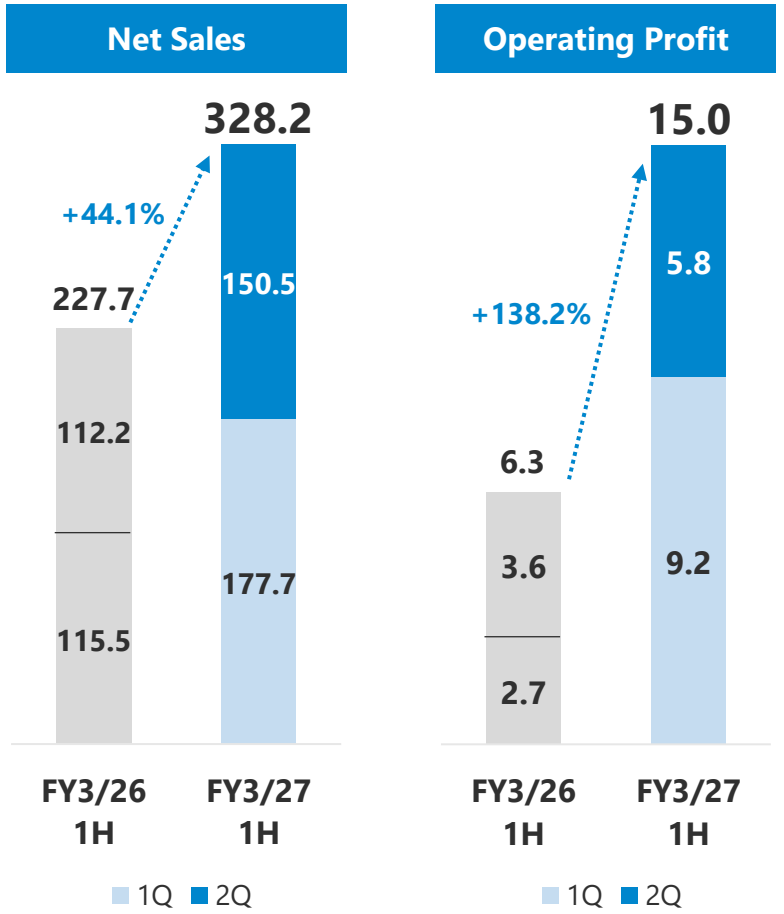
Precious Metals Business Segment (Overview of Financial Results)

The volume of precious metals recycling handled for the electronic devices sector and the sales volume of products increased.

(billion yen)

	FY3/26 1H	FY3/27 1H	Increase (decrease)	
Net sales	227.7	**328.2**	+100.5	+44.1%
Operating profit	6.3	**15.0**	+8.7	+138.2%
Operating margin	2.8%	**4.6%**	+1.8pt	-



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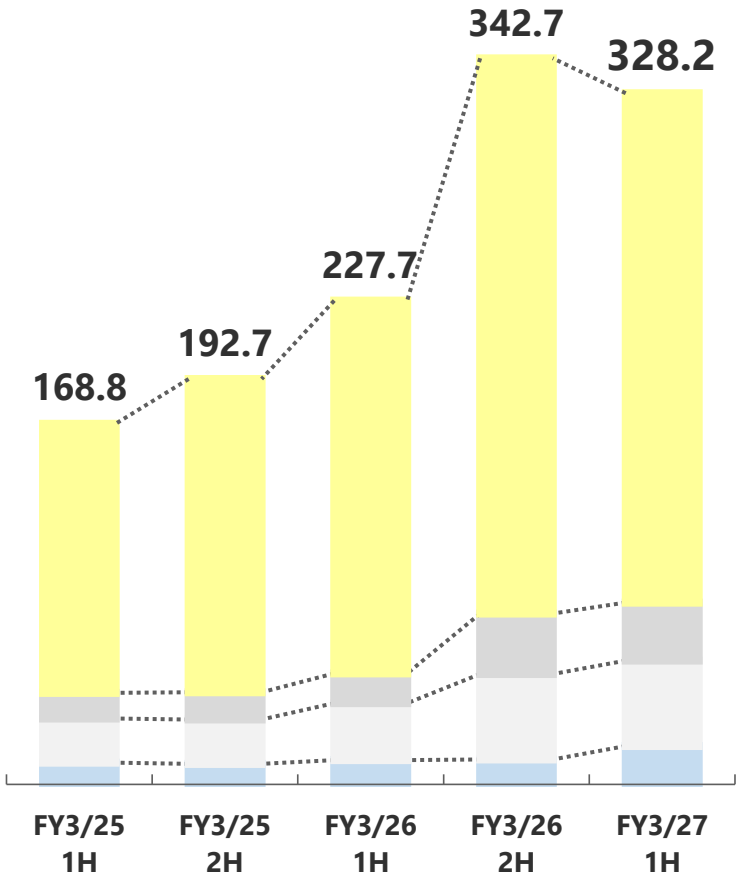
Precious Metals Business Segment (Net Sales by Item)

The volume of precious metals recycling handled for the electronic devices sector and the sales volume of products increased. As a result, net sales increased by 100.5 billion yen year on year.



(billion yen)

	FY3/27 1H	Increase (decrease)		Reasons for increase (decrease)
Gold	**240.3**	+64.3	+36.6%	Quantity decreased by 6.0% and prices increased by 42.6%
Silver	**27.4**	+13.3	+94.6%	Quantity decreased by 5.7% and prices increased by 100.3%
Platinum group	**40.3**	+13.4	+50.0%	Quantity decreased by 3.6% and prices increased by 53.6%
Other	**20.0**	+9.3	+86.9%	Non-ferrous metals, industrial waste treatment, etc.

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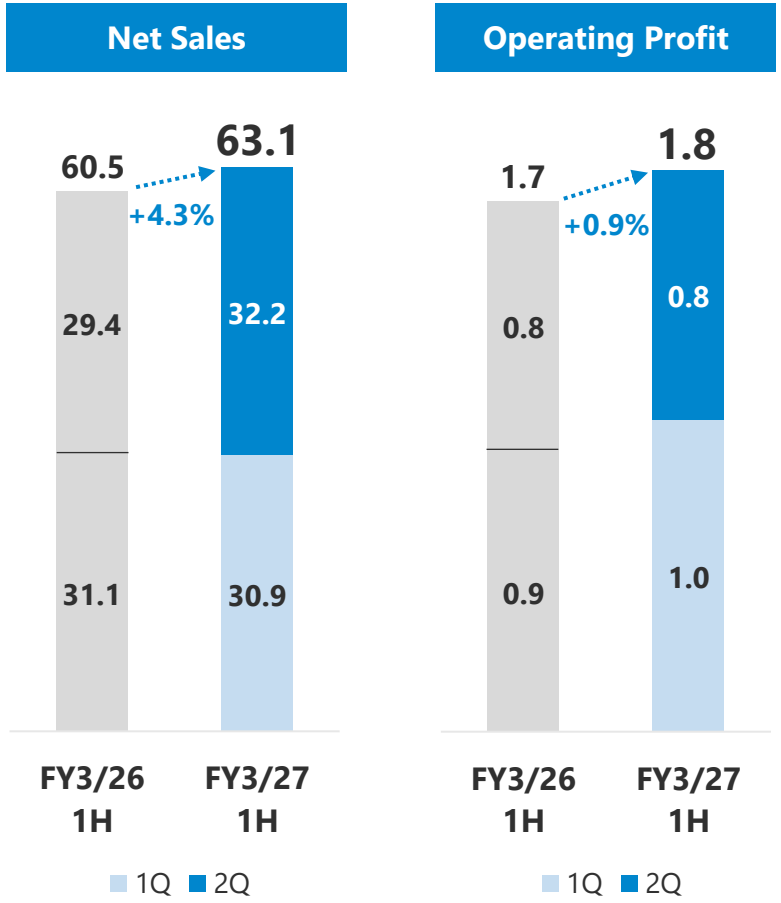
Food Business Segment (Overview of Financial Results)

Although sales volumes of seafood products and livestock products decreased, sales volumes of agricultural products increased. As a result, net sales and operating profit increased year on year.

(billion yen)

	FY3/26 1H	FY3/27 1H	Increase (decrease)	
Net sales	60.5	**63.1**	+2.6	+4.3%
Operating profit	1.7	**1.8**	+0.1	+0.9%
Operating margin	2.9%	**2.9%**	(0)pt	-



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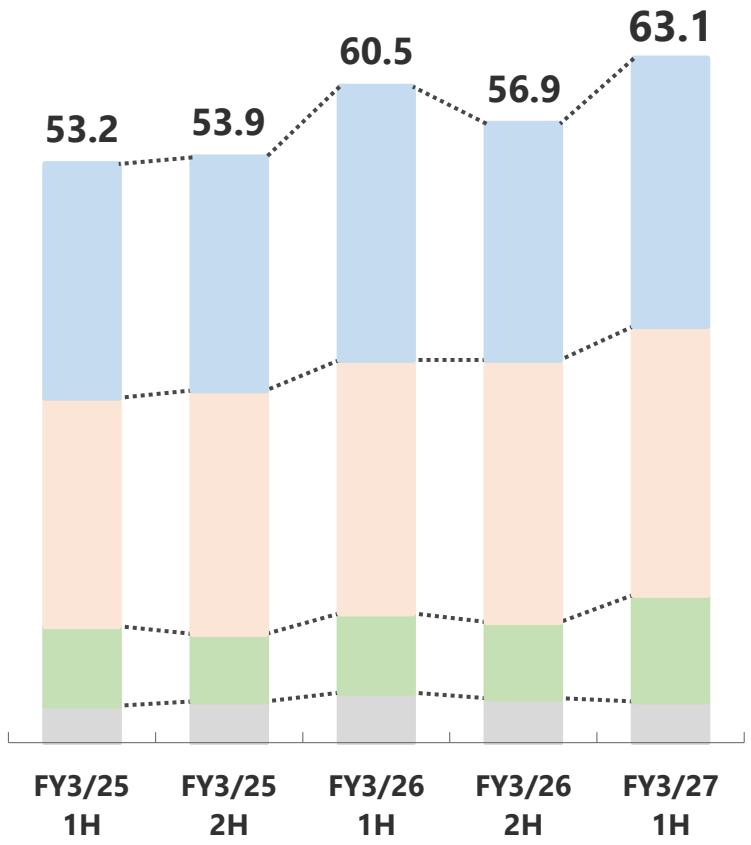
Food Business Segment (Net Sales by Item)

Although sales volumes of seafood products and livestock products decreased, increased to sales volumes of agricultural products and an overall in unit selling prices.

As a result, net sales increased by 2.6 billion yen year on year.



(billion yen)

	FY3/27 1H	Increase (decrease)		Reasons for increase (decrease)
Seafood products	**24.7**	+1.4	+6.0%	Quantity decreased by 0.2% and prices increased by 6.2%
Livestock products	**24.6**	(0.5)	(2.0)%	Quantity decreased by 8.0% and prices increased by 6.0%
Agricultural products	**9.8**	+2.5	+33.7%	Quantity increased by 25.3% and prices increased by 8.5%
Other	**3.8**	(0.8)	(16.4)%	-

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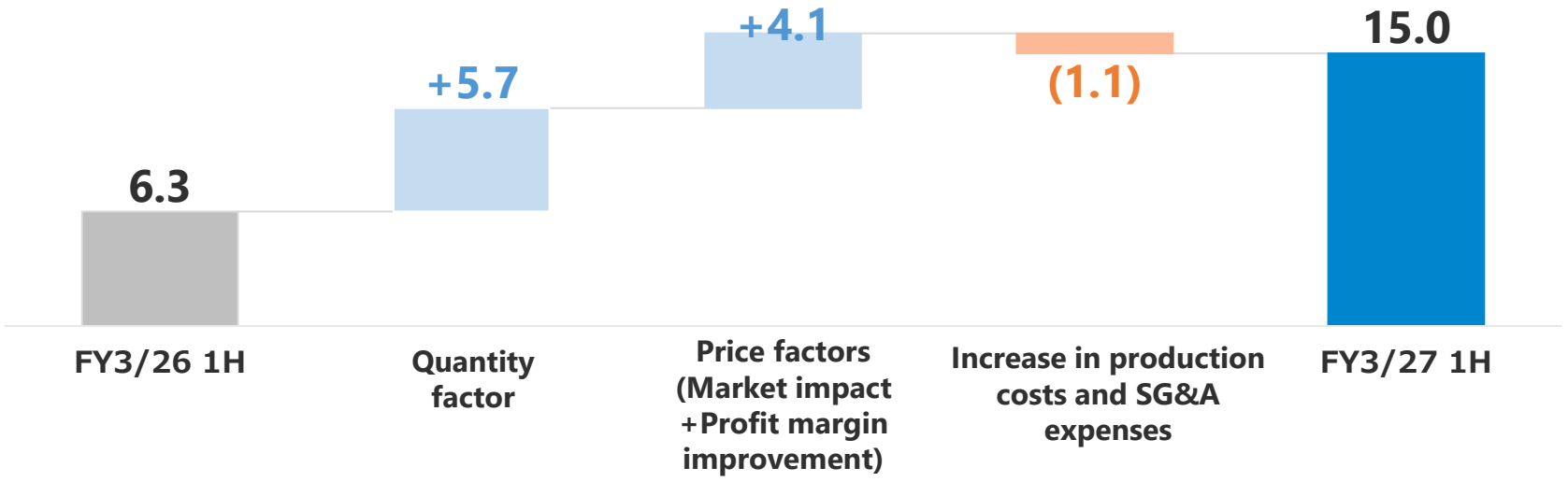
Changes in Operating Profit

In the Precious Metals Business Segment, the profit margin improved due to higher volume in the electronic device field and higher precious metal prices.

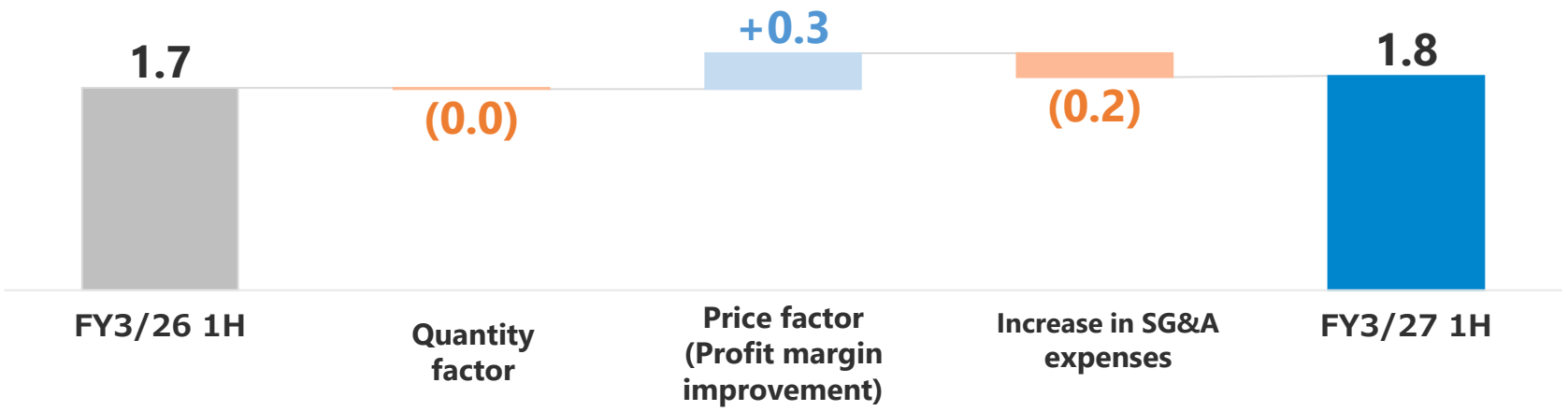
In the Food Business Segment, the profit margin improved due to price pass-through and higher sales of high-added-value products.

Precious Metals Business Segment



(billion yen)

Food Business Segment



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Forecast of Financial Results

The earnings forecast for each business segment have been revised as follows:

(billion yen)

		FY3/26 Results	Initial forecast (Published on May 13)	Revised forecast (Published on August 7)	Increase (decrease) from initial forecast	Increase (decrease) YoY
Precious Metals Business Segment	Net sales	570.4	580.0	**618.1**	+38.1	+8.4%
	Operating profit	19.3	20.9	**25.1**	+4.2	+29.8%
Food Business Segment	Net sales	117.4	120.0	**121.9**	+1.9	+3.8%
	Operating profit	3.1	3.1	**3.4**	+0.3	+9.9%
Total	Net sales	687.8	700.0	**740.0**	+40.0	+7.6%
	Operating profit	22.4	24.0	**28.5**	+4.5	+27.0%

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3. Toward Realizing Management that is Conscious of Capital Costs and Stock Prices

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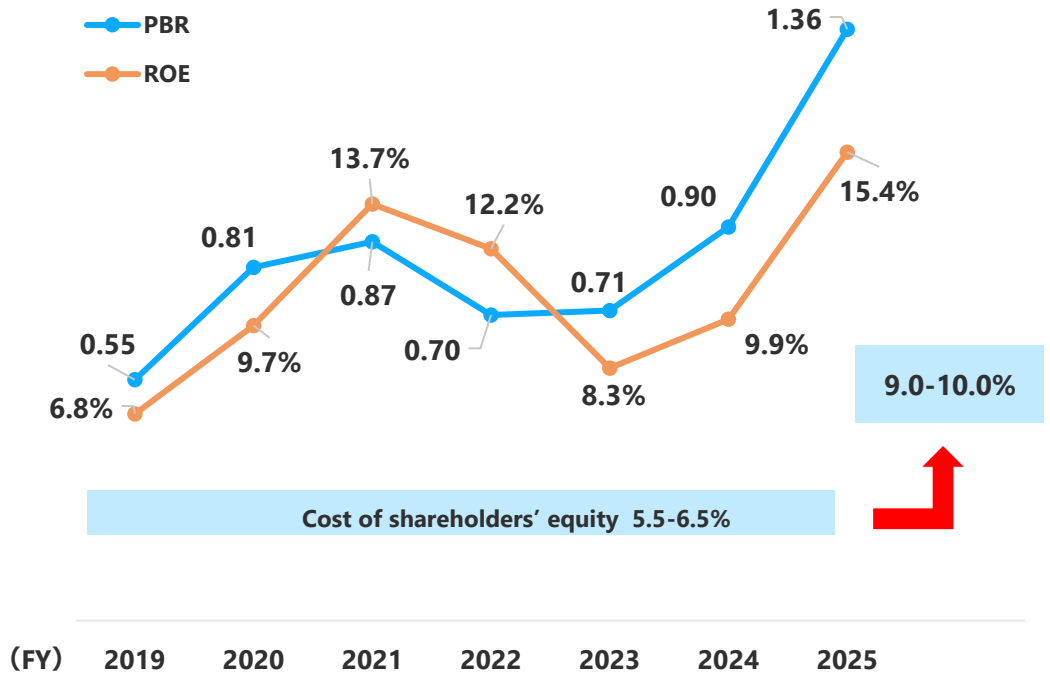
Understanding the Current Situation

Equity spread secured due to ROE being above target amid sharp rise in the cost of shareholders' equity. PBR maintained at 1x or higher through share price gains, while improving PER remains a challenge.

Trends of cost of shareholders' equity, ROE and PBR



- Our cost of shareholders' equity estimated by CAPM rose to around 9-10%, reflecting a higher risk-free rate amid rising long-term interest rates and a higher beta
- While the cost of shareholders' equity rose (5.5-6.5% ⇒ 9.0-10.0%), ROE also rose in FY2025 on strong business performance, securing a certain equity spread
- Our share price rose significantly from the second half of FY2025 on a substantial improvement in business performance and a strong Japanese equity market overall, lifting PBR above 1x (improved to approx. 1.3x)
- Relative to the improvement in ROE, PER has remained sluggish at around 10x, which we recognize as an ongoing challenge

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Policies and Measures Toward Improving PBR

Policy

In addition to aiming to achieve our management indicators by steadily promoting our Medium-term Management Plan, we have positioned “improving capital efficiency” and “fostering expectations for growth” as priority issues in the measures we implement toward improving returns on equity that will lead to improvements in PBR.

Medium-term Management Plan 2028 (FY2026 – 2028)

(Medium-term targets, FY2026 – 2028)

Operating profit	Operating CF (cumulative)	ROE	ROA
28.0 billion yen	35.0 billion yen	11% or higher	10% or higher

<Basic policy>

- Aim to enhance corporate value over the medium to long term by translating materiality initiatives into economic value
- Leveraging both the Precious Metals Business Segment and Food Business Segment as drivers of growth, strengthen the revenue base and create new revenue sources
- Strengthen management foundation to support and accelerate sustainable growth

Precious Metals Business Segment	Food Business Segment	Strengthen management foundation
Leading company that creates resource circulation (utilization)	Best partner for customers in product development	Promote DX, strengthen security, and promote human capital management

(Priority issues and measures)

Improve capital efficiency

Improve ROE through business expansion and accelerate operating cash flow generation

- Profit growth and focused management of working capital optimization
- Reduce working capital by improving the turnover of inventory and receivables

Promote precise capital policies

- Implement policies for growth investment and enhanced shareholder returns while securing financial soundness

Foster expectations for growth

Strengthen dialogue through IR activities

- Promote understanding of our sustainable growth scenario and competitive advantages by improving disclosure and expanding dialogue opportunities
- Appropriately feed investor opinions back into management

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Priority Issues and Progress of Measures

Priority issues	Measures	Progress
Improve capital efficiency	**Accelerate operating cash flow generation** We aim to improve and expand operating cash flow as a priority issue to enhance capital efficiency and increase funds for sustainable growth and shareholder returns.	• Started cash flow-conscious business management and operational control strengthening • Steady improvement in both operating CF (2Q: 12.9 billion yen) and FCF (2Q: 12.1 billion yen)
Foster expectations for growth	**Promote precise capital policies** We will implement policies for growth investment and enhanced shareholder returns while securing financial soundness.	• Improved financial soundness through better cash flow • Seeing slight delays in business investments due to material supply constraints and labor shortages • Raised dividend forecast to 120 yen as part of shareholder returns (expecting dividend increases for 9 consecutive years)
	Strengthen dialogue through IR activities We will promote understanding of our sustainable growth scenario and competitive advantages by improving disclosure and expanding dialogue opportunities.	• Organizing issues to enhance disclosure based on investor feedback and benchmarking • Increased one-on-one meetings with investors (164% YoY) • Reported IR activities to the Board of Directors

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Capital Policy/Cash Allocation

Capital policy (basic policy)

Enhance our corporate value in a sustainable manner while taking into consideration **optimal resource allocation to business opportunities** that capture growth potential, **securing financial soundness**, and achieving balance with **shareholder returns**.

<Assumptions for cash allocation based on the Medium-term Management Plan (Cumulative for FY2026 – 2028)>

Profit growth and earnings improvement
+
Working capital optimization

→ Maximize cash returns

Cash in

Cash flow from operating activities

Approx. 35.0 billion yen

Cash out

Business investments

Approx. 18.0 billion yen

Capital investment (Regular)

Approx. 13.0 billion yen

Securing financial soundness

*Including repayment of loans

Shareholder returns

Approx. 10.0 – 12.0 billion yen

Business investments

Expand and strengthen production infrastructure
Create new revenue sources
(Strengthen management foundation)
IT investment, secure/develop human resources

Maintaining equity ratio

Maintain a sound financial structure to ensure stable and robust business operations

Stable and sustainable dividends & flexible acquisition of treasury stock

Returns based on dividend on equity (DOE) ratio, combined with flexible acquisition of treasury stock that takes market conditions into consideration

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Appendix

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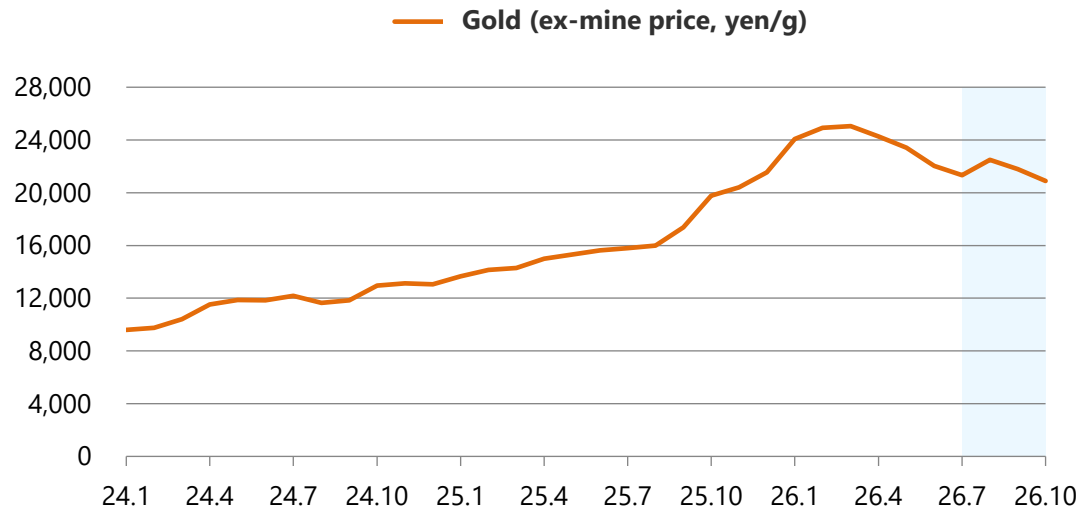
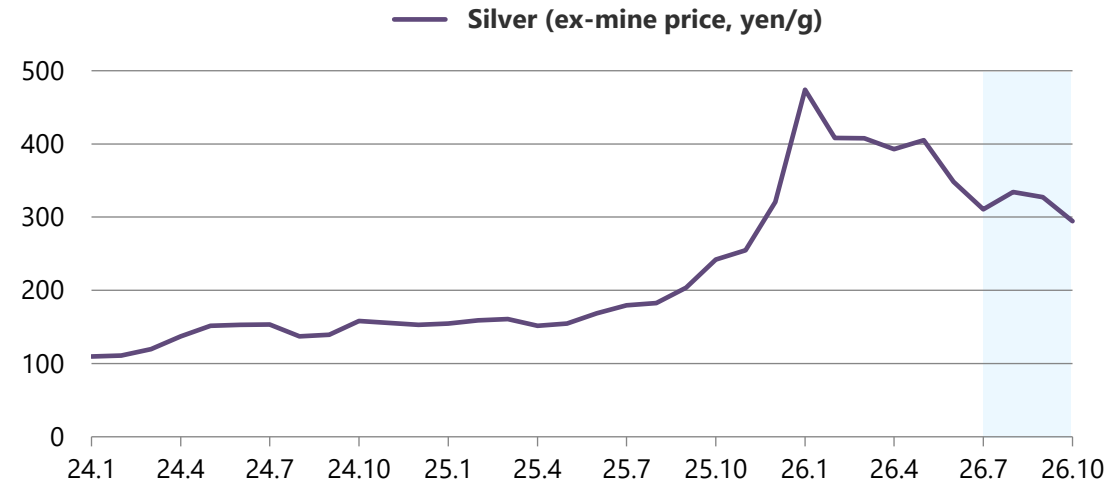
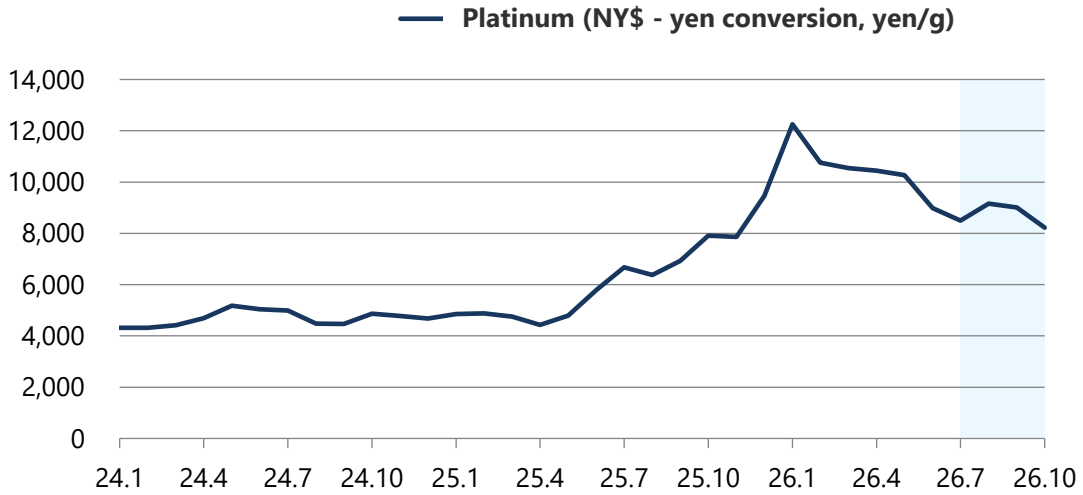
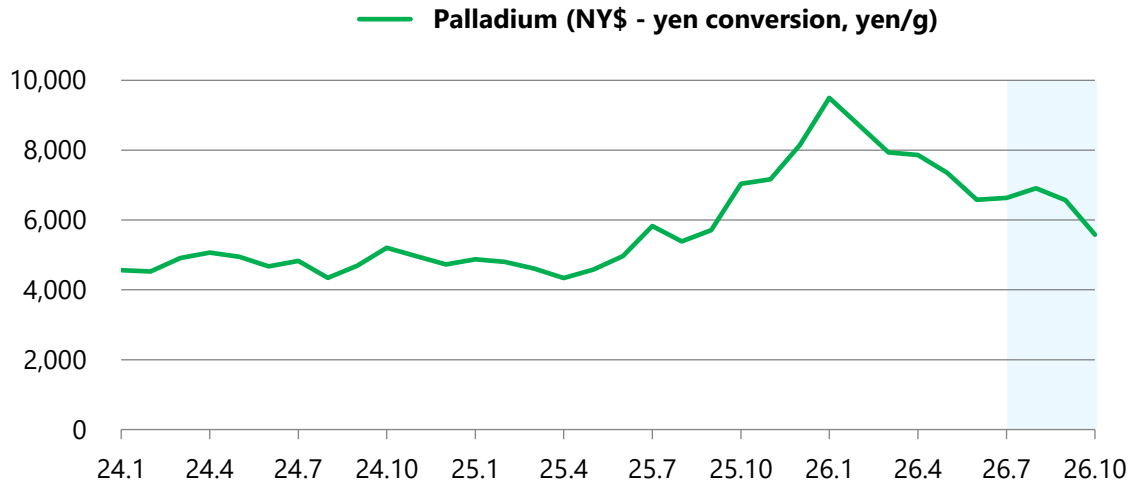
Trends for Precious Metals Market Prices









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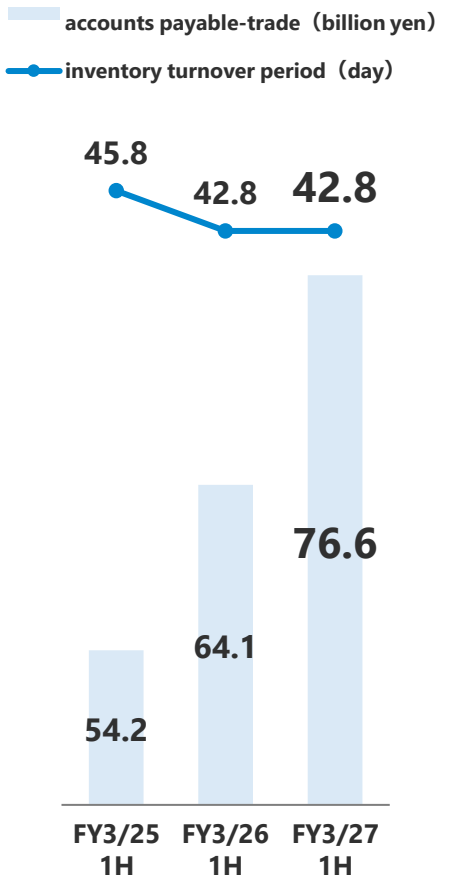
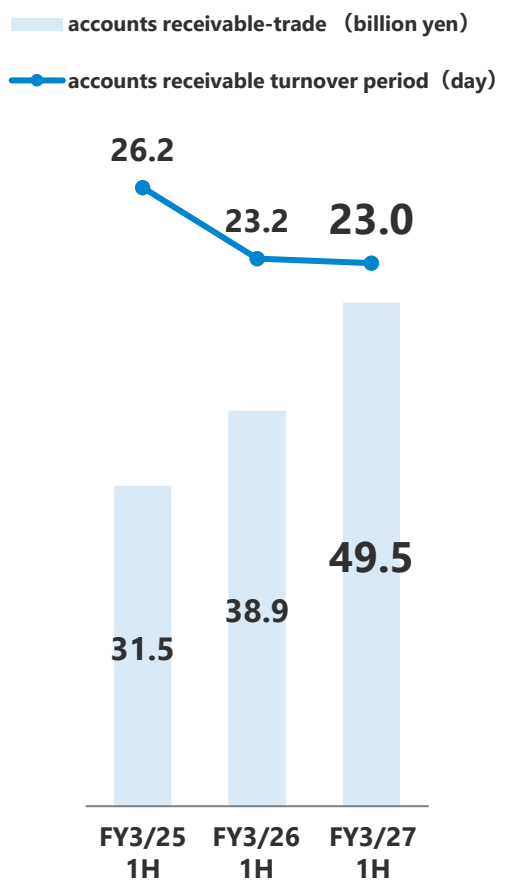
Working capital

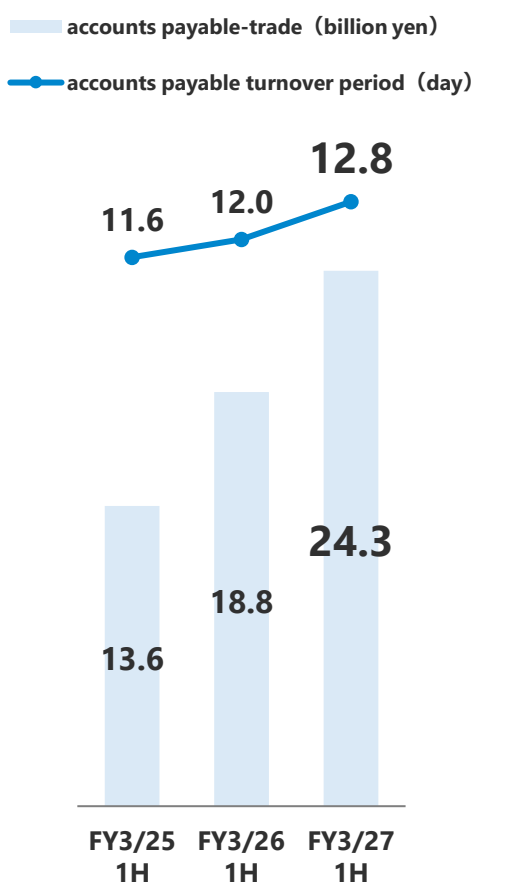
Inventories



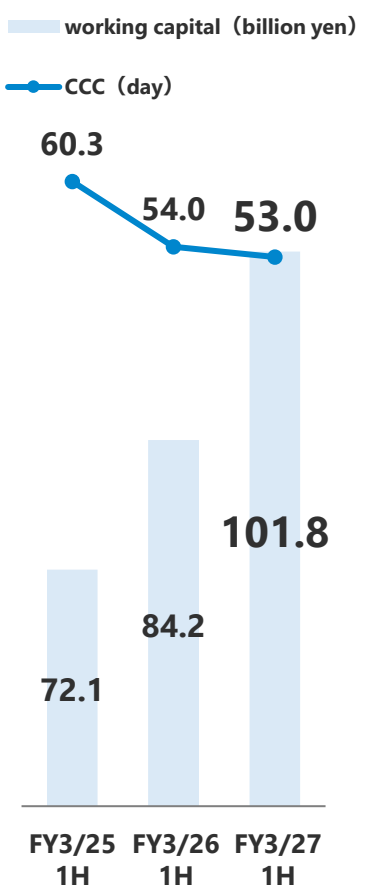
Accounts receivable-trade



Accounts payable-trade



Cash Conversion Cycle



*1 Inventory conversion period＝Inventories (Average for beginning and end of fiscal year) ÷Cost of sales×183
*2 Receivables conversion period＝Accounts receivable-trade (Average for beginning and end of fiscal year)÷Net sales×183
*3 Payables conversion period＝Accounts payable-trade (Average for beginning and end of fiscal year)÷Cost of sales×183
*4 CCC (Cash Conversion Cycle)＝Inventory conversion period＋Receivables conversion period－Payables conversion period

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