INTEGRATED REPORT 2025

Contents

Editorial Policy

■ Purpose of publication
This Report was initially published as the Environmental and Social Report from 2010 to report on the Matsuda Sangyo Group's environmental and social activities, and was published as the Corporate Value Report from 2016. Since FY2022, it has been upgraded to the Integrated Report, which reports to all stakeholders on the Group's efforts toward creating future new value through its business. In light of the rapidly changing social environment, Matsuda Sangyo positions this report as a part of our communication tools for creating value together with all stakeholders, including investors and shareholders.

■ Key points for this fiscal year
In light of the upgrade to the Report last fiscal year, the Integrated Report this year aims to communicate more clearly to everyone the connection between our business activities and the spirit of "mottainai," which our Group has placed great importance on since our founding. To that end, we have partially revised the explanations to the value creation process, sources of corporate value, and promotion of sustainability management, as well as added new page items and expanded the contents of interviews. We have also placed the emphasis on maintaining a structure that facilitates communication to all our stakeholders, while keeping in mind overall consistency and flow.

■ Period covered
FY2024 (April 1, 2024 – March 31, 2025) However, some information related to initiatives outside of the fiscal year covered is included.

■ Scope of data collection
Head Office, Production Departments, Precious Metals Business Segment business sites, Food Business Segment business sites. (Information on the various environmental activities is mainly based on data from the production departments.) The names of each division/department are correct as of April 1, 2024.

■ Reference guidelines
IFRS, "Integrated Reporting Framework" METI, "Guidance for Collaborative Value Creation 2.0"

■ Publication date and next scheduled issue
Publication date: November 2025
Next scheduled issue: September 2026 (Japanese edition), October 2026 (English edition)

Forward-looking Predictions/Projections/Plans
The forward-looking statements included in this Report are drawn up based on information available at the time of writing, and actual results and events may differ from predictions due to changes in the business environment or other factors. We ask for your understanding on this.

Inquiries
CSR IR Dept. 163-0558 Shinjuku Nomura Bldg. 26-2, 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo Tel: +81-3-5381-0728

For Human Happiness and a Beautiful Earth

Corporate Philosophy
Making effective use of the limited earth resources and contributing to society through business

Purpose
Our purpose is to practice our corporate philosophy and continue to be a company which customers and society always need.

Vision
To be a company that continuously evolves and adapts to social changes, and which customers and society always need.

Mission
Effectively utilize resources and secure sustainable resources.
Provide high added value that contributes to resolving the problems faced by our customers and society.

Spirit of "mottainai" × Spirit of challenge

Our purpose is to practice our corporate philosophy and continue to be a company which customers and society always need. The Matsuda Sangyo Group began as a company that makes effective use of earth resources, born of our founder's awareness of "mottainai" (meaning "wastefulness") and the desire to contribute to society through creativity and a spirit of challenge.

Our businesses have fostered a corporate culture that places importance on gratitude and kindness, and the desire to be "even more needed by our customers" has continued to this very day, leading to our corporate philosophy of "making effective use of the limited earth resources and contributing to society through business."

Today, the world is confronted by various materialities (important social issues) such as environmental issues and the food crisis, as we strive to move toward the realization of a sustainable society.

Even prior to the arrival of concepts such as sustainability and SDGs, the Matsuda Sangyo Group has continued to grow and develop based on the theme "For Human Happiness and a Beautiful Earth." Going forward, we will continue to contribute to solving materialities through our business.

Hiroshi Matsuda
Took over Matsuda Shoten in 1960, and established and developed Matsuda Sangyo while elevating the founding spirit into the corporate philosophy and taking the company through repeated corporate restructuring. (1960–2003)

Taro Matsuda
Fostered a spirit of "mottainai" while working in the family business that included a newspaper store. Went to Tokyo and in 1935, founded Matsuda Shoten, the predecessor of Matsuda Sangyo. (1930s)

A Legacy of Sustainability Management

Founding period

Started the business that will pioneer a circular society. In the Food Business Segment, we developed a wholesale business for food materials while pursuing the effective utilization of resources, such as the effective use of egg whites that were then unused from a food production factory as a material for surimi fish paste products. Meanwhile, in the Precious Metals Business Segment, we established a system to recover and recycle precious metals generated in industrial activities, contributing to the circular use of limited resources. Through these efforts, we built the foundation for a company that aims to realize a sustainable society in both the food and precious metals sectors.

Establishment and expansion of business

In the Precious Metals Business Segment, we leveraged our refining technology and began manufacturing products using high-purity precious metals as raw materials. In the Food Business Segment, we established the Quality Assurance Dept., strengthening our efforts in ensuring the safety and reliability of food materials through the company's proprietary high-precision inspection system. The respective operating companies were merged, and registered for over-the-counter share trading as Matsuda Sangyo Co., Ltd.

Acceleration of overseas strategy

We started overseas expansion in the 1990s along with the hollowing out of domestic industries, and increased the number of overseas bases from the 2000s to strengthen the company's global network. We expanded our collaboration with local subsidiaries and partner companies, primarily in Asia, and established service and product supply systems tailored to local needs. In doing so, we enhanced our competitiveness in overseas markets while advancing the establishment of a global business foundation. We also focused on human resource development and supply chain optimization at overseas sites, developing a framework capable of responding flexibly to changes in the diversifying international market.

Business development through value creation

By accurately identifying the evolving needs of society and industry in each era, and by actively addressing social challenges such as environmental issues and food safety and reliability, we have developed our core businesses and achieved dramatic growth. We will meet society's expectations by continuing to create new value toward realizing a sustainable society.

Precious Metals Business Segment

To become a leading company that creates resource circulation (utilization)

To become a unique company that grows together with the industrial sector

The starting point for sustainable value creation

- **1935** Founding
  Started the business of refining silver bullion from waste liquid discarded from photosensitive materials and after the development of photographs
- **1957** Full-scale launch of silver recycling business

Evolution and diversification toward high value-added products

- **1970** Expanded sale to the electronic devices industry and start of the refining and recovery of gold, silver, and platinum group metals, as well as the production and sale of electronic materials
- **1971** Establishment of Musashi Factory in Iruma City, Saitama Prefecture to carry out the refining of precious metals
- **1987** Started production and sale of bonding wire
  Launched the full-scale sale of precious metal electronic materials

Establishment of trust and brand influence through the acquisition of international certifications

- **1992** Palladium registered on the Tokyo Commodity Exchange
- **1993** Gold, silver, and platinum bullion registered on the Tokyo Commodity Exchange
- **1995** Platinum plate and palladium ingot accredited as good delivery by the London Platinum and Palladium Market (LPPM)
- **2000** Gold and silver bars accredited as good delivery by the London Bullion Market Association (LBMA)
  Establishment of subsidiary in Thailand

Global expansion and contribution to a circular society

- **1990s–2000s** Started overseas expansion along with the hollowing out of domestic industries
- **2020** Launch of recycling business for large lithium-ion batteries

Food Business Segment

To become the best partner for customers in product development

Creation of business through the utilization of food by-products

- **1948** Founding
  Proposed the utilization of, and supplied, egg whites that were then unused from a food production factory as a material for surimi fish paste products
  This led to the launch of the wholesale business for food materials.

Expansion of product lineup and growth

- **1956** Expansion of business selling egg whites
- **1973** Started dealing in frozen vegetables, dried vegetables, and plant-based protein
- **1976** Started dealing in frozen fish
- **1979** Started dealing in livestock products

Strengthening of quality assurance system and business expansion

- **1988** Establishment of Quality Assurance Dept.
- **1990** Establishment of MATSUDA RYUTSU Co., Ltd.
  Establishment of MATSUDA RYUTSU Co., Ltd. to handle contract delivery for each group company
- **1998** Entered the industrial and food service sectors

Expansion of food procurement network

- **2000** Started the supply of food materials to the food service and ready-made meal sectors
  Strengthened development of processed products
- **2012–2013** Establishment of subsidiary in China (Qingdao)
  Establishment of subsidiary in Thailand (Bangkok)
  Strengthened food procurement functions
- **2016** Acquired Gulf Foods Co., Ltd. as a subsidiary

Acceleration of overseas expansion and strengthening of global sales capabilities

- **2017** Establishment of subsidiary in Vietnam
- **2022** Establishment of subsidiary in India
- **2023** Establishment of subsidiary in Indonesia

Strengthening the foundation, and social contribution

1951
- Establishment (formally a surviving company)

1992–2000
- Merger of respective operating companies
- Over-the-counter share registration (1995)
- Listed on the Second Section of the Tokyo Stock Exchange (1999)

2001–2010
- Listed on the First Section of the Tokyo Stock Exchange
- Acquired ISO 14001 and ISO 9001 certifications

2010–2020
- Established the Policy for Responsible Management of Precious Metals
- Enforced the Matsuda Sangyo Group Global Code of Conduct

2022
- Transition to Prime Market
- Set up the Sustainability Committee
- Established the Sustainability Policy
- Established the Human Rights Policy
- Indicated agreement to TCFD recommendations

2023
- Acquired SBT certification

2024
- Received "A" rating from CDP

To be a company that continuously evolves and adapts to social changes, and which customers and society always need

Progress and Outlook of Medium-term Management Plan

Progress of Medium-term Management Plan

Reflections and results forecast

In the fiscal year ended March 2025, consolidated net sales exceeded ¥400 billion for the first time to set a new record high, due in part to soaring precious metal prices.

Regarding the status of progress toward achieving our management targets, while sales significantly exceeded the target for FY2025 due to soaring precious metal prices in the Precious Metals Business Segment, among other factors, operating profit fell slightly short of the target, but we will strive to achieve it in the fiscal year ending March 2026.

Operating margin remained largely unchanged compared to the previous fiscal year. While it is some way from our Medium-term Management Plan target, it reflects the impact of an increase in the volume handled in the jewelry sector as well as rising precious metal market prices. In the electronic devices sector, amid expectations of improved production conditions, we will continue with efforts to secure recycling volume while capturing every opportunity to make a full-fledged recovery.

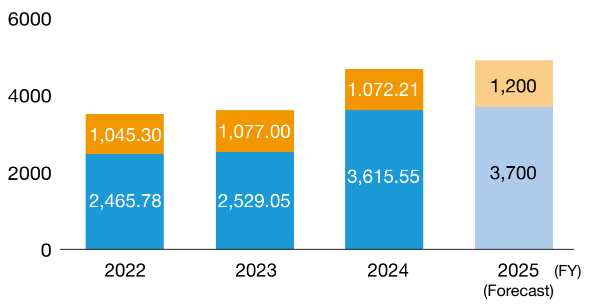
The projected operating margin for FY2025 falls below the target set out in the Medium-term Management Plan, primarily due to an increase in sales driven by rising gold prices.

We recognize that we face the challenge of improving capital efficiency. Alongside expanding volume in both the Precious Metals Business Segment and Food Business Segment, we will work to achieve qualitative improvements in metrics such as turnover rates and profit margins, and steadily advance our growth strategy.

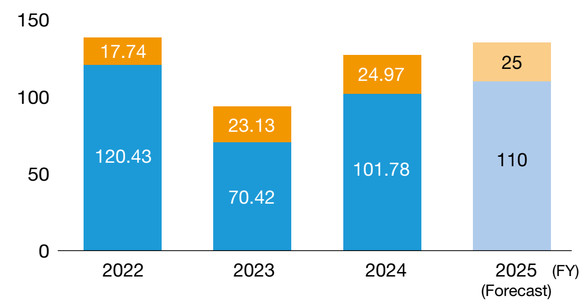
(billion yen)

	FY2016-2018 Average	FY2019-2021 Average	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecast	FY2025 Target
Net sales	1,871	2,382	3,510	3,605	**4,688**	4,900	3,000
Operating profit	42	90	138	93	**126**	135	130
Operating margin	2.2%	3.7%	3.9%	2.6%	**2.7%**	2.8%	4.3%
ROE	5.6%	10.0%	12.2%	8.30%	**9.9%**	—	9.0%
ROA (ordinary profit to total assets ratio)	6.0%	9.4%	11.3%	7.6%	**8.5%**	—	10.0%

Net sales (billion yen)

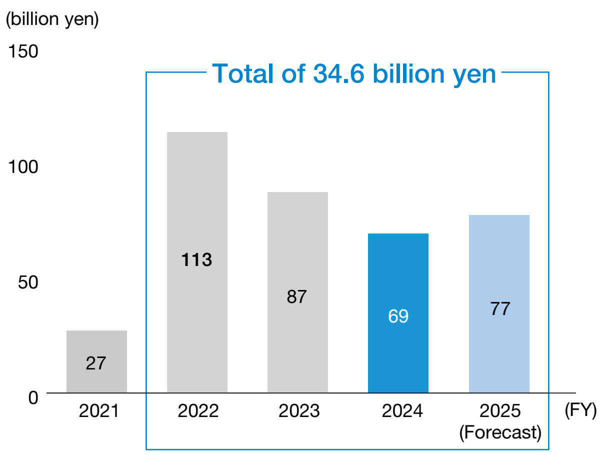


Operating profit (billion yen)



Capital investment for business expansion

Business investments in the fiscal year ended March 2025 reached approximately ¥6.9 billion. These investments were carried out to support the development and expansion of production infrastructure in anticipation of future business growth, and include the expansion of the Iruma Factory in Saitama Prefecture and the installation of processing facilities for the smelting environment. In FY2026, we plan to invest a total of approximately ¥7.7 billion, which will include the continued expansion of factory functions in the Iruma area and the installation of processing facilities for the smelting environment, along with other investment plans scheduled but not fulfilled in FY2025. While the Medium-term Management Plan for FY2022 to FY2025 projected a cumulative four-year investment of ¥30 billion, we now expect total investment to exceed the initial plan, coming to approximately ¥34.6 billion, on the back of rising labor costs, material prices, and other expenditures.



Performance outlook by business segment

In the Precious Metals Business Segment, with anticipated recovery in production in the electronic devices field, which has significant impact on precious metals recycling volume and the sales volume of manufactured products, net sales and operating profit are expected to increase 2.3% and 8.1% respectively.

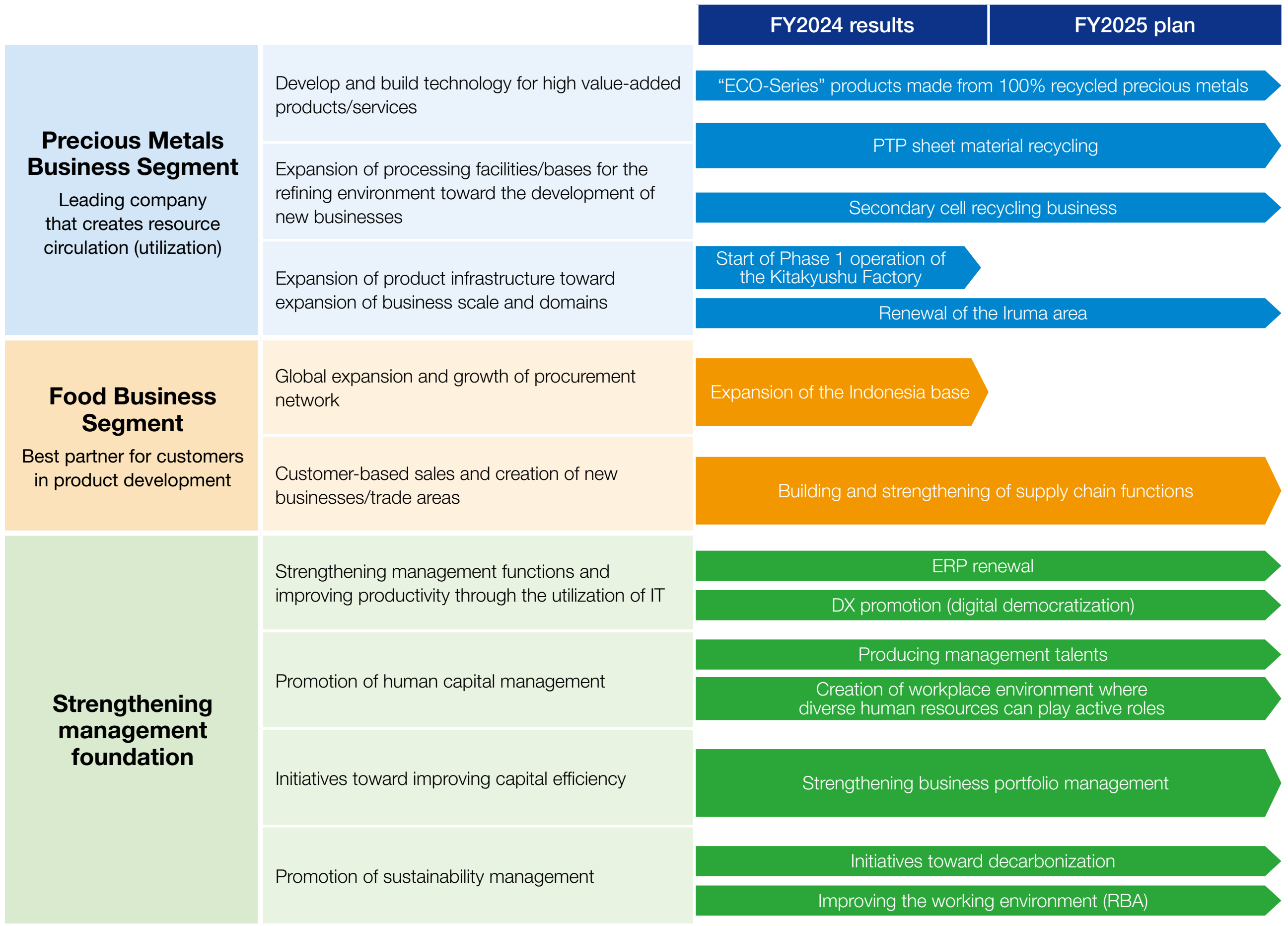
In the Food Business Segment, net sales are expected to increase 12.0% on the back of an anticipated increase in sales volume, achieved by leveraging the Company's strength in procurement capabilities to meet diversifying customer needs.

On the other hand, operating profit is expected to remain largely flat due to factors such as rising labor and other costs.

(billion yen)

		FY2024 results	FY2025 forecast	Increase/ decrease	
Net sales	Precious Metals Business Segment	3,616	**3,700**	+83	+2.3%
	Food Business Segment	1,072	**1,200**	+128	+12.0%
	Total	4,688	**4,900**	+211	+4.5%
Operating profit	Precious Metals Business Segment	101	**110**	+8	+8.1%
	Food Business Segment	25	**25**	+0	+0.1%
	Total	126	**135**	+8	+6.5%

Growth strategy (roadmap)



Under our growth strategy roadmap, within the Precious Metals Business Segment, we are expanding efforts to develop and expand production bases to drive business growth, with plans to commence operation of the Kitakyushu Factory and continue with the renewal of the Iruma area. Furthermore, to expand the Precious Metals Business Segment, we consolidated companies as our subsidiaries by acquiring shares. In the Food Business Segment, our Indonesia base commenced full-scale operations in FY2024 as a part of our efforts to boost our global operations and expand our procurement network. To strengthen our management foundation, we will actively advance efforts in human capital management and sustainability management while continuing with initiatives toward improving capital efficiency.

Management Message

To continue creating ways of “making effective use of the limited earth resources,” and contribute to customers and society through business growth

FY2024 results and progress of the Medium-term Management Plan

In FY2024, partly due to the impact of soaring precious metal market prices, consolidated net sales exceeded ¥400 billion for the first time to set a new record. Operating profit increased in both the Precious Metals Business Segment and Food Business Segment, demonstrating marked improvement from the decreased profits recorded from the year before last. As a result, management indicators, such as ROE and ordinary profit to total assets ratio, also improved.

Regarding the progress of the Medium-term Management Plan, we are diligently implementing each measure set out under our basic policy, and the effects are contributing steadily to our business performance. In light of that, we will further accelerate our efforts to achieve the targets for the fiscal year ending March 2026, the final year of the plan.

We also recognize anew the need to improve capital efficiency by increasing free cash flow and improving the ordinary profit to total assets ratio. Our four-year Medium-term Management Plan anticipates generating approximately ¥40 billion in cash flow from operating activities, but the cumulative operating cash flow for the three-year period from FY2022 to FY2024 is projected to be ¥15 billion, primarily due to increased working capital associated with rising precious metal prices and yen depreciation. While it is unavoidable that volume growth during periods of price increases will impact cash flow, we will strive to expand free cash flow and ultimately improve capital efficiency by simultaneously achieving both volume growth and qualitative improvements such as turnover rates and profit margins.

In promoting sustainability management, one of the basic policies set out in our Medium-term Management Plan, we are advancing efforts to reduce greenhouse gas (GHG) emissions to tackle climate change while also addressing social issues such as human rights and labor. As we consider it important to share these commitments throughout the entire supply chain to bring about coexistence and mutual prosperity, we intend to expand the chain of value creation as one of the suppliers.

We will further advance the business to bring about the realization of our corporate philosophy of “making effective use of the limited earth resources,” while striking a balance with addressing critical environmental and social challenges, so as to continue contributing to society in the future.

A spirit passed down since the founding of the business, and creation of new value

Matsuda Sangyo was founded based on a business model centered on making effective use of resources vital for realizing a sustainable society, even from an era when the concept of a circular economy as an economic system did not exist. This founding spirit has been passed on to the present day as a shared philosophy, and we have continued creating new value through the development of our business.

Our initiative in recycling silver from photosensitive materials and supplying it to film manufacturers laid the foundation for the Precious Metals Business Segment today. The Food Business Segment began when we proposed using egg whites, which are produced in large quantities by food processing manufacturers but lacking in sufficient applications, to improve the quality of seafood paste products. This enabled their effective utilization as a high-quality source of protein. These initiatives represent the effective use of resources and are the very essence of resource circulation. We can say that this is the result of incorporating appropriate processing, logistics, and quality assurance to become a preferred choice even for so-called “arterial industries,” rather than merely stopping at “mottainai.”

Thereafter, we accumulated smelting and refining technologies for extracting high-purity precious metals from scrap containing precious metals, which are typically difficult to recycle, even while ensuring profitability. In addition, through advanced processing to transform them into chemical products and precious metal materials that meet our customers’ quality standards, we supply materials to the electronics industry and contribute to the resource circulation that our customers seek.

Management Message

In our current lithium-ion battery recycling efforts, we are also aiming to achieve resource circulation by meeting the quality standards required in order to apply them as materials for making new batteries. Alongside developing the necessary technologies to that end, we are working to build a supply chain toward the realization of resource circulation and to meet quality standards in Japan.

In the Food Business Segment, we have established a global network not only in Japan but also at production sites worldwide to meet the quality standards required for food materials supplied to processed food manufacturers, the food service industry, and mass retailers. This allows us to maximize the use of safe and reliable food resources and achieve stable supply through an information network that responds to production conditions that change year by year.

Thus, the spirit of "mottainai" that we have inherited since our founding days is not merely about collecting unused items. It is a philosophy that extends to creating customer needs and supplying items to them as value-added products. We will continue to cherish this spirit, pursuing future needs that evolve with the times.

Since our founding, we have grown as a cross-industrial company operating in the distinct fields of precious metals and food. Through our corporate activities to date, we have accumulated extensive knowledge straddling the food, precious metals, and environmental fields, and built up global information and logistics networks. Therefore, we view each of these as resource-related businesses, and we have generated synergies by organically utilizing the insights gained from them. Going forward, we seek to continue creating synergies that can drive the development of each other's businesses.

Contributing to business growth and society in the future

Long-term management strategy

In recent years, the rapid evolution of digital technologies, represented by AI and IoT, has created new material needs in the electronic component and semiconductor industries, and the market is expected to expand significantly going forward. In such an era, the material development capabilities of material suppliers like Matsuda Sangyo will become increasingly important. Furthermore, as a company that had its beginnings in the “venous industry,” it is vital to have integrated in-house technological development capabilities ranging from recycling processes to product processing. Leveraging digital technology, we will advance efforts to enhance integrated efficiency from procurement and collection through production and sales, accelerating both technological development and infrastructure investment.

Going forward, we consider it indispensable to put long-term investment in technologies that support the realization of low environmental burden, such as decarbonization and waste plastic solutions. Regarding decarbonization, we believe it is important to promote scenarios that are attractive to the market while minimizing short-term cost increases. Since our founding, we have contributed to the decarbonization of the Earth through our business. Recycling precious metals generates extremely low levels of GHG emissions compared to mining, and we take pride in having contributed to substantial GHG reductions over the past 90 years. With the growing demand for electronic components and semiconductors, we are confident that Matsuda Sangyo’s recycled precious metals will contribute significantly to our customers’ Scope 3 reductions. For that reason, we are committed to our mission of collecting and recycling as much scrap containing precious metals as possible.

Supporting our customers in the sustainable operation of their businesses is also a key part of our social mission, and we consider it essential to provide timely information to our customers and to fulfill our supply responsibilities. Strengthening the resilience of supply chains to address business continuity risks is a pressing issue. These risks include the impact of export restrictions on critical minerals and materials, imposed by various countries due to recent international fragmentation, as well as supply disruptions caused by the withdrawal of domestic businesses due to an international oversupply of certain materials. Matsuda Sangyo’s supply chain is spread out across the globe and is supported by many suppliers. We aim to build a supply chain capable of responding flexibly to various risks, including geopolitical impacts, tariffs, and climate change, while pursuing coexistence and mutual prosperity with our suppliers.

Japan faces the issue of population decline due to declining birthrates and an aging population. On the other hand, the global population is increasing, and demand for food, minerals, and energy is expected to surge, giving rise to concerns about supply shortages. In supporting our customers’ manufacturing operations, we consider it necessary to collaborate organically across the entire value chain. Going forward, while pursuing short-term profits, we aspire to remain as a company that adapts to changing times from a long-term perspective, and to continue contributing to the economic, social, and environmental values our customers seek.

Human resource development

Matsuda Sangyo handles a wide range of products, making it necessary to acquire expertise in the food, precious metals, and environmental sectors. Therefore, it is vital to develop professional talents as the company expands. A vast amount of specialized knowledge is required in each field, including comprehensive understanding of all food products and how they are used as food materials, as well as wide-ranging methods for manufacturing and disposing of precious metal materials. How we propose this product knowledge as high added values to our customers, and contribute to customers, are key challenges, alongside human resource development and nurturing management talents for that purpose.

The key to accelerating future growth lies in creating an environment where every employee, with their diverse experiences, can efficiently acquire the knowledge and skills necessary for business expansion. To ensure that we can leverage new digital technologies such as DX and generative AI to offer efficient proposals to our customers, we will continue to advance optimization through trial and error.

Matsuda Sangyo has always placed great importance on management that all members of the organization participate in. A company is a gathering of people, and it develops through the creativity of each individual. We support the active participation of diverse individuals, including women, experienced professionals, and global talents, in order to bring about management that welcomes the participation of all employees in the business. We expect everyone to put unremitting effort into enhancing their improvement mindset and creativity without ever becoming complacent with the status quo. We value an atmosphere where employees with diverse personalities can exchange opinions and offer suggestions, no matter how small, freely and without hesitation. By taking this approach, we aim to enhance the initiative and independence of each individual.

Matsuda Sangyo, a member of a society of coexistence and mutual prosperity

Matsuda Sangyo’s existence is supported by all its stakeholders, including shareholders and investors, employees, customers, business partners, local communities, and administrative agencies. Therefore, we must never place an undue burden on other stakeholders by prioritizing any one thing. We believe it is the duty of a company to contribute as a member of a society, sharing coexistence and mutual prosperity with all stakeholders from a long-term perspective.

Furthermore, we aim to achieve sustainable growth as a company by pursuing economic, social, and environmental values simultaneously, and working together with our suppliers to contribute to the continuity and development of our customers’ businesses. We sincerely request your continued support and guidance.

September 2025

Yoshiaki Matsuda

Matsuda Sangyo Co., Ltd.
President and Representative Director

Value Creation Process

Input

Management capital

- Financial capital
- Society-related capital
- Production capital
- Human capital
- Natural capital
- Intellectual capital

Business Model

Corporate Philosophy P.03
Medium-term Management Plam P.06
Materiality P.36

Output

Precious metals recycled

Gold (Au) Approx. 20t ▶ Approx. 25t
Silver (Ag) Approx. 110t ▶ Approx. 130t
Platinum group metals (PGM) Approx. 9t ▶ Approx. 10t

Precious Metals Recycling Business P.16

Precious Metals Material Business P.17

Net sales ¥468.8 billion
Operating profit ¥12.6 billion

Environmental Solution Business P.18

Food Business Segment P.26 - 35

Supply of food materials

Seafood products Approx. 80,000t ▶ Approx. 90,000t
Livestock products Approx. 90,000t ▶ Approx. 85,000t
Agricultural products Approx. 50,000t ▶ Approx. 50,000t

Outcome

Values provided

Shared

- Enhancing economic value (Medium-term Management Plan targets)
- Reducing environmental burden (reducing GHG emissions)

Precious Metals Business Segment

- Stable supply of mineral resources
- Contribution to the development of the electronics industry
- Environmental conservation, reduction of environmental burden

Food Business Segment

- Stable supply of safe and reliable food resources
- Contribution to a better dietary lifestyle
- Effective utilization of food resources
- Protection of natural resources

Vision

Matsuda Sangyo Group's vision

To be a company that continuously evolves and adapts to social changes, and which customers and society always need

To become a leading company that creates resource circulation (utilization)
To become a unique company that grows together with the industrial sector

To become the best partner for customers in product development

Changes in management capital

How to interpret the performance
FY2023 results
▶FY2024 results

Financial capital

Capital invested
(Interest-bearing debt + Shareholders' equity)
¥110.5 billion
▶¥123.9 billion

Society-related capital

Approvals and permits

- (Specially Controlled) Industrial Waste Collection and Transportation Business:
  47 prefectures, 3 ordinance-designated cities
  ▶47 prefectures, 3 ordinance-designated cities
- (Specially Controlled) Industrial Waste Disposal Business *Intermediate Processing
- Number of joint research projects
  19▶18

Production capital

Number of production bases (domestic and overseas)
14 bases ▶ 14 bases

Property, plant and equipment
¥34,335 million
▶¥37,858 million

Human capital

No. of employees
1,624▶1,698

Gender ratio
Male 79.2%▶79.3%
Female 20.8%▶20.7%
(Matsuda Sangyo Group total)

Offices to support continuous employment (outsourced)
3 offices▶3 offices

Natural capital

Energy use

- Fuel (electric power conversion)
  64,634MWh▶76,244MWh
- Electricity
  21,289MWh▶22,332MWh

*Ratio of renewable energy
67%▶75%

- Water usage
  Approx. 157,000t
  ▶Approx. 154,000 t

Intellectual capital

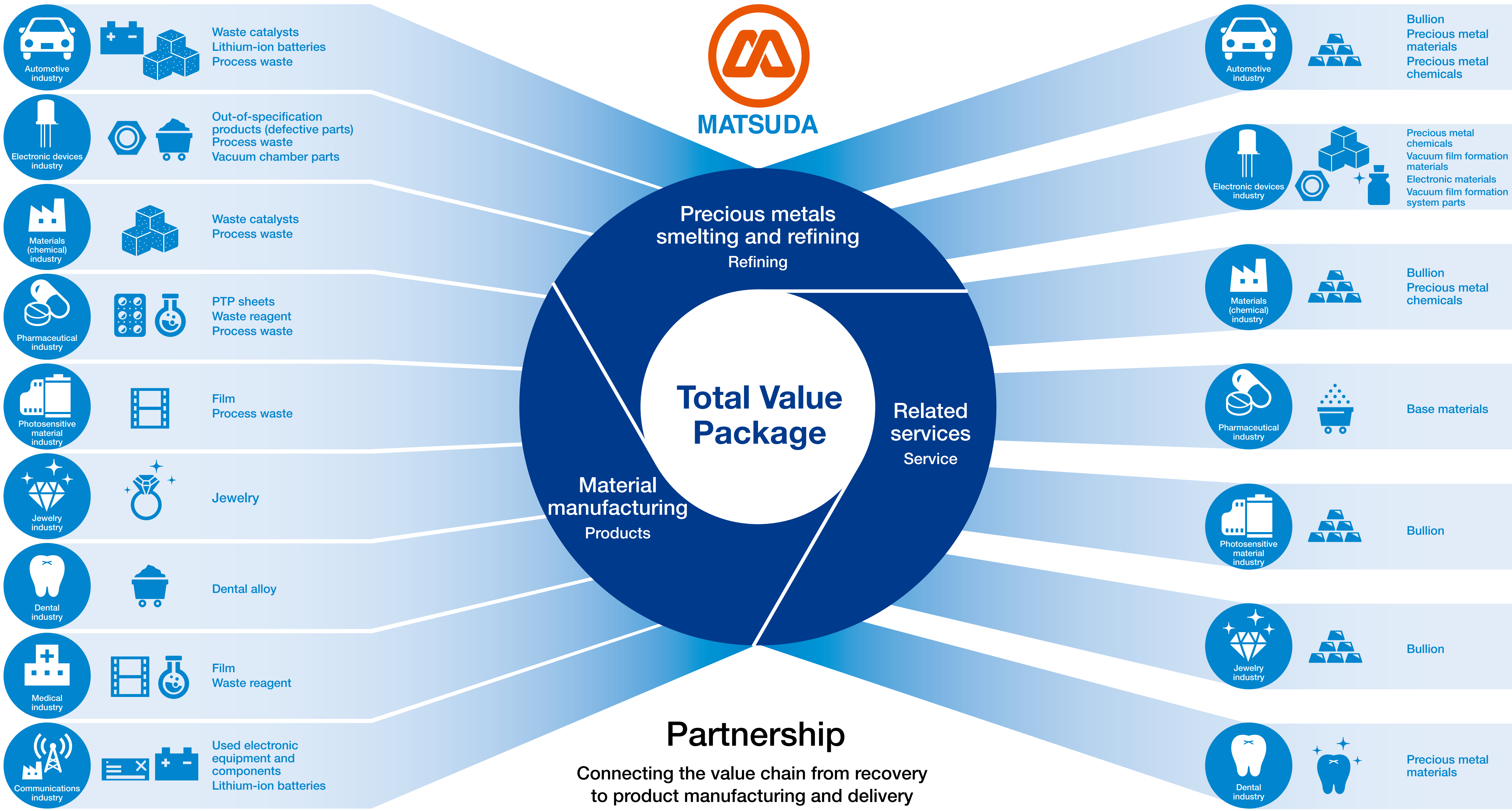
Patents
Product patents
Process patents

No. of development personnel
Approx. 50 people
▶Approx. 50 people

Sources of Corporate Value (Overview of the Precious Metals Business Segment)

Managing life cycles through our recycling and green technologies.

The Precious Metals Business Segment is comprised of the Precious Metals Recycling Division, the Precious Metals Material Division, and the Environmental Solution Division. The three businesses have their roots in the recovery and refining of silver contained in photosensitive materials in photographs, and have developed as a solution business in the fields of the sale of precious metal materials for industrial use, recovery and refining of used precious metals, and the environment. In order to support the circular economy of the future, we will further evolve our recycling and green technologies, and fulfill our responsibility as a company that manages life cycles.



Partnership

Connecting the value chain from recovery to product manufacturing and delivery

Sources of Corporate Value (Precious Metals Business Segment)

Precious Metals Recycling Division

Yuji Masui
Executive Officer
General Manager of Precious Metals Recycling Division

A recycling system that produces high-purity precious metals with a high recovery rate

Matsuda Sangyo processes scrap materials containing precious metals, collected from domestic and overseas manufacturers, in-house at our factories, which boast strict confidentiality and a high recovery rate. The highly purified gold, silver, platinum, palladium, rhodium, and other precious metals obtained through integrated processes ranging from preprocessing such as crushing and firing, to smelting and refining processes for separation and extraction, are used to produce bullion, various processed products, and chemical products. Matsuda Sangyo's factories have adopted security systems of the highest standards and introduced the use of mobile crusher vehicles to carry out the crushing and shredding of confidential information at our customers' sites, in order to prevent the leakage of information from the semiconductors and electronic components that incorporate our customers' cutting-edge technologies, thereby helping to protect confidentiality for our customers.

With regard to non-ferrous metals, we work with the Environmental Solution Division to operate an alliance business with mining companies and non-ferrous metal recycling manufacturers.

Furthermore, to protect and utilize valuable precious metal resources, we also provide maintenance services, collecting the jigs of vacuum film formation systems from electronics manufacturers and restoring them to a clean state through our advanced deposit removal and cleaning technologies. We offer customers high-value services from two aspects: recycling the trace amounts of precious metals contained in deposits accumulated on the jigs, and extending the lifespan of jigs through precision cleaning. This contributes to the effective utilization of resources.

Matsuda Sangyo manages the life cycle of precious metals as an urban mining-style company engaged in refining precious metals, and promotes the effective use of precious metals resources to play a part in driving the circular economy.

Precious Metals Material Division

Yuichiro Shindo
Senior Executive Officer, General Manager of Precious Metals Material Division,
General Manager of Intellectual Property Dept.,
and in charge of Technical Development Dept.

Supporting efforts to address issues through high-quality precious metal raw materials and new functionality

Matsuda Sangyo leverages its longstanding refining technologies to manufacture and supply processed materials and compounds, using high-purity precious metals as raw materials. These products are then applied for use as essential materials for key devices across diverse fields, including electronic equipment and automotive components.

We offer an extensive range of precious metal chemicals, including plating chemicals and catalyst raw materials, while providing total support from liquid management and analysis to defect countermeasures. Through our in-house research and development, we also manufacture and sell high-performance precious metal processed products such as sputtering targets and vapor deposition materials, supporting our customers' cost reduction efforts and material development tailored to their needs.

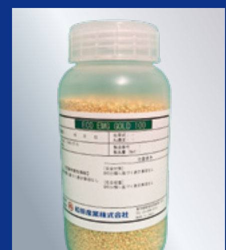
To enhance our competitiveness with an eye to overseas expansion, we differentiate ourselves from competitors by integrating technology development with an intellectual property strategy. We have also established a system to commend daily improvement activities, including enhancing employees' intellectual property literacy through company-wide training and establishing a deposit system for inventions that contribute to the business in order to encourage self-motivated inventions.

Furthermore, the Matsuda Sangyo Group, ahead of other domestic manufacturers, has obtained certification* from the third-party organization UL Japan. We will expand our lineup of "ECO-Series" products, made by using 100% recycled precious metals with low CO_2 emissions as raw materials, as well as promote resource circulation and reduce environmental burden to contribute to our customers' sustainable initiatives.

*Confirmed, based on standards prescribed by U.S. company UL LLC, that the "ECO-Series" products are manufactured from 100% recycled metal.

Potassium Gold Cyanide
(Product name: ECO PGC 683)

Sodium Gold Sulfite
(Product name: ECO Auro Assist 100)



Granular Gold
(Product name: ECO EMG GOLD 100)

Sources of Corporate Value (Precious Metals Business Segment)

Environmental Solution Division

Kazuo Ikeda

Executive Officer

General Manager of the Environmental Solution Division

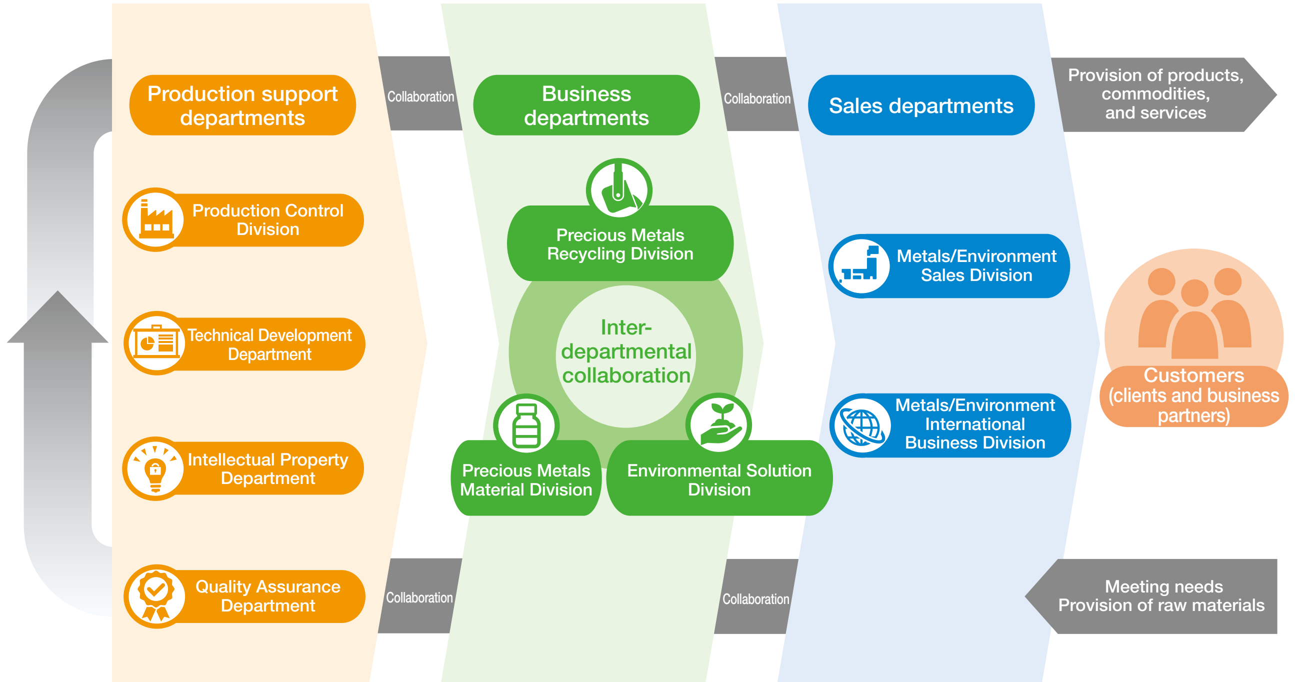
Leveraging our long-cultivated expertise and knowhow to propose optimal solutions for increasingly diverse and complex waste management needs

The Matsuda Sangyo Group's environmental related business started with the recovery of silver from photosensitive materials that were no longer needed, and has since developed into a recovery and recycling business for waste materials to meet the needs of the changing times.

To facilitate the provision of waste treatment services, we have built a collection and transportation network with permits that cover the whole of Japan and provide a one-stop system in cooperation with treatment facilities and external recycling businesses. To ensure safe and reliable implementation of recovery operations, we have put in place leakage prevention measures alongside comprehensive safety education for our drivers. In addition to in-house training, we also conduct regular training and seminars in cooperation with external organizations to enhance the safety awareness of our employees.

To support the treatment of increasingly diverse waste matter, we have also taken up the recycling of large lithium-ion batteries, whose disposal volumes are expected to grow. Matsuda Sangyo's strength lies in our superior response capabilities, allowing us to offer a wide range of options. This is achieved by proposing the optimal recycling method corresponding to the customer's waste generation location, packaging, and treatment needs, treatment at our in-house factories, and the utilization of a network of partner treatment companies with whom we have nurtured partnerships over our long history in the business.

Going forward, in addition to ensuring proper waste treatment, we will also strengthen sustainability-conscious initiatives with the aim of achieving a framework for resource circulation.



Overall capability of the Precious Metals Business Segment and sustainable value creation that underpin inter-departmental collaboration

The Precious Metals Business Segment provides diverse solutions to industries with an eye to technological advancements and the future of the global environment. Building on our long-cultivated precious metal smelting and refining technologies, we operate a loop business that undertakes the integrated management of processes from raw material procurement to environmental management, providing total support for resource circulation. Through this, we contribute to the effective utilization of resources and the realization of a circular society. This approach contributes to the sustainable use of limited earth resources and to reducing environmental burden.

Collaboration between the sales, business, and production support departments is vital toward maximizing our overall resource recycling capabilities. We make the greatest use of our strengths of integration capabilities and coordination skills, and pool the knowledge and technologies that each department possesses, in order to bring about inter-departmental collaboration, thereby enhancing our overall resource recycling capabilities.

For example, the Metals/Environment Sales Division and the Metal/Environment International Business Division accurately identify customer needs and communicate them to the Precious Metals Recycling Division and the Environmental Solution Division. This enables the production departments within each business segment to develop and propose the optimal recycling methods and industrial waste treatment solutions. To ensure that our proposals are best suited to customer needs, representatives from the Precious Metals Material Division accompany sales staff on customer visits as necessary and strive to understand the customer's requirements. By proposing optimal solutions through collaboration between the sales departments and the business departments responsible for production processes, we successfully improve customer satisfaction and create new value.

Furthermore, each department works to strengthen its respective functions and development capabilities to accurately deliver high-quality products, commodities, and services. We roll out customer proposals by fully leveraging arterial processes such as material procurement, development, and production activities, along with venous processes including waste treatment, product destruction, and the disposal of used products. One of our greatest strengths lies in our stance of taking the customer's perspective and working with them to address issues.

In response to growing societal demand for the effective use of mineral resources and the preservation of the Earth's environment, we will work as one to advance our initiatives, driven by a passion to protect resources and the creativity to utilize them. To realize a sustainable society, we will further strengthen inter-departmental collaboration with the aim of continuously providing high environmental value to our customers and society.

Precious Metals Business Segment Services site https://service.matsuda-sangyo.co.jp

Sources of Corporate Value (Precious Metals Business Segment)

Ryuichi Yamazaki
Director and Managing Executive Officer
General Manager of the Metals/Environment Sales Division

Hidehito Imai
Director and Executive Officer, General Manager of the Production Control Division, and in charge of the Quality Assurance Dept.

Yuichiro Shindo
Senior Executive Officer, General Manager of Precious Metals Material Division, General Manager of Intellectual Property Dept., and in charge of Technical Development Dept.

Yasuyori Nishide
Executive Officer, General Manager of Metals/Environmental International Business Division, and General Manager of the International Sales and Marketing Dept.

Yuji Masui
Executive Officer
General Manager of the Precious Metals Recycling Division

Kazuo Ikeda
Executive Officer
General Manager of the Environmental Solution Division

Interview

Q. Areas of focus and challenges in fostering collaboration between the sales, business, and production departments

Yamazaki The Metals/Environment Sales Division is constantly in pursuit of a stronger support system for customers. The sales departments act as a binder that links the specialized knowledge held by each business department, responding to the evolving market by swiftly gathering the most pertinent information and providing it to customers. At the same time, we recognize that effective collaboration is critical toward maximizing the wide-ranging individual functions that are the strength of our Company. We believe that building positive relationships with each business department and maximizing their potential capabilities is key to further enhancing the value we provide to our customers and society. The sales departments always prioritize swift response and the identification of customer and market needs, and by sharing the insights gained with the relevant departments, bring about improvements in products, commodities, and services as well as the creation of new value. As we move forward, we aim to realize sustainable growth by strengthening company-wide collaboration, so as to maximize the value we deliver to customers and society.

Imai The Production Control Division comprehensively promotes resource circulation with the aim of realizing sustainable and highly productive factories. To that end, we identify the characteristics of recycling and manufacturing processes to clarify the issues that should be addressed as a priority. Sharing objectives across departments is particularly essential for enhancing productivity. We are now actively exchanging opinions not only with the production departments but also with the sales, technical, and administrative departments. We believe that productivity can be maximized by carefully interpreting the diverse requirements from stakeholders and ensuring that all departments move forward by sharing a common goal. Furthermore, simply advancing automation and greater use of IT is insufficient for improving productivity. Rather, it is important to have the ability to accurately understand the array of information held by each department and leverage it for management decisions. Therefore, we are also advancing the development of an information utilization platform to efficiently gather information from each department that the management can utilize, as well as nurturing talents capable of taking action based on information analysis.

Shindo The Precious Metals Material Division develops products that anticipate customer needs. While the division has primarily been engaged in its work independently, collaboration with the sales, business, and production support departments is now crucial. Accurately understanding new customer needs and market trends, and reflecting this information in product development and service offerings, requires close cooperation with the sales departments. The Precious Metals Material Division plans to actively expand into the untapped European and American markets in the future, with the aim of achieving global business growth centered on the U.S. and including India and China. Building recycling systems in each country and achieving local resource circulation are pressing challenges that we face. There is a limit to what we can achieve in these areas if the Precious Metals Material Division were to work independently. Therefore, it is necessary for the entire company, including the Metals/Environment International Business Division, to work as one in advancing these efforts. Going forward, we have also positioned partnership with other companies and M&A as important strategies, and which manufacturers we collaborate with will be a major key factor influencing the Company's future growth.

Nishide The Metals/Environment International Business Division is collaborating with the relevant offices to support and capture the new customer base shifting from China to ASEAN under the "China Plus One" strategy, and will work to establish a more functional framework. To address growing resource circulation needs and intensifying competition for recycled raw material procurement in the recycling and environmental businesses, we are strengthening collaboration with the respective business, production, and administrative departments to boost our competitive advantage. This requires the ongoing provision of value worthy of customer recognition while improving our reputation among markets and governments. In building resource circulation schemes, we will roll out successful models in Japan laterally and explore alliances with other companies to develop systems tailored to local characteristics. With regard to the expansion of overseas production bases, we will collaborate with the production departments to ensure alignment with the Company's overall production strategy and grand design as we review production systems that can help to strengthen our competitiveness. In the area of new market development, we will also explore base expansion by building effective promotion systems linked to the business strategy of the Precious Metals Material Division.

Masui The Precious Metals Recycling Division proposes diverse solutions for conserving precious metal resources. It works with the production departments on production management, enhancement of safety functions, and equipment maintenance, and collaborates with the Environmental Solution Division and Precious Metals Material Division to treat waste from smelting processes and utilize precious metal bullion. The Environmental Solution Division is responsible for waste treatment and improving processing quality, while the Precious Metals Material Division processes materials into products and commodities for the electronics and semiconductor industries. We also collaborate with the administrative departments throughout each process to promote the circular economy as an urban mining-style company engaged in refining precious metals. Our recycling business started in the 1970s with waste recycling for the electronics and semiconductor industries, and we have since diversified our business domains to focus on handling five elements today, namely gold, silver, platinum, palladium, and rhodium. For non-ferrous metals, we work together with the Environmental Solution Division and also develop alliance businesses with mining companies and non-ferrous recycling manufacturers. In this way, we strengthen internal collaboration to develop a business model based on resource circulation.

Ikeda The Environmental Solution Division, as professionals who safely and reliably collect, treat, and recycle a wide variety of waste, supports the sales departments. Through its extensive operations that include proper waste treatment, promoting the circular economy, and providing one-stop services via Matsuda Sangyo's nationwide logistics network, it is deepening its business expertise and building a framework to enable strong support for sales activities. We complement areas of expertise that the sales departments are unable to cover fully, working closely with them to provide support. Particularly in the product areas, we provide in-depth specialized knowledge, responding flexibly and accurately to diverse needs. To realize a decarbonized society and deepen resource circulation, we drive solutions through personnel exchanges with the sales, technical, and development departments, as well as joint research with partner companies and universities. In the future, by introducing innovative technologies, expanding our resource circulation business, and building partnership, we will continue advancing initiatives for the effective use of limited earth resources and the realization of a sustainable society.

Sources of Corporate Value (Overview of the Food Business Segment)

Overview of the Food Business Segment

The Food Business Segment procures food materials from an extensive worldwide network and supplies them to processed food manufacturers as well as food service and ready-made meal sectors. Matsuda Sangyo proposed utilizing and supplying then unused egg whites from the mayonnaise factory near to its founding site as a binder for surimi fish paste products. From there, we launched the wholesale business for food materials. Based on the spirit of "mottainai" that has been deeply rooted since our founding days, we are engaged in the effective utilization of a wide range of food resources such as low-grade products.

Against the backdrop of growing food demand in emerging economies, rising food prices worldwide, and a shortage of food resources during disasters, Matsuda Sangyo supports better dietary lifestyles for people through our business, based on our mission of ensuring stable supplies of safe and reliable food materials. The Quality Assurance Dept., which has acquired ISO 9001 certification, plays a central role in establishing a proprietary quality control system in Matsuda Sangyo. Through this system, we conduct quality control with the aim of providing safe and reliable food materials. In recent years, we have begun handling high quality and sustainable European beef, ahead of the rest of the industry, and we can expect it to be utilized in the food processing industry in the future.

Going forward, we will continue to pursue quality, speed, and price without being constrained by fixed ideas, and explore a wide range of sources for food materials.

Product lineup

Seafood products

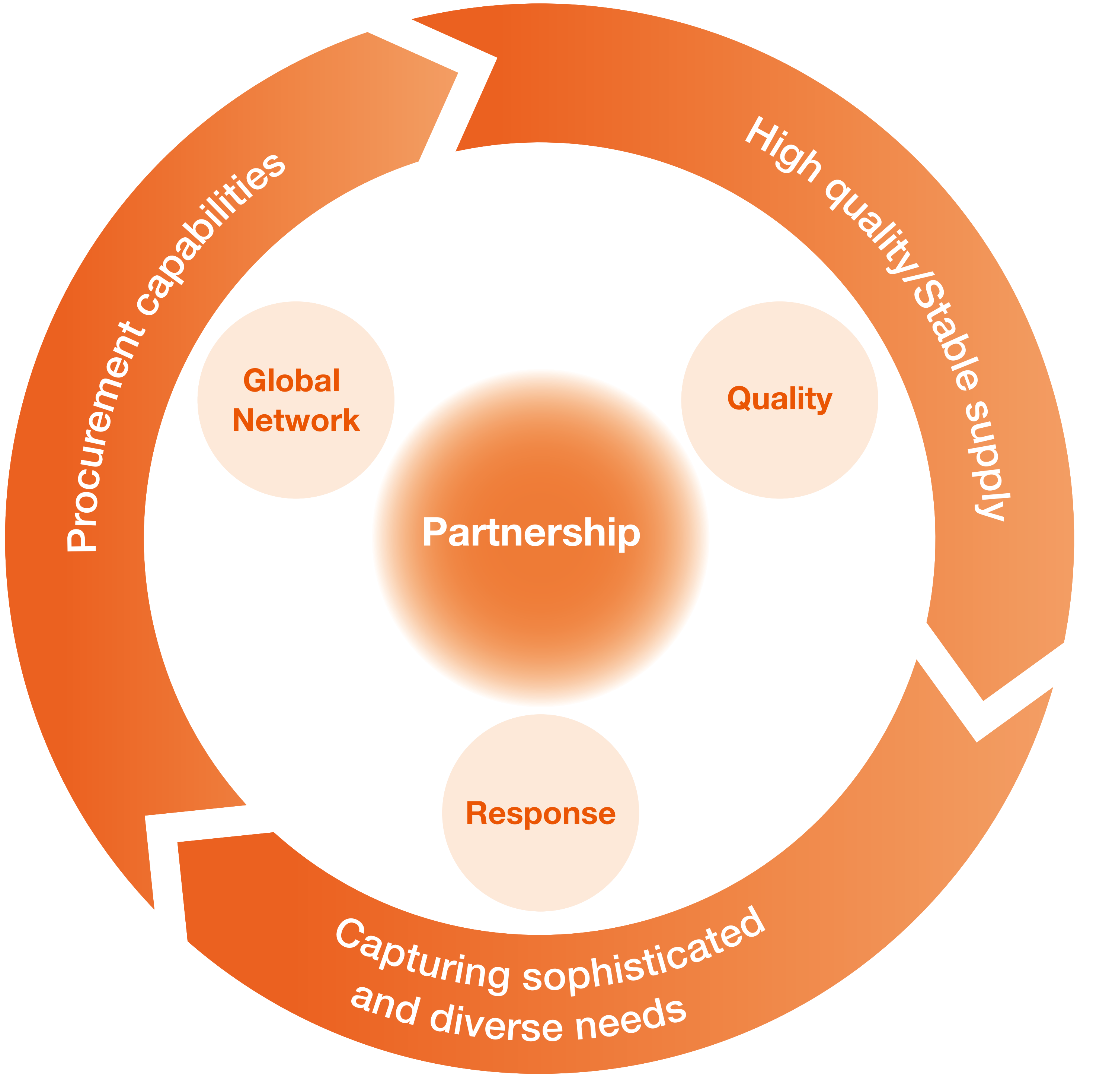
We propose a wide range of seafood products from around the world, including our "surimi (fish paste)" with its industry-leading track record.


Livestock products

We strive to ensure stable suppliers of livestock meat and processed products including chicken eggs, which is the starting point of our Food Business Segment.


Agricultural products

We procure vegetables and fruit from carefully selected production sites around the world.

Customers

Fish paste product manufacturers

Ham/sausage manufacturers

Frozen food manufacturers

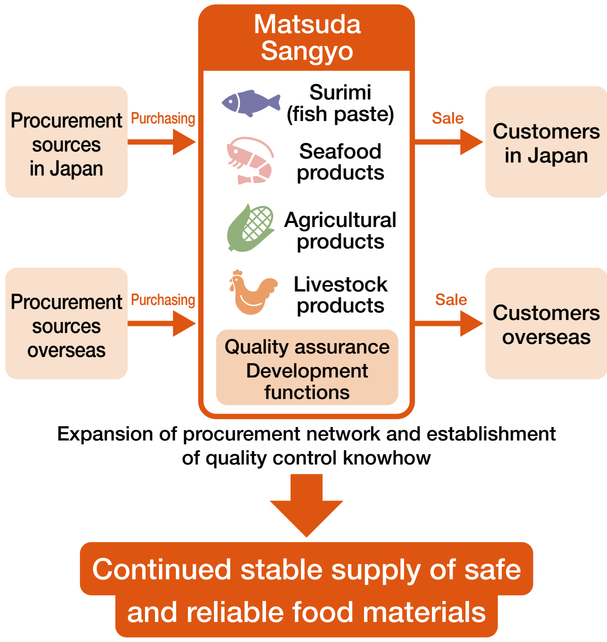
Confectionery/bread manufacturers

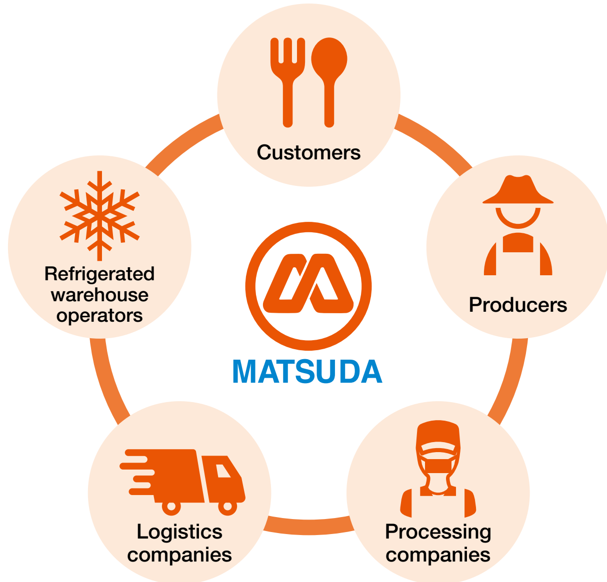
Food service/ready-made meal sectors

Sources of Corporate Value (Food Business Segment)

Kenji Isawa
Director and Senior Executive Officer
General Manager of Foods Division and General Manager of Business Planning and Promotion Dept.

Hiroyuki Kawamura
Executive Officer
General Manager of Agricultural Products Dept., Foods Division





Interview

Q. Future vision of Matsuda Sangyo's Foods Division

Kawamura Matsuda Sangyo aims to continue staying close to our customers while providing its support for a new food culture. The goal of the Foods Division is to contribute to a new food culture for customers through the provision of food materials.

Isawa In a business environment that is undergoing dramatic changes, particularly with the advent of generative AI, it is becoming increasingly difficult to predict the future. Nevertheless, among the necessities of life such as shelter, food, and clothing, "food" remains unchanged. Within this food sector, we seek to identify global food trends and determine what is required, and even go as far as to shape a food culture that is tailored to such needs. To that end, we aim to establish our presence as a company that contributes toward the continuous supply of food worldwide, and by constantly keeping close attention to the upstream to downstream processes of food production while forming alliances with various companies, become a corporation needed by the global food sector.

Q. Areas of particular focus with regard to collaboration across the entire Foods Division

Kawamura Regarding collaboration across the entire Foods Division, we are engaged in various activities that leverage regional characteristics. Meetings are held in Japan for the heads of the respective bases, while global meetings are held at overseas bases, utilizing regional characteristics in Japan and the unique characteristics of each country overseas. Global meetings are attended by a total of 31 people from the Head Office and the respective bases. As trade practices differ by country, we place great importance on the views of our national staff. Through our Indonesia base, which began full-scale operations in 2024, we have reaped significant benefits by gaining insights into aspects that we could not see previously, such as national character and trade practices.

Isawa In a broad sense, I think it is important to share information. I want our national staff to understand that Matsuda Sangyo is a global company, feel that we have reliable partners worldwide, and develop a sense of attachment to the company. I also place great importance on sharing their insights. This is the fifth global meeting we have held, and each line manager delivered presentations about their own sections. There are many opportunities for the heads of bases and sales offices of the Foods Division to come together, and meetings for the heads of bases are held every quarter, fostering a culture that values face-to-face communication. These meetings focus on regional strategy, product strategy, and industry strategy, so they also serve an important function as a training ground for young employees. Having everyone consider matters from the same perspective enhances their understanding of their own work and heightens their sense of urgency. Above all, I believe it nurtures a sense of responsibility within their respective roles, creating an environment where work can be accomplished smoothly and swiftly.

Q. The sustainability value that the Foods Division provides to society

Kawamura As Matsuda Sangyo is not a manufacturer, we fundamentally do not generate any food loss. However, we continue to implement measures to reduce inventory disposal. Many products handled by the Foods Division were originally developed for the purpose of effectively utilizing food materials. Frozen and canned vegetables contribute to sustainability from the viewpoint that large quantities of fresh produce harvested during peak seasons can be preserved and supplied without going to waste. We reduce waste through planned production and stable procurement and supply, while also accepting mass-produced items from suppliers, thereby achieving stable supply while avoiding the risk of insufficient procurement volumes. The spirit of "mottainai" has been deeply ingrained over the past 30 years, and even my supervisor from back then had taught me during overseas processing plant tours to "look inside the residue containers." This is because portions not used on the site at that point could become the basis for the next product. In this way, the mindset of reducing waste has become widely established in our company from a long time ago.

On the other hand, we recognize that risks related to human rights, such as forced labor and child labor, are inextricably linked to issues within the global food industry. To uphold human rights, Matsuda Sangyo responds sincerely to CSR questionnaires from our customers and fulfill our social responsibilities by providing guidance to our suppliers.

Isawa We do not simply handle raw materials, but rather, focus on sourcing raw materials that can guarantee the highest levels of safety and reliability. We are also committed to adding value by processing these raw materials in some way. Historically, in the early 1990s, we developed high-grade frozen clams with close to zero sand content; this product was previously deemed unusable as a processing ingredient due to sand ingestion issues. For green beans, used only for their central sections, we also began selling the discarded ends as an ingredient for fish paste products. We also process chicken gizzards and other food materials that were difficult to add value to through processing, into a grade that is easy for customers to use. We now process and supply customers with chicken liver and other parts that are challenging to process. At the core of our business lies the perspective of utilizing surplus materials, which embodies Matsuda Sangyo's founding spirit. This spirit of "mottainai" is also deeply ingrained in our employees. Therefore, regarding sustainability, we believe that the continuity of our sustainable business, while exploring how we engage with suppliers and producers as a trading company, is precisely what contributes to sustainability.

As for the trend toward respecting human rights, it is more important than ever to engage in sincere dialogue with suppliers against the backdrop of the differing circumstances between developed and developing countries. Going forward, we will remain mindful of contributing to sustainability, with the aim of advancing business activities that bring joy to everyone as we develop a win-win-win relationship among suppliers, customers, and our Company.

Sources of Corporate Value (Food Business Segment)

Marine Products I Dept.

Kazuhiro Kawabata
Foods Division
General Manager of Marine Products I Dept.

Surimi (fish paste)—a product that boasts industry-leading sales performance and stable supply

Matsuda Sangyo's fish paste business took its first steps with a focus on "sukeso surimi" fish paste, which was developed as a raw material in 1961, and introducing it as a new ingredient to the seafood paste product industry, which had previously relied on egg whites supplied to our clients. By accurately conveying end-user feedback to manufacturers, we have contributed significantly to improving the quality of surimi fish paste products and built up a proven track record of supporting the overall growth of the seafood paste products industry.

Today, we offer an extensive variety of surimi fish paste products made from a wide range of fish species, including Alaska pollock, southern blue whiting, blue grenadier, golden threadfin bream, croaker, and beltfish. The volume of surimi fish paste that Matsuda Sangyo supplies on the basis of our long years of experience and proven track record, reaches tens of thousands of tons, and our market share ranks among the top in the industry.

in the future, we will continue to respond fully to our customers' diverse needs as we strive to maintain quality and further strengthen our system to ensure stable supplies.

The joys and rewards of your daily work

The knowledge and values gained through our engagement with diverse individuals both in Japan and overseas, from producers to customers, inspire me greatly every day. Matsuda Sangyo handles 68,000 tons of surimi fish paste annually and boasts the top market share in Japan. The "Matsuda Sangyo" brand is what gives me the opportunity to engage in dialogue with the top executives of companies I would not normally meet, allowing me to enrich and deepen my personal character. Above all, I take joy in seeing the surimi fish paste I had sourced transformed into products such as chikuwa and kamaboko (fish paste boiled and made into different styles of fish cake), appearing on dining tables, and hearing customers say that they are delicious. Our employees take immense pride in the fact that we hold the top domestic market share. This is a job that gives us the chance to say proudly, "This kamaboko was made with surimi fish paste sourced by your father." We approach our daily work while carrying that pride in our hearts.

Efforts (products, regions, etc.) that the department is currently focusing on based on industry trends, and future goals

Amid changes in Japan's domestic fisheries industry, we are actively expanding our business overseas. While it is a common practice overseas for producers and customers to trade directly with one another, Matsuda Sangyo fulfills a unique function in that we are also responsible for quality assurance. We are not mere intermediaries; rather, we take responsibility for quality control and constantly strive to achieve transactions that are optimal to both suppliers and buyers. This unique added value is beginning to gain recognition even in overseas markets where prices had previously been the priority, leading to a steady rise in the global reputation of the "MATSUDA" brand. As a result, we have achieved solid performance, including the sale of 17,000 tons of surimi fish paste overseas in 2025. Armed with this new business model, we will further strengthen our presence in the global market.

Contributions to sustainability through business activities

Our fundamental stance is the realization of *sanpo-yoshi*, meaning a "triple win" that benefits all three parties—producers, customers, and society. We believe that coexistence and mutual prosperity throughout the entire supply chain is what truly constitutes a sustainable business format. An initiative that embodies this philosophy is the effective utilization of byproducts. Fish oil and fish meal, generated in the surimi fish paste manufacturing process, are parts that cannot be used to make surimi fish paste to begin with. These are transformed into high-quality feed used in aquaculture. This approach aligns with the original purpose of surimi fish paste development, which is to effectively utilize surplus fish produce. Looking further into the future, we are also considering using this fish oil in Sustainable Aviation Fuel (SAF). We will continue to tackle this visionary challenge of launching airplanes with oil sourced from fish.

Going forward, we aim to implement initiatives that are characteristically in keeping with our corporate philosophy: "Making effective use of the limited earth resources and contributing to society through business."

Risks in the external environment, such as rising prices and climate change

There is growing uncertainty in the external environment due to factors such as changes in fishing grounds caused by climate change, geopolitical risks, and inflation. To address this, we are constantly advancing efforts to diversify production sites and explore new supply sources. Currently, we are collaborating with a Vietnamese university on research and development to stably produce high-quality surimi fish paste from freshwater farmed fish. Our aim is to produce unsurpassed quality that other companies cannot replicate, and the realization of this goal could be a game-changer for the industry. Furthermore, as a leading company in this industry, we recognize that our social responsibility as a corporation that deals in food is not merely to pursue profit. Therefore, we do not engage in speculative trading to achieve short-term gains that could destabilize the market. Ensuring stable market supply is also a crucial mission for our Company.

Human resource development within the department

I believe that individual growth leads to corporate growth. My approach to human resource development is, of course, to address and improve areas of weakness, but more importantly, to dramatically enhance strengths. Rather than striving to eliminate the negatives, nurturing and significantly improving the positives greatly increases the contribution to the organization.

To that end, we ask supervisors to first identify their subordinates' strengths, affirm them, and further develop them. This is consistent with our company-wide culture of enhancing positive qualities. Above all, this approach is something that I have learned personally from my own supervisors and seniors, and I have been putting it into practice. This is precisely why it is an important value that I wish to firmly pass on to the next generation.

Sources of Corporate Value (Food Business Segment)

Marine Products II Dept., Business Planning and Promotion Dept.

Yutaro Shikano
Foods Division
General Manager of Marine Products II Dept. and Business Planning and Promotion Dept.

Leveraging Matsuda Sangyo's domestic and overseas network to propose a wide range of seafood products globally

We procure a wide variety of seafood, including shrimp, squid, octopus, shellfish, and frozen fish, from various production sites around the world including Asia. To meet our customers' wide-ranging demands, we have established multiple processing facilities both within and outside Japan and developed an integrated system that covers processes from sourcing raw materials at their production sites, through processing, to final delivery. Building this structure enables us to deliver a stable supply of seafood products in the forms and specifications our customers require, while maintaining quality and freshness. By making the greatest use of our global network centered in Asia, we offer an extensive product lineup that includes shrimp, squid, octopus, shellfish, and frozen fish. Through these efforts, we will continue to fulfill our role as a trusted partner and to reliably meet our customers' expectations.

The joys and rewards of your daily work

Improving the performance of the department is certainly important, but I find it more rewarding to witness the growth of each individual employee. In particular, seeing young employees develop brings me the greatest joy. As a manager, I feel immensely happy to be able to watch over them and observe for myself how they acquire new knowledge and skills through their daily work and grow steadily. I am also greatly motivated by the firsthand experience of the Company's growing presence within the industry, alongside the changing appraisal by those around us. The increase in sales is proof that our value is recognized in the market, and it serves as a driving force pushing us to aim for even greater heights. Another aspect that makes this job rewarding is getting the opportunity to experience how the accumulation of our daily efforts contributes to the company's overall growth.

Efforts (products, regions, etc.) that the department is currently focusing on based on industry trends, and future goals

The fisheries industry is currently undergoing a period of significant transformation. While the widespread focus on SDGs has placed the spotlight on aquaculture, Japan faces challenges such as labor shortages and a decline in fish-eating culture. Under these circumstances, we are beginning to put effort into improving processing and expanding our sales domains. Taking a step beyond raw material sales, we are strengthening collaboration with domestic and international partners to provide processed products that are more accessible to consumers. In the future, our goal is to establish a unique position as a "fabless manufacturer" that does not have its own factories, leveraging our strengths as a trading company in the areas of quality control and raw material procurement to develop distinctive products that are unique to Matsuda Sangyo. While our Precious Metals Business Segment, which applies a high unit price, generates significant profits, as a cross-industrial company, we seek to further increase the profit ratio of our Food Business Segment. By accurately capturing and understanding market changes and responding flexibly and swiftly, we strive to achieve sustainable growth.

Contributions to sustainability through business activities

Our business is inherently and deeply connected to sustainability. In particular, we have until now been working on finding new value in underutilized resources that have not been fully leveraged, and enhancing their added value. For example, we make effective use of meat cuts and trimmings generated during processing, and which do not meet specifications, as ingredients for products such as flakes. We also develop "unused fish," previously regarded as a low-value product, into new, high-value-added products. These initiatives not only contribute to addressing the social issue of food loss but also hold potential for significant business growth. I think that the ideal vision of sustainability that we are aiming for lies in utilizing limited resources without waste and maximizing their value.

Risks in the external environment, such as rising prices and climate change

In the seafood market, which is highly susceptible to market fluctuations, risk management is vital to our survival. Matsuda Sangyo's Food Business Segment has thoroughly pursued solid growth based on building up profits steadily without speculating on market prices. At the core of this approach lies the concept of "absolute price," which is the price range that the market will accept. We place the greatest priority on not misjudging this price, and rigorously eliminate risks under the principle of never speculating on market prices. Furthermore, we are confident that clearly defining the markets we should compete in and developing strategies with a long-term perspective that looks five to ten years ahead, is the way toward building a robust business foundation that remains unshaken by any changes in our business environment. Going forward, we will continue to aim for stable business operations while adapting flexibly to changes in the external environment.

Human resource development within the department

Employee growth is a key driving force behind organizational growth. We carry out human resource development with intent, in a way that is tailored to the age and career stages of individual employees. For young employees, we offer opportunities to experience interacting with diverse customers, with a view to fostering practical skills within a system that sets high expectations alongside strong support. For employees around 30 years of age, we emphasize candid dialogue that communicates the gap between self-assessment and third-party evaluation, thereby encouraging objective analysis. By evaluating work attitudes fairly, regardless of generation or age, and maximizing the potential of each individual, we aim to build a resilient organization that can thrive in this era of rapid change. We strive to foster an environment where every person can experience their personal growth in a tangible manner, with the goal of enhancing the overall capabilities of the organization.

Sources of Corporate Value (Food Business Segment)

Livestock and Meat Dept.

Atsushi Minagawa
Foods Division
General Manager of Livestock and Meat Dept.

Working to strengthen collaboration with suppliers and expand the handling of unique products

In addition to general processed products such as beef, pork, and chicken, we also put effort into proposing specifications that are optimal for the products that are manufactured by our customers. By maximizing the use of our extensive global raw material procurement network and diverse processing routes, we support customers through an integrated system that encompasses processes from raw material and factory selection, to determining specifications and various processing methods. This allows us to supply food materials in a stable manner while meeting customers' requirements. We are also working to boost our trade in soy protein, which has been drawing greater attention in recent years due to future food challenges and rising health consciousness. We offer a wide range of soy protein products suitable for diverse applications, including soy protein in isolated and concentrated forms, as well as granular, powdered, textured, and puffed forms. As we move forward, we will continue to respond flexibly to the diversifying needs of customers, strive to propose optimal food materials, and maintain a stable supply system.

The joys and rewards of your daily work

Our department works with trading partners spread across North, Central, and South America, Europe, Oceania, and Asia. We take great joy in being able to identify and supply products that are aligned with customer needs. These are so-called "win-win-win" situations. The global beef, chicken, and pork market is said to have a scale of around 300 million tons, against which demand in Japan stands only at about 5.5 million tons. As this is a business with market prices that fluctuate constantly based on global supply and demand balance, it is difficult to produce results in a stable manner. However, when meticulous market analysis yields positive results, I feel a tremendous sense of accomplishment.

There are also other moments of great joy that embody the true essence of our work; for example, when the Head Office and sales offices work closely as a team and undertake efforts toward a single goal to build a supply chain that customers are highly satisfied with, or when we successfully create strong commercial rights that are resilient to external factors and differentiated from competitors.

Efforts (products, regions, etc.) that the department is currently focusing on based on industry trends, and future goals

The global meat market is currently undergoing a period of significant transition. In the chicken market, to address risks from livestock infectious diseases such as avian influenza, we have been advancing efforts from before to establish a supply system that does not rely solely on raw meat from Brazil, but also imports processed products from Thailand and China. Meanwhile, in the beef and pork markets, we are focusing on South American production sites and Brazil in particular, for new business opportunities. Brazil has price competitiveness and has been approved as a non-vaccinated region for foot-and-mouth disease. Therefore, if progress is made in bilateral negotiations, there would be potential to increase handling volumes further. With that in mind, we are actively exploring suppliers. Our future goal is to generate profits steadily in our business and secure investment funds for the future. To that end, we are now advancing a fundamental transformation toward cash flow-focused business operations as a new project.

Contributions to sustainability through business activities

Matsuda Sangyo's corporate philosophy of "making effective use of resources" translates into a commitment to not wasting a single gram of meat in the Livestock and Meat Dept. We have established, as one of the core pillars of our business, the effective utilization of byproducts generated in local production regardless of the livestock species. In the environmental aspect, methane gas and other emissions generated in the beef production process are said to affect the level of greenhouse gases. In view that Europe has long been engaged in renewable energy initiatives, Matsuda Sangyo is strengthening the import and sale of European beef, which is aligned with the SDGs, with the aim of playing a pioneering role in this field and offering environmentally conscious choices to our customers. Furthermore, as a response to future food supply challenges, we have also been engaged in the soy protein business from before. Against the backdrop of a growing global population, we are confident that there will inevitably be an increase in demand for plant-based protein as a substitute product to address the predicted shortage of animal-based protein. Therefore, this is an important business that we intend to develop with a long-term perspective.

Risks in the external environment, such as rising prices and climate change

To address external risks such as the spread of livestock infectious diseases and trade friction, we are thoroughly implementing "country risk hedging" efforts to avoid a concentration of procurement sources in a single country. It is essential to maintain a system that enables procurement from multiple suppliers at all times. We must also adapt to changing customer values. While the traditional focus on QCD (Quality, Cost, Delivery) remains fundamental, we believe the source of competitiveness in the future will be dependent on how we can create and provide added values, such as convenience, sustainability, and health.

Human resource development within the department

People support all our businesses. Our department conducts rigorous professional training, with new employees undergoing a one-week program where they are given the opportunity to learn about processing chicken and the processes in a meat processing plant. This is not merely about gaining specialized knowledge; but rather, because we want them to personally feel, through the firsthand experience of handling livestock, the nobility and value of the life we receive in order to sustain human life. We believe this mindset forms the basis of our company philosophy, which is to ensure that there is absolutely no wastage, even down to the byproducts.

Based on a careful consideration of career paths that allow each individual to shine, we will develop human resources while fostering an organization that supports both the career aspirations of mastering professional expertise, and taking on new challenges in other departments.

Sources of Corporate Value (Food Business Segment)

Agricultural Products Dept.

Hiroyuki Kawamura
Executive Officer, Foods Division
General Manager of Agricultural Products Dept.

Returning to the roots of our founding, we procure eggs and various agricultural products from carefully selected production sites around the world

Since our founding, we have focused on handling egg whites and other egg products, delivering them reliably in diverse formats such as fresh, dried, and frozen products. In this way, we have built a system that enables us to flexibly accommodate the various applications and requests of our customers. Similarly for vegetables and fruits, we offer a wide range of varieties, specifications, and production sites, cooperating closely with partner factories worldwide as we strive daily to refine specifications and stabilize quality. Furthermore, in addition to providing basic ingredients such as sugars, we are expanding our handling of functional ingredients used in health foods and medical or nursing care foods, thereby offering multifaceted support for our customers' product development. Through these efforts, we attentively support the diverse needs of customers and continue to deliver high-quality products and services consistently. Moving forward, we will continue to adapt flexibly to changing markets and customer demands as we grow as a trusted partner.

Efforts (products, regions, etc.) that the division is currently focusing on based on industry trends, and future goals

The Agricultural Products Dept. is actively pursuing new ventures beyond traditional boundaries to respond to changing times and diversifying consumer needs. In particular, against the backdrop of growing health consciousness, we are focusing on efforts to break into previously unexplored areas such as functional ingredients and health foods, as well as processed egg products, and edamame beans in pods. Based on the belief that product development that is conscious of health and nutrition will become increasingly important, we are advancing the creation of products with thorough consideration for quality and safety, in order to meet consumer expectations. As part of our regional strategy, we are rolling out initiatives that leverage the unique regional characteristics and market differences of each domestic and overseas base. Within Japan, we have introduced an area system, under which the heads of bases from each region gather in meetings for the heads of bases to share regional consumer needs and market trends, enabling product development that capitalizes on their respective strengths. By offering product lineups tailored to the distinct food cultures and preferences of each region, we are establishing a framework that can satisfy even more customers. Going forward, our policy is to continue expanding the business with a global perspective. Our future goals include expanding market share in these new fields and markets, while achieving sustainable growth.

Contributions to sustainability through business activities

The whole company places great importance on reducing food loss and making effective use of resources based on the spirit of "mottainai." Many products handled by the Agricultural Products Dept. make effective use of non-standard or surplus items, such as potato flakes made from misshapen potatoes unsuitable for market sale, and green beans and edamame beans that cannot be distributed due to their appearance. These products contribute significantly to reducing food loss through the effective use of ingredients that would normally be discarded. Furthermore, by utilizing preservation technologies such as freezing and canning, we are able to utilize, without wastage, the large volumes of fresh produce generated during harvest season, enabling stable supply throughout the year. Our corporate philosophy of "making effective use of the limited earth resources" is deeply ingrained in our daily business activities, and we take the stance that reducing waste contributes to building a sustainable society. We also collaborate with suppliers and producers to build procurement and production systems that are conscious of sustainability. In the future, we will continue to fulfill our social responsibilities while striking a balance between sustainable growth and reducing environmental burden.

Risks in the external environment, such as rising prices and climate change

To adapt to external environmental changes such as rising prices and climate change, we place importance of developing new production sites and diversifying risks. We recognize climate change as an unavoidable risk and provide optimal proposals to our customers, taking into account both weather and geopolitical risks. For example, by procuring raw materials from multiple regions and countries rather than relying on a single production site, we minimize supply risks that stem from unseasonable weather, disasters, and changes in the international situation. To my knowledge, no customers to date have been spared from experiencing raw material procurement crises, and an increasing number of companies is actively taking steps to mitigate risks. Matsuda Sangyo, too, uses our market reach to the greatest extent possible to maintain a stable supply system.

Rather than perceiving climate change solely as a risk, we also capture it as a business opportunity and are actively advancing new proposals and developing new production sites. We are promoting initiatives that embrace change positively. These include procuring raw materials from new regions that have become suitable for cultivation due to climate change, and introducing production methods with lower environmental burden. Going forward, we will continue to adapt flexibly to changes in the external environment while aiming for sustainable business operations.

Human resource development within the department

Human resources are our greatest asset, and we have established a policy of developing them into fully capable professionals early in their careers through on-the-job training. We prioritize gaining experience on the site, and actively provide new hires with opportunities such as overseas business trips to foster growth through practical application. For instance, even employees who have just joined the company are given the chance to experience food material processing firsthand, allowing them to learn up-close about real-world operations and challenges, creating an environment where they can quickly develop into independent human resources.

Furthermore, we aim to realize the growth of the entire organization by having managers stay close to their subordinates and provide support. By carefully assessing each individual's abilities and aptitudes, they provide attentive guidance and follow-up, promoting the creation of a workplace where every employee can demonstrate their strengths to the fullest. As we move forward, we will continue to adapt flexibly to changes in society and the market while working toward sustainable business operations and human resource development.

Sources of Corporate Value (Food Business Segment)

International Business Development Dept.

Masato Kawano
Foods Division
General Manager of International Business Development Dept.

A safe, reliable, and stable supply chain built through global expansion

We harness our extensive procurement network both in Japan and abroad to carefully select high-quality ingredients that offer excellent cost performance to meet our customers' diverse needs, enabling us to achieve a stable supply system.

We are focusing on further strengthening our global network, as well as putting effort into expanding sales volume. One of the specific initiatives was the establishment of a local subsidiary in India in 2022. By increasing imports of potatoes produced in India, we seek to respond flexibly to unexpected situations such as shortages in the supply of North American potatoes, thereby contributing to ensuring the stability of supply.

In the East Asia region, by strengthening our procurement system for frozen vegetables such as broccoli and sweet potatoes, we have expanded our sales channels beyond the conventional processed food manufacturers to include the food service industry and mass retailers. This makes it possible for us to deliver our products to a broader customer base.

Our local subsidiary in Indonesia commenced full-scale operations in 2024. We will continue to work actively to secure sustainable raw materials and establish a more resilient supply chain.

The joys and rewards of your daily work

The excitement of working in the International Business Development Dept. lies in experiencing global markets first-hand. It is immensely rewarding to collaborate with local staff and partner companies, who have different values and cultures, toward a shared goal, to bring about the realization of new possibilities. For example, we create cross-border businesses that include selling raw materials from Vietnam to Taiwan, or processing raw materials sourced from Europe and America in Vietnam to meet customer quality standards before selling them in Japan and Europe. I take great joy in interacting with people of diverse nationalities, deepening mutual understanding as we advance our work. This involves uncovering the untapped potential of both human resources and materials around the world, and drawing the connections between them.

Efforts (products, regions, etc.) that the division is currently focusing on based on industry trends, and future goals

Currently, European and American markets demand a high level of sustainability awareness, and understanding these standards is a prerequisite for conducting business. In light of this trend, we are now focusing on building sustainable procurement systems primarily in Asia. The goal is to establish a stable supply system that is not reliant on specific countries, in order to address geopolitical risks and supply chain challenges.

In the future, we aim to also establish bases in regions outside of Asia and strengthen our information network. Real-world local insights, which cannot be obtained solely through the phone or e-mails, often emerge from communication such as casual conversations. Therefore, it is vital to enhance the speed and quality of information gathering. By adopting a "glocal" perspective that encompasses global procurement along with local sales, we aim to build a structure capable of responding swiftly to global developments while collaborating with other departments.

Alongside the increase in purchase quantities, we also face the urgent task of improving operating cash flow going forward.

Contributions to sustainability through business activities

Our business is closely tied to sustainability. Especially in the European and American markets, it has become standard practice for customers to conduct stringent checks on working conditions and respect for human rights during factory audits. In the past, problems in the working environment in the shrimp industry of a certain country had sparked a consumer boycott that affected global market prices. Such human rights and environmental issues are now important trends that are directly linked to business continuity. When selecting suppliers, Matsuda Sangyo rigorously implements on-site visits to personally verify local conditions. In addition to acquiring environmental certifications such as the blue Eco-Label awarded by the Marine Stewardship Council (MSC) for the seafood sector, we collect and analyze local information, including the working environment, to carefully select reliable partners for the long term. We will continue pursuing sustainability throughout our entire supply chain through our business activities.

Risks in the external environment, such as rising prices and climate change

With an uncertain future outlook marked by climate change, geopolitical risks, and tariff issues, it is paramount to ensure the stability of the business. Our fundamental approach is to maintain multiple suppliers worldwide and diversify our procurement sources. By always having alternative options available regardless of the situation, we fulfill our responsibility for ensuring stable supply. The true essence of the International Business Development Dept. lies in creating a resilient company capable of adapting flexibly to any environmental changes, and I believe that is our strength.

Human resource development within the department

There are diverse values overseas beyond those of the Japanese people. Therefore, in human resources development, I believe the first step is to share the recognition that it is natural for people to be different, and to respect each other's countries, cultures, and individuals. Building on that, it is important to understand and set out the company's direction so as to produce results as one team. Product knowledge and sales skills can be taught, but it is not quite as easy to foster a sense of joy in work. Furthermore, attitudes toward employment vary by country; for example, changing jobs is commonly regarded as a means of career advancement overseas. Development is not about giving employees one-sided instruction. Rather, it is about building a mutually good relationship together while achieving results, and I think that we also need to make changes on the Japanese side.

Materiality Toward the Promotion of Sustainability Management

Approach to sustainability

Purpose

The purpose of the Matsuda Sangyo Group is to put into practice our corporate philosophy of "making effective use of the limited earth resources and contributing to society through business," and to continue being a company that customers and society always need. Triggered by our founder's realization of "mottainai" (wastefulness), our business began by giving value to things that were unused and things that customers had trouble disposing of. Through our business, we have fostered a corporate culture that cherishes gratitude and kindness, and we have continued to tackle new creative challenges and developed the business with the desire to be "even more needed by our customers."

Based on our strong wish "For Human Happiness and a Beautiful Earth," we believe that the creation of new value that is rooted in the effective use of the Earth's resources and which meets the needs of the times, contributes to the realization of a sustainable environment, society, and economy. To fulfill our purpose, we established the Basic Policy on Sustainability* in December 2022 and identified materiality (important issues) that should be addressed.

Steps in identifying materiality

In 2022 and 2025, the Matsuda Sangyo Group engaged in reviews in line with the following steps.

STEP 1
Extraction of issues
Extracted the issues with reference to international guidelines such as GRI*1 and ISO, and codes of conduct such as RBA*2.

STEP 2
Mapping of degree of importance
The expectations of stakeholders, such as customers, were organized, verified, and evaluated, based on questionnaires and other information, and the respective degrees of importance were mapped based on two axes*3.

STEP 3
Narrowing down of degree of importance
Narrowed down the issues with a high degree of importance along with the two axes used in the mapping process, and verified the validity of the recognition of the issues.

STEP 4
Identification of materiality
Discussed and reviewed at the management level based on the verification results, and identified materiality through the Sustainability Committee and Board of Directors.

STEP 5
Review of the mapping of important matters
Reviewed the mapping of the issue items based on new requests from stakeholders and the results of the Company's efforts through FY2024.

*1 Global Reporting Initiative (GRI): An international non-profit organization whose purpose is to formulate international standards related to sustainability as well as information disclosure frameworks.
*2 Responsible Business Alliance (RBA): The world's largest business federation whose purpose is to promote social responsibility in the global supply chain.
*3 "Important issues in society that need to be addressed" and "important issues to Matsuda Sangyo"

The Matsuda Sangyo Group's materiality

Environment	**Striking a balance between reducing environmental burden and business growth** (1) Energy consumption and greenhouse gas emissions (2) Emissions into the atmosphere (3) Hazardous substances (4) Solid waste (5) Pollution prevention and resource reduction (6) Water management (7) Biodiversity
Society	**Acceleration of growth through the activities of diverse human resources** (1) Right person for the right job (2) Diversity and innovation (3) Work-life balance
	Enhancement of customer satisfaction and securing the trust of society (1) Provision of accurate information on products and services (2) Securing product safety and reliability (3) Partnership with suppliers

The Matsuda Sangyo Group has positioned the following as our materiality: striking a balance between reducing environmental burden and business growth; acceleration of growth through the activities of diverse human resources; and enhancement of customer satisfaction and securing the trust of society.

Acceleration of growth through the activities of diverse human resources

Refer to "Strengthening Human Capital Management" (pages 42 – 45).

Striking a balance between reducing environmental burden and business growth

In the Precious Metals Business Segment, we will promote the reduction of energy consumption such as electricity and fuels, the reduction of greenhouse gases, as well as the reduction of hazardous substances, as our environmental targets under the ISO integrated management system. With regard to solid waste, we have been working on understanding the current situation and setting reduction targets since FY2024.

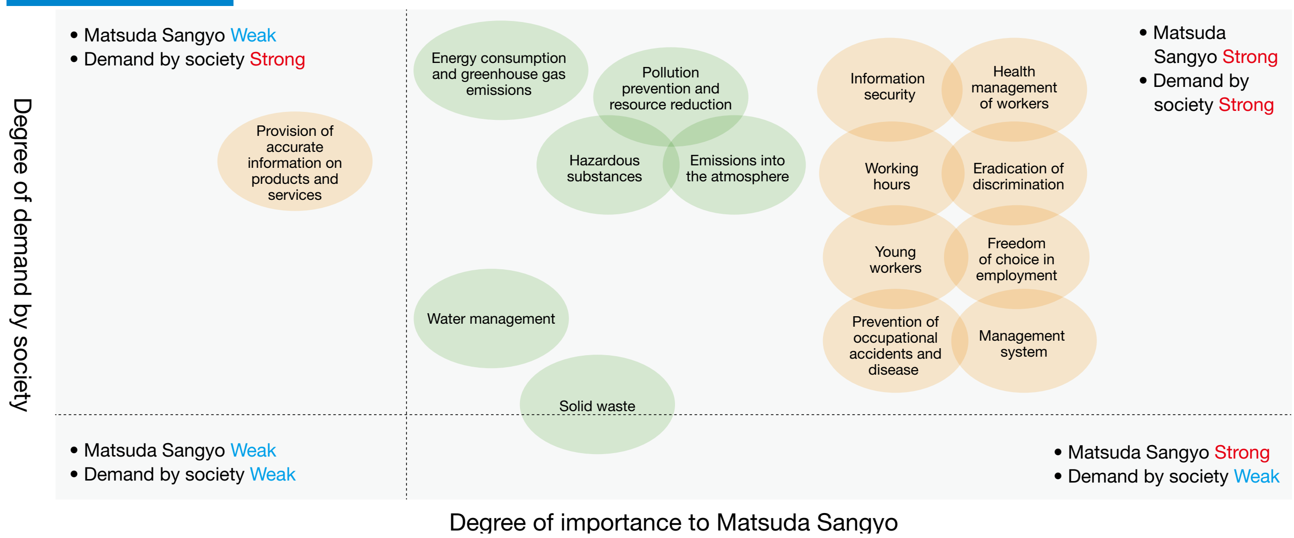
Enhancement of customer satisfaction and securing the trust of society

To provide accurate information on products and services, and to secure the safety and reliability of products, we are striving to improve quality by setting quality targets based on ISO standards. In the Precious Metals Business Segment, we are conducting customer satisfaction surveys to help improve quality.

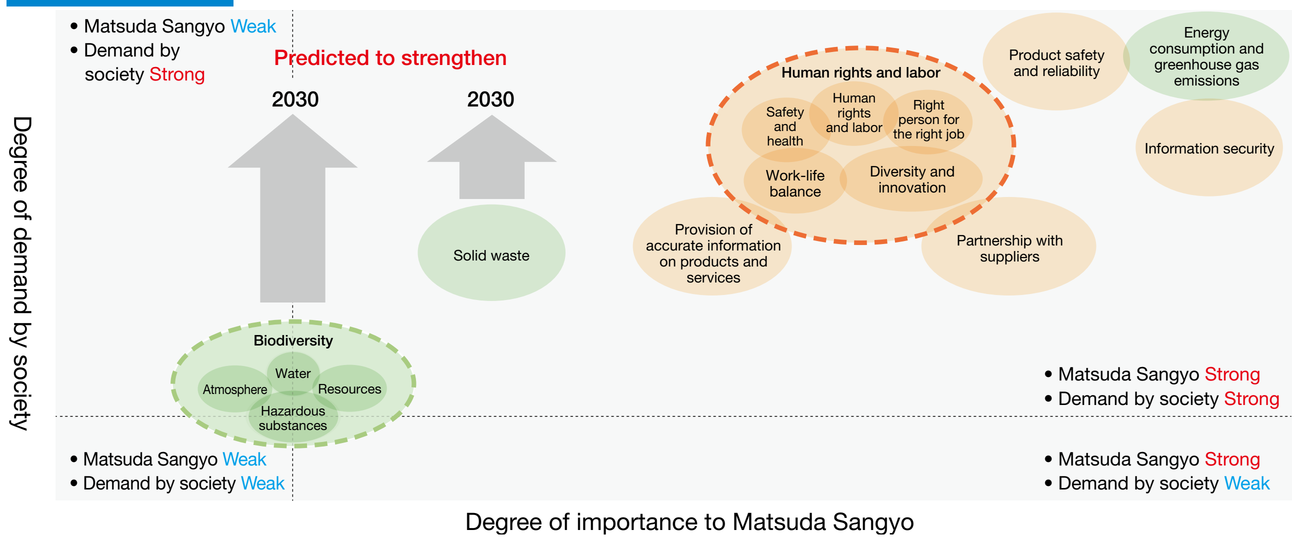
Updating of important matters

STEP 5 involves updating the mapping of important materiality matters.

FY2022 Mapping



FY2025 Mapping



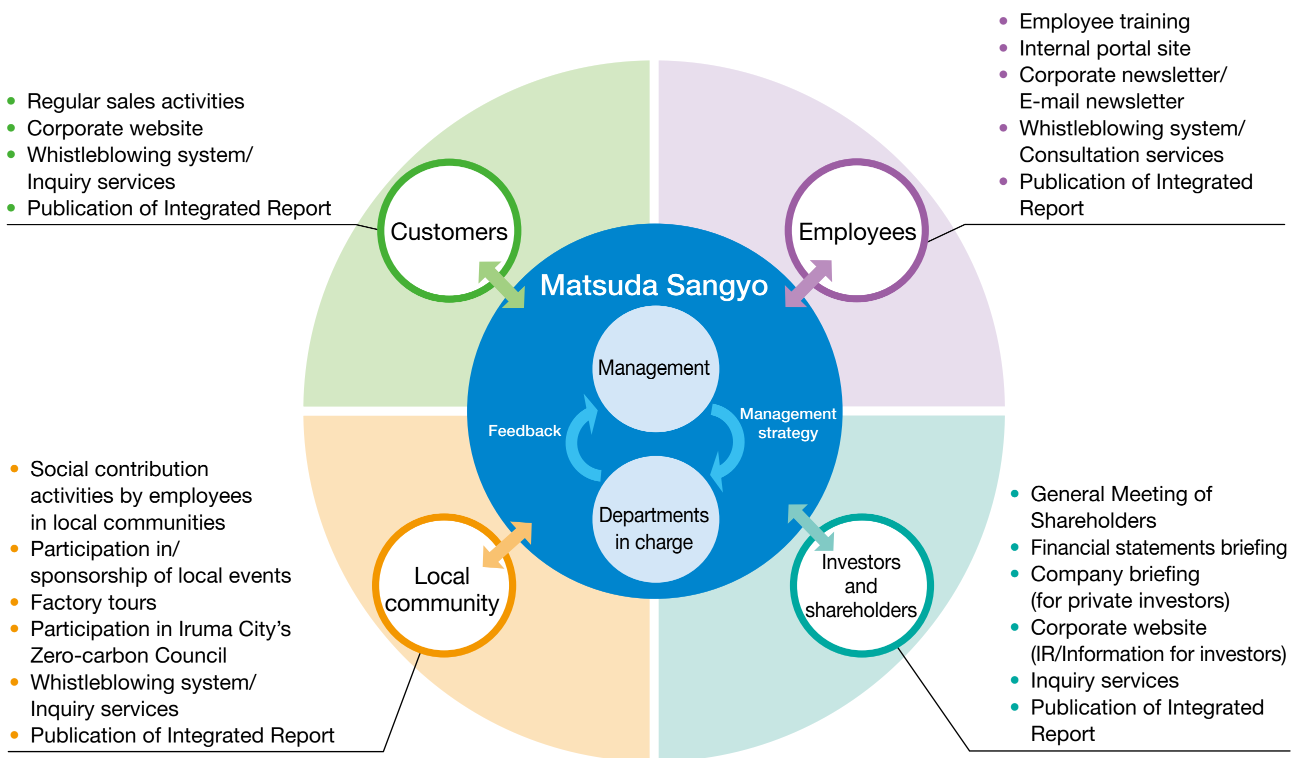
Status of Matsuda Sangyo's initiatives

- With regard to "energy consumption and greenhouse gas emissions," as we received an "A" rating in the 2024 CDP Climate Change Program in recognition of our performance in this area, our efforts are deemed to be at the leadership level.
- As for "provision of accurate information on products and services," we focused on strengthening quality control functions and will continue with these efforts going forward.
- Regarding "water, atmosphere, resources, and hazardous substances," we plan to address issues comprehensively within the context of biodiversity, as each of the elements have significant impact on biodiversity. Furthermore, while biodiversity efforts are currently limited to some companies and local governments, we anticipate greater call for such initiatives across the whole of society by 2030.
- As for "solid waste," we plan to prioritize the reduction of plastic waste in light of global trends toward reducing plastic consumption as well as the enforcement of the Plastic Resource Circulation Act in Japan. We also anticipate greater call for such initiatives across the whole of society by 2030.
- In areas such as human rights and labor, safety and health, and diversity and innovation, we are working to improve the working environment and put in place diverse work styles.
- With regard to "information security," we are establishing systems to address a wide range of incidents, among other initiatives.
- "Management system" has been excluded as systems have been established within each initiative.

Materiality Toward the Promotion of Sustainability Management

Communication with stakeholders

Stakeholders	Relationship with stakeholders	Communication methods	Departments in charge
Customers	Our founding spirit was that we must never forget that we are what we are because of our customers, and that we should cherish our customers above all and dare to fight bravely with fellowship. Based on this spirit, the Matsuda Sangyo Group strives to conduct its business activities while constantly keeping in mind that our corporate group exists only because of our customers.	• Regular sales activities • Corporate website • Whistleblowing system/Inquiry services • Publication of Integrated Report	Divisions in charge of sales Divisions in charge of each business CSR Dept.
Employees	The Matsuda Sangyo Group regards employees as the driving forces behind the creation of new value. For this reason, we have positioned "respect humankind" as an important principle of basic policy for management, and we undertake improvements to the organization and workplace environment, education, and capacity building based on the stance that "the capacity of humankind is limitless."	• Employee training • Internal portal site • Corporate newsletter/E-mail newsletter • Whistleblowing system/Consultation services • Publication of Integrated Report	Human Resources Dept. General Affairs Dept. Legal Dept. CSR Dept.
Investors and shareholders	To gain the understanding and support of all shareholders and investors, the Matsuda Sangyo Group engages in IR (investor relations) activities based on appropriate and timely disclosure of management information and two-way communication.	• General Meeting of Shareholders • Financial statements briefing • Company briefing (for private investors) • Corporate website (IR/Information for investors) • Inquiry services • Publication of Integrated Report	CSR Dept. IR Dept. General Affairs Dept.
Local community	We recognize that the Group's business is directly linked to the conservation of the Earth's environment and the building of a circular society, and that the business itself contributes to society. By promoting communication and cooperation with local communities, we are promoting businesses with social meaning and working to expand our social contribution. (Refer to pp.52–53)	• Social contribution activities by employees in local communities • Participation in/sponsorship of local events • Factory tours • Participation in Iruma City's Zero-carbon Council • Whistleblowing system/Inquiry services • Publication of Integrated Report	Divisions in charge of production General Affairs Dept.



Society: Human Rights and Labor

Basic approach

The Matsuda Sangyo Group recognizes the possibility that our business processes may have a direct or indirect impact on human rights. To ensure respect for the human rights of everyone involved in the business, we have established the Matsuda Sangyo Group Human Rights Policy and are promoting initiatives to advance respect for human rights.

Vision

Refer to "Strengthening Human Capital Management" (pages 42-45) for a detailed explanation.

Initiatives for the human rights and labor environment to support human capital management

Improvement of the internal environment

By fostering a workplace environment where diverse human resources can play an active role, we aim to support them in their growth while realizing the sustainable development of the company.

Developing and operating a compliance system for the RBA Code of Conduct

The Responsible Business Alliance (RBA) has established a set of standards to ensure that working environments are safe and business is conducted with respect for ethics, human rights, and the environment. The Matsuda Sangyo Group has developed and operates a system in compliance with these standards (RBA Code of Conduct).

Human resource principles

"A company is nothing without its people"

The source of human capital and a core concept since our founding

Enactment of the Matsuda Sangyo Group Supplier Guidelines

The Matsuda Industries Group Human Rights Policy clarifies our approach to respecting human rights toward the realization of a sustainable environment, society, and economy, as envisioned by our Sustainability Policy. As a guideline for these efforts, it serves as the foundation for all business activities conducted by the Group. Furthermore, to ensure consistency between the Group's activities and corporate efforts to address human rights issues demanded by international and local communities, we established the Matsuda Sangyo Group Human Rights Policy Guidelines on April 1, 2025, placing the focus on specific initiatives. By promoting these two pillars together, we aim to make further contributions toward the development of a sustainable environment, society, and economy.

Matsuda Sangyo Group Human Rights Policy, Matsuda Sangyo Group Human Rights Guidelines
https://www.matsuda-sangyo.co.jp/ja/sustainability/society/human_rights.html

Specific initiatives

Item	Details
Human resource development, improvement of the internal environment	Efforts are ongoing in the areas of enabling diverse human resources to play an active role in the organization, creating a good workplace environment, and promotion of health management. As a part of harassment countermeasures, we distribute Matsuda Sangyo's propriety rule book, "Communication Handbook," to all employees, and deliver explanatory videos to deepen understanding of the contents in the rule book. By doing so, we aim to create a climate and environment for a better workplace. (Refer to "Strengthening Human Capital Management" on pages 42 – 45.)
Raising awareness of the RBA Code of Conduct	Internally, we conduct video-based seminars for all employees to enhance understanding of the RBA Code of Conduct. We have published the Matsuda Sangyo Group Supplier Guidelines, which are aligned with the RBA Code of Conduct, and issued them to our key primary metal suppliers. We have also begun engaging in activities to ensure understanding of the content. (Refer to "Supply Chain Management" on pages 48 – 49.)
Spreading the human resource principles	To ensure full understanding among all employees of our basic management philosophy and human rights principle that "A company is nothing without its people," which we have valued since our founding days, we distribute a booklet containing details on Matsuda Sangyo's fundamental values and principles, and strive to share our values through company-wide meetings and training. While inheriting and passing on these values and keeping up our existing initiatives, we are reinforcing aspects that fall short of the global standards. At the same time, we aim to create a safe and secure workplace environment by adapting flexibly to values as they evolve with the times.

Matsuda Sangyo's rule book, "Communication Handbook"

Society: Safety and Health

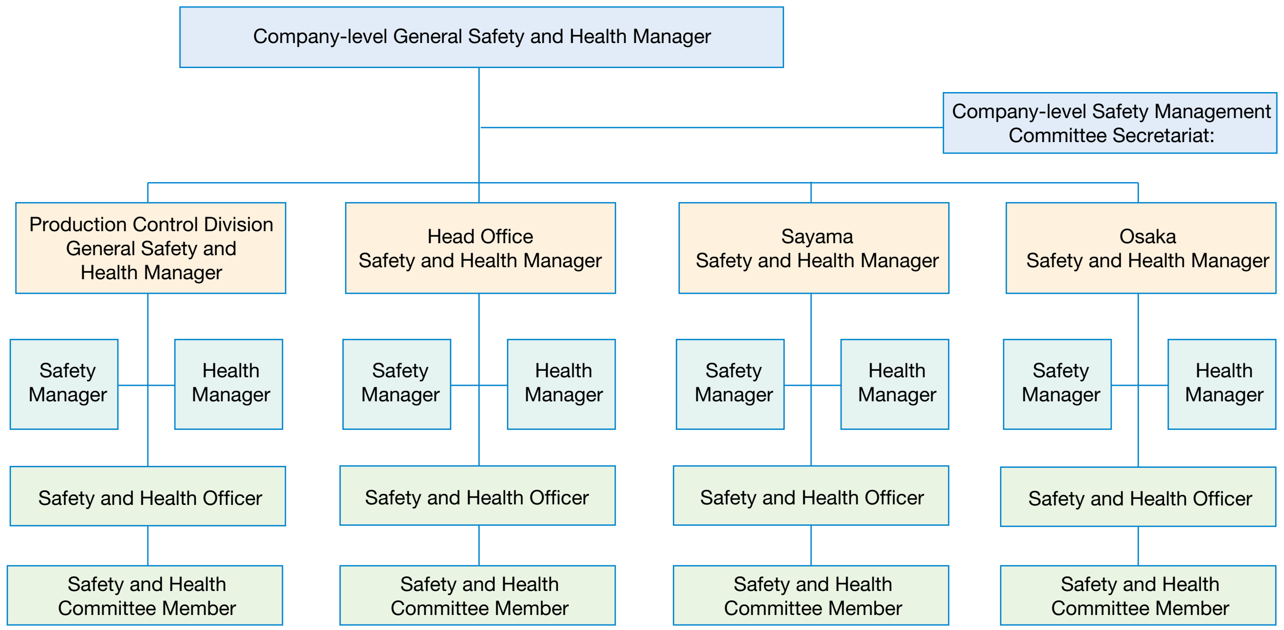
Basic approach

The Matsuda Sangyo Group fully recognizes the dangers associated with our business activities, and we have enacted the Matsuda Sangyo Group Health and Safety Policy based on the basic principle of "Safety First." We conduct safe operations, ensuring the safety and security of the local community and employees as we strive to maintain and enhance business sustainability and corporate values.

Matsuda Sangyo Group Health and Safety Policy

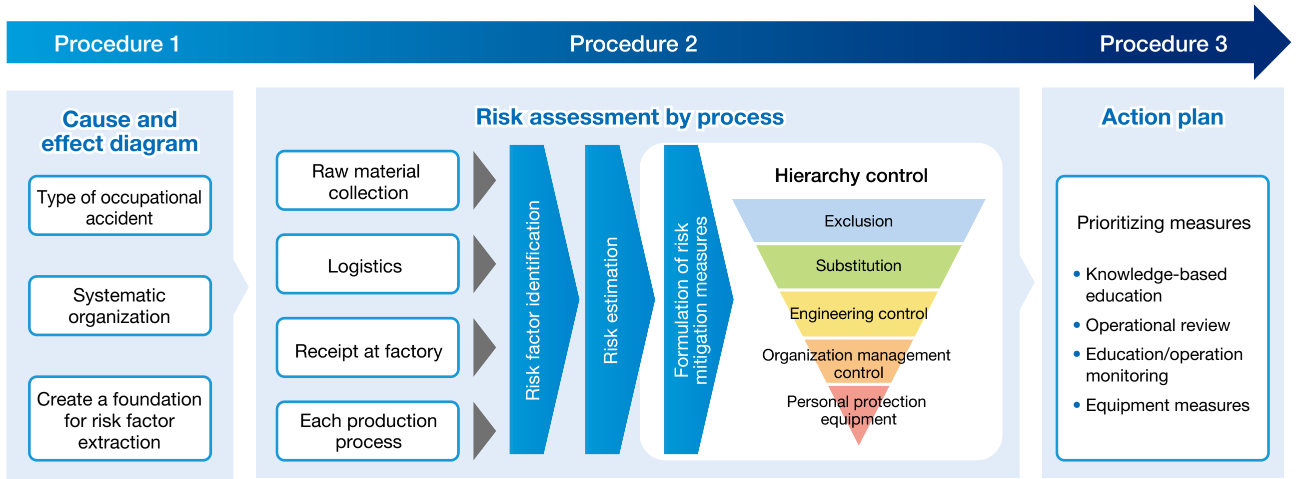
https://www.matsuda-sangyo.co.jp/ja/sustainability/society/safety_and_health.html

Safety and Health Management Organization Structure for the Whole Company



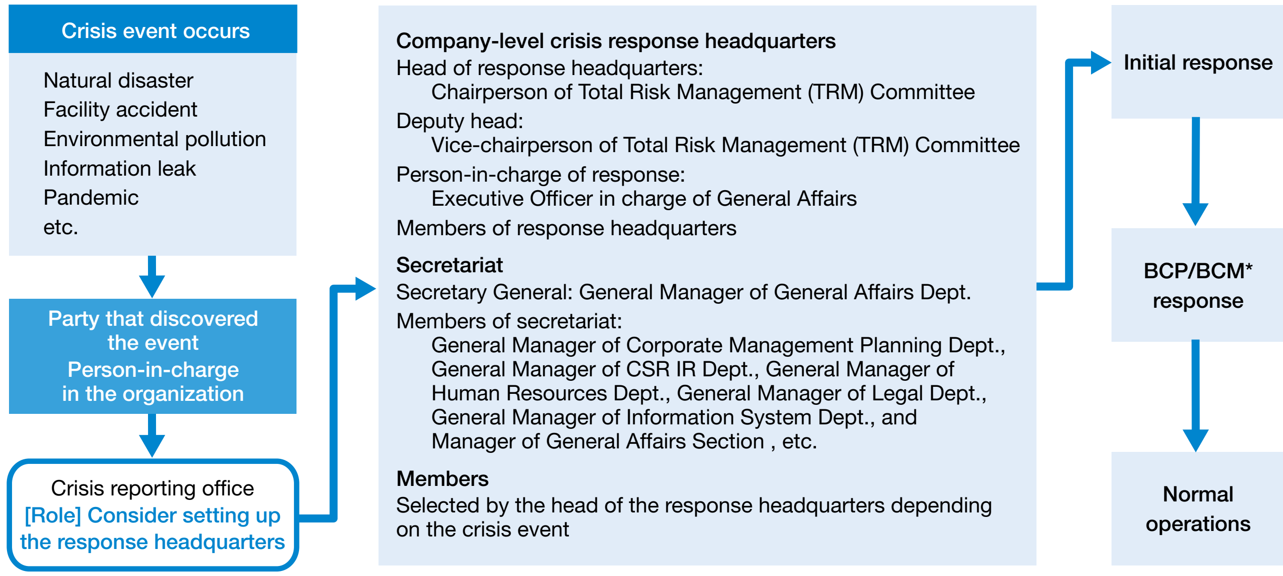
Safety management process based on RBA Code of Conduct

To ensure that all workers can engage in their duties safely and with peace of mind in the working environment in the electronics industry, efforts are made to disseminate the Code of Conduct established by the RBA (refer to p.48 for details) to companies and their primary suppliers. The Matsuda Sangyo Group is working on developing a system that supports and is aligned with the RBA Code of Conduct, which is an international standard based on a code of conduct that positions safety as the top priority. With the aim of creating a working environment for all workers, including expectant mothers and foreign workers, based on the premise of workplace diversity, we utilize hierarchy control to engage in activities for nipping danger in the bud.



Crisis system and training drills

The Matsuda Sangyo Group has compiled a list of various crisis events, including natural disasters, facility accidents, environmental pollution, and information leaks, and has documented the relevant organizations and procedures for responding to emergencies. In addition, we plan and conduct training drills every year based on the hypothetical occurrence of various events. By doing so, we repeatedly check and improve our procedures and strive to improve our response capabilities. We have built a system that allows us to respond swiftly and appropriately in the unlikely event of an emergency.



*BCP: Business Continuity Plan; BCM: Business Continuity Management

Topics

Scenes of various training drills


Lifesaving drill


Head office initial response drill for action in the event of a disaster


Crisis response drill in Japan and overseas


BCP training in the Production Dept.

Initiatives by the Safety and Health Committee

The sustainable growth of the Company is essential for the realization of a workplace environment where every employee can work safely and securely, while staying healthy in both body and mind. The Production Control Division (combined for the six factories in Iruma City) and the large-scale business bases at the head office, Sayama, and Osaka undertake core activities to maintain and enhance safety and management. This includes discussions between labor and management on measures toward identifying potential workplace risks and promoting health, which we link to specific improvement activities.


Head Office Safety and Health Committee

Society: Strengthening Human Capital Management

Message from the Executive Officer in charge of Human Resources

Culmination of the Medium-term Management Plan People who pave the way to future challenges

Hideki Suzuki
Executive Officer, General Manager of Human Resources Dept.

The Medium-term Management Plan that we are currently advancing enters its final year in FY2025. Prior to this key milestone, we have positioned FY2024 as a year of paramount importance for further accelerating our efforts to date and ensuring the firm achievement of our plans, and we are engaged in activities to that end.

Regardless of the era, the driving force behind the Group's growth has been its people. To realize sustainable improvements in corporate value in a time of great uncertainty, it is vital to maximize the infinite potential of each individual employee and transform it into the collective strength of the entire organization.

Based on this conviction, we have established the strengthening of human capital management as one of the core strategies in our Medium-term Management Plan.

Over the past four years, we have steadily been taking action on six pillars, including development of management talents and enabling diverse human resources to play an active role in the organization. These efforts are beginning to yield tangible results, such as improved engagement scores, the accumulation of promising human resource candidates, and the maintenance and achievement of numerical targets in the promotion of female empowerment.

The final fiscal year marks the culmination of our efforts to date. By creating an environment where every employee can take up further challenges and feel motivated to grow, we seek to achieve our goal of becoming a company where "employees can maximize their individual capabilities in a dynamic manner, and where both individuals and the organization can continue to grow together."

Spreading the corporate philosophy, and employee engagement

Matsuda Sangyo regards employee engagement as an important indicator for realizing a company "where both individuals and the organization can continue to grow together." We believe that the wellspring of greater engagement lies in having each individual employee resonate deeply with the company's direction or in other words, its philosophy, and finding meaning in their own work. To embed this philosophy as our corporate culture, we have established and operate integrated systems that encompass processes from recruitment to training and evaluation. Furthermore, to measure the effectiveness of these systems, we regularly conduct engagement surveys designed to incorporate unique questions, with the supervision of external experts. Going forward, we will continue to steadily implement measures based on the survey results to enhance the degree of employee affinity with the organization.

Systems for spreading the corporate philosophy

Gathering like-minded individuals who resonate with the company's philosophy
In our recruitment activities, we have established alignment with our philosophy and values as one of the selection criteria, alongside skills and experience. We consider this essential to prevent mismatches after the candidate joins the company, and to achieve sustainable growth for both the individual and the organization.

Linking daily work with the philosophy
From new employee training to job-grade-based training, we provide opportunities to learn about the corporate philosophy in every educational setting. We believe it is vital to understand the philosophy not merely as a form of knowledge, but as something that is personally relevant to each individual—that is, understanding how the philosophy is linked to daily work decisions and actions.

Evaluating and commending actions that embody the philosophy
Our personnel evaluation system assesses not only results, such as business performance, but also actions taken in line with the corporate philosophy. The practice of such actions is commended across the company through initiatives such as the improvement award scheme. We believe that the philosophy holds value only when embodied in daily work.

Interview Tackling the challenge of cross-departmental new value creation through the embodiment of the philosophy

We encourage all employees to put our corporate philosophy into practice, and a symbolic example of this is the development of our "ECO Series" products, made from 100% recycled precious metals. This initiative represents a challenge to address the social issue of sustainability, and at the same time, can be described as a true embodiment of the corporate philosophy in the way it creates new value through cross-departmental collaboration. This section features the journey of the employees who spearheaded this effort.

Our mission was to establish a new level of brand value that meets the expectations of our stakeholders.

The challenge to create unprecedented value began with customer feedback

Noguchi This initiative began when a customer who prioritizes the reduction of environmental burden expressed a desire to use 100% recycled raw materials. This was an unprecedented challenge for us. We started by defining what brand value is, as well as developing a supply scheme.

Acquiring two certifications, and visualizing technology and environmental value

Minami Once the scheme was finalized, we moved into the phase of establishing this initiative as a "brand." Led by my department, the Precious Metals Material Division, we collaborated with the manufacturing and production departments to first work on acquiring third-party certification (from UL Japan) to guarantee product reliability.
https://www.matsuda-sangyo.co.jp/ja/sustainability/environment.html

Noguchi At the same time, we focused on quantitatively demonstrating the added value of reducing environmental burden. We involved the CSR IR Department and advanced efforts to obtain approval for "SuMPO/Internal-PCR," which certifies the environmental performance of the materials. This enables us to visualize greenhouse gas (GHG) emission reductions when using 100% recycled materials, contributing to the realization of our customer's carbon neutrality target. This strategy maximized our company's strength in the "loop business," which handles all processes in an integrated manner, from material sales to recycling.
https://www.matsuda-sangyo.co.jp/ja/news/auto_20250711/main/0/link/report_jp_20250715.pdf

Guided by the corporate philosophy, co-creating the future with our customers on the frontlines of sales

Ota Even the most excellent product lacks meaning if customers do not believe in, and are convinced by, its value. The Metals/Environment Sales Division, where I belong, placed the utmost importance on visiting customers repeatedly, sharing the philosophy behind this initiative and the vision of society we aim to realize, and ensuring that they resonate with these ideas. This was not merely selling materials, but rather, building partnerships to create the future together.

The starting point of a cycle, the foundation for recycling that underpins the project

Yajima The stable supply of high-quality recycled raw materials fundamentally underpins this value creation cycle. Within the Precious Metals Recycling Division where I work, I was responsible for establishing a system to secure raw materials with the aim of solidifying the foundation of this circular business.

The beautiful views that lie beyond the difficulties— a challenge that yielded tangible personal growth and improvements in corporate value

This unprecedented challenge became an invaluable learning opportunity for the members. Through dialogues with the senior management and applying insights gained from management talent training, each member faced difficult challenges head-on and gained many insights that contributed to their personal growth. The tangible sense that our challenge had helped to establish a new brand image and contributed to improving corporate value was immensely rewarding. Leveraging the tangible growth gained through this experience to propel us forward, we will continue to tackle the next challenge in value creation.

Development of management talents

We position the sustainable development of management talents, who carry the future, as an important management issue for the company.

Continuing with our efforts from the last fiscal year, we are promoting measures from both the "hard" (framework) and "soft" (human resource development) aspects. In the "soft" aspect, we are working on systematic skills development through training for selected employees and MBA and other distance learning courses. In the "hard" aspect, we are advancing efforts to visualize human resource requirements, structure the succession plan, and design a talent management system.

In addition to these initiatives, in FY2024, we began reviewing KPI indicators to measure the current status and fulfillment rate of management talents.

"Hard" aspects (framework)
- Visualization of human resource requirements
- Structuring of succession plan
- Talent management system design

"Soft" aspects (human resource development)
- Conduct training for selected employees
- Conduct MBA and other courses through distance learning

Society: Strengthening Human Capital Management

Development of leadership talents

Matsuda Sangyo defines leadership talents as human resources who are capable of strengthening, across departments, the following functions that underpin the foundations of our businesses: sales, production/technology, logistics, and management/systems. To nurture such leadership talents, we provide opportunities in advancing cross-departmental projects from an early stage, regardless of the employee's age, sex, job duties, or other factors. As a part of this initiative, in FY2024, we conducted training to develop talents in project promotion, which was attended by about 60 employees. Going forward, we will assign cross-departmental projects to allow them to build up practical experience, thereby adding to the pool of potential management candidates for the future and enhancing our organizational capabilities.

Enabling diverse human resources to play an active role in the organization

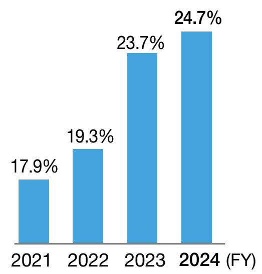
The Matsuda Sangyo Group has positioned "Acceleration of growth through the activities of diverse human resources" as one of the materiality items (important issues) in sustainability management, and we are engaged in a wide range of efforts to accelerate organizational growth through the activities of diverse human resources, including women, mid-career personnel, global talents, and seniors, all of whom have various backgrounds and skills. Furthermore, we also support diversity in values and mindsets (deep-level diversity), and we are promoting efforts in this area with a view to strengthening organizational functions.

Women

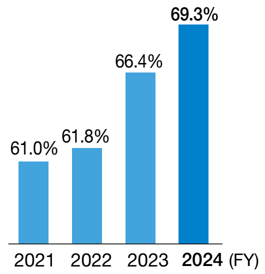
We position the empowerment of women as an important management strategy. We have established specific indicators and targets, and we are implementing concrete measures in this area. As a result of the continued implementation of these measures in FY2024, we steadily improved our numerical indicators, which are the percentage of female employees hired and the difference between the average length of continued service for men and women. Meanwhile, we are currently working to identify and focus anew on the current challenges in promoting female empowerment in ways that are better aligned with reality. On top of that, we are also working on reviewing the targets in order to formulate an action plan that is in line with the Act on Advancement of Measures to Support Raising Next-Generation Children .

Indicators	Initiatives in FY2024
(1) Percentage of female employees hired: 20% or higher (2) Difference between average length of continued service for men and women: 70% or higher	• "Unconscious bias" education for executive officers • "Unconscious bias" education for the management • Career design support for female employees • Leadership training for female employees

Percentage of female employees hired



Difference between average length of continued service for men and women



Global talents

Matsuda Sangyo is engaged in efforts to nurture global talents, in order to optimize the supply chain and achieve the continued growth of its overseas operations. After reviewing the initiatives implemented in FY2023, including personnel exchanges with local subsidiaries and overseas internships, we assessed that they were an effective means of promoting the company's overseas projects and developing human resources, and decided to implement these initiatives on an ongoing basis. We are also advancing reviews on measures to further promote the development of global talents.

Seniors

Mirroring the overall trend in society, the number of employees aged 50 and above in the company is also on the rise. It is now more important than ever to secure human resources and pass on the experiences and insights accumulated through long years of service, and promoting even greater activity among senior talents is indispensable for the sustainable growth of the company. In light of this, Matsuda Sangyo is now working on a review of its senior personnel system to establish mechanisms that allow seniors to continue working with even greater motivation than before.

Persons with disabilities

We recognize that corporations have the important social responsibility of creating an environment where diverse human resources can thrive, regardless of whether they have or do not have disabilities. Based on this stance, we have set specific hiring targets and are advancing efforts to systematically develop an environment to accept persons with disabilities, and to implement strategic recruitment activities. Our engagement surveys also show that we have achieved high standards in efforts to create a comfortable working environment for employees with disabilities. Going forward, we will continue promoting efforts to create an environment where everyone can thrive.

Mid-career personnel

To accelerate business expansion, we are focusing on recruiting mid-career personnel to incorporate new insights and experience from outside the company, thereby enhancing the diversity of knowledge and experience within our organization. In our recruitment activities, we work closely with each department to define the required expertise, skills, and experience. Through this process, we continuously review the selection criteria and promote a PDCA cycle aimed at securing the optimal talent aligned with our business strategies.

Autonomous career development

We continuously conduct age-group-based career training as well as career interviews by nationally certified career counsellors to support the autonomous career development of each individual employee. As many as 213 employees attended training over four years from FY2021, steadily providing the knowledge and opportunities required for career development.

Employee career autonomy is a key element that fosters a win-win relationship, enabling a balance between personal growth and the sustainable growth of the organization. Based on this concept, in FY2024, we focused on supporting the acquisition of doctoral degrees for working professionals, which achieves the acquisition of advanced specialized knowledge alongside business contributions, as well as language education. We have positioned, as our next challenge, the establishment of a mechanism (KPI) to visualize and measure how these support initiatives contribute to business outcomes, and we are advancing the review of specific metrics to that end.

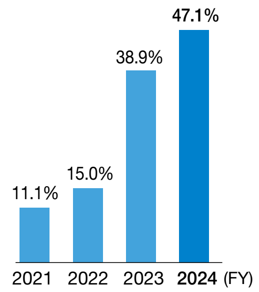
Creating a good workplace environment

To create an environment where all employees can make the best use of their time and fully demonstrate their individual abilities, we promote flexible work arrangements such as telecommuting and shift-work systems. In FY2024, we produced and promoted an internal portal site to encourage the utilization of these systems, along with a "Communication Handbook" aimed at eradicating all forms of harassment. Thanks to these efforts to foster a positive corporate culture, the percentage of male employees taking childcare leave is trending upward.

Additionally, in order to strengthen work-life balance support, an area identified as a challenge in the previous fiscal year, we decided to extend the eligible period for reduced working hours for childcare reasons from April 2025, allowing employees to use the scheme until their child enters the third grade of elementary school. In FY2025, we are also considering new support measures to help employees achieve a balance between childcare or caregiving duties and work.

Internal portal site (*Caregiving/Childcare Support Station*)/Percentage of male employees taking childcare leave

Percentage of male employees taking childcare leave



Promoting health management

We regard maintaining and improving the physical and mental health of our employees as an important management priority for embodying the Group's fundamental philosophy: "Respect humankind; the capacity of humankind is limitless." To that end, we provide support from both the aspects of physical and mental health. In FY2024, we were once again selected for the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category).

In FY2024, we further clarified our health management policies and established metrics to measure productivity improvements through health management initiatives. We are also implementing various measures to address health issues. Specifically, we conducted company-wide education on health issues affecting both men and women, and in order to address a decline in productivity due to hay fever, we implemented measures to prevent pollen from entering workspaces, including making pollen-blocking sprays available at all times and installing air purifiers at office entrances and exits. In 2025, we will continue implementing measures based on our plans.

Society: Quality Assurance System

ISO acquisition status

	ISO9001	ISO14001	ISO45001
Precious Metals Business Segment divisions, domestic sales divisions, Production Control Division, Technical Development Dept., Quality Assurance Dept., Bullion and Commodity Operations Dept., MST, MSS, MSM	○	○	
Matsuda Sangyo (Taiwan) Co., Ltd.	○	○	○
Matsuda Sangyo (Vietnam) Co., Ltd.		○	○
Food Business Segment divisions, Quality Assurance Dept.	○		

Trust in the Matsuda brand through our robust quality assurance system, and provision of products that reduce burden on the Earth's environment

Matsuda Sangyo has spent many years building a quality control and assurance system and continues to implement the PDCA cycle and make daily improvements even today.

Based on more than 70 years of precious metal refining knowhow, we carry out precious metal content analysis in the raw materials and quality control for the refining process by using high-precision analysis technology.

The bullion produced under this system is registered as "Good Delivery," with gold and silver listed under the London Bullion Market Association (LBMA) and platinum and palladium under the London Platinum and Palladium Market (LPPM), respectively. Our gold, silver, platinum, and palladium are also registered as "good delivery" in the Osaka Exchange in Japan, and Matsuda Sangyo itself is accredited as designated appraiser.

We supply an extensive lineup of surface treatment chemicals/surface treatment materials, including products that reduce burden on the Earth's environment, to meet the advanced needs of our customers. In particular, we have strengthened our in-house research and development system for plating chemicals and provide total support ranging from liquid management and analysis to defect countermeasures.

LBMA's certificate of good delivery

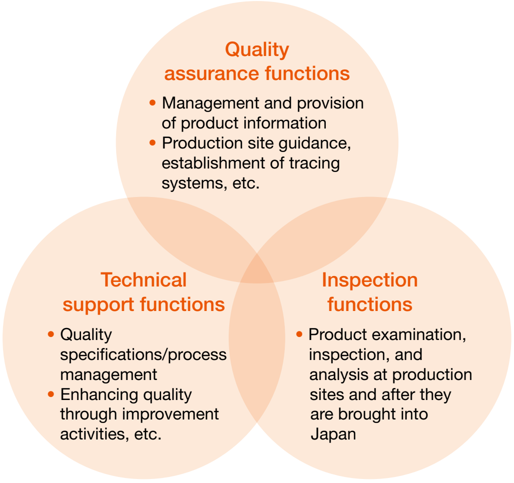
LPPM's Sponge Accreditation Certificate

Enhancing quality standards through cooperation with partner companies

Matsuda Sangyo positions cooperating companies that process and manufacture various industrial materials as our important partners. We check on their quality control conditions through visits to their sites, and share information on product quality to enhance quality standards based on mutual understanding. Matsuda Sangyo's staff is also present when customers conduct quality audits of our partner companies, sincerely accepting customer feedback and working hand-in-hand with our partners to strive for improvement.

Overview of our efforts toward enhancing safety and reliability

In 1988, we established our proprietary Quality Assurance Department and launched efforts toward ensuring the safety and reliability of our food products. Today, we are working to build a global quality control system based on ISO9001 standards, closely coordinating multiple functions such as providing guidance to production sites and guidance to improve production at partner factories around the world, conducting various tests to raise the quality of food materials, and ensuring thorough traceability. Through this integrated system, we provide customers with Matsuda Sangyo's unique safety and reliability as an added value that remains steadfast even as we continue to expand our global procurement network. This trust is reflected in the approximately 2,000 customer inquiries that we respond to with accuracy and care each year.



Providing quality guidance to partner companies

Addressing the problem of E. coli contamination in okra produced in Indonesia

To address the problem of E. coli contamination in okra produced in Indonesia, we strengthened quality control by identifying the contaminated areas, reviewing cleaning methods, and rebuilding the inspection systems at the local sites. Even after implementing these countermeasures, we continued sharing inspection results and following up via web conferences. Thanks to these efforts, the bacterial count in products imported into Japan has stabilized, and we have been able to maintain the quality that our customers can rely on.

A first in Japan: Success in producing boiled shrimp suitable for raw consumption in India

We successfully produced boiled shrimp suitable for raw consumption in India, marking the first such attempt for Japan. To significantly improve the hygiene standards on the production lines at the local site, we conducted training in phases and provided thorough guidance over the span of about a year. This enabled us to establish a manufacturing system that meets Japan's stringent quality standards, marking a new step forward for the Japanese market.

Acquired Marine Stewardship Council (MSC) certification

Matsuda Sangyo has acquired the blue Eco-Label, a certificate for sustainable fishery, under the Marine Stewardship Council (MSC). Since we first acquired the certification in 2011, we have expanded the number of certified offices in Japan and overseas. We will continue to contribute to the conservation of marine life and ecosystems, and strive to achieve sustainable and stable food material procurement across the entire supply chain.

Ensuring swift compliance with the Food Sanitation Act, Act on Japanese Agricultural Standards (JAS), and other laws and regulations

Matsuda Sangyo is developing a system in which the Quality Assurance Department centrally manages product quality information, thereby ensuring swift compliance with the relevant laws and regulations, including the Food Sanitation Act and the Act on Japanese Agricultural Standards (JAS). "Mercurius," a product standard management system, lies at the heart of this system. When legal revisions occur, we utilize this system to promptly identify the affected products, enabling the smooth provision of information to customers and realizing greater operational efficiency. Going forward, we will continue to maximize the use of "Mercurius" to ensure thorough legal compliance and strive to further improve customer satisfaction.

Strengthening quality control through the introduction of new inspection equipment

We are actively introducing the latest inspection equipment to further enhance the safety of our products and assess their quality with greater accuracy. Specifically, we have introduced an automated colony counting system that automatically counts and records microbiological test results, and a Stephan cutter that significantly streamlines the testing processes for the physical properties of products. The introduction of such equipment has dramatically improved the precision and efficiency of our inspection operations, while also boosting our highly reliable quality assurance system based on objective data. Moving forward, we will continue to make investments aimed at maintaining even higher quality standards.

Society: Supply Chain Management

Basic approach

The Matsuda Sangyo Group is committed to fulfilling its social responsibility in the core areas of legal compliance, fair trade, environment, quality control and stable supply, human rights, and information security, with a view to bringing about the realization of a sustainable environment and society. At the same time, we will work on ensuring responsible procurement by building relationships of trust with our procurement partners, positioning coexistence and mutual prosperity as our foundation, and continuously promoting social responsibility across the entire supply chain.

Revision to the Matsuda Sangyo Group Supplier Guidelines

In March 2023, we enacted the Matsuda Sangyo Group Supplier Guidelines based on the RBA* Code of Conduct, which set out international standards that serve as a guideline for responsible procurement activities, primarily for the electronics industry. These Guidelines were revised on April 1, 2025, to reflect changes made accompanying revisions to the RBA Code of Conduct.

The Code of Conduct prescribed by the RBA is based on internationally recognized standards such as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the fundamental conventions of the ILO, and the UN Universal Declaration of Human Rights. It also serves as a standard for ensuring that the working environment in the supply chain is safe, and that business is conducted ethically and with respect for human rights and the environment. As such, we encourage our procurement partners to understand and comply with the Matsuda Sangyo Group Supplier Guidelines, which conform with RBA's Code of Conduct, with the aim of realizing a sustainable environment and society through the creation of a better workplace environment across the entire supply chain.

*RBA: The Responsible Business Alliance (RBA) is a corporate federation whose purpose is to promote social responsibility in global supply chains, and it aims to improve corporate social responsibility (CSR).

Matsuda Sangyo Group Supplier Guidelines https://www.matsuda-sangyo.co.jp/ja/policy/supplier_guideline.html

Supplier engagement

Through the publication of the Matsuda Sangyo Group Supplier Guidelines and other initiatives, we ask for the understanding and cooperation of our business partners, and at the same time, work on building supplier engagement with our key business partners to strengthen relationships and achieve coexistence and mutual prosperity.

Approach to selecting key primary suppliers

We classified business partners that provide products (including materials made with precious metals) and services to Matsuda Sangyo Group into supplier categories based on the nature of the transactions, and carried out screening of suppliers based on our unique selection criteria (scale of transaction, certification by RBA, etc.) from the perspectives of comprehensiveness and importance. We then identified and selected key primary suppliers as the targets for supplier engagement.

Suppliers of direct materials	Top-tier customers and business partners that make up 80% of Matsuda Sangyo Group's (in Japan) transactional amount (as Matsuda Sangyo is in the recycling business, customers are also included).
Suppliers of indirect materials	On-site resident vendors On-site work contractors
	Temporary staffing and recruitment agencies
	Suppliers of main components and materials
	Industrial waste processing companies

Steps for engaging suppliers

In engaging suppliers, Matsuda Sangyo places priority on the Precious Metals Business Segment, which is engaged in the provision of products and services.

1 Identify key suppliers
Based on the selection criteria, identify the customers/business partners to engage with.

Implemented in FY2024

2 Promote sharing and understanding of the Matsuda Sangyo Group Supplier Guidelines
The purpose is to ensure that customers and business partners understand Matsuda Sangyo's procurement-related code of conduct, so as to promote procurement activities aimed at achieving coexistence and mutual prosperity based on relationships of trust, in order to realize a sustainable environment and society.

Scheduled to be implemented in FY2025

3 Send out questionnaires to key primary suppliers
The purpose is to understand the status of compliance by customers and business partners, identify risks at an early stage, and promote cooperation.

4 Evaluate questionnaire responses and provide feedback
The purpose is to grasp the issues and propose improvements, based on the results of the questionnaire.

5 Follow up (engage in dialogue) based on the questionnaire results
The purpose is to cooperate to resolve issues, and work toward the realization of a sustainable environment and society.

Implementation status and future initiatives

Fiscal year	Major initiatives	Achievement status
2024	Disseminate the Matsuda Sangyo Group Supplier Guidelines to key primary suppliers	Completed
2025	Revise the Matsuda Sangyo Group Supplier Guidelines	Completed
	Distribute self-evaluation questionnaires to key primary suppliers and collect the completed questionnaires, and conduct risk assessment	Ongoing

In FY2024, we disseminated the Matsuda Sangyo Group Supplier Guidelines (1st edition) to 256 key primary domestic suppliers of the Precious Metals Business Segment and requested submission of a confirmation form to verify their understanding of the Guidelines, to which we received a response rate of 87%.

In FY2025, we plan to disseminate the Matsuda Sangyo Group Supplier Guidelines (2nd edition), with contents revised to align with the RBA Code of Conduct, and request submission of a letter of consent. By asking our suppliers to conduct activities in accordance with the Guidelines and promptly report any deviations, we aim to enhance understanding of the status within the respective companies, enable early identification of risks in the supply chain alongside the corresponding response, and promote cooperation with our business partners.

Going forward, we will further strengthen our cooperative framework by deepening mutual trust with our suppliers as we seek their understanding toward the spirit of the Matsuda Sangyo Group Supplier Guidelines and our initiatives. We will work on building partnerships toward realizing a sustainable supply chain based on shared values.

Society: DX Promotion

Policy

The Matsuda Sangyo Group is advancing a growth strategy based on the basic policy of "Strengthen management foundation to support and accelerate sustainable growth" set out in our Medium-term Management Plan (FY2022–2025). As a part of our efforts to strengthen our management foundation, we aim to reinforce our management functions and improve productivity by DX promotion. Additionally, we are also working to put in place information security measures in order to address the risks associated with the increasing permeation of the digital society.

Strategy

ERP renewal and proactive introduction of trending technologies

We will work to renew ERP as the foundation that underpins sustainable growth, and build a framework (processes, systems, human resources) that is capable of responding to changes. In addition to proactively introducing trending technologies, we will promote efforts to strengthen management functions and improve productivity through "digital democratization."

Furthermore, we will conduct DX literacy training for all employees to foster a corporate culture of DX.

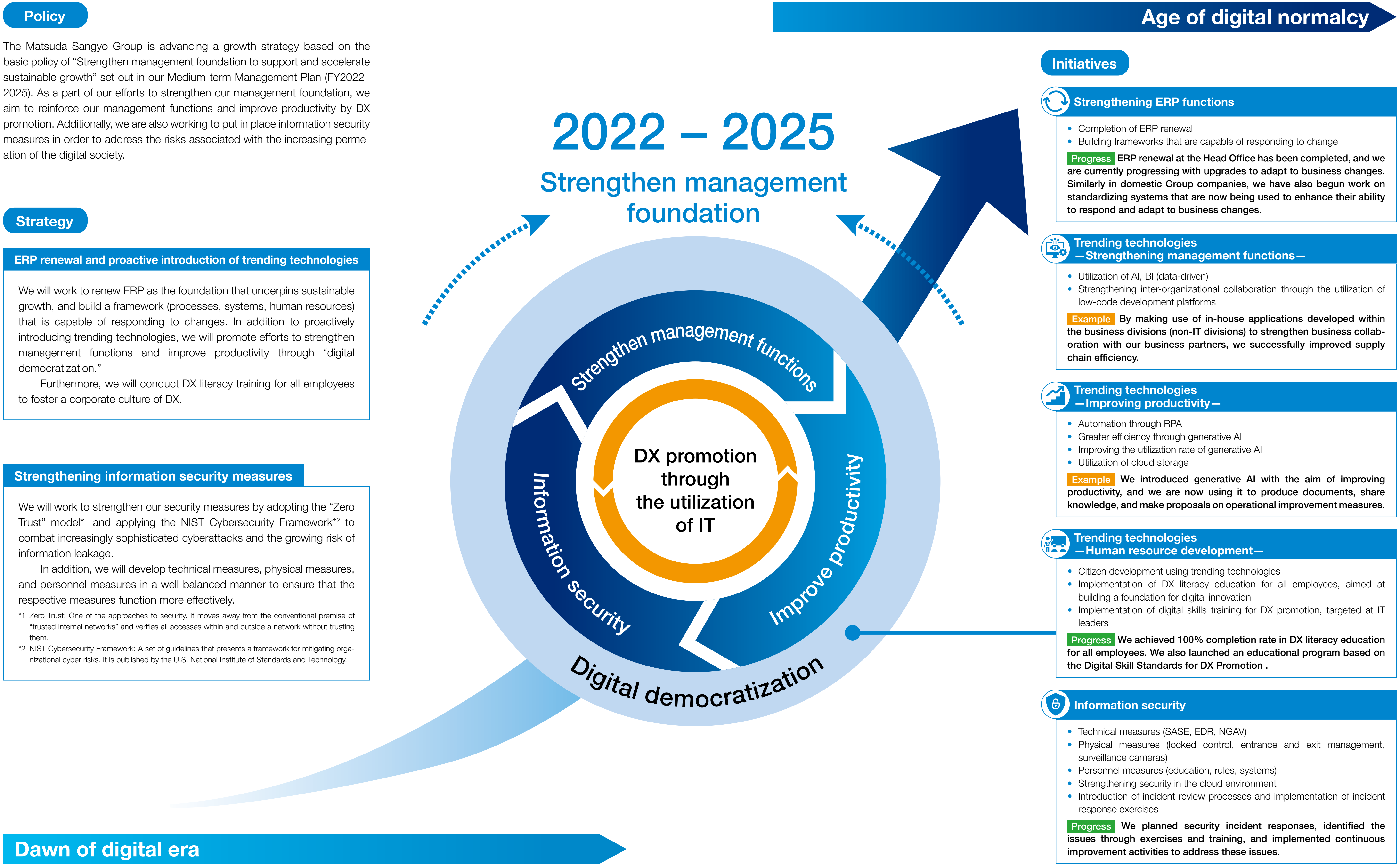
Strengthening information security measures

We will work to strengthen our security measures by adopting the "Zero Trust" model*1 and applying the NIST Cybersecurity Framework*2 to combat increasingly sophisticated cyberattacks and the growing risk of information leakage.

In addition, we will develop technical measures, physical measures, and personnel measures in a well-balanced manner to ensure that the respective measures function more effectively.

*1 Zero Trust: One of the approaches to security. It moves away from the conventional premise of "trusted internal networks" and verifies all accesses within and outside a network without trusting them.

*2 NIST Cybersecurity Framework: A set of guidelines that presents a framework for mitigating organizational cyber risks. It is published by the U.S. National Institute of Standards and Technology.



Initiatives

Strengthening ERP functions

- Completion of ERP renewal
- Building frameworks that are capable of responding to change

Progress **ERP renewal at the Head Office has been completed, and we are currently progressing with upgrades to adapt to business changes. Similarly in domestic Group companies, we have also begun work on standardizing systems that are now being used to enhance their ability to respond and adapt to business changes.**

Trending technologies —Strengthening management functions—

- Utilization of AI, BI (data-driven)
- Strengthening inter-organizational collaboration through the utilization of low-code development platforms

Example **By making use of in-house applications developed within the business divisions (non-IT divisions) to strengthen business collaboration with our business partners, we successfully improved supply chain efficiency.**

Trending technologies —Improving productivity—

- Automation through RPA
- Greater efficiency through generative AI
- Improving the utilization rate of generative AI
- Utilization of cloud storage

Example **We introduced generative AI with the aim of improving productivity, and we are now using it to produce documents, share knowledge, and make proposals on operational improvement measures.**

Trending technologies —Human resource development—

- Citizen development using trending technologies
- Implementation of DX literacy education for all employees, aimed at building a foundation for digital innovation
- Implementation of digital skills training for DX promotion, targeted at IT leaders

Progress **We achieved 100% completion rate in DX literacy education for all employees. We also launched an educational program based on the Digital Skill Standards for DX Promotion .**

Information security

- Technical measures (SASE, EDR, NGAV)
- Physical measures (locked control, entrance and exit management, surveillance cameras)
- Personnel measures (education, rules, systems)
- Strengthening security in the cloud environment
- Introduction of incident review processes and implementation of incident response exercises

Progress **We planned security incident responses, identified the issues through exercises and training, and implemented continuous improvement activities to address these issues.**

Society: Co-existence with the Local Community

Matsuda Sangyo's business is directly linked to conservation of the Earth's environment and the building of a circular society, and we recognize that our business itself is a form of social contribution. By promoting communication and cooperation with local communities and local governments, we are working on advancing a socially meaningful business and expanding our social contribution

Involvement in local communities

Factory open day in Seki (Seki City)

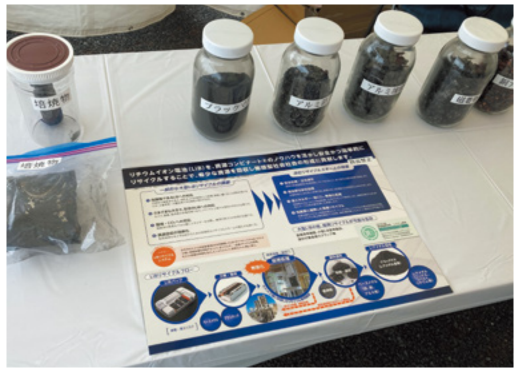
Seki City organizes Seki Factory Open Days to provide opportunities for many people, including local citizens, to experience firsthand the advanced technologies and quality products of local businesses in Seki City, and to foster pride and attachment to the city. Matsuda Sangyo supports this initiative and, in response to factory tour requests from the general public and junior high schools in the city for the purpose of learning professional values such as the meaning and value of work, challenges, and purpose in life, conducted a tour of the Seki Factory that involved observing the treatment processes for used products, including IT devices, as well as hands-on experience of dismantling used computers. Through this initiative, the participants learned about the importance of cherishing limited resources.

Cleaning Day in cooperation with Iruma City

Matsuda Sangyo supports the objectives of the Citizens' Cleaning Day held on the first Sunday of June every year by Iruma City. Accordingly, we also conduct cleaning activities on a weekday in June every year. On the day, we clean the areas around Musashi Factory, Musashi No. 3 Factory, Iruma Factory, Iruma No. 2 Factory, and the R&D Center, and transport the garbage collected to the Iruma City General Clean Center by garbage collection trucks, in cooperation with the liaison committee of the industrial park. We also clean the area outside the Sayama Business Operation Center in Sayama City, Saitama Prefecture, voluntarily every month, and clean the area around the Seki Factory and Seki No. 2 Factory in Seki City as a part of the City's voluntary cleaning activity.

Exhibiting in Saitama Stadium Autumn Festival 2024

Matsuda Sangyo participated in Saitama Stadium Autumn Festival 2024, held at Saitama Stadium 2002 in September 2024, as a partner company for the recycling experience event organized by Saitama Prefecture. The event showcased our initiative, promoted in collaboration with Saitama Prefecture, of recovering rare metals contained in lithium-ion batteries that have been used and discarded by households. We also displayed materials obtained through the actual recycling process (black mass, mixed metals). Many visitors took part, and the event was well-received as a valuable opportunity to learn about the proper disposal method for batteries. Going forward, we will continue to collaborate with governmental organizations and businesses to foster a society that values resources.



Relationship with administrative bodies

Blood donation drive in cooperation with the Japanese Red Cross Saitama Blood Center

In October 2024, we conducted a blood donation drive on the premises of the Company's Musashi No. 3 Factory. Continuing from the previous year, this initiative was carried out in response to a request for cooperation from the Japanese Red Cross Saitama Blood Center. On the day, 26 employees participated in the blood donation, contributing to the local community. Blood donation is an important activity that helps to supplement blood shortages in medical settings, and Matsuda Sangyo is actively engaged in such initiatives as part of our social activities. We will continue to cooperate with similar requests in the future as we keep up our support for the local community and the frontlines of medical practice.

Kitakyushu Factory certified as a leading decarbonization company

The newly established Kitakyushu Factory has been certified as a leading decarbonization company under the Kitakyushu City Decarbonized Electricity Certification System promoted by Kitakyushu City. This certification is awarded in recognition of the factory's decarbonization initiatives, such as the expanded adoption of 100% renewable energy.

Participation in local community and government activities through affiliated organizations

Matsuda Sangyo's production-related business sites are affiliated with the organizations shown in the table below. Through our involvement in the various projects, such as events managed or organized by various local governments, we are fostering relationships of trust with each local government.

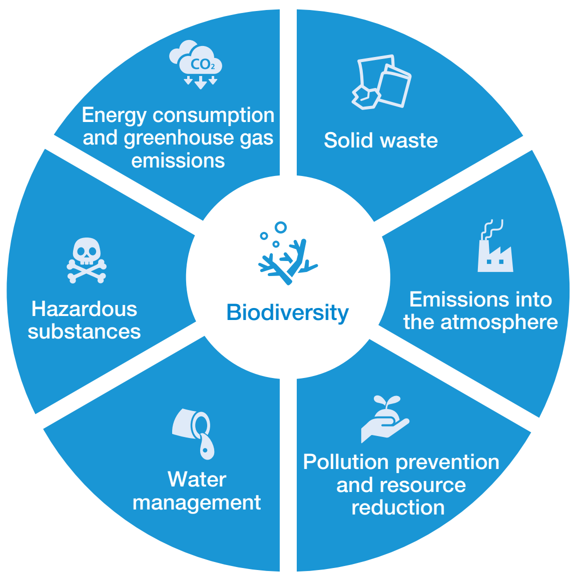
Iruma City	Iruma Manufacturers Association, Iruma Chamber of Commerce and Industry, Tokorozawa Labor Standards Council, Iruma City Crime Prevention Association for Offices, etc.
Sayama City	Sayama Chamber of Commerce and Industry, Tokorozawa Labor Standards Association, Sayama City Industrial Park Industrial Association, Sayama Fire Prevention Safety Association
Seki City	Seki Chamber of Commerce and Industry, Seki Techno Highland Liaison Council, Shimouchi Fureai Community Development Council
Kitakyushu City	Wakamatsu Atsumaru-kai, Wakamatsu Labor Standards Association

Cooperative relationship with offices that support continuous employment

Matsuda Sangyo's business activities are also supported by members of the local communities. We ask the NPO "Niji no Sato" Niji no Sato Welfare Workshop and the "Oruri" Continuous Employment Support B Office of the Social Welfare Corporation Habataki-kai, both located in Iruma City, to help extract X-ray films collected from hospitals across the country from their envelopes or bags, and to remove semiconductor substrates for recycling from plastic packaging. In this way, we have built up a cooperative relationship with these facilities that span about 30 years. In 2014, we started cooperating with the Oasis Workshop of NPO "Budo no Kai" in Sayama City, and also started requesting Social Welfare Corporation Habataki-kai to carry out cleaning work within Matsuda Sangyo's Musashi No. 3 Factory. These efforts contribute to the development of both our Company and the local community.

Environment: Strengthening Environmental Response

Important environmental matters



The Matsuda Sangyo Group has established "striking a balance between reducing environmental burden and business growth" as an important matter of environmental materiality (refer to "Materiality Toward Promoting Sustainability Management"). Specifically, we are engaged in the seven efforts shown on the left.

To promote efforts to resolve these issues, the Precious Metals Business Segment has set out, and is working toward, environmental targets in its ISO management system.

Group-wide greenhouse gas emission reduction targets

	FY2030 (short-term)	FY2050 (long-term)
Scope 1+2	Compared to FY2020 42% reduction	Realization of carbon neutrality
Scope 3	Compared to FY2020 25% reduction	

Energy consumption and greenhouse gas emissions

Abnormal weather conditions are now intensifying around the world as a result of climate change, and these are having a severe impact on nature and human society. Scientific studies led by the Intergovernmental Panel on Climate Change (IPCC) have pointed out the strong possibility that it may no longer be possible to halt global warming if the average temperature rise of the world is not suppressed to 1.5°C below pre-industrial levels (around 1850).

The Matsuda Sangyo Group perceives climate change response, which leads to the realization of a sustainable society, as the mission of our company. In December 2023, we acquired certification for the SBT 1.5°C target*[1], and we have set decarbonization targets for 2030 and 2050, which we are working on toward the realization of carbon neutrality

Furthermore, in line with the TCFD*[2] recommendations (refer to pages 56 – 57 for details), we are first working to quantify the financial impacts in order to reflect the risks and opportunities of climate change in our business activities.

We have continued to disclose information proactively to CDP*[3], and in 2024, received the highest "A" rating in both the CDP Climate Change Program and the CDP Supplier Engagement Assessment (SEA). This demonstrates the high level of international recognition accorded to our climate change response and environmental management across the entire supply chain.

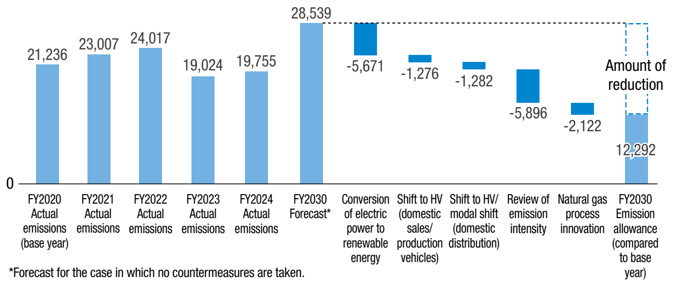
*1 Science-based GHG emissions reduction target
*2 Task Force on Climate-Related Financial Disclosures, established by the Financial Stability Board to promote information disclosure of climate-related risks and opportunities
*3 A non-governmental organization (NGO) managed by a British charity that evaluates the initiatives and information disclosure by companies and local governments in the environmental field in three areas: climate change, water resources, and forest protection.

Changes in Group-wide energy consumption

			FY2020	FY2021	FY2022	FY2023	FY2024	Unit
INPUT	Energy	Reclaimed oil	1,699	1,830	2,119	2,111	2,100	kl crude oil equivalent
		Heavy oil	172	119	17	0	0	
		Natural gas	2,038	2,258	2,088	1,892	1,678	
		Liquefied petroleum gas (LPG)	120	192	303	497	79	
		Kerosene	27	24	20	20	11	
		Diesel fuel	1,953	2,136	2,149	2,092	4	
		Gasoline	39	49	33	42	0	
		Electric power	4,925	5,009	5,345	5,440	16,135	

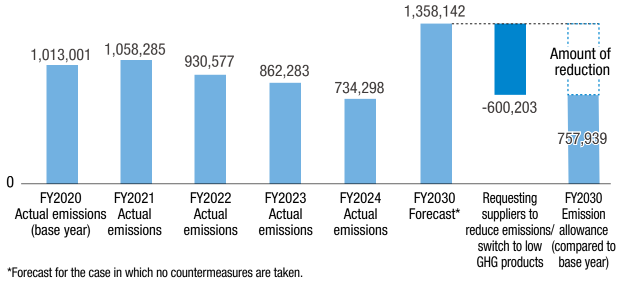
Changes in Group-wide GHG emissions and breakdown of reduction targets

Scope 1+2 ($t-CO_2$/year)



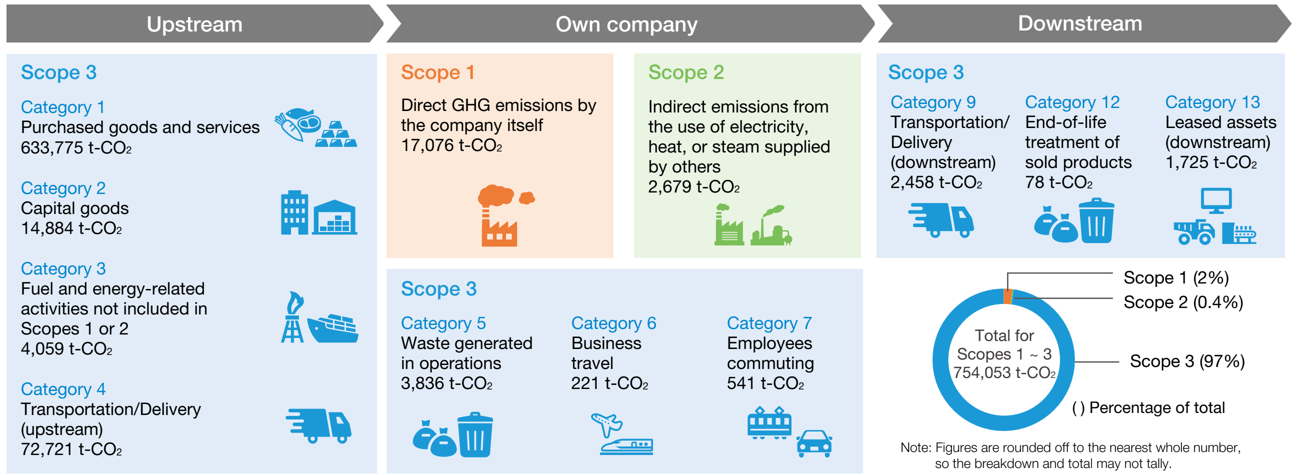
*Forecast for the case in which no countermeasures are taken.

Scope 3 ($t-CO_2$/year)



*Forecast for the case in which no countermeasures are taken.

FY2024 Scope 3 emissions by category



Note: These aggregated results have received third-party assurance from Sustainability Accounting Co., Ltd.
FY2024 GHG emissions were calculated using IDEA Version 3.4*.
*IDEA Version 3.4 is a database that can quantify the environmental burden of all products and services in Japan, including approximately 4,700 types of agricultural, forestry, fishery, and industrial products (emissions of chemical substances such as CO2, NOx, SOx, PM2.5, arsenic, cadmium, chromium, and lead, and consumption of resources such as iron and copper).

Energy consumption and CO_2 emissions of production bases (domestic)

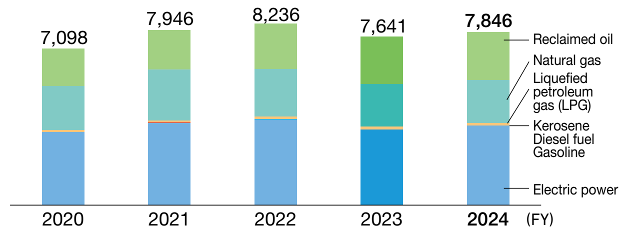
Energy consumption

The Matsuda Sangyo Group calculates GHG emissions and is advancing efforts to reduce emissions. However, as the production departments produce more than 60% of the Group's total GHG emissions, we are putting particular effort into reducing energy consumption. Total energy consumption in FY2024 had increased by 3% year on year as new factories commenced operation. Going forward, we will continue to work on advancing efficient operation and reducing environmental burden.

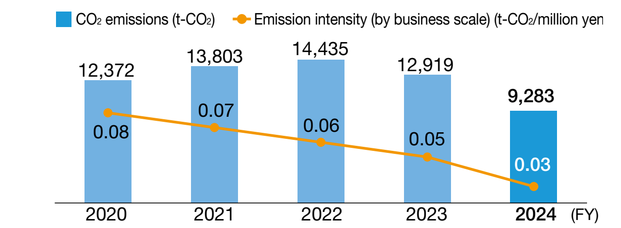
Carbon dioxide (CO_2) emissions

We are striving to reduce CO_2 emissions by improving our facilities and streamlining operations. In FY2024, with the establishment of new standards for calculating CO_2 baseline emissions , the use of non-fossil energy and the acquisition of credits were taken into account. In addition, CO_2 emission intensity fell significantly, partly due to the increase in net sales in the Precious Metals Business Segment. CO_2 emissions after these adjustments fell by 9% year on year to 3,739t.

Changes in total energy consumption (kl crude oil equivalent) (six factories in Iruma area + 2 factories in Seki area + Kitakyushu)



Changes in CO_2 emissions (baseline emission factors) and emission intensity (six factories in Iruma area + 2 factories in Seki area + Kitakyushu)



Environment: Strengthening Environmental Response

TCFD

Disclosure based on TCFD recommendations

The Matsuda Sangyo Group discloses important climate-related information (governance, strategy, risk management, indicators, and targets) based on the TCFD recommendations

Governance

With a view to striking a balance between the realization of a sustainable environment, society, and economy, and enhancing the corporate value of the Matsuda Sangyo Group, we have established a Sustainability Committee under the direct supervision of the Board of Directors, for the purpose of facilitating the promotion of decisions and initiatives on important matters related to promoting sustainability management, including climate-related matters. The Sustainability Committee is composed of the Directors (including Outside Directors) and members nominated by the Board of Directors from among the Executive Officers. The President and Representative Director chairs the Committee. The roles of the Sustainability Committee are as follows: (1) formulation of overall policy; (2) deciding on important matters that should be addressed; (3) evaluation of risks and opportunities; (4) setting of targets; (5) formulation of action plans; and, (6) verification and monitoring of actions. It convenes regular meetings four times a year in principle, and the details of meetings are reported to the Board of Directors and the Audit and Supervisory Committee. The Board of Directors checks and supervises the important matters decided upon by the Sustainability Committee, including processes, while keeping in mind the need to strike a balance between social trends, particularly recommendations by international initiatives as well as domestic and overseas policies, with the business growth of the Matsuda Sangyo Group.

Note: Please refer to the Corporate Governance Structure (p.66) for details on the governance system.

Strategy

The Matsuda Sangyo Group has established "striking a balance between reducing environmental burden and business growth" as an important policy in the Medium-term Management Plan (FY2022–2025) announced in May 2022. We consider scenario analysis necessary for achieving this target, and we are reviewing the risks and opportunities brought about by climate change.

Analysis and evaluation of climate-related risks and opportunities

In climate scenario analysis, we set out two hypothetical scenarios: the 1.5°C scenario with increased risks for transitioning to a low-carbon/decarbonized society, and the 4°C scenario with increased physical risks accompanying climate change without achieving low-carbon/decarbonization goals. Based on these, we select the key drivers for our corporate Group and extract, evaluate, and identify the risks and opportunities.

With regard to the results of this analysis, the validity of the evaluation is checked and shared within the Sustainability Committee.

(Reference information for the scenarios)

- International Energy Agency (IEA), "World Energy Outlook"
- Intergovernmental Panel on Climate Change (IPCC), "Special Report on Global Warming of 1.5°C," "Special Report on Climate Change and Land"
- Ministry of the Environment, "Report on the Market Size and Employment of the Environmental Industry"
- World Resources Institute (WRI), "Aqueduct Water Risk Atlas 3.0," 2019

Note: Please refer to p.57 for details on the results of the climate change scenario analysis.

Risk management

The Matsuda Sangyo Group has established the Total Risk Management (TRM) Committee, under the direct supervision of the Board of Directors, to identify the actualization of risks that have a serious impact on our business and corporate management and to manage them as company-wide risks. The TRM Committee evaluates potential risks, carries out centralized management of company-wide risks, promotes response, and monitors the management status, among other activities, then reports the results of the activities to the Board of Directors and Audit and Supervisory Committee. The standard for risk evaluation is based on references such as the relevant laws and regulations and international standards, while climate change-related risks are based on references such as the IEA's "World Energy Outlook" and IPCC's "Special Report on Global Warming of 1.5°C." The probability of occurrence and degree of impact of potential risks are evaluated for each business and region, and company-wide risks that should be addressed as priority are identified. Through this method, we comprehensively evaluate the business risks of the corporate Group and formulate the response policy for risks of high priority. With regard to climate-related risks, we have drawn up two hypothetical scenarios (1.5°C scenario, 4°C scenario), based on which we select the key drivers for our corporate Group, and extract and evaluate risks and opportunities. The Sustainability Committee then verifies them and identifies the risks, and we promote responses and monitor progress in an expert subcommittee established under the TRM Committee for the purpose of managing the risks recognized as important to the business and corporate management.

Note: For climate change-related risks that have been identified, we promote responses and monitor progress under the system detailed on p.66.

Indicators and targets

The Matsuda Sangyo Group established its greenhouse gas emissions reduction targets for the whole corporate group in July 2022.

Note: The targets are set out on p.54.

Main measures toward reduction:

Improve energy consumption efficiency / Expand the adoption of renewable energy (purchase of renewable energy, in-house power generation, PPA) / Review and improve manufacturing and treatment processes (including fuel conversion, CO_2 capture) / Introduce and update high-efficiency facilities / Enhance the efficiency of logistics, modal shift, shift to HV for sales vehicles / Provide products and services that can reduce environmental burden / Cooperation through engagement with the supply chain

Scenario analysis based on TCFD recommendations

The impact of risks and opportunities is defined as follows.
¥100 million to less than ¥1 billion: Medium; ¥1 billion or more: High

Scenario	Classification	Key driver	Prerequisite	Implication on the Matsuda Sangyo Group	Impact (medium- to long-term)
1.5°C	Policy/legal regulations	Carbon pricing (carbon tax, emissions trading system, etc.)	• Rise in carbon prices in countries and regions	Food Business Segment • Increased procurement costs	Risk: High
		Strengthening of CO_2 emissions regulations (strengthening of regulations under the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy, etc.)	• Promotion of energy transition to electricity • Demand for rationalization of energy consumption	Across all businesses • Increased capital investment • Increased technological development costs	Risk: High
		Strengthening of regulations on agricultural land development; strengthening of emissions regulations on the FLAG (forestry, land, and agriculture) sector	• Restrictions on new development of primary industrial areas to suppress the emission of greenhouse gases through land use and conversion • Optimal distribution of forestry and agricultural products through international trade, and improvements in production efficiency across the world • Export restrictions and embargoes on food products	Food Business Segment • Increased procurement costs	Risk: High
	Policy/legal regulations, technology, markets	• Strengthening of policies toward the realization of a circular economy • Popularization and advancement of low-carbon technologies (recycling technologies) • Increase in demand for recycled metals accompanying rising demand for decarbonization technologies	• Expansion of target waste recycling utilization rate based on the 4th Fundamental Plan for Establishing a Sound Material-Cycle Society (Government of Japan) • Technological development toward improving waste recycling utilization rate, and progress in investment • Formation of a closed loop of "reuse, recycling, and sharing" through the strengthening of policies toward the realization of a circular economy, particularly in Europe	Precious Metals Business Segment • Increased profits due to increase in sales associated with growing demand for resource recycling	Opportunity: High
	Technology	Popularization and advancement of low-carbon technologies (renewable energy)	• Expansion of the corporate PPA (Power Purchase Agreement) market driven by the increasing adoption of renewable energy • Increased options for renewable energy-sourced electricity offered by electric power retailers • Reduction in renewable energy generation costs • Growing renewable energy procurement needs among corporations due to technological advancement and the shift toward a decarbonized society • Strengthening of policies by national and local governments to promote the adoption of renewable energy	Precious Metals Business Segment • Reduced procurement costs	Opportunity: Medium
		Popularization and advancement of low-carbon technologies (Transportation)	• Global increase in recycling demand and demand for automotive lithium-ion batteries, against the backdrop of the transition to a decarbonized society and the growing popularization of electric vehicles (EVs) such as BEVs*1 and PHEVs*2 • Decrease in platinum usage per FCV*3 due to technological advances, alongside overall platinum demand growth driven by increasing vehicle numbers	Precious Metals Business Segment • Increased profits due to increase in lithium-ion battery recycling sales • Increased profits due to increase in BEV/PHEV/FCV-related sales in the Precious Metals Business Segment	Opportunity: High
			• Shrinking market for internal combustion engine vehicles (ICVs*4, HVs*3, PHEVs) due to the growing popularization of EVs and FCVs • Strengthening of exhaust gas regulations and promotion of decarbonization policies	Precious Metals Business Segment • Decline in sale of catalysts for exhaust gas purification devices	Risk: Medium
	Markets	Spread of environmentally conscious lifestyles	• Global expansion of demand for plant-derived protein due to greater environmental awareness and health consciousness • Popularization of sustainability-focused consumption behavior • Popularization and promotion of plant-based food products by governments and corporations	Food Business Segment • Increased profits due to increase in sale of plant-based proteins	Opportunity: Medium
4°C	Physical changes (acute)	Frequent occurrences of abnormal weather conditions such as flooding	• Increasing frequency and scale of river flooding due to advancing climate change • Increasing flood risks in Japan and abroad	Across all businesses • Losses to buildings, depreciable assets, and inventory assets due to flooding • Profit losses due to business suspension	Risk: High
	Physical changes (chronic)	Rise in sea levels	• Rise in sea levels and increased storm surge risks due to advancing climate change • Increased flood risk and damage from storm surges in coastal areas both in Japan and abroad	Across all businesses • Losses to buildings, depreciable assets, and inventory assets due to storm surges • Profit losses due to business suspension	Risk: High
		Rise in average temperature' changes in rainfall patterns	• Rise in average temperature and changes in rainfall patterns due to advancing climate change • Decline in productivity for livestock products	Across all businesses • Increased procurement costs for eggs and chicken meat	Risk: High

*1 BEV (Battery Electric Vehicle): Electric vehicles powered solely by battery power
*2 Plug-in Hybrid Electric Vehicle (PHEV): Vehicles powered by both a battery that can be recharged from an external power source, and a gasoline engine
*3 Fuel Cell Vehicle (FCV): Vehicles powered by the chemical reaction between hydrogen and oxygen
*4 Internal Combustion Vehicle (ICV): Vehicles powered solely by an internal combustion engine
*5 Hybrid Vehicle (HV): Vehicles that reduce fuel consumption by combining an engine and motor

Note: Risks and opportunities deemed to have a "small" impact in the analysis have been omitted as their impact is minor.
The impact of TCFD risks and opportunities was revised in June 2025.

Environment: Strengthening Environmental Response

Emissions into the atmosphere / Hazardous substances / Pollution prevention and resource reduction

In FY2024, we controlled all of these factors within the scope of voluntary standards. In FY2025, we have set targets for each process and will proceed with reduction efforts under the ISO Environmental Management System.

Regulated substances such as hazardous substances in emission gas

Matsuda Sangyo has set voluntary standards that are more stringent than legal standards for the contained amount of regulated substances, such as hazardous substances in emission gas, and achieved all the standards.

Measurements in high-temperature oxidation reactor (as of February 19, 2025; and as of July 18, 2024 for dioxins)

Analysis items	(Unit)	Legal regulation	Voluntary standards	Analysis results
Dust	g/m^{3}N	0.25	0.1	0.00079
SOx (sulfur oxide)	m^{3}N/h	11.342	11.342	Less than 0.0047
NOx (nitrogen oxide)	ppm	250	180	33
CO (carbon monoxide)	ppm	—	—	Less than 1.5
HCl (hydrogen chloride)	mg/m^{3}N	200	200	0.4
Dioxins	ng-TEQ/m^{3}N	10	0.1	0
Ag (silver)	mg/m^{3}N	—	—	0.0038

Note: The scope of measurements covered Musashi Factory and Musashi No. 2 Factory.

Measurements in a waste incinerator (as of January 15, 2025; and as of July 5, 2024 for dioxins)

Analysis items	(Unit)	Legal regulation	Voluntary standards	Analysis results
Dust	g/m^{3}N	0.25	0.1	0.0033
SOx (sulfur oxide)	m^{3}N/h	4.625	4.625	Less than 0.0027
NOx (nitrogen oxide)	ppm	250	180	120
CO (carbon monoxide)	ppm	100	100	4.0
HCl (hydrogen chloride)	mg/m^{3}N	200	200	0.79
Dioxins	ng-TEQ/m^{3}N	10	0.1	0.036

Note: The scope of measurements covered Musashi Factory, Musashi No. 2 Factory, and Iruma Factory.

Regulated substances such as hazardous substances in wastewater

Matsuda Sangyo has set voluntary standards that are more stringent than legal standards for the contained amount of regulated substances, such as hazardous substances in wastewater, and achieved all the standards.

Substances in wastewater (Musashi Factory: as of March 28, 2025; and Musashi No. 2 Factory: as of March 28, 2025)

Analysis items	(Unit)	Legal regulation	Voluntary standards	Analysis results	
				Musashi Factory	Musashi No. 2 Factory
BOD*1	mg/l	600	540	1.0	4.9
COD*2	mgO/l	—	—	130	Less than 100
Cd (cadmium)	mg/l	0.03	0.027	Less than 0.003	Less than 0.003
CN (cyanide)	mg/l	1	0.9	Less than 0.1	Less than 0.1
Pb (lead)	mg/l	0.1	0.09	Less than 0.05	Less than 0.05
Cr6+ (hexavalent chromium)	mg/l	0.2	0.18	Less than 0.05	Less than 0.02
As (arsenic)	mg/l	0.1	0.09	Less than 0.01	Less than 0.01
Hg (mercury)	mg/l	0.005	0.0045	Less than 0.0005	Less than 0.0005
Se (selenium)	mg/l	0.1	0.09	Less than 0.01	Less than 0.01
F (fluorine)	mg/l	8	8	Less than 1	Less than 1
B (horon)	mg/l	10	10	Less than 1	Less than 1

*1 Biochemical oxygen demand *2 Chemical oxygen demand

Hazardous substances

Matsuda Sangyo handles various chemical substances in its precious metal smelting and waste detoxification processes.

In managing these chemical substances, Matsuda Sangyo positions the occupational health and safety of workers as a matter of top priority, based on which it approaches the important matters of reducing the discharge of hazardous substances to the air, water, and soil, and eliminating hazardous substances from products.

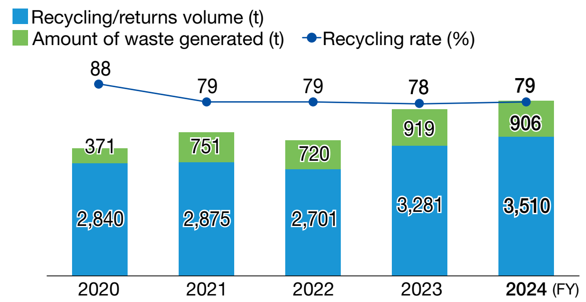
Quantity of class 1 designated chemical substances released/transferred (FY2024)

Chemical substance	(Unit)	Business site	Amount released: Air	Amount released: Water	Amount released: Soil	Amount transferred outside: Sewage systems	Amount transferred outside: Waste
Silver	kg	Musashi Factory	1.8	0.0	0.0	42	0.0
Cyanides	kg	Musashi No. 2 Factory	19	0.0	0.0	4.2	21
		R&D Center	0.6	0.0	0.0	0.0	0.0
		Iruma No. 2 Factory	28	0.0	0.0	0.0	0.0
		Seki Factory	132	0.0	0.0	0.8	2.1
Fluorides	kg	Iruma No. 2 Factory	6.4	0.0	0.0	2.5	584
		Seki Factory	56	0.0	0.0	8.4	1,694
Lead	kg	Musashi Factory	1.1	0.1	0.0	2.0	0.0
Dioxins	mg-TEQ	Musashi Factory	0.0	0.0	0.0	0.0	0.0
		Iruma Factory	1.8	0.0	0.0	0.0	0.0
Manganese compounds	kg	Musashi Factory	0.1	0.0	0.0	0.0	0.0
		Musashi No. 3 Factory	0.1	0.0	0.0	0.0	642
Nickel compounds	kg	Musashi No. 3 Factory	0.1	0.0	0.0	0.0	214
Cobalt compounds	kg	Musashi No. 3 Factory	0.1	0.0	0.0	0.0	214
Mercury and its compounds	kg	Musashi Factory	0.0	0.0	0.0	0.0	0.0
		Iruma Factory	0.0	0.0	0.0	0.0	0.0

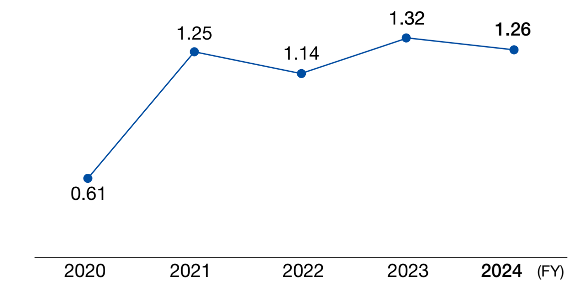
Solid waste

In FY2024, the volume of waste generated and discharged to recycling increased, while that to landfill decreased marginally, resulting in a 1% year-on-year improvement in recycling rate. In FY2025, we have set targets for each process and will proceed with reduction efforts by utilizing the ISO Environmental Management Program.

Changes in amount of waste generated and recycling rate (Six business sites in Iruma area + Two business sites in Seki area + Sayama + Kitakyushu)



Changes in waste discharge intensity (amount of waste discharged to landfill) (Six business sites in Iruma area + Two business sites in Seki area + Sayama + Kitakyushu)



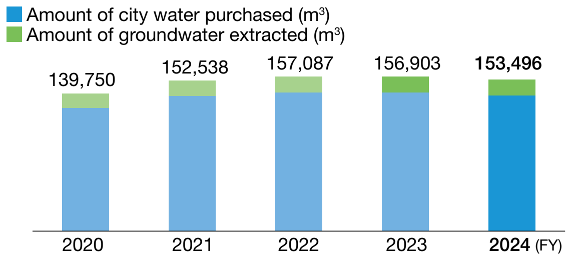
Volume of waste generated by each business site (FY2024)

	Requirements for businesses that discharge a vast quantity of waste (excluding intermediate treatment)	Discharge (kg/year)									
		Musashi Factory	Iruma Factory	Iruma No. 2 Factory	R&D Center	Musashi No. 3 Factory	Musashi No. 4 Factory	Seki Factory	Seki No. 2 Factory	Sayama Business Operation Center	Hidaka Yard
Specially controlled industrial waste	Discharge of 50,000 kg/year; quantities shown in the brackets are for FY2023	582,850.0	0.0	1,030.0	0.0	0.0	106,080.0	143,380.0	0.0	0.0	0.0
		(573,388.0)	(0.0)	(555.0)	(0.0)	(0.0)	(0.0)	(94,700.0)	(0.0)	(0.0)	(0.0)
Industrial waste	Discharge of 1,000,000 kg/year; quantities shown in the brackets are for FY2023	32,475.0	55,066.0	96,510.0	0.0	4,280.0	0.0	466,940.0	8,100.0	36,515.0	72,390.0
		(28,017.0)	(52,022.0)	(85,090.0)	(0.0)	(5,380.0)	(0.0)	(466,760.0)	(6,600.0)	(36,857.0)	(194,540.0)

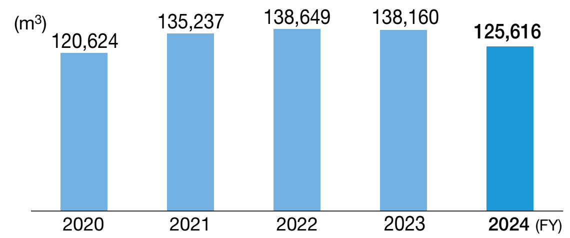
Environment: Strengthening Environmental Response

Water management

Changes in water usage
(Six factories in Iruma area + Two factories in Seki area)



Amount of water discharged (sewage effluent)
(Six factories in Iruma area + Two factories in Seki area)



In FY2024, the amount of water used and discharged both decreased slightly from the previous year. In FY2025, we will proceed with reduction efforts by utilizing the ISO Environmental Management System.

Utilization of freshwater

In FY2024, the amount of groundwater extracted remained unchanged from the previous year, while the amount of city water purchased decreased slightly from the previous year.

Wastewater volume

The amount of wastewater discharged into the sewer system in FY2024 also decreased slightly from the previous year.

Biodiversity

The Matsuda Sangyo Group is addressing biodiversity conservation as one of seven important matters to address in the area of environment. In the Precious Metals Business Segment, we are striving to reduce the environmental burden of extraction activities through recycling from urban mines. Each factory also contributes to the conservation of local ecosystems by promoting diverse plantings and the creation of habitats for living creatures. These initiatives are summarized in the following table and photographs.

In the Food Business Segment, we have expanded our lineup of products that have been certified with the Marine Stewardship Council's (MSC) blue ecolabel. Through our involvement in the Marine Eco-Label Japan Council , we are working to utilize sustainable fishery resources and maintain biodiversity.

List of plants and living organisms in each factory

Factory	Living things
Musashi Factory	Goldfish, loach, freshwater shrimp, killifish (black), dragonfly nymph, hydrangea, Japanese maple, persimmon, kumquat, camellia, azalea, tulip, red tip photinia, mandarin orange, sakurabara rose, sakura (drooping cherry tree), grass, Japanese boxwood, lily, red spider lily, water lily, snow willow
Kitakyushu Factory	Umineko cherry tree, gardenia, Zoysia japonica, Japanese holly, Yoshino cherry tree, Japanese cinnamon, Rhododendron pulchrum, Japanese pachysandra, etc.
Matsuda Sangyo (Thailand) Co.,Ltd.	Bananas
Matsuda Sangyo (Vietnam) Co.,Ltd.	Mangoes






Environmental management system

Matsuda Sangyo operates an environmental management system based on the ISO 14001 certification, based on our Quality and Environmental Policy that is centered around the following five pillars: customer satisfaction first and securing the trust of society, compliance focus, striking a balance between reducing environmental burden and business growth, proper management of hazardous chemical substances, and accomplishment of the plan-do-check-act (PDCA) cycle.

Our Quality and Environmental Policy was revised in April 2025. We are also engaged in efforts in accordance with the Code of Conduct established by the RBA*.

Quality and Environmental Policy of Matsuda Sangyo Co., Ltd.
https://www.matsuda-sangyo.co.jp/en/sustainability/environment.html

* The Responsible Business Alliance (RBA) is a corporate federation whose purpose is to promote social responsibility in global supply chains, and it aims to improve corporate social responsibility (CSR).

Environmental accounting

Environmental conservation costs (classified by business activities)

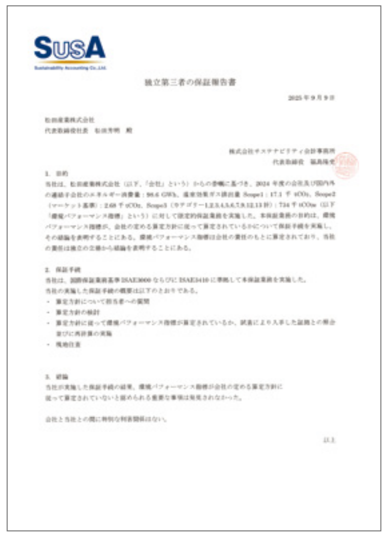
Target period: April 1, 2024 – March 31, 2025

(Unit: Thousands of yen)

	Classification	Main initiatives	Cost	Amount of investment
(1) Business area cost	1 Pollution prevention cost	Maintenance and management of emission gas processing facilities, wastewater processing facilities, etc.	423,938	202,846
	2 Global environmental conservation cost	Energy conservation activities (solar power generation, power saving, etc.)	30,385	175,142
	3 Resource circulation cost	Processing/disposal of industrial waste (in-house, contracted)	320,988	20,891
(2) Upstream/downstream cost		—	0	0
(3) Administration cost		Management activities through the environmental management system	34,420	39,127
(4) R&D cost		Enhancing the efficiency of industrial waste processing	71,270	0
(5) Social activity cost		Local community cleaning activities	4,109	0
(6) Environmental remediation cost		—	0	0
Total			885,110	438,005

Third-party assurance for GHG emissions

The Matsuda Sangyo Group obtained third-party assurance for our calculations of GHG emissions in FY2024.



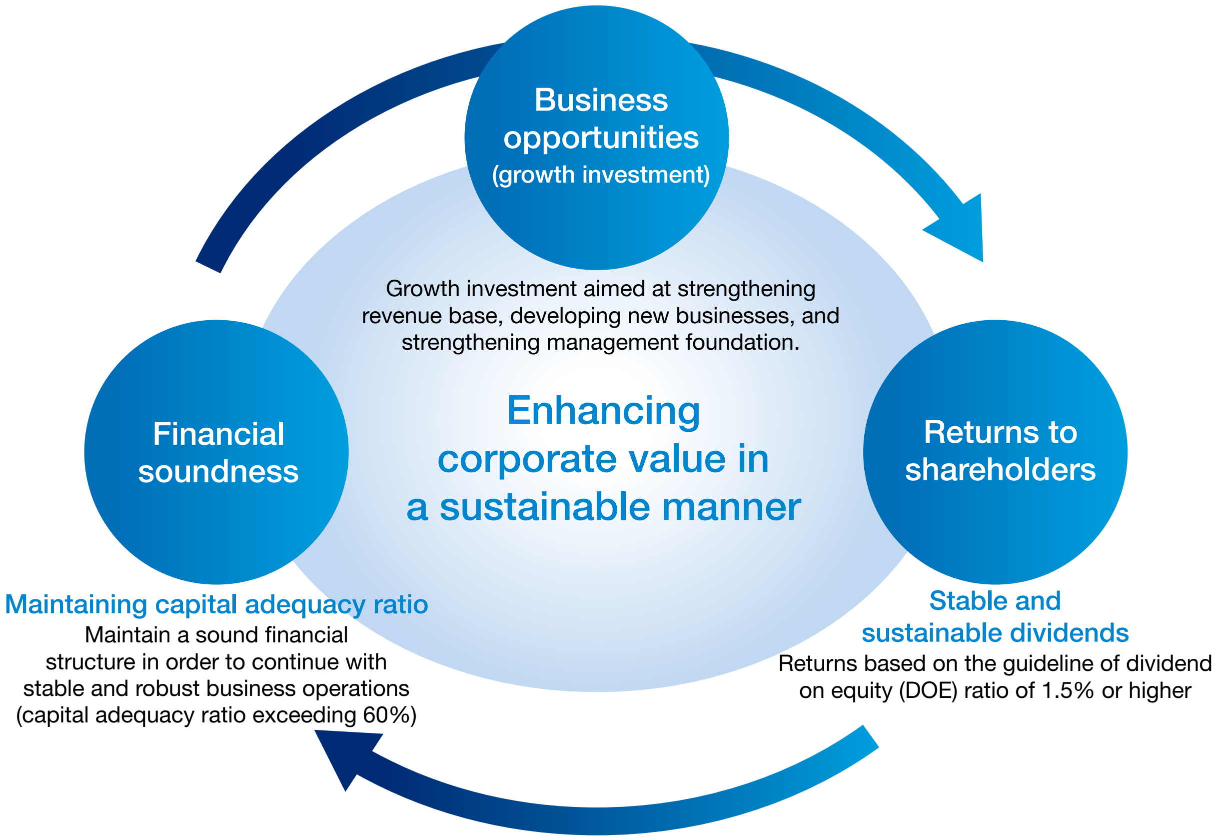
Obtained approval for CFP calculation rules for gold products

The Carbon Footprint of Products (CFP) calculation rules for Matsuda Sangyo's gold products have been approved under the "SuMPO/Internal-PCR Approval System" provided by the Sustainable Management Promotion Organization (SuMPO). With increasing requirements for the visualization and information disclosure on GHG emissions across companies and supply chains in the drive toward achieving carbon neutrality, we have established these calculation rules that are crucial for providing highly reliable and relevant CFP information compliant with international standards (ISO 14040:2006, 14044:2006). Moving forward, we will adopt the approved Internal-PCR to further enhance the visibility of GHG emissions associated with our products. At the same time, we will work to reduce environmental impacts and contribute to solving GHG emission-related challenges faced by our customers and supply chains.

Financial and Capital Strategy

Basic approach to capital policy

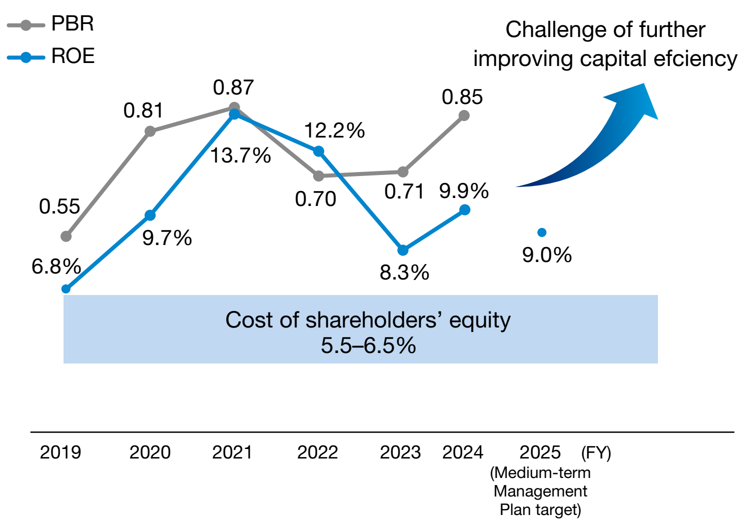
Matsuda Sangyo has established the basic capital policy of enhancing our corporate value in a sustainable manner while taking into consideration optimal resource allocation to business opportunities that capture growth potential, securing financial soundness, and achieving balance with shareholder returns. We have positioned, as our policy, actively promoting growth investment in the future and addressing sustainability issues toward improving returns on capital, as well as further enhancing returns to shareholders. With these in mind, we will work toward the sustainable improvement of our corporate value.



Toward the realization of management that is conscious of capital cost and stock prices

Matsuda Sangyo has estimated the cost of shareholders' equity at around 5.5% to 6.5%. While we have achieved ROE exceeding that in recent years, PBR has fallen below 1. To improve PBR, we have positioned, as important issues, improving capital efficiency to suppress the decline of as well as improve returns on capital, and fostering expectations of growth among investors and shareholders. To that end, we will promote the following three measures: promoting ROIC management, promoting precise capital policies, and strengthening IR activities.

Changes in PBR, ROE, and cost of shareholders' equity



Improving capital efficiency

Promote ROIC management
Introduce management control in the future with ROIC as an indicator, aimed at improving the capital efficiency of each business

Promoting precise capital policies
Undertake business investments that improve returns on capital in the future, and implement policies toward enhancing returns to shareholders, while keeping in mind the need to secure financial soundness

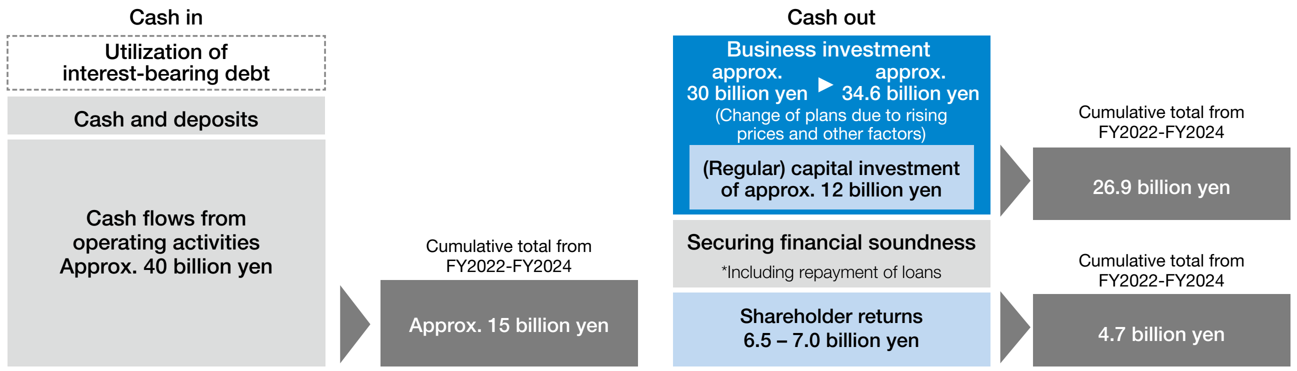
Fostering expectations of growth

Strengthen IR activities
Communicate effectively to investors and shareholders on matters such as scenarios for sustainable growth, competitive advantage, and efforts to address sustainability issues, engage in dialogue with them, and apply their feedback to management

Cash allocation

In our Medium-term Management Plan starting in FY2022, we had planned to generate approximately 40 billion yen in cash flows from operating activities over four years. However, the cumulative figure for the three years through FY2024 was 15 billion yen. Fluctuations in the external environment, such as the surge in gold prices exceeding initial expectations and the rapid depreciation of the yen in the foreign exchange market, led to an increase in the working capital required for raw material procurement and other operational needs. Regarding business investments, we have revised our plan from 30 billion to 34.6 billion yen, factoring in impacts such as rising prices. As for shareholder returns, we plan to provide returns on a scale of 6.5 billion to 7 billion yen. In the event that cash flows from operating activities temporarily fall short of the funds required for investments or returns, we will maintain an optimal capital structure by flexibly utilizing borrowings while ensuring financial soundness, thereby advancing our business without missing growth opportunities.

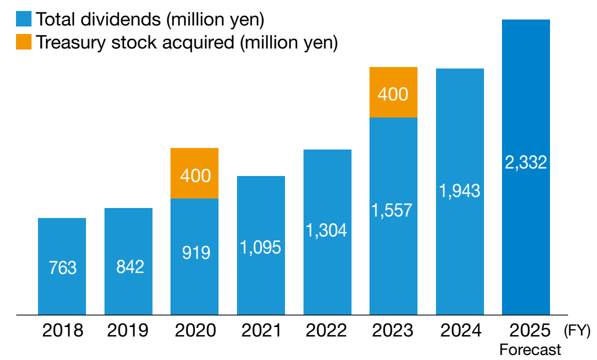
Estimated cash allocation for four-year period based on the Medium-term Management Plan (FY2022–FY2025)



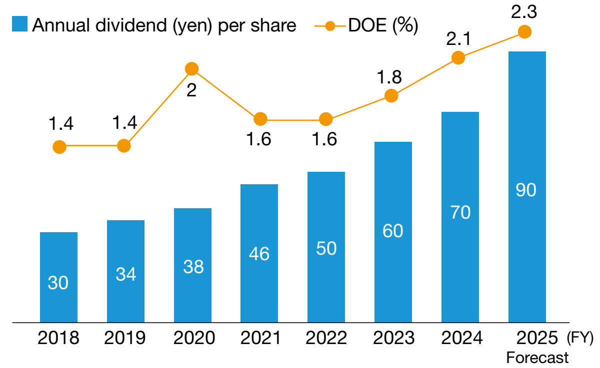
Returns to shareholders

Matsuda Sangyo's basic policy for shareholder returns is to enhance shareholder value and meet the expectations of shareholders by providing stable and sustainable dividends while maintaining a balance with internal reserves for growth investment and acquiring treasury stock flexibly in consideration of the market environment. With regard to dividends, Matsuda Sangyo has set a dividend on equity (DOE) ratio of 1.5% or higher as a guideline for stable and sustainable provision of dividends.

Changes in returns to shareholders



Changes in dividends per share, dividend on equity (DOE)



Corporate Governance

Koji Tsushima
Executive Vice President, Executive Vice President Executive Officer
Assistant to the President, in charge of Corporate Division, General Manager of Corporate Management Planning Dept., and in charge of Human Resources Dept. and General Affairs Dept.

Takehiro Ueda
Director, Executive Officer
Chairperson of TRM Committee , General Manager of Administrative Dept., General Manager of Finance Dept., and in charge of Information System Dept. and Bullion and Commodity Operations Department

Yoshinori Tanaka
Director, Executive Officer
General Manager of Accounting Dept., General Manager of CSR IR Dept., and General Manager of Legal Dept.

Hideki Suzuki
Executive Officer
General Manager of Human Resources Dept. and Assistant Manager in charge of General Affairs Dept.

Interview

a. Management indicators

Q. The management indicators have been disclosed in the Medium-term Management Plan. Now, having entered the final fiscal year, how do you evaluate the achievement status?

Ueda Progress toward the sales and profit targets set out in the Medium-term Management Plan is proceeding smoothly, but there are some issues with cash flow and we need to be more conscious of capital efficiency. In this context, I view it as a very positive sign that each individual in the Food Business Segment is becoming more conscious than ever before of operating cash flow and enhancing value.

Suzuki The economic environment and social challenges continue to change rapidly throughout the period of the Medium-term Management Plan. Amidst these conditions, the Food Business Segment has demonstrated improved awareness and recognition of its challenges while steadily increasing its volume handled over the past three years. In the Precious Metals Business Segment, we maintained the volume handled while making strong progress in areas such as investments. Going forward, the corporate division intends to provide firm support for business strategies in order to better meet the expectations of our stakeholders.

Tanaka In terms of sales and profits, I believe the steady implementation of measures amid dramatic external changes has yielded results. On the other hand, our ROA is not yet at a satisfactory level against our target, making the improvement of capital efficiency an issue of priority for us.

Tsushima One reason behind the increase in total assets is the upfront investments made based on our Medium-term Management Plan. In the future, it will be crucial to generate solid returns from these investments and use them to improve capital efficiency and profit margins. Despite growing difficulties in business operations alongside the company's expansion and the diversification of market needs, I feel that the company has steadily built up its overall strength through the unified efforts of every employee to achieve the Medium-term Management Plan.

Q. In evaluating whether Matsuda Sangyo has responded adequately to social changes, what are your thoughts on the company's capabilities and areas that should be reinforced?

Tsushima Based on our corporate philosophy, we have consistently pursued the effective utilization of resources as well as close relationships with our customers, while continuing to create added value. As we engaged in these activities, I feel we have adapted naturally to societal changes. By advancing with a consistent mindset of contributing to society through our business, we aim to build long-lasting relationships with our business partners that look ahead five, ten, or even more years into the future. In this era of rapid change, it is by no means an easy task to balance the maintenance and expansion of existing businesses with the development of new markets. Nevertheless, we aim to continue growing in the future, leveraging our unique characteristics as a cross-industrial company and based on our corporate philosophy.

Ueda Even before sustainability management became a hot topic in society, Matsuda Sangyo has always placed great value on the wonderful DNA of "making effective use of the limited earth resources and contributing to society through business." Starting with resource circulation since our founding days, we have captured various changes as opportunities, building up each business and advancing diversification efforts to make them viable as businesses. This is the history of the company, and it has resulted in the diverse businesses that we operate today. In particular, the Precious Metals Business Segment requires a mix of rationality and complexity, making close interdepartmental dialogue essential and management challenging in some ways. However, it is also true that this diversity of businesses is a strength of our company.

Within the corporate division, we conduct our operations with a full understanding of the company's history and strengths.

Tanaka In both the Precious Metals Business Segment and Food Business Segment, we have achieved a degree of success over the past four years in terms of engaging closely with customers to understand their needs. The company's strength lies in its ability to collaborate across the four core functions and organizations that support the foundation of our business: sales, production/technology, logistics, and management/systems. Therefore, I feel we have been responding with flexibility.

b. Strengthening the management foundation

Q. Please tell us about the results of your efforts in producing management talents.

Suzuki Following changes to our HR system in FY2020, we also revised our training system in FY2021 and introduced Matsuda Sangyo's unique training for selected employees (Management Talent Candidate Development Training), aimed at producing and nurturing management talents. Four years have passed since, and while I feel that we are producing tangible results, they are not yet adequate. Going forward, we plan to review the training program and improve the contents to make it more effective in developing human resources.

Tanaka In talent development, I believe that training that is focused on practical application is important, alongside acquiring knowledge and skills. Having trainees tackle real-world management challenges in the training program not only fosters individual growth but also contributes to addressing company-wide issues. While various functions and perspectives exist within the company, it is the role of management to unify these and produce results. We aspire to be a company that consistently advances human resource development while promoting business growth.

Tanaka Practical training that combines OJT and O-JT is effective, and training reports also present opportunities for dialogue between trainees and management. Going forward, we intend to focus our efforts on strengthening corporate talents.

Ueda Training for selected employees emphasizes an "elevated

Corporate Governance

perspective," providing an excellent opportunity to acquire decision-making skills in situations without clear answers, and in particular, learn the difficulty of identifying overall optimization from a long-term perspective. I am confident that this is cultivating executive talents of the general manager class across the company. Beyond the short- and long-term perspectives, I consider the following viewpoint and management mindset, frequently emphasized by our Vice President, to be of great importance: a "bird's-eye view" for taking a panoramic perspective of the whole, the "insect's-eye view" for in-depth analysis, and the "fish's-eye view" for grasping trends.

Q. Please share your views on creating a comfortable workplace environment.

Suzuki Creating a comfortable workplace environment is important from the perspective of enabling diverse human resources to play active roles, but I believe that it will not be possible to achieve the desired results without implementing numerous and varied measures. As an example, we evaluate the results of the employee engagement surveys that we conduct periodically to enhance the overall workplace environment. Additionally, we are advancing the revision and introduction of various HR systems, including the revision of our senior HR system this fiscal year, among other initiatives. Beyond systems, we are also enhancing the educational framework for management to support the empowerment of women, as well as gradually establishing a foundation that allows female employees to play even more active roles. Going forward, we recognize the need to put greater effort into promoting the active participation of diverse human resources, including global talents.

Tanaka We have seen an increase in the number of mid-career recruits along with improved retention rates, and their integration with fresh graduate recruits is also improving. On the other hand, developing global talent remains a challenge, and I think we are currently facing difficulties in managing and developing personnel overseas. Therefore, I view this as a key issue for the future.

Tsushima Mid-career recruits provide positive stimulation for company and organizational growth, contributing not only to individual development but also to corporate growth. In nurturing global talents, a key difficulty lies in how we convey, to our overseas partners, the essence of Matsuda Sangyo that we have placed great value on in our global talent development—gratitude and kindness, and creativity and challenge—along with the underlying spirit and context behind them. Alongside equipping employees with the necessary skills, we aim to have more employees play active roles in our global business expansion. With regard to creating a good workplace environment, I consider it important to provide growth opportunities in addition to ensuring that they have a comfortable working atmosphere.

Ueda We are mindful of assigning the right person for the right job to ensure all employees are able to grow and play active roles, and that the entire organization works as one. This is achieved through support for career development, without distinction between mid-career recruits and fresh graduates, and paying close attention to the merits of individuals. Furthermore, regarding global talents, we aim to create an environment where people of diverse nationalities can thrive across our entire group. Moving beyond the conventional one-way transfers of Japanese employees to overseas subsidiaries, we have initiated a new approach that includes welcoming national staff working in overseas subsidiaries to transfer to the head office. Through their work at the head office, they gain firsthand experience of Matsuda Sangyo's values.

Q. Please share your views on the strengthening of governance.

Ueda We are working on strengthening governance as one of the necessary conditions for growth, and we have established a framework, to a certain degree, which includes our subsidiaries. However, moving beyond merely developing systems and frameworks, we are progressively strengthening our three-line defense approach of raising awareness among all stakeholders to perceive risks as being relevant to themselves, and building the systems to support this. I view this as an ongoing, never-ending effort.

Tanaka Strengthening governance is a theme that we must continue focusing on going forward, and I consider it essential for promoting our business in a more sound and proactive manner.

Tsushima It is important for employees to understand that strengthening governance is not a response to external demands, but rather, something that is necessary for business growth. We are committed to pursuing governance that always embodies the essence of Matsuda, while also adapting to social trends. I also feel that it is important to link this to accelerating our business.

Q. What are your views on IT/DX?

Tanaka I feel that Matsuda Sangyo's unique approach to digital transformation (DX) has advanced significantly over the past four years. I believe a key question going forward is how my role will change as AI continues to evolve.

Ueda The company-wide ERP renewal that we have been working on for the past few years is scheduled for completion within this fiscal year. I believe the first step in our company's DX is to leverage this system infrastructure to utilize data and create value. To achieve this, we are actively encouraging digital democratization by providing various tools, including AI, to the business divisions to enable data utilization and the improvement of business processes. We anticipate these efforts to produce results gradually over time. Meanwhile, we recognize fully the cyber risk threats that are growing year after year. In light of that, under the leadership of the head office, we are constantly updating and implementing countermeasures across three key areas: rules, technical responses, and education.

Suzuki Human resource development is key to promoting DX. While the Information System Dept. is currently leading these efforts, I believe it is also necessary for the HR Dept. to collaborate. We aim to cooperate with the relevant departments to advance initiatives for enhancing capabilities across the entire company.

Tsushima Initiatives to date, such as the adoption of systems and enhancement of operational efficiency, have often been viewed as inward-focused improvements. However, I believe our current DX promotion efforts are steadily evolving into a conscious effort to strengthen the competitiveness of our business. I feel that we need to move beyond past experiences and, with a more forward-looking mindset, firmly integrate IT/DX into our growth strategy.

c. Promoting sustainability management

Q. I believe that by expanding our business and contributing to society, we are helping to build a circular society. However, I recognize that the prerequisite for this is the thorough spread of our corporate philosophy and "Matsuda-ism." What are the creative approaches taken to instill the corporate philosophy?

Suzuki There is no absolute method for instilling the corporate philosophy. While we take time to carefully communicate it when employees first join the company, we feel that this alone does not convey it adequately. It is also important to ensure implementation during various training sessions and instill it on a daily basis within each department. As diverse work styles continue to develop moving forward, we consider it necessary to come up with new approaches for instilling the philosophy.

Tsushima To instill our corporate philosophy, I believe it is effective to raise awareness through daily practical efforts, such as proposals to customers through our business activities. At the same time, it is also important to deepen understanding of the corporate philosophy through classroom learning. Sharing this philosophy is essential for uniting talents with diverse personalities. Furthermore, through corporate activities that everyone participates in, I consider it vital for individuals to give full play to their individual capabilities while developing a tangible sense of helping to build up the Matsuda Sangyo of the future.

Tanaka Our corporate philosophy is always at the heart of our business and actions, and I feel that it consciously connects the entire organization. As our workforce grows and there is an increasing number of employees we do not have the chance to meet directly, I think it is crucial for us, as colleagues working in the same company, to share this corporate philosophy.

Ueda The corporate philosophy is a principle that serves as the cornerstone of our business, and it is important to spread it across the organization by ensuring a shared understanding. Therefore, it is vital not only to provide one-way input, but also to ensure full comprehension and connect it to the basis of our everyday actions and decisions. To achieve this, I feel it is necessary for us to intentionally offer opportunities for each individual to consider how to apply the corporate philosophy in their daily work.

Q. Amid growing social demands, what challenges and difficulties have you encountered in promoting sustainability management while ensuring balance with business activities?

Tanaka In the future, I believe that investments in people and resources will increase in order to promote sustainability management. It will be critical for companies to balance these investments with business growth. While our aim is to achieve targets such as GHG reduction , which is one aspect of sustainability management, by 2050, it is a challenging theme that must be considered from a long-term perspective, in light of the rapidly changing business environment.

Tsushima Sustainability is a theme not only for our company, but for society as a whole, and we aim to tackle it together with all our business partners and stakeholders. While many initiatives will take time, a key question is whether or not they contribute to the creation of new value. We intend to work on these with a long-term perspective while remaining mindful of financial aspects such as capital efficiency. As we work toward sustainability as a company, I hope that we can look forward to a bright future with sustained growth, increased earnings and profits, and a sense of accomplishment among our employees.

Ueda Sustainability and GHG reduction require capital investment, yet the pursuit of corporate profits can sometimes be in conflict with environmental consideration and sustainable initiatives. Therefore, I think it is necessary to continuously seek the optimal balance at any given time, grounded in the perspective of both short- and long-term profits and our corporate philosophy, as well as to work on this in a sustained manner over the long term with the understanding of all our stakeholders.

To strike a balance between sustainable business growth and sustainability management and bring about improvements in corporate value, the corporate division plays a crucial role. While differing opinions may arise at times, I believe we will ultimately unite and continue to pursue initiatives in a sound and decisive manner.

Corporate Governance

Approach to corporate governance

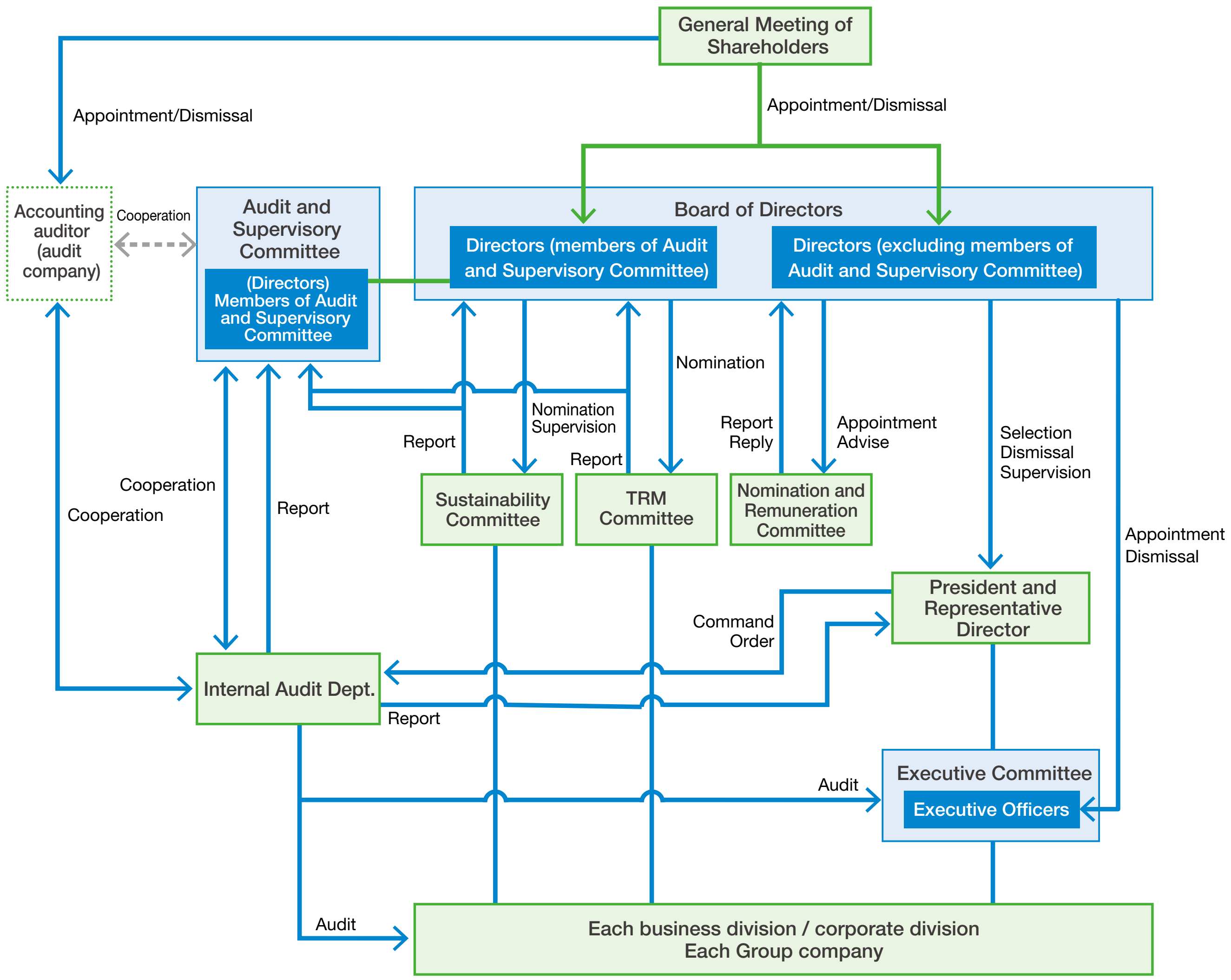
Matsuda Sangyo has built a management system aimed at responding swiftly to changes in the management environment, and to realize fair and highly reliable management. We also put effort into complying with laws, social norms, and ethics, work to enhance our compliance system by providing timely education and training to all officers and employees, and take proactive steps to disclose information in order to enhance management transparency, thereby strengthening corporate governance.

Corporate Governance Guidelines

Matsuda Sangyo enacted its Corporate Governance Guidelines in 2015, setting out a basic framework for the company's corporate governance. The Guidelines were established and are reviewed continuously for the purpose of pursuing the best corporate governance, in order to enable us to fulfill our social responsibility to our stakeholders through sustainable growth and enhancement of our corporate value.

Corporate Governance Basic Policy
https://www.matsuda-sangyo.co.jp/ja/sustainability/governance/governance01.html

Organizational chart (as of June 25, 2025)



Corporate governance system

Matsuda Sangyo has adopted a company format with an Audit and Supervisory Committee to realize effective corporate governance and ensure transparency and fairness in our decision-making. We have also introduced an executive officer system to strengthen both our management and business execution functions, with a view to building a system that can respond more swiftly and appropriately to changes in the market environment. On top of that, we have also established a Nomination and Remuneration Committee, a Sustainability Committee, and a Total Risk Management (TRM) Committee to enhance corporate governance and strengthen risk management.

Board of Directors

The Board of Directors convenes a regular meeting once a month in principle, as well as extraordinary meetings where necessary. It deliberates and decides on important management matters including legal matters and supervises the status of business execution by each executive officer. Matsuda Sangyo's Board of Directors is made up of 11 members, comprising seven internal directors and four independent outside directors (of whom one is female). The independent outside directors make up more than one-third of the members of the Board.

Audit and Supervisory Committee

The Audit and Supervisory Committee convenes monthly, and supervises and conducts audits on the execution of duties by the directors, as well as the status of construction and operation of the internal control system, including compliance and risk management. It comprises four members (one full-time member, three part-time members), all of whom are independent outside directors

Executive Committee

The Executive Committee convenes meetings once a month in principle to deliberate and decide on matters entrusted by the Board of Directors and other important matters related to the execution of duties. It is comprised of 13 executive officers.

Total Risk Management (TRM) Committee

The Total Risk Management (TRM) Committee anticipates, manages, and corrects risks in order to prevent the materialization of various risks that could have serious impact on corporate management, as well as to respond swiftly and precisely in the event of an emergency. These wide-ranging risks include compliance, environment, disaster, quality, information security, credit management, commodity market prices, foreign exchange control, and sustainability.

Sustainability Committee

The Sustainability Committee was established under the supervision of the Board of Directors with the aim of striking a balance between realizing a sustainable environment, society, and economy, and enhancing our corporate value. It primarily deliberates on the formulation of overall policy, deciding on important matters that should be addressed, evaluation of risks and opportunities, setting of targets, formulation of action plans, verification and monitoring of actions , and other matters to drive efforts to address sustainability issues. Matsuda Sangyo's Sustainability Committee consists of 15 members, nine of whom are directors including two independent outside directors, and six are executive officers.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established as a voluntary advisory body of the Board of Directors to ensure independence, objectivity, and transparency in decisions pertaining to the nomination of candidates for directors and executive officers, and their remuneration. It convenes according to a predetermined annual schedule as well as extraordinary meetings as necessary. The Committee deliberates mainly on policies, procedures, and other matters related to the nomination and remuneration of directors and executive officers in response to consultations from the Board of Directors. It then reports or replies to the Board of Directors. Matsuda Sangyo's Nomination and Remuneration Committee consists of three members, two of whom are independent outside directors and one an inside director, creating a system in which independent outside directors form the majority.

Future outlook for corporate governance

Matsuda Sangyo will continue with efforts to strengthen governance by enhancing the activities of each committee. The governance of our overseas subsidiaries is positioned as an important activity among our future undertakings. With the expansion of our Precious Metals Business Segment and Food Business Segment into global markets, we consider it important to strengthen the governance of our overseas subsidiaries, and we have commenced work on this area.

Corporate Governance

FY2024 Composition of Committees and Executive Committee

Name	Position	Audit and Supervisory Committee	Nomination and Remuneration Committee	Sustainability Committee	TRM Committee	Executive Committee
Yoshiaki Matsuda	President and Representative Director President Executive Officer		●	●		●
Koji Tsushima	Executive Vice President Executive Vice President Executive Officer			■	★	★
Ryuichi Yamazaki	Director Managing Executive Officer			★	★	★
Kenji Isawa	Director Senior Executive Officer			★	★	★
Takehiro Ueda	Director Executive Officer			★	●	★
Hidehito Imai	Director Executive Officer			★	★	★
Yoshinori Tanaka	Director Executive Officer			★	■	★
Kazuhiro Suzuki	Director (Outside, Independent) Audit and Supervisory Committee Member	●		★		
Shinichi Hatakeyama	Director (Outside, Independent) Audit and Supervisory Committee Member	★	★			
Reiko Miyata	Director (Outside, Independent) Audit and Supervisory Committee Member	★		★		
Yasuo Kojima	Director (Outside, Independent) Audit and Supervisory Committee Member	★	★			
Yuichiro Shindo	Senior Executive Officer			★	★	★
Yuji Masui	Executive Officer			★	★	★
Hiroyuki Kawamura	Executive Officer			★	★	★
Kazuo Ikeda	Executive Officer			★	★	★
Yasuyori Nishide	Executive Officer			★	★	★
Hideki Suzuki	Executive Officer			★	★	★

● Chairperson ■ Vice Chairperson ★ Member

Key experiences and expertise of directors (skill matrix)

Skills	Definition	Matsuda	Tsushima	Yamazaki	Isawa	Ueda	Imai	Tanaka	Suzuki	Hatakeyama	Miyata	Kojima
Corporate management	Comprehensive knowledge and experience across all aspects of corporate management necessary to steer the company toward sustainable growth and enhanced corporate value	●	●	●	●	●	●	●				
Priority business and work experience	Extensive and advanced knowledge and experience in businesses that drive sustainable growth and contribute to enhancing corporate value into the future	●	●	●	●	●	●	●				
Finance and accounting	Comprehensive knowledge and experience across all aspects of corporate accounting, financing, and investment necessary to contribute to enhancing corporate value					●		●	●	●		
Legal affairs and risk management	Comprehensive knowledge and experience across all aspects of risk management, including legal compliance, safety, business continuity, social credibility, and information security		●			●		●	●	●		●
HR, labor relations HR development	Comprehensive knowledge and experience across all areas of personnel affairs and human resource development necessary to contribute to human capital management.		●		●						●	●
ESG	Comprehensive knowledge and experience across all environmental, social, and governance aspects, as well as DX fields, necessary to contribute to sustainability management					●		●			●	●

Directors' remuneration (policy and procedures)

Policies and procedures related to the remuneration of directors are reviewed in the Nomination and Remuneration Committee, and reports or responses are then submitted to the Board of Directors.

1. Policy for determining the remuneration of directors who are not members of the Audit and Supervisory Committee

The basic policy pertaining to the remuneration of directors who are not members of the Audit and Supervisory Committee is that it shall consist of a fixed remuneration component and a stock compensation component. The following resolutions in relation to this matter were approved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2025: "Final Payment of Retirement Allowance in Conjunction with Abolition of Retirement Allowance System for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)" and "Introduction of Stock Compensation Plan for Directors, etc."

2. Procedures related to the determining of the amount of the fixed remuneration component for directors who are not members of the Audit and Supervisory Committee

(1) A draft proposal on the amount of remuneration for individual directors who are not members of the Audit and Supervisory Committee is prepared at the request of the Nomination and Remuneration Committee, in consultation with the President and Representative Director, Executive Vice President, and the Director in charge of Human Resources, based on the standards established with consideration for the evaluation of the responsibilities each director should fulfill, their position, their years in service, their performance, and other factors. This draft is explained and proposed to the Nomination and Remuneration Committee.
(2) The Nomination and Remuneration Committee deliberates on the draft and replies to the Board of Directors.
(3) The President and Representative Director, who has been entrusted by resolution of the Board of Directors, respects the replies of the Nomination and Remuneration Committee, and notifies each director of the final amount of their individual remuneration.
(4) If a decision is made that is different from the replies given by the Nomination and Compensation Committee, the Representative Director and President explains the reason thereof to the Nomination and Compensation Committee.

3. Policy regarding the timing for the payment of fixed remuneration for directors who are not members of the Audit and Supervisory Committee

The fixed remuneration of directors who are not members of the Audit and Supervisory Committee is paid out as a fixed monthly remuneration.

4. Details of the stock compensation for directors who are not members of the Audit and Supervisory Committee

(1) Stock compensation for directors who are not members of the Audit and Supervisory Committee is paid out using a mechanism known as the "Board Incentive Plan" (BIP) for directors' remuneration, with the purpose of clearly linking director compensation with the company's performance and stock value.
(2) Stock compensation is provided to directors who are not members of the Audit and Supervisory Committee (excluding domestic non-residents) based on pre-established stock issuance regulations. Shares of Matsuda Sangyo's stock are in principle issued upon retirement, according to the positions of the directors, etc. in question. The following resolutions in relation to this matter were approved at the 76th Ordinary General Meeting of Shareholders held on June 25, 2025: "Final Payment of Retirement Allowance in Conjunction with Abolition of Retirement Allowance System for Directors (Excluding Directors Who are Audit and Supervisory Committee Members)" and "Introduction of Stock Compensation Plan for Directors, etc."

5. Policy for determining the remuneration of directors who are members of the Audit and Supervisory Committee

The remuneration of directors who are members of the Audit and Supervisory Committee consists of a fixed remuneration, and the basic policy is to pay the full amount of remuneration on a monetary basis.

6. Procedures related to the determining of the amount of the fixed remuneration component for individual directors who are members of the Audit and Supervisory Committee

(1) The amount of remuneration for individual directors who are members of the Audit and Supervisory Committee is deliberated by the Audit and Supervisory Committee based on a comprehensive evaluation of the responsibilities that members of the Committee should fulfill, their experience, expertise, and other factors. A draft is then prepared by the Audit and Supervisory Committee, which explains and proposes this draft to the Nomination and Remuneration Committee.
(2) The Nomination and Remuneration Committee deliberates on the draft and replies to the Audit and Supervisory Committee.
(3) The Audit and Supervisory Committee, taking reference from the replies of the Nomination and Remuneration Committee, determines the amount of remuneration for individual members with the unanimous agreement of all members of the Audit and Supervisory Committee.
(4) If a decision is made that is different from the replies given by the Nomination and Compensation Committee, the Audit and Supervisory Committee explains the reason thereof to the Nomination and Compensation Committee.

7. Policy regarding the timing for the payment of fixed remuneration for directors who are members of the Audit and Supervisory Committee

The fixed remuneration of directors who are members of the Audit and Supervisory Committee is paid out as a fixed monthly remuneration.

Toward enhancing the effectiveness of the Board of Directors

Matsuda Sangyo conducts evaluations of the effectiveness of the Board of Directors, capturing the Company's vision for the Board of Directors and current challenges, with the aim of improving its operation and enhancing its functions. For details, please refer to the Japanese version of Corporate Governance Report (URL below).
https://www.matsuda-sangyo.co.jp/ja/sustainability/governance/governance01.html

Overview of results of evaluation on effectiveness in FY2024

(1) The selection of agenda items based on laws and internal regulations, as well as the frequency of meetings, the content of materials, and the deliberation time, etc. are appropriate. (2) Agenda items and management plans indicating the broad direction of the Company's corporate strategy, establishment of appropriate risk-taking and risk management systems, compliance-related matters, etc., are adequately discussed. (3) Adequate support is given to securing opportunities for providing information to each director and the Audit and Supervisory Committee, opportunities for obtaining advice from external experts, opportunities for collaborating with the internal audit section, etc. (4) Issues requiring consideration include further enabling the early, prior sharing of detailed materials on the agenda items for the Board of Directors' meetings, deepening discussions in Board of Directors' meetings on non-financial matters such as human capital management, safety and health, and social contribution activities, and further enhancing disclosure.

Initiatives toward enhancing the effectiveness of the Board of Directors

In FY2024, we conducted seminars and briefings on current affairs as necessary to enhance the effectiveness of the Board of Directors. In FY2025, we will continue to address issues identified and work on strengthening both our supervisory and decision-making functions.

Risk Management

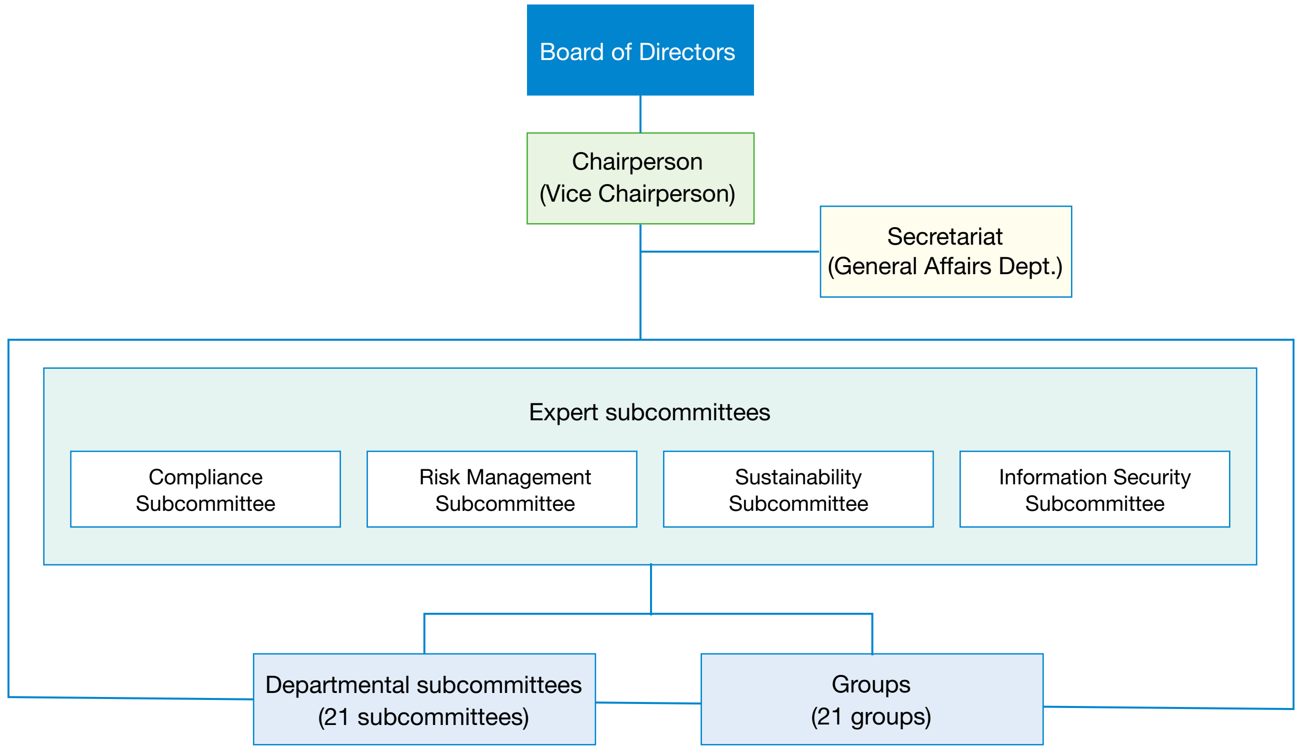
Internal control

Matsuda Sangyo has established an internal control system based on the Companies Act and the Regulations for Enforcement of the Companies Act. For details on the internal control system, please refer to the Japanese version of Securities Report (URL below).
https://www.matsuda-sangyo.co.jp/ja/ir/library/securities.html

Risk management system

Matsuda Sangyo has established the Total Risk Management (TRM) Committee, supervised by the Board of Directors, as an organization for overseeing risk management for the entire corporate Group, including the subsidiaries. The TRM Committee undertakes risk management by preventing the emergence of various risks that have severe impact on corporate management, and taking swift and precise response in the event of an emergency. It also builds, operates, and evaluates the risk management system as well as conducts education and training, and reports on the results of these activities to the Board of Directors. The TRM Committee has established departmental subcommittees and groups to oversee the risks for each department. Within the departmental subcommittees and groups, the respective elements—incidence of occurrence, degree of impact on economic loss, and degree of detection—are evaluated on a five-step scale, and the multiplier of the result is quantified as the risk degree. The TRM Committee oversees the countermeasures, progress, etc. for important risks identified through this method.

Expert subcommittees are established under the TRM Committee to manage cross-organizational and highly important risks, and the identification and evaluation of risks, development of countermeasures, monitoring, remedial actions, and education are conducted in a systematic manner. The management status, etc. of these risks is reviewed periodically and the results are reported to the Board of Directors and Audit and Supervisory Committee.



Risk Management

Strengthening Group governance

With the aim of maximizing the value of the entire corporate Group, Matsuda Sangyo is working on strengthening Group governance, taking reference from the Practical Guidelines for Corporate Governance Systems (METI) and other guidance. Matsuda Sangyo's internal control system and the Total Risk Management (TRM) Committee are established for the entire corporate Group, and the Regulations for the Management of Affiliated Companies sets out a system for managing subsidiaries by classifying the business divisions and corporate divisions respectively as "business management" and "administrative management."

Topics

Activities of the Total Risk Management (TRM) Committee's expert subcommittees

Compliance Subcommittee

The Compliance Subcommittee evaluates the status of compliance with various laws and regulations related to business promotion through self-inspections, monitoring, regular evaluations, and audits, and puts in place measures as necessary. With regard to internal education, it sets themes periodically and conducts online training for all employees.

The Legal Dept., which oversees the Compliance Subcommittee, has launched an internal portal site to communicate information on various laws and regulations and to enhance compliance operations.

Risk Management Subcommittee

In addition to conducting risk assessments, the Risk Management Subcommittee also works to enhance training so that employees are able to take swift and precise action when an event or incident occurs. Themes are set quarterly (four times a year) and training is conducted to improve proficiency in the areas of initial response and BCP response in the event that a risk manifests.

The Risk Management Subcommittee also works on reducing traffic accidents that mainly involve vehicles, and occupational accidents primarily in the production departments. It is putting effort into reviewing the Company's training systems and improving infrastructure.

Sustainability Subcommittee

The CSR IR Department, which manages the Sustainability Subcommittee, has established an internal portal site to improve the ESG literacy of all employees, and works to foster awareness by disseminating information on decarbonization, RBA, and other topics as well as sending out regular e-mail newsletters (twice a month).

Information Security Subcommittee

The Information Security Subcommittee strives to reinforce access management, takes company-wide measures to prevent information leakage, and evaluates these aspects on a regular basis.

In preparation for the unlikely event of an incident, it conducts periodic online training courses with different contents tailored to each job, with the aim of raising proficiency levels. Going forward, there are also plans to conduct incident response training, and it will strive to build a system that will enable the Company to respond appropriately in an emergency.

Future developments

The roles of each specialized subcommittee have changed significantly since their launch, moving from the implementation level of "evaluation" and "remedial action" to that of "prevention." We believe this is the result of the successful Group-wide permeation of the concepts of risk management and group governance.

Going forward, we will create further opportunities for education, upgrading, and training, and strive to eliminate risks while strengthening governance.

Significant business risks

The following are the primary risks identified as having the potential to have a significant impact on Matsuda Sangyo Group's financial position, operating results, and cash flow status. Note that forward-looking items referenced here are based on assessments made as of March 31, 2025.

Risks	Significant risk factors	Details
Price fluctuations for products and commodities	• Foreign exchange • Precious metals prices • Commodity market conditions	The main raw materials used in the manufacturing of products handled by the Precious Metals Business Segment of the Matsuda Sangyo Group are recycled raw materials that contain precious metallic elements, primarily including gold, silver, platinum, and palladium. In principle, their purchase and sales prices are based on the market prices of precious metal bullion, and conditions in the international commodities market as well as foreign exchange fluctuations could impact these prices. The Matsuda Sangyo Group conducts forward transactions on commodities with the aim of avoiding market risks associated with price fluctuations. However, as complete avoidance for all volumes traded is difficult, price fluctuations could potentially impact business performance depending on the trends for precious metal prices during the manufacturing and inventory periods. The products handled by the Food Business Segment of the Matsuda Sangyo Group are materials and ingredients used for food processing, such as seafood products, livestock products, and agricultural products. The majority of these are produced overseas, so both purchase and sales prices are affected by commodity market conditions and foreign exchange fluctuations. The Matsuda Sangyo Group engages in forward exchange contracts and addresses these fluctuations by transferring them onto the sales prices. However, in the event of a decline in sales prices due to factors such as supply and demand balance of the products, there is a possibility of incurring losses, such as inventory asset write-down loss, which could potentially affect business performance.
Quality issues, etc.	• Food labelling • Contamination	The Food Business Segment of the Matsuda Sangyo Group adheres strictly to food labeling requirements in both purchasing and sale based on regulations, and takes thorough measures such as enhancing quality management guidance for overseas production areas and strengthening measures to prevent contamination. However, in the event of issues related to food safety, etc., or if measures such as import bans are implemented, they could potentially impact business performance.
Legal regulations	• Environmental laws such as the Waste Management and Public Cleansing Law	In cases where legal regulations related to the Group's Precious Metals Business Segment are strengthened, it may be necessary to take on additional capital investment burden to deal with such situations. The Company and some Group companies are engaged in the businesses of collecting, transporting, and treating industrial waste as business operators based on the Waste Management and Public Cleansing Law, so compliance with various laws is an important premise for business continuity. As a part of our efforts to ensure compliance across all our management activities, the Matsuda Sangyo Group has enacted the Matsuda Sangyo Group Global Code of Conduct as the highest internal standard for our business activities and other social activities, as well as the Compliance Regulations which sets out provisions on matters toward the realization of compliance.
Management of waste, etc.	• Environmental conservation • Safety	The Group's Precious Metals Business Segment uses toxic and deleterious substances in the manufacturing process, so we undertake appropriate, environmentally conscious disposal for waste liquids and emissions into the atmosphere. However, if any issues arise in the management of these substances through accidents at factories or other incidents, it could potentially impact our business results.
Country risks	• Political economy • Social conditions	The Precious Metals Business Segment and Food Business Segment of the Matsuda Sangyo Group are engaged in business activities in various countries and regions outside of Japan. If unforeseen circumstances caused by environmental changes, such as political economy and social conditions, in these countries or regions, they could potentially impact our business results and financial position.
Natural disasters, climate change, and spread of infectious diseases, etc.	• Earthquakes, floods, etc. • Abnormal weather conditions • Pandemic	The occurrence of natural disasters such as earthquakes and floods in countries or regions where the Matsuda Sangyo Group's Precious Metals Business Segment and Food Business Segment engage in business activities could have an impact on the Group's business activities. The Matsuda Sangyo Group introduces safety verification systems, conducts disaster drills, and puts in place various measures to ensure business continuity, in preparation for the occurrence of large-scale disasters. However, it is impossible to avoid damage completely, and such disasters could have an impact on our business results and financial position. Abnormal weather conditions due to climate change and other factors could also have an impact on the manufacturing of products handled by the Food Business Segment, and thereby affect our business results and financial position. At the same time, while we are advancing efforts to establish a supply system for products, commodities, and services in preparation for a large-scale disaster, such as a natural disaster, procurement could be delayed, and business activities could be interrupted or come to a standstill. Such situations could have an impact on our business results and financial position.
Information security	• System/communication disruptions • Cyberattacks • Information leaks	Many of the business activities conducted by the Matsuda Sangyo Group are facilitated by computer systems and communication networks. Disruptions, malfunctions, or defects in these systems and networks, as well as functional failures in data centers, could potentially disrupt our business operations and affect our business results. Additionally, the leakage of various forms of personal information, including customer data, due to cyberattacks or other unforeseen circumstances could potentially damage our social trust and incur significant financial burden. This could in turn impact the Group's business results and financial position.

Interviews with Newly Appointed Outside Directors

Kazuhiro Suzuki
Independent Outside Director
Audit and Supervisory Committee Member

Yasuo Kojima
Independent Outside Director
Audit and Supervisory Committee Member

Interview

Q1. Leveraging the knowledge and experience you have accumulated throughout your career, what specific aspects of Matsuda Sangyo do you believe you can contribute to?

Suzuki I joined an audit firm in 1984 and have been engaged in accounting and audit work for 39 years. I have worked with clients across various industries and sizes, gaining expertise from the perspective of an independent auditor in areas such as disclosure of financial, accounting, and sustainability information, risk management, and governance. I was appointed as an Outside Director and Chairperson of the Audit and Supervisory Committee of Matsuda Sangyo in the fiscal year ending March 2026. Drawing on my experience so far, I aim to contribute as an independent director of the Tokyo Stock Exchange to enhancing corporate value from the perspectives of protecting minority shareholders and improving governance.

Kojima I have accumulated 41 years of experience in the field of local administration, from April 1984 to March 2025. During this time, I gained experience across a wide range of areas that are directly linked to residents' lives, including planning, finance, education, and welfare. After becoming a management-level personnel, I also gained experience in building interpersonal networks and leading and overseeing a large number of employees.

Furthermore, as administrative operations are conducted based on strict laws and regulations and using precious tax revenues from residents, we have performed our duties from the perspective of strengthening governance, including ensuring fair and just execution of duties, fostering compliance awareness, and enhancing the organization's crisis management capabilities. Matsuda Sangyo operates its businesses in two core areas: the Precious Metals Business Segment including the environmental related business, and the Food Business Segment. Therefore, I believe that I will be able to apply my experience not only to strengthening cooperation with the relevant administrative bodies but also to building diverse relationships with local residents in the environmental sector and addressing various food safety and consumer concerns in the food sector.

Local administrative organizations tend to operate vertically because they are structured by different sectors. However, I have also had extensive experience in coordinating across these different organizations. When multiple business divisions exist, I think the tendency toward siloed operations is a common potential risk. When making decisions about injecting management resources in departments with different business environments, it is vital to consider overall optimization for the company from the perspective of the portfolio. This is a point that I intend to keep in mind.

Q2. What role do you hope to fulfill as an outside director? Please share your aspirations upon assuming this position.

Suzuki Outside Directors and Audit and Supervisory Committee Members are bodies established under the Companies Act and are appointed by the General Meeting of Shareholders. Therefore, they are required to fulfill the trust of society and the mandate of shareholders. I believe the role of Outside Directors is to maintain a high degree of independence and strive to prevent damage to corporate value by auditing and overseeing the execution of duties by Directors. In light of the growing risks of corporate scandals and shareholder derivative suits in recent years, Outside Directors and Audit and Supervisory Committee Members need to appropriately perform their audit duties, prevent scandals, establish a high-quality corporate governance system, and fulfill their roles in preventing risks from materializing. From the perspective of strengthening corporate governance, establishing and operating internal controls, and fostering a sound corporate culture, I believe that enhancing corporate value and preventing scandals contribute to protecting shareholder interests. Based on the experience of the four Outside Directors, it is crucial to provide candid opinions to the Board of Directors from the viewpoint of independence. I intend to participate actively in Board meetings and exchange opinions with the directors, collaborate with various stakeholders through audit activities, and fulfill my responsibility of realizing sound and sustainable growth for the company as well as enhancing its medium- to long-term corporate value to earn society's trust. Furthermore, the audits by the Audit and Supervisory Committee are conducted based on the premise of organizational audits that utilize effective internal control systems. Therefore, I aim to promote more effective audits through collaboration with the Internal Audit Department and the Internal Control Department.

Kojima As the only Director among the four Outside Directors with a background in public administration, I plan to leverage the knowledge and experience I have gained in local administration. While I will take prompt steps to study the details of both the core businesses of Matsuda Sangyo, namely the Precious Metals Business Segment and Food Business Segment, through hearings and other means, I will actively raise questions when I have doubts even if told that is considered common knowledge in these fields. In this way, I will utilize my strength as an Outside Director who brings new perspectives, with a view to deepening discussions within the Audit and Supervisory Committee and the Board of Directors.

Furthermore, as I do not have any conflicts of interest with these businesses, I aim to conduct objective and independent audits and oversight from a fresh perspective, strengthen governance within the company, and contribute to enhancing corporate value.

Q3. In your involvement with Matsuda Sangyo as an Outside Director, what was your first impression of the company? Was there any gap between that impression and your image of the company before assuming the position?

Suzuki Upon assuming the role of Outside Director, my first impression of the company was a strong sense that it is indispensable to the realization of a sustainable society. I resonate deeply with the stance of practicing the company's corporate philosophy of "making effective use of the limited earth resources and contributing to society through business" and its purpose of "practicing our corporate philosophy and continuing to be a company which customers and society always need," as well as pursuing, in a sustainable manner, the theme "For human happiness and a beautiful earth." Both the Precious Metals and Food Business Segments have evolved and developed in their own ways, contributing to society through coexistence and mutual prosperity with customers. Matsuda Sangyo went public in August 1995 and celebrated its 30th anniversary as a publicly traded company in August this year. I feel it is a company worthy of becoming a 100-year corporation that is needed by society. Even before I assumed this position, I already had the impression of Matsuda Sangyo as a company with a serious and solid corporate culture, one that coexists with the local community and values its employees, and which has strong growth potential. Attending meetings of the Sustainability Committee and the Board of Directors has further reinforced this impression.

Kojima My image of the company is that of a business with strong growth potential, both now and in the future. Since its founding days, long before recent concepts such as sustainability and the SDGs became popularized, Matsuda Sangyo has been engaged in the effective use of resources rooted in the spirit of "mottainai." Today, it has built a robust management foundation with two pillars that are distinct from each other—the Precious Metals Business Segment and the Food Business Segment.

Upon assuming the role of Outside Director, I felt that the company is advancing its business operations toward the realization of a sustainable society to a greater extent than I had imagined. I also recognized that the corporate philosophy of "making effective use of the limited earth resources and contributing to society through business" is shared across the entire organization and by each individual employee, and that business expansion is driven by a strong sense of mission and solid organizational capabilities.

Q4. Are there any strengths of Matsuda Sangyo's that you feel are superior to other companies?

Suzuki Matsuda Sangyo has many strengths. From the perspective of corporate culture and organizational climate, it has established a sound corporate culture and a robust control environment and corporate governance system. One of its strengths lies in its ability to unite all employees in advancing the business earnestly, and with diligence and perseverance. From a business perspective, the company's core strength lies in resource circulation. It operates the Precious Metals and Food Business Segments, both of which have expanded globally with extensive procurement and collection networks. The Precious Metals Business Segment possesses comprehensive recycling capabilities from collection to refining, along with sophisticated smelting technology. Meanwhile, the Food Business Segment has strong proposal capabilities for the food service and

Interviews with Newly Appointed Outside Directors

ready-made meal sectors, achieved through the diversification of suppliers that also addresses risks like climate change. These strengths serve as a driving force, and we recognize that the company has the ability to steadily achieve and even exceed its Medium-term Management Plan targets. It also implements cutting-edge initiatives to address global challenges such as greenhouse gas reduction and supply chain management, which I believe are linked to the company's management strengths. Our future growth strategy focuses on strengthening its revenue base and creating new revenue streams across both businesses, as well as accelerating growth, which we anticipate will lead to its sustainable development as a true 100-year company.

Kojima Based on the corporate philosophy of "making effective use of the limited earth resources and contributing to society through business," Matsuda Sangyo has long been engaged in businesses that contribute to building a sustainable environment and society. I recognize that its strengths lie in the established corporate culture, extensive network of business partners, technological prowess, and integrated production systems.

Specifically, in the Precious Metals Business Segment, its strengths include the high-purity smelting and refining technologies and stable supply chain for the collection of precious metals. In the Food Business Segment, these include the global procurement network and strong customer proposal capabilities.

Furthermore, as touched on in Q3, I feel that the corporate philosophy and other principles are firmly embedded among all employees, and there is a high level of motivation among employees.

Q5. How do you intend to leverage your expertise to stimulate Board discussions and enhance the quality of decision-making?

Suzuki Leveraging my expertise and background in accounting, finance, sustainability information disclosure, and governance, and as an Outside Director and Audit and Supervisory Committee Member, I aim to contribute to addressing management issues from a governance perspective, while providing candid opinions to the Board of Directors from the viewpoint of independence. Outside Directors and Audit and Supervisory Committee Members play a role in governance, in the aspects of monitoring and verifying management and business execution. While our position differs from that of the executive officers, including the Representative Director, we share the ultimate goal of pursuing the company's sound development. From a preventive audit perspective, it is crucial to raise issues that have been identified through audit activities, offer opinions and advice for problem resolution, and follow through to the end. By combining the viewpoint of safeguarding shareholder interests with that of promoting better management, and by conducting sound monitoring and verification activities, I will strive to foster a healthy and appropriate level of tension within the company. To that end, I will be mindful of communicating closely with Directors and Executive Officers on a daily basis, fully understanding the realities on the sites of each department and business unit from an operational audit perspective, and taking proactive and early action. Going beyond purely accounting and financial viewpoints, I aim to pursue the essence of issues and debates, deepen discussions in Board meetings, and enhance the quality of decision-making.

Kojima To reiterate my points from Q2, with regard to Matsuda Sangyo's two core businesses, the Precious Metals and Food Business Segments, by offering fresh perspectives that differ from conventional approaches based on the spirit of questioning the status quo, I hope to actively contribute to deepening discussions within the Audit and Supervisory Committee and the Board of Directors, and to enhancing the quality of decision-making.

As the only Director with a background in public administration, I intend to make the greatest use of my knowledge and experience in building relationships with local residents, collaborating with administrative agencies, and addressing food safety and consumer issues, to drive actions that contribute to the company's further growth as well as to society.

Q6. What is your appraisal of Matsuda Sangyo's sustainability management, and what initiatives do you anticipate in the future?

Suzuki I resonate deeply with the company's philosophy of "making effective use of the limited earth resources and contributing to society through business," and its purpose of "practicing our corporate philosophy and continuing to be a company which customers and society always need." I highly commend the company's proactive initiatives in sustainability management based on its philosophy and purpose, and also rate the fact that it positions, as a key management strategy, efforts to fulfill its corporate social responsibilities (such as realizing a sustainable environment, society, and economy) and to enhance corporate value through business growth. Recent trends in sustainability disclosure include revisions to the Corporate Governance Code, the addition of new sections for sustainability information in securities reports, and the publication of disclosure standards by the Sustainability Standards Board of Japan (SSBJ). Matsuda Sangyo is also advancing high-quality, reliable sustainability disclosure that takes these trends into account. Going forward, while it will be necessary to implement measures and inject investments toward achieving carbon neutrality, I expect the company to put unremitting effort into environmental management from the perspectives of its corporate philosophy and purpose, thereby producing steady results.

Kojima To my knowledge, Matsuda Sangyo established its Basic Policy on Sustainability in December 2022 and discussed the material issues that need to be addressed, then positioned the following as materiality items: "Striking a balance between reducing environmental burden and business growth," "Acceleration of growth through the activities of diverse human resources," and "Enhancement of customer satisfaction and securing the trust of society."

I also understand that it has conducted employee training, and that business partners are gaining better understanding of, and highly rating, these pioneering efforts. The company has been engaged in business under this corporate philosophy even before the concept of sustainability became widespread, and its business is the embodiment of the realization of sustainability. In addition to actively publicizing its proactive initiatives in sustainability management that is ahead of the curve, I also expect Matsuda Sangyo to serve as a model for other companies and lead the way in the field of sustainability.

Q7. Last but not least, what message do you have for all of Matsuda Sangyo's stakeholders, including shareholders and investors?

Suzuki I would like to extend my sincere appreciation to all the company's stakeholders, including shareholders and investors, for reading Matsuda Sangyo's Integrated Report 2025. Since its founding, the company has placed great importance on the spirit of "mottainai" and the spirit of challenge, and practiced management that makes effective use of the earth's resources. It has upheld its corporate philosophy and purpose, addressed social challenges such as environmental issues and food crises, and contributed to society through its business activities. As its future growth strategy, the company is focusing on the following basic policies: strengthening revenue base and creating new revenue streams, strengthening management foundation, addressing sustainability issues, promoting human capital management; and implementing capital policies and financial strategies (such as improving capital efficiency). As an Outside Director and Audit and Supervisory Committee Member, I will fulfill my responsibilities from a governance perspective to maximize the company's corporate value and prevent its impairment due to scandals or other problems. I will oversee management to ensure that the enhancement of corporate value results in benefits to all of the company's stakeholders, including shareholders and investors, employees, business partners, local communities, and government authorities. Through these activities, I aim to achieve a sustainable society and share the vision of "For human happiness and a beautiful earth" with all stakeholders. Going forward, I strive to perform my duties carefully and sincerely to ensure the continued development of the Group, fulfill the trust placed in us by our shareholders, and meet the expectations of all stakeholders and society.

Kojima Since the fiscal year ending March 2026, I am deeply honored and humbled to be given the opportunity to fulfill the important responsibilities of an Outside Director and Audit and Supervisory Committee Member of Matsuda Sangyo, a company with a long history and a proven track record of contributions to society.

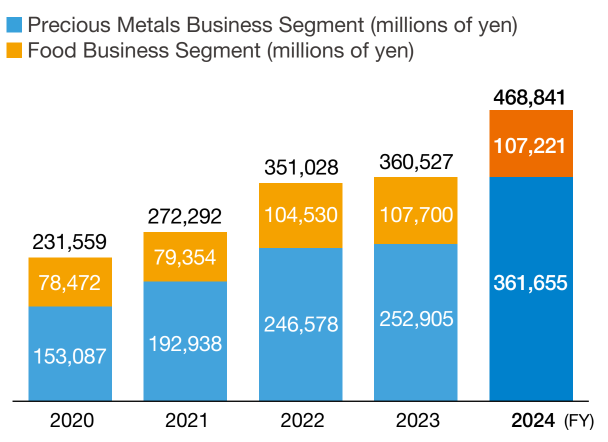
I have gained much experience on the ground in the area of local administration over many years, but this is the first time I am venturing into corporate management. Drawing on the fair, just, and objective thinking ability I have cultivated in local administration, I strive to conduct audits to enhance governance and to enhance corporate value while ensuring that it is not impaired by scandals or other issues.

I still have much to learn, but I will work diligently every day to contribute to the growth of the company. I look forward to your continued support.

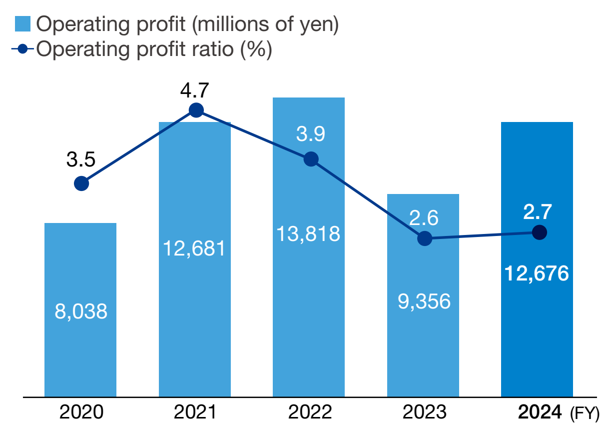
Financial/Non-financial Highlights

Financial highlights (consolidated)

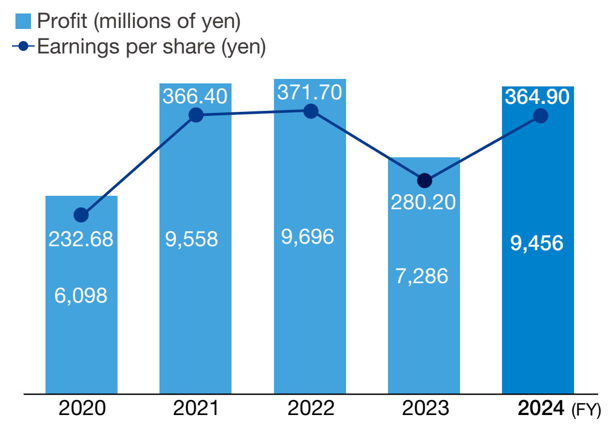
Net sales



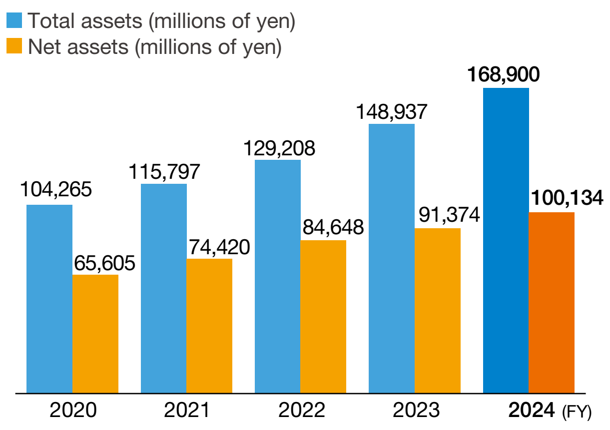
Operating profit/Operating profit ratio



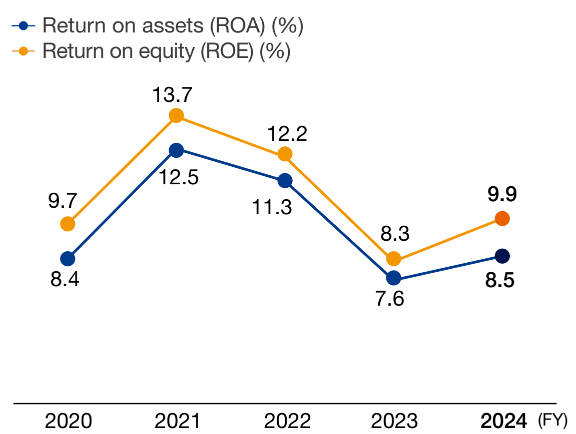
Profit/Earnings per share



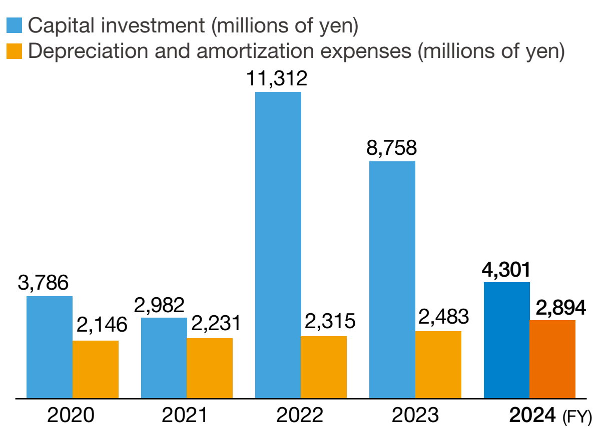
Total assets/Net assets



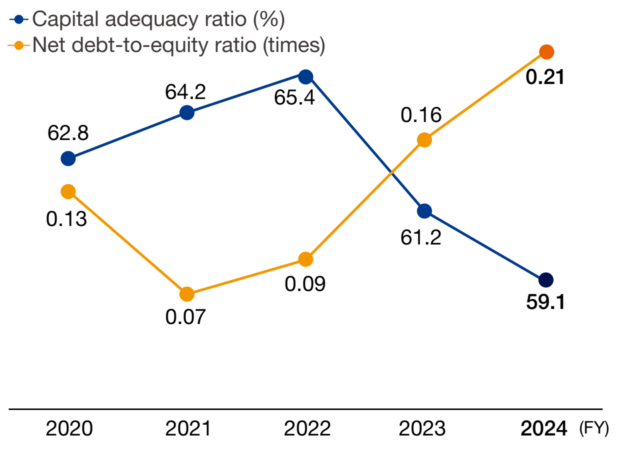
ROA/ROE



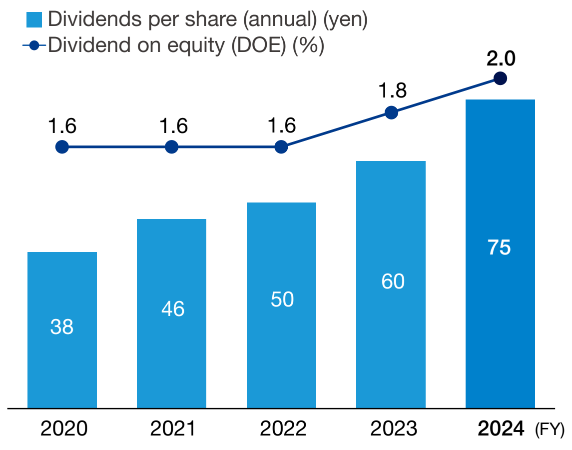
Capital investment/Depreciation and amortization expenses



Capital adequacy ratio/Net debt-to-equity ratio



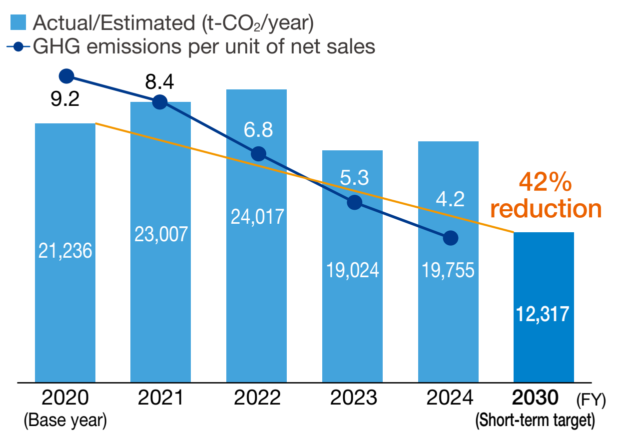
Dividends per share/Dividend on equity (DOE)



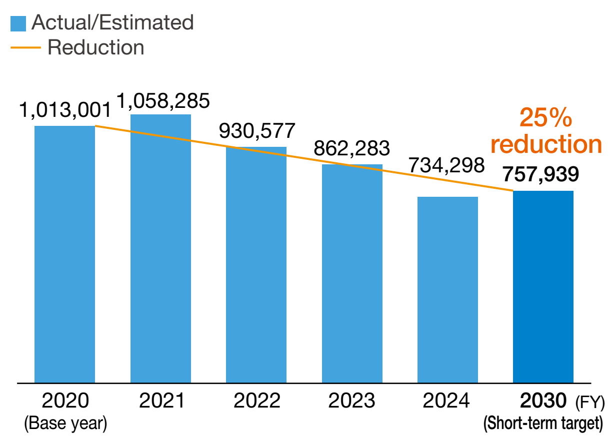
Non-financial highlights (consolidated)

Changes in greenhouse gas (GHG) emissions, and emissions reduction targets

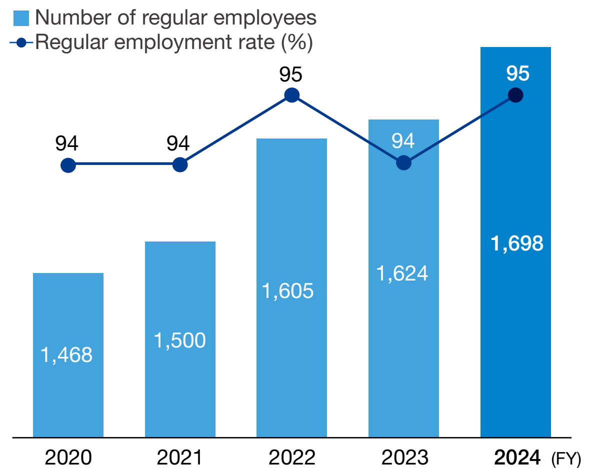
GHG emissions and reduction targets (Scope 1, 2)/ GHG emissions per unit of net sales (t-CO_2/year)



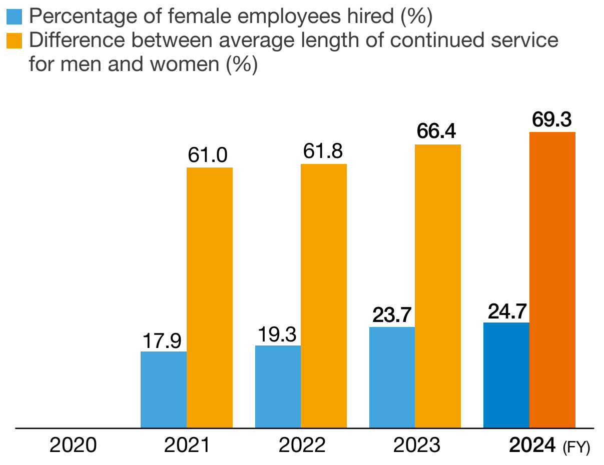
GHG emissions and reduction targets (Scope 3) (t-CO_2/year)



Changes in the number of regular employees and regular employment rate



Percentage of female employees hired and difference between average length of continued service for men and women



Financial/Non-financial Highlights

10-year financial summary

(millions of yen)

(Fiscal year)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating results											
Net sales	179,523	162,065	163,054	190,184	208,338	210,976	231,559	272,292	351,028	360,527	**468,841**
Gross profit	16,820	15,331	15,800	18,200	19,827	22,173	24,471	29,953	33,299	30,080	**35,202**
Selling, general and administrative expenses	11,409	12,206	12,839	13,322	14,879	15,931	16,433	17,272	19,481	20,724	**22,526**
Operating profit	5,410	3,125	2,960	4,877	4,948	6,241	8,038	12,681	13,818	9,356	**12,676**
Ordinary profit	5,832	3,782	3,459	5,142	5,094	6,384	8,369	13,734	13,843	10,551	**13,523**
Profit	3,342	2,573	2,454	3,459	3,391	4,046	6,098	9,558	9,696	7,286	**9,545**
Capital investment	995	1,302	2,160	2,356	2,648	3,465	3,786	2,982	11,312	8,758	**4,301**
Depreciation and amortization expenses	1,316	1,219	1,295	1,409	1,357	1,576	2,146	2,231	2,315	2,483	**2,894**
Research and development expenses	311	306	250	246	275	295	295	293	278	313	**397**
Financial position											
Total assets	73,035	69,546	72,326	80,261	80,915	94,509	104,265	115,797	129,208	148,937	**168,900**
Net assets	51,176	51,834	53,419	56,648	58,968	60,527	65,605	74,420	84,648	91,374	**100,134**
Interest-bearing debt	7,515	5,537	5,030	9,662	7,113	15,429	17,296	16,389	19,237	29,405	**33,372**
Cash flows											
Cash flows from operating activities	-1,413	8,593	811	-483	6,178	-422	185	7,032	10,646	1,833	**2,542**
Cash flows from investing activities	-2,263	-1,421	-1,813	-2,262	-2,166	-2,674	-3,181	-2,521	-12,194	-7,956	**-6,243**
Free cash flow	-3,676	7,172	-1,002	-2,745	4,012	-3,096	-2,996	4,511	-1,548	-6,122	**-3,700**
Cash flows from financing activities	2,426	-3,274	-1,597	3,506	-3,708	6,848	261	-2,261	1,382	8,084	**210**
Per share data (yen)											
Earnings per share	125.61	97.23	93.21	131.37	128.77	153.66	232.68	366.40	371.70	280.20	**364.87**
Assets per share	1,923.86	1,967.65	2,027.45	2,149.11	2,236.35	2,294.82	2,510.64	2,848.19	3,238.61	3,515.61	**3,848.51**
Dividends per share	25	28	28	28	30	34	38	46	50	60	**75**
Other indicators											
Operating profit ratio (%)	3.0	1.9	1.8	2.6	2.4	3.0	3.5	4.7	3.9	2.6	**2.7**
ROE (%)	6.8	5.0	4.7	6.3	5.9	6.8	9.7	13.7	12.2	8.3	**9.9**
ROA (return on assets) (%)	8.3	5.3	4.8	6.7	6.3	7.3	8.4	12.5	11.3	7.6	**8.5**
Capital adequacy ratio (%)	70.1	74.5	73.8	70.5	72.8	63.9	62.8	64.2	65.4	61.2	**59.1**
Net debt-to-equity ratio (times)	0.03	-0.08	-0.03	0.04	-0.01	0.06	0.13	0.07	0.09	0.16	**0.21**
DOE (%)	1.3	1.4	1.4	1.3	1.4	1.5	1.6	1.6	1.6	1.8	**2.0**

Company Overview (as of March 31, 2025)

Domestic bases

Precious Metals Business Segment

Head Office / Sendai / Mito / Tokyo / Kanagawa / Shizuoka / Nagano / Kanazawa / Nagoya / Nagoya 2 / Osaka / Fukuyama / Fukuoka / Kagoshima

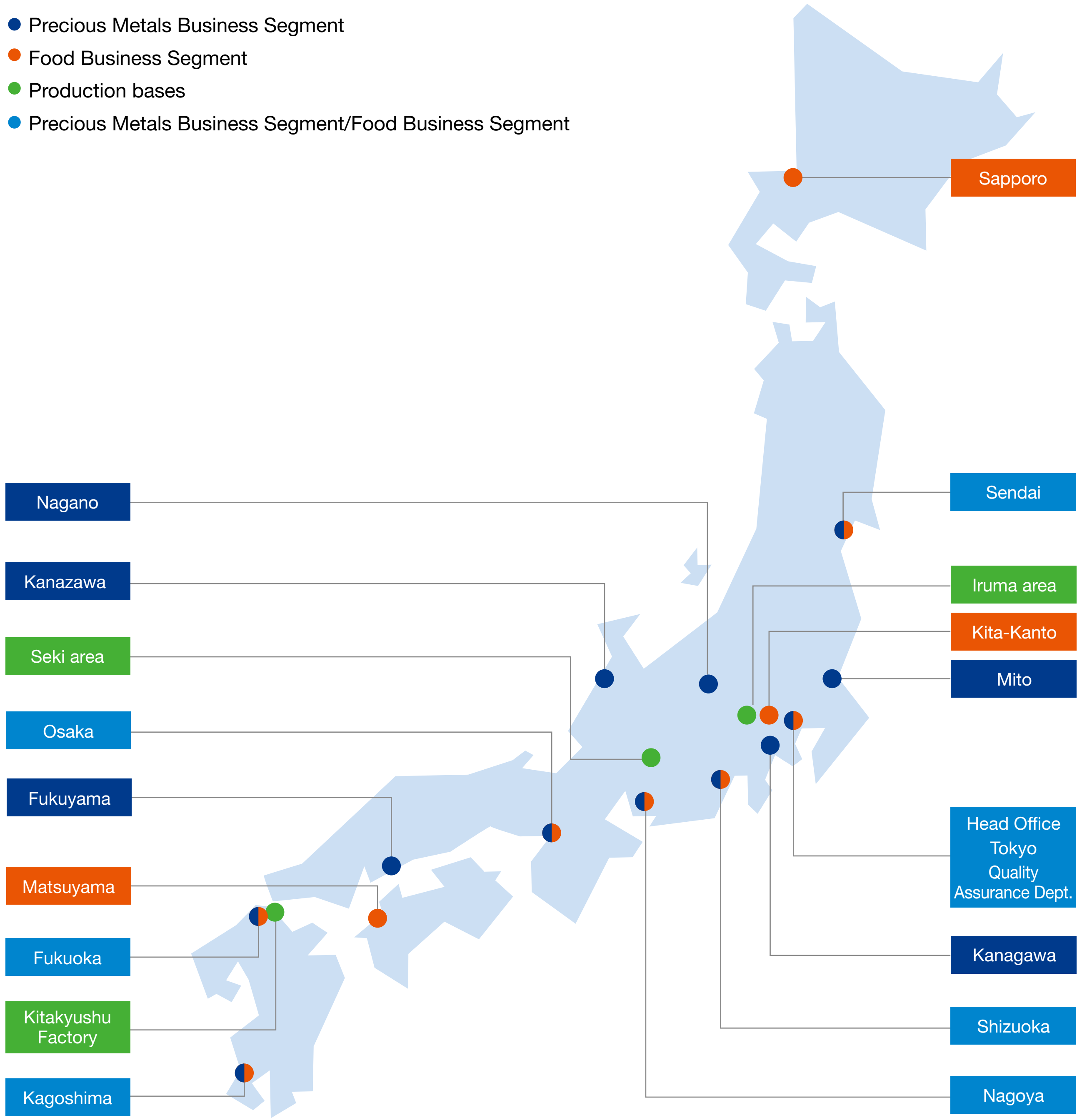
Food Business Segment

Head Office / Sapporo / Sendai / Kitakanto / Tokyo / Shizuoka / Nagoya / Osaka / Matsuyama / Fukuoka / Kagoshima / Quality Assurance Department (Tokyo)

Production Division

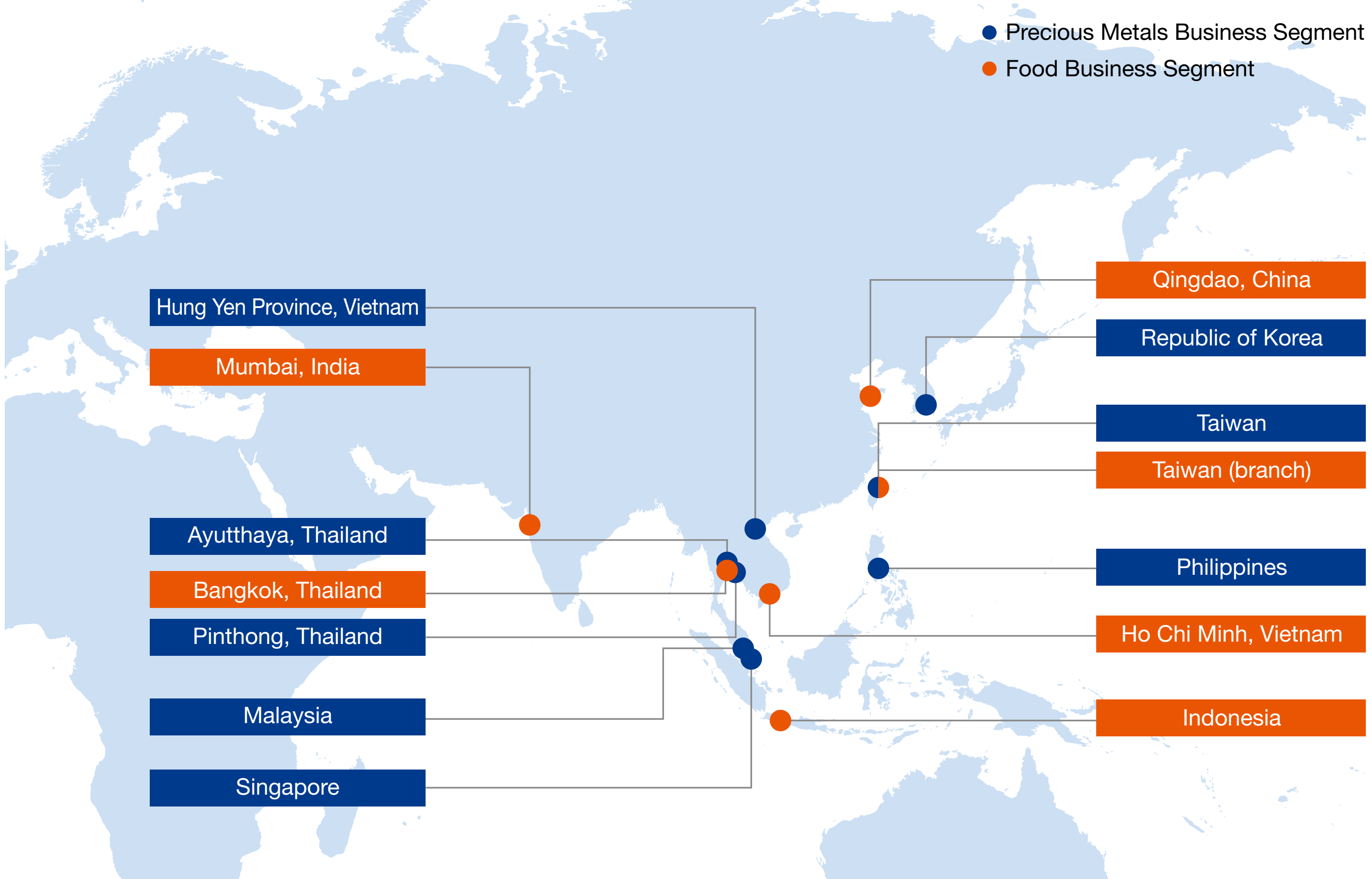
Musashi Factory / Musashi No. 2 Factory / Musashi No. 3 Factory /Musashi No. 4 Factory / Iruma Factory / Iruma No. 2 Factory / R&D Center / Seki Factory / Seki No. 2 Factory / Kitakyushu Factory / Quality Assurance Department (Saitama)

- Precious Metals Business Segment
- Food Business Segment
- Production bases
- Precious Metals Business Segment/Food Business Segment



Overseas Bases

Singapore / Ayutthaya, Thailand / Pinthong, Thailand (sales office) / Bangkok, Thailand / Philippines / Malaysia / Qingdao, China / Hung Yen Province, Vietnam / Ho Chi Minh, Vietnam / Taiwan / Taiwan (branch) / Republic of Korea / Mumbai, India / Indonesia




Malaysia subsidiary


Singapore subsidiary


Thailand subsidiary (Ayutthaya)


India subsidiary


Indonesia subsidiary


Vietnam subsidiary

Company Overview

Company overview

Corporate name:	Matsuda Sangyo Co., Ltd.
Established:	June 18, 1951
Head office:	Shinjuku Nomura Bldg. 26-2, 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Tel:	+81-3-5381-0001 (Main line)
Representative:	President and Representative Director, Yoshiaki Matsuda
Capital:	¥3,559 million
Number of employees (consolidated):	1,698
URL:	https://www.matsuda-sangyo.co.jp/

Overview of group companies

Precious Metals Business Segment

MATSUDA ECOLOGY Co., Ltd.
JAPAN MEDICAL TECHNOLOGY Co., Ltd.
HOKKAIDO AOKI KAGAKU Co., Ltd.
Z.E.R.O. JAPAN Co., Ltd.
SANYO-REC Co., Ltd.
FLAP RESOURCE Co., Ltd.
NIPPON MICROMETAL CORPORATION (equity method company)
Matsuda Sangyo (Singapore) Pte. Ltd.
Matsuda Sangyo (Thailand) Co., Ltd.
Matsuda Sangyo (Philippines) Corporation
Matsuda Sangyo (Malaysia) Sdn. Bhd.
Matsuda Sangyo (Vietnam) Co., Ltd.
Matsuda Sangyo (Taiwan) Co., Ltd.
Matsuda Sangyo (Korea) Co., Ltd.
SEAM Holdings (Thailand) Co., Ltd.

Food Business Segment

MATSUDA RYUTSU Co., Ltd.
Gulf Foods Co., Ltd.
Matsuda Sangyo Trading (Qingdao) Co., Ltd.
Matsuda Sangyo Trading (Thailand) Co., Ltd.
Matsuda Sangyo Trading (Vietnam) Co., Ltd.
Matsuda Sangyo Trading India Private Limited
PT Matsuda Sangyo Trading Indonesia

Participation in Initiatives and Organizations

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
BASC Battery Association for Supply Chain
CARBON RECYCLING FUND INSTITUTE

External Evaluation

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門
LBMA GOOD DELIVERY REFINER
SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Climate CDP A List 2024

Glossary

Engagement	Initiatives to deepen trust and connection between the company and its employees, customers, local communities, and other stakeholders.
Carbon neutrality	Achieving net-zero emissions by balancing greenhouse gas emissions with absorptions.
Cash allocation	The appropriate allocation of funds held by a company to purposes such as investment, dividends, and loan repayments.
Sustainability	An approach that aims to maintain a balance between environment, society, and economy to achieve a sustainable state over the long-term.
Supply chain	The entire flow of supply processes, from raw material procurement to product manufacturing, distribution, and sales, encompassing producers, processors, logistics providers, cold storage operators, and others.
Smart Factory	A factory that leverages digital technology to optimize manufacturing processes, from design to production and maintenance, thereby achieving productivity and quality improvements.
Biodiversity	The diverse living creatures on Earth interacting at the levels of species, genes, and ecosystems, sustaining the rich natural environments and benefits to human society.
Security incident response	Implementing countermeasures when security incidents such as information leaks or unauthorized access occur, in order to prevent further damage, investigate the cause, and restore operations.
Value chain	The series of processes involved in creating added value across all corporate activities, from resource procurement to value creation, collaboration with local communities, and enhancing customer satisfaction.
Materiality	Important issues that should be addressed as a priority with a view to creating corporate value and realizing sustainable growth.
CDP	CDP is the acronym for Carbon Disclosure Project, a non-governmental organization (NGO) managed by a British charity that evaluates the initiatives and information disclosure by companies and local governments in the environmental field in three areas: climate change, water resources, and forest protection.
CFP	CFP is the acronym for Carbon Footprint of Products. It is a system for calculating and displaying the amount of greenhouse gases emitted throughout the entire life cycle of products and services.
ERP	An integrated management system for a company's management resources such as people, goods, money, and information, aimed at streamlining and optimizing operations.
GHG	GHG is the acronym for greenhouse gases, which are gases present in the Earth's atmosphere that trap heat and cause global warming. The main greenhouse gases include carbon dioxide, methane, and nitrous oxide.
LBMA	LBMA is the acronym for the London Bullion Market Association, whose primary roles include establishing and managing quality standards for Good Delivery gold and silver bars in the Loco London market, accrediting refiners supplying Good Delivery bars, and promoting the responsible sourcing of gold and silver bullion.
RBA	The Responsible Business Alliance (RBA) is a business federation whose purpose is to promote social responsibility in the global supply chain, with the aim of enhancing CSR.
ROIC management	A management approach that places importance on how efficiently money used by a company is converted into profit, and which seeks to enhance that efficiency to increase the company's value.
SBT	Science-based GHG emissions reduction target
Scope 1	Greenhouse gases directly emitted by the company itself through its activities.
Scope 2	Greenhouse gases indirectly emitted by other companies accompanying the use of electricity, heat, steam, etc. purchased by the company.
Scope 3	Greenhouse gases other than Scope 1 and 2, indirectly emitted by the supply chain in relation to the company's activities.
SDGs	SDGs is the acronym for Sustainable Development Goals. These are 17 goals established by the United Nations, to be achieved by the international community by 2030.
TCFD	TCFD is the acronym for Task Force on Climate-Related Financial Disclosures, established by the Financial Stability Board to promote information disclosure of climate-related risks and opportunities.

Inquiries
CSR IR Dept.
Shinjuku Nomura Bldg. 26-2, 1-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0558
Tel: +81-3-5381-0728 Fax: +81-3-3349-0867

Published: November 2025