



FY3/26 Financial Statements [J-GAAP]

May 13, 2026

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Date of filing the financial report: June 23, 2026

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Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (Live stream of results briefing for institutional investors scheduled for May 27, 2026)

(Figures are rounded down to the nearest million yen)

1. FY3/26 Consolidated results (April 1, 2025 – March 31, 2026)

(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)	(%)
FY3/26	687,843	46.7	22,437	77.0	23,549	74.1	16,753	77.2
FY3/25	468,841	30.0	12,676	35.5	13,523	28.2	9,456	29.8

(Note) Comprehensive income: FY3/26 21,531 million yen [106.1%] FY3/25 10,444 million yen [22.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating margin
	(yen)	(yen)	(%)	(%)	(%)
FY3/26	647.59	—	15.4	11.9	3.3
FY3/25	364.87	—	9.9	8.5	2.7

(Reference) Equity in earnings or losses of affiliates: FY3/26 1,365 million yen FY3/25 1,089 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
FY3/26	227,771	119,049	52.0	4,584.09
FY3/25	169,259	100,134	58.9	3,848.51

(Reference) Equity: FY3/26 118,461 million yen FY3/25 99,742 million yen

※During the fiscal year under review, the Company finalized the provisional accounting treatment for business combinations. As a result, figures for the fiscal year ended March 31, 2025 reflect the finalization of the provisional accounting treatment.

(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)
FY3/26	(8,961)	(4,448)	16,274	14,501
FY3/25	2,542	(6,243)	210	11,428

2. Dividends

	Annual dividends per share					Total dividends (annual) (millions of yen)	Payout ratio (consolidated) (%)	Dividends/ net assets (consolidated) (%)
	First quarter-end (yen)	Second quarter-end (yen)	Third quarter-end (yen)	Fiscal year-end (yen)	Total (yen)			
FY3/25	—	35.00	—	40.00	75.00	1,943	20.6	2.0
FY3/26	—	50.00	—	50.00	100.00	2,591	15.4	2.4
FY3/27 (Forecast)	—	55.00	—	55.00	110.00		—	

3. Consolidated earnings forecasts for FY3/27 (April 1, 2026 – March 31, 2027)

(Percentages are year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(yen)
1H FY3/27	340,000	18.0	11,800	46.4	12,100	43.3	8,400	38.0	325.05
FY3/27	700,000	1.8	24,000	7.0	24,600	4.5	17,100	2.1	661.71

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates and restatement of revisions

- | | |
|--|------|
| 1) Changes in accounting policies with revision of accounting standards and other regulations: | None |
| 2) Changes in accounting policies due to other reasons: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatement of revisions: | None |

(3) Number of issued shares (common shares)

- Number of issued shares at the end of the period (including treasury shares)
- Number of treasury shares
- Average number of shares during the period

FY3/26	26,908,581 shares	FY3/25	26,908,581 shares
FY3/26	1,066,675 shares	FY3/25	991,453 shares
FY3/26	25,870,977 shares	FY3/25	25,917,190 shares

* Matsuda Sangyo introduced a stock-based compensation plan, "Executive Compensation BIP Trust," effective from the current consolidated fiscal year. The number of treasury shares at the end of the period includes shares of the Company held by the Executive Compensation BIP Trust (75,200 shares for the fiscal year ended March 31, 2026 - shares for the fiscal year ended March 31, 2025). In addition, shares of the Company held by the Executive Compensation BIP Trust are included in the number of treasury shares deducted in the calculation of the average number of shares outstanding during the period.

(Reference) Summary of non-consolidated results

1. FY3/26 Non-consolidated results (April 1, 2025 – March 31, 2026)

(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)	(%)
FY3/26	687,254	47.1	17,384	75.8	18,156	65.4	13,161	64.7
FY3/25	467,137	31.7	9,887	32.7	10,978	20.7	7,990	17.4

	Basic earnings per share	Diluted net profit per share
	(yen)	(yen)
FY3/26	508.72	–
FY3/25	308.31	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(millions of yen)	(millions of yen)	(%)	(yen)
FY3/26	203,975	96,096	47.1	3,718.62
FY3/25	150,784	83,189	55.2	3,209.83

(Reference) Equity: FY3/26 96,096 million yen FY3/25 83,189 million yen

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

* Explanation of the proper use of earnings forecasts 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) Explanation of operating results

Consolidated operating results

(millions of yen) [year-on-year comparison]

Net sales	687,843	(	219,002	46.7 %)
Operating profit	22,437	(	9,761	77.0 %)
Ordinary profit	23,549	(	10,026	74.1 %)
Profit attributable to owners of parent	16,753	(	7,297	77.2 %)

During the consolidated fiscal year under review, the Japanese economy showed signs of gradual recovery, underpinned by improvements in the employment and income environment. However, the outlook remained uncertain due to factors such as the situation in the Middle East and other geopolitical risks, and sluggish growth in personal consumption caused by rising prices.

Against this backdrop, the Matsuda Sangyo Group's Precious Metals Business Segment worked to develop and utilize production bases both domestically and overseas, ensure the stable supply of precious metal materials, and boost sales of products as well as 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 made maximum use of its global procurement network to source products that meet diversifying 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 under review, net sales were ¥687,843 million (up 46.7% year on year) and operating profit was ¥22,437 million (up 77.0% year on year). Ordinary profit was ¥23,549 million (up 74.1% year on year) and profit attributable to owners of parent was ¥16,753 million (up 77.2% 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	570,422	(	208,766 57.7 %)	19,342	(	9,163 90.0 %)
Food Business Segment	117,466	(	10,245 9.6 %)	3,095	(	597 23.9 %)
Eliminations or corporate	(45)			—		
Total	687,843	(	219,002 46.7 %)	22,437	(	9,761 77.0 %)

Precious Metals Business Segment

In the electronic devices field of the electronics sector, which is the key market for the Precious Metals Business Segment, while demand for the automotive market remained sluggish, demand for AI data centers drove overall gradual recovery in the production of semiconductors and electronic components.

Against this backdrop, the Precious Metals Business Segment in addition to an increase in the volume of precious metal recycling handled, including the jewelry sector, the overall rise in precious metal prices also provided a tailwind, resulting in increases in both net sales and operating income compared to the previous consolidated fiscal year.

As a result of the above, net sales for the Precious Metals Business Segment were ¥570,422 million (up 57.7% year on year) and operating profit was ¥19,342 million (up 90.0% year on year).

Food Business Segment

In the food production sector, which is the key market for the Food Business Segment, rising prices due to soaring raw material prices and yen depreciation have contributed to weak consumer sentiment, resulting in a challenging market environment with a persistent cautious approach to saving.

Against this backdrop, the Food Business Segment registered an increase in the sales volume of seafood, livestock, and agricultural

products, thanks to flexible product proposals in response to changing customer needs and efforts to build a stable supply system. Moreover, progress in price pass-through in response to soaring raw material prices, along with other factors, contributed to a year-on-year increase in net sales and operating profits.

As a result of the above, net sales for the Food Business Segment were ¥117,466 million (up 9.6% year on year) and operating profit was ¥3,095 million (up 23.9% year on year).

(2) Explanation of financial position

Assets:

Total assets as of the end of the consolidated fiscal year under review were ¥227,771 million, an increase of ¥58,512 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 consolidated fiscal year under review were ¥108,721 million, an increase of ¥39,597 million from the previous fiscal year end. This mainly reflected increases in accounts payable-trade, short- and long-term loans payable, and advances received.

Net assets:

Net assets as of the end of the consolidated fiscal year under review were ¥119,049 million, an increase of ¥18,915 million from the previous fiscal year end. This was mainly due to increases in retained earnings and deferred gains or losses on hedges.

Figures for the previous fiscal year reflect a review of the initially allocated amounts of the purchase price as a result of finalization of provisional accounting treatment related to business combinations. Please refer to “3. Consolidated financial statements and main notes (5) Notes on consolidated financial statements (Business combination, etc.)” for details.

(3) Explanation of cash flows

As of the end of the consolidated fiscal year under review, the balance of cash and cash equivalents (hereafter, “cash”) stood at ¥14,501 million, an increase of ¥3,072 million from the previous fiscal year end. The statuses 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 used net cash of ¥8,961 million. This was mainly due to an increase in cash from profit before income taxes and accounts payable-trade, offset by a decrease in cash from an increase in accounts receivable-trade and inventories, and income taxes paid. Operating activities used net cash of ¥11,503 million more compared to net cash provided of ¥2,542 million in the previous fiscal year.

Cash flows from investing activities:

Investing activities in the consolidated fiscal year under review used net cash of ¥4,448 million. This was mainly from payments for the purchase of property, plant and equipment, such as newly installed plant equipment, which outweighed an increase in proceeds from withdrawal of time deposits. Cash used in investing activities decreased by ¥1,794 million compared to expenditures of ¥6,243 million in the previous fiscal year.

Cash flows from financing activities:

Financing activities in the consolidated fiscal year under review provided net cash of ¥16,274 million. This was mainly due to an increase in cash from short- and long-term loans payable, which outweighed the decrease in cash from cash dividends paid. Compared with the same period in the previous fiscal year, when financing activities provided net cash of ¥210 million, financing activities provided ¥16,064 million more net cash.

(Reference) Trend of cash flow indicators

	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Equity ratio	64.2	65.4	61.2	58.9	52.0
Equity ratio on a market value basis	55.8	45.8	43.5	53.2	70.6
Ratio of interest-bearing debt to cash flow	2.3	1.8	16.0	13.1	(5.8)
Interest coverage ratio	106.4	55.6	12.2	6.8	(14.9)

(Notes) Equity ratio: equity/total assets

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 based on the number of issued shares, excluding treasury shares.

* 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 indicators for the fiscal year ending March 2025 are disclosed based on figures that reflect the significant revisions to the initial allocation of acquisition costs resulting from the finalization of provisional accounting treatment described in "3. Consolidated financial statements and main notes (5) Notes on consolidated financial statements (Business combinations, etc.)."

(4) Future outlook

Consolidated earnings projections

	(millions of yen) [year-on-year comparison]		
Net sales	700,000	(12,156	1.8 %)
Operating profit	24,000	(1,562	7.0 %)
Ordinary profit	24,600	(1,050	4.5 %)
Profit attributable to owners of parent	17,100	(346	2.1 %)

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, due to geopolitical risks such as the Middle East situation and the impact of inflation on the economy, among other factors, the outlook is expected to remain uncertain.

Under these circumstances, we expect to see an improvement in the production situation alongside increased demand for AI data centers and a recovery in other demand in the electronic devices sector of the electronics industry, which is the main customer of the Precious Metals Business Segment. In view of this, we will continue to adapt to the needs of a circular society by leveraging our comprehensive resource recycling capability, strive to increase our precious metals recycling volume and product sales volume as well as secure and expand industrial waste treatment outsourcing. In the Food Business Segment, while coping with concerns about the stable supply of food resources due to the risk of losing out in competitive procurement, we will further strengthen our global procurement capabilities including the utilization of overseas business sites, and to develop and ensure a stable supply of products rooted in the principles of safety and reliability while accurately reflecting customer needs. 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 FY3/25 and FY3/26

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 give 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 ¥50 per share. Combined with the interim dividend, this brings the full-year dividend to ¥100 per share.

For the next fiscal year, we forecast a full-year dividend of ¥110 per share (interim dividend of ¥55 and year-end dividend of ¥55). 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 consolidated 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 main notes

(1) Consolidated balance sheet

(millions of yen)

	FY3/25 (As of March 31, 2025)	FY3/26 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	12,878	14,564
Notes and accounts receivable – trade	34,088	48,762
Merchandise and finished goods	34,344	45,252
Work in process	999	875
Raw materials and supplies	25,610	46,145
Accounts receivable – other	1,413	2,881
Others	6,802	12,239
Allowance for doubtful accounts	(14)	(17)
Total current assets	116,124	170,704
Non-current assets		
Property, plant and equipment		
Buildings and structures	21,113	22,785
Accumulated depreciation	(8,242)	(8,968)
Buildings and structures, net	12,870	13,816
Machinery, equipment and vehicles	20,602	22,110
Accumulated depreciation	(15,407)	(16,858)
Machinery, equipment and vehicles, net	5,195	5,251
Land	16,871	16,944
Leased assets	1,637	1,605
Accumulated depreciation	(979)	(1,028)
Leased assets, nets	658	577
Construction in progress	2,079	3,823
Others	1,928	1,894
Accumulated depreciation	(1,605)	(1,542)
Others, net	322	351
Total property, plant and equipment	37,998	40,765
Intangible assets		
Others	3,246	3,005
Total intangible assets	3,246	3,005
Investments and other assets		
Investment securities	7,894	9,792
Deferred tax assets	455	425
Others	3,619	3,165
Accumulated depreciation	(49)	(69)
Others, net	3,569	3,095
Allowance for doubtful accounts	(20)	(18)
Total investments and other assets	11,889	13,295
Total non-current assets	53,135	57,067
Total assets	169,259	227,771

(millions of yen)

	FY3/25 (As of March 31, 2025)	FY3/26 (As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable – trade	16,176	26,011
Short-term loans payable	11,542	25,797
Current portion of long-term loans payable	4,108	5,171
Lease obligations	228	241
Income taxes payable	2,796	5,156
Provision for bonuses	1,238	2,003
Accounts payable – other	994	1,333
Advances received	7,666	15,218
Others	3,860	3,064
Total current liabilities	48,613	83,998
Non-current liabilities		
Corporate bonds	100	100
Long-term loans payable	17,047	20,803
Lease obligations	446	351
Deferred tax liabilities	422	1,500
Provision for directors' retirement benefits	795	–
Provision for executive officers' retirement benefits	30	–
Provision for share awards for directors	–	40
Net defined benefit liability	1,510	682
Others	159	1,245
Total non-current liabilities	20,511	24,723
Total liabilities	69,124	108,721
Net assets		
Shareholders' equity		
Common stock	3,559	3,559
Capital surplus	4,008	4,008
Retained earnings	89,565	103,986
Treasury shares	(1,396)	(1,688)
Total shareholders' equity	95,737	109,866
Accumulated other comprehensive income		
Valuation difference in available-for-sale securities	818	1,338
Deferred gains or losses on hedges	(900)	2,112
Foreign currency translation adjustment	3,960	4,514
Remeasurements of defined benefit plans	125	630
Total accumulated other comprehensive income	4,005	8,595
Non-controlling interests	391	587
Total net assets	100,134	119,049
Total liabilities and net assets	169,259	227,771

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

(millions of yen)

	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Net sales	468,841	687,843
Cost of sales	433,638	639,779
Gross profit	35,202	48,064
Selling, general and administrative expenses	22,526	25,626
Operating profit	12,676	22,437
Non-operating income		
Interest income	20	23
Dividend income	38	46
Share of profit of entities accounted for using equity method	1,089	1,365
Income from silent partnership investment	—	207
Others	329	314
Total non-operating income	1,478	1,957
Non-operating expenses		
Interest expenses	375	597
Loss on retirement of non-current assets	21	90
Foreign exchange losses	180	79
Others	53	78
Total non-operating expenses	631	845
Ordinary profit	13,523	23,549
Extraordinary loss		
Impairment loss on non-current assets	—	96
Total extraordinary loss	—	96
Profit before income taxes	13,523	23,452
Income taxes – current	4,099	7,296
Income taxes – deferred	(121)	(750)
Total income taxes	3,977	6,546
Profit	9,545	16,906
Profit attributable to non-controlling interests	89	152
Profit attributable to owners of parent	9,456	16,753

Consolidated statements of comprehensive income

(millions of yen)

	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Profit	9,545	16,906
Other comprehensive income		
Valuation differences on available-for-sale securities	8	519
Deferred gains or losses on hedges	(266)	2,998
Foreign currency translation adjustment	1,051	510
Remeasurements of defined benefit plans	107	496
Share of other comprehensive income of entities accounted for using equity method	(2)	99
Total other comprehensive income	898	4,625
Comprehensive income	10,444	21,531
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	10,312	21,344
Comprehensive income attributable to non-controlling interests	132	186

(3) Consolidated statements of changes in shareholders' equity

FY3/25 (April 1, 2024 – March 31, 2025)

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	3,559	4,008	81,793	(1,395)	87,965
Change of items during the period					
Dividends from surplus			(1,684)		(1,684)
Profits attributable to owners of parent			9,456		9,456
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	7,771	(0)	7,771
Balance at the end of the period	3,559	4,008	89,565	(1,396)	95,737

	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 the period	810	(630)	2,948	21	3,149	259	91,374
Change of items during the period							
Dividends from surplus							(1,684)
Profit attributable to owners of parent							9,456
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	8	(269)	1,012	104	855	132	988
Total change of items during the period	8	(269)	1,012	104	855	132	8,759
Balance at the end of the period	818	(900)	3,960	125	4,005	391	100,134

(millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	3,559	4,008	89,565	(1,396)	95,737
Change of items during the period					
Dividends from surplus			(2,332)		(2,332)
Profit attributable to owners of parent			16,753		16,753
Purchase of treasury shares				(292)	(292)
Net changes of items other than shareholders' equity					
Total change of items during the period	—	—	14,421	(292)	14,129
Balance at the end of the period	3,559	4,008	103,986	(1,688)	109,866

	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 the period	818	(900)	3,960	125	4,005	391	100,134
Change of items during the period							
Dividends from surplus							(2,332)
Profit attributable to owners of parent							16,753
Purchase of treasury shares							(292)
Net changes of items other than shareholders' equity	519	3,012	553	504	4,590	195	4,786
Total change of items during the period	519	3,012	553	504	4,590	195	18,915
Balance at the end of the period	1,338	2,112	4,514	630	8,595	587	119,049

(4) Consolidated statements of cash flows

	(millions of yen)	
	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Cash flows from operating activities		
Profit before income taxes	13,523	23,452
Depreciation	2,894	3,791
Impairment loss	—	96
Increase (decrease) in allowance for doubtful accounts	(8)	0
Increase (decrease) in provision for bonuses	160	764
Increase (decrease) in net defined health liability	234	(100)
Increase (decrease) in provision for directors' retirement benefits	24	(1)
Increase (decrease) in provision for executive officers' retirement benefits	10	1
Increase (decrease) in provision for share awards for directors	—	40
Interest and dividend income	(58)	(69)
Interest expenses	375	597
Share of (profit) loss of entities accounted for using equity method	(1,089)	(1,365)
Decrease (increase) in notes and accounts receivable – trade	(1,458)	(14,355)
Decrease (increase) in notes and accounts receivable – other	572	(1,466)
Decrease (increase) in inventories	(12,148)	(30,896)
Increase (decrease) in accounts payable – trade	3,417	9,502
Increase (decrease) in accounts payable – other	(568)	536
Others	(1,210)	5,819
Subtotal	4,670	(3,650)
Interest and dividend income received	314	397
Interest paid	(373)	(602)
Income taxes paid	(2,067)	(5,104)
Net cash provided by (used in) operating activities	2,542	(8,961)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	(3,605)	(5,579)
Proceeds from sale of property, plant and equipment	2	3
Purchase of intangible assets	(473)	(638)
Purchase of investment securities	(10)	(53)
Proceeds from sale of investment securities	—	65
Proceeds from withdrawal of time deposits	62	1,848
Costs arising from acquisition of shares in subsidiaries resulting in change of scope of consolidation	(2,124)	—
Others	(95)	(94)
Net cash provided by (used in) investing activities	(6,243)	(4,448)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,878)	14,287
Proceeds from long-term loans payable	10,100	10,000
Repayments of long-term loans payable	(4,080)	(5,180)
Cash dividends paid	(1,684)	(2,332)
Purchase of treasury shares	(0)	(292)
Others	(245)	(207)
Net cash provided by (used in) financing activities	210	16,274
Effect of exchange rate change on cash and cash equivalents	470	207
Net increase (decrease) in cash and cash equivalents	(3,020)	3,072
Cash and cash equivalents at beginning of period	14,449	11,428
Cash and cash equivalents at end of period	11,428	14,501

(5) Notes on consolidated financial statements

(Notes on premise of a going concern)

There is nothing to report.

(Business combinations, etc.)

(Finalization of provisional accounting treatment for business combinations)

While provisional accounting treatment had been applied in the previous fiscal year for the business combination with Sanyo-Rec Co., Ltd. that took place on February 28, 2025, this treatment was finalized in the consolidated fiscal year under review.

With the finalization of this provisional accounting treatment, significant revisions have been reflected in the initial allocation of the acquisition cost. The revised goodwill resulting from the finalization of the provisional treatment is as follows.

The amortization period for goodwill is six years. There is no impact on the consolidated statements of income for the previous fiscal year.

Goodwill (before revision):	¥824 million
Revision to goodwill	
Property, plant and equipment:	(¥140 million)
Intangible assets (customer-related):	(¥760 million)
Intangible assets (technology-related):	(¥240 million)
<u>Deferred tax liabilities:</u>	<u>¥359 million</u>
Total revisions:	(¥781 million)
Goodwill (after revision):	¥43 million

In addition, the Company acquired all shares of Flap Resource Co., Ltd. on the same day as the business combination with Sanyo-Rec Co., Ltd. While provisional accounting treatment had been applied for this transaction in the previous fiscal year, the accounting treatment was finalized in the fiscal year under review.

There are no changes to the amount resulting from the finalization of this provisional accounting treatment.

(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 has 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. Intersegment sales/transfers are based on market value.

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

FY3/25 (April 1, 2024 – March 31, 2025)

(millions of yen)

	Reportable Segments			Adjustments Note 1	Amount recorded on consolidated statements of income Note 2
	Precious Metals Business Segment	Food Business Segment	Total		
Net sales					
Net sales to external parties	361,655	107,185	468,841	—	468,841
Net sales & remittances between segments	—	36	36	(36)	—
Total	361,655	107,221	468,877	(36)	468,841
Segment profit	10,178	2,497	12,676	—	12,676

(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.

FY3/26 (April 1, 2025 – March 31, 2026)

(millions of yen)

	Reportable Segments			Adjustments Note 1	Amount recorded on consolidated statements of income Note 2
	Precious Metals Business Segment	Food Business Segment	Total		
Net sales					
Net sales to external parties	570,422	117,421	687,843	—	687,843
Net sales & remittances between segments	—	45	45	(45)	—
Total	570,422	117,466	687,889	(45)	687,843
Segment profit	19,342	3,095	22,437	—	22,437

(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.

(Per share information)

	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Net assets per share	3,848.51 yen	4,584.09 yen
Basic earnings per share	364.87 yen	647.59 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.

	FY3/25 (March 31, 2025)	FY3/26 (March 31, 2026)
Total net assets (millions of yen)	100,134	119,049
Amount deducted from total net assets (millions of yen)	391	587
(non-controlling interests (millions of yen))	391	587
Net assets at the end of the period related to common stock (millions of yen)	99,742	118,461
Number of common shares at the end of the period used in the calculation of net assets per share (thousands of shares)	25,917	25,841

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

	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Basic earnings per share		
Net profit attributable to owners of parent (millions of yen)	9,456	16,753
Amount not attributable to ordinary shareholders (millions of yen)	—	—
Net profit attributable to owners of parent related to common stock (millions of yen)	9,456	16,753
Average number of common shares during the period (thousands of shares)	25,917	25,870

(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)

	FY3/25 (As of March 31, 2025)	FY3/26 (As of March 31, 2026)
Assets		
Current assets		
Cash and deposits	3,025	4,945
Notes receivable	205	67
Accounts receivable – trade	31,404	44,888
Merchandise and finished goods	27,504	32,850
Work in process	666	630
Raw materials and supplies	22,480	40,743
Advance payments	4,448	4,162
Prepaid expenses	272	496
Accounts receivable – other	1,677	3,141
Short-term loans to subsidiaries and affiliates	4,828	10,010
Others	2,053	5,763
Allowance for doubtful accounts	(20)	(17)
Total current assets	98,545	147,683
Non-current assets		
Property, plants and equipment		
Buildings	9,338	10,376
Structures	932	930
Machinery and equipment	2,935	2,860
Vehicles	2	1
Tools, instruments and equipment	220	215
Land	15,806	15,806
Leased assets	306	214
Construction in progress	1,594	3,669
Total property, plant and equipment	31,136	34,074
Intangible assets		
Leaseholds	10	10
Software	2,100	1,995
Others	23	23
Total intangible assets	2,134	2,029
Investments and other assets		
Investment securities	1,818	2,591
Shares of subsidiaries and affiliates	6,172	6,181
Investments in subsidiaries and affiliates	959	959
Long-term loans to subsidiaries and affiliates	6,395	7,110
Deferred tax assets	1,146	788
Others	2,496	2,575
Allowance for doubtful accounts	(20)	(18)
Total investments and other assets	18,967	20,188
Total non-current assets	52,238	56,292
Total assets	150,784	203,975

(millions of yen)

	FY3/25 (As of March 31, 2025)	FY3/26 (As of March 31, 2026)
Liabilities		
Current liabilities		
Accounts payable – trade	15,016	23,141
Short-term loans payable	11,528	25,797
Current portion of long-term loans payable	3,920	4,983
Lease obligations	111	92
Accounts payable – other	670	1,145
Accrued expenses	1,787	2,181
Income taxes payable	2,210	4,128
Advances received	7,555	15,094
Deposits received	61	66
Deposits from subsidiaries and affiliates	4,650	6,980
Provision for bonuses	1,203	1,955
Others	1,165	556
Total current liabilities	49,883	86,123
Non-current liabilities		
Long-term loans payable	15,122	19,067
Lease obligations	195	121
Provision for retirement benefits	1,536	1,425
Provision for directors' retirement benefits	795	–
Provision for executive officers' retirement benefits	30	–
Provision for share awards for directors	–	40
Other	31	1,100
Total non-current liabilities	17,711	21,755
Total liabilities	67,594	107,879
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	69,492	80,321
Total retained earnings	76,760	87,589
Treasury shares	(1,396)	(1,688)
Total shareholders' equity	82,932	93,468
Valuation/Translation difference, etc.		
Valuation differences on available-for-sale securities	807	1,320
Deferred gains or losses on hedges	(550)	1,306
Total valuation/translation difference, etc.	257	2,627
Total net assets	83,189	96,096
Total liabilities and net assets	150,784	203,975

(2) Non-consolidated statements of income

(millions of yen)

	FY3/25 (April 1, 2024 – March 31, 2025)	FY3/26 (April 1, 2025 – March 31, 2026)
Net sales	467,137	687,254
Cost of sales	437,703	647,492
Gross profit	29,433	39,761
Selling, general and administrative expenses	19,545	22,377
Operating profit	9,887	17,384
Non-operating income		
Interest income	253	266
Dividend income	1,159	975
Purchase discounts	13	18
Foreign exchange gains	–	70
Others	286	257
Total non-operating income	1,712	1,589
Non-operating expenses		
Interest expenses	425	683
Foreign exchange losses	126	–
Loss on retirement of non-current assets	21	90
Others	48	42
Total non-operating expenses	621	817
Ordinary profit	10,978	18,156
Extraordinary loss		
Impairment loss on non-current assets	–	96
Total extraordinary loss	–	96
Profit before income taxes	10,978	18,059
Income taxes – current	3,208	5,619
Income taxes – deferred	(220)	(721)
Total income taxes	2,987	4,898
Profit	7,990	13,161

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

FY3/25 (April 1, 2024 – March 31, 2025)

(millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance at the beginning of the period	3,559	4,008	4,008
Change of items during the period			
Dividends from surplus			
Profit			
Purchase 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 the period	177	140	450	6,500	63,186	70,454	(1,395)	76,626
Change of items during the period								
Dividends from surplus					(1,684)	(1,684)		(1,684)
Profit					7,990	7,990		7,990
Purchase of treasury shares							(0)	(0)
Net changes of items other than shareholders' equity								
Total change of items during the period	—	—	—	—	6,305	6,305	(0)	6,305
Balance at the end of the period	177	140	450	6,500	69,492	76,760	(1,396)	82,932

	Valuation/Translation differences, etc.			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation/translation differences, etc.	
Balance at the beginning of the period	799	(238)	561	77,187
Change of items during the period				
Dividends from surplus				(1,684)
Profit				7,990
Purchase of treasury shares				(0)
Net changes of items other than shareholders' equity	7	(311)	(303)	(303)
Total change of items during the period	7	(311)	(303)	6,001
Balance at the end of the period	807	(550)	257	83,189

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserve	Total capital surplus
Balance at the beginning of the period	3,559	4,008	4,008
Change of items during the period			
Dividends from surplus			
Profit			
Purchase 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 the period	177	140	450	6,500	69,492	76,760	(1,396)	82,932
Change of items during the period								
Dividends from surplus					(2,332)	(2,332)		(2,332)
Profit					13,161	13,161		13,161
Purchase of treasury shares							(292)	(292)
Net changes of items other than shareholders' equity								
Total change of items during the period	—	—	—	—	10,828	10,828	(292)	10,536
Balance at the end of the period	177	140	450	6,500	80,321	87,589	(1,688)	93,468

	Valuation/Translation difference, etc.			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation/translation differences, etc.	
Balance at the beginning of the period	807	(550)	257	83,189
Change of items during the period				
Dividends from surplus				(2,332)
Profit				13,161
Purchase of treasury shares				(292)
Net changes of items other than shareholders' equity	513	1,857	2,370	2,370
Total change of items during the period	513	1,857	2,370	12,906
Balance at the end of the period	1,320	1,306	2,627	96,096