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To whom it may concern:

Company name: Matsuda Sangyo Co., Ltd.
Representative: Yoshiaki Matsuda
President
Exchanges listed on: Tokyo Stock Exchange (Prime Market)
Company code: 7456
Inquiries: Yoshinori Tanaka
Executive Officer / General Manager of CSR IR Dept.
(Tel: +81-3-5381-0728)

Notice on the Differences Between Projections and Actual Results of the Consolidated Earnings for the Second Quarter of the Fiscal Year Ending March 31, 2024, and Revision of Consolidated Earnings Projections for the Full Year

Differences have arisen between the projections of the consolidated earnings for FY3/24 2Q, released on May 12, 2023, and the actual results of the same announced today. The details are as follows.

The Board of Directors also decided at its meeting of November 10, 2023, to revise its consolidated earnings projections for FY3/24, released on May 12, 2023, as follows:

1. Differences between projections and actual results of the consolidated earnings for FY3/24 1H
(April 1, 2023 - September 30, 2023)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
Previous projections (A)	158,000	4,000	4,100	2,800	107.33
Actual results (B)	178,780	5,081	5,876	4,062	155.78
Difference (B – A)	20,780	1,081	1,776	1,262	—
Difference (%)	13.2	27.0	43.3	45.1	—
(Reference)					
Previous first half results (FY3/23 1H)	176,004	7,953	8,128	5,634	215.99

2. Revisions to the consolidated earnings projections for FY3/24

(April 1, 2023 – March 31, 2024)

	(Millions of yen)				
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
Previous projections (A)	330,000	9,000	9,300	6,500	249.17
Revised results (B)	360,000	10,000	11,000	7,600	291.42
Difference (B – A)	30,000	1,000	1,700	1,100	
Difference (%)	9.1	11.1	18.3	16.9	
(reference) Previous FY results (FY3/23)	351,028	13,818	13,843	9,696	371.70

3. Reasons for the differences and the revision

With regard to the cumulative consolidated earnings for FY3/24 2Q, net sales and operating profit exceeded the projections for both the Precious Metals Business Segment and Food Business Segment. While the Precious Metals Business Segment was impacted by the decline in operations in the semiconductor and electronic devices field, which is the key customer in the areas of precious metal recycling and product sales, the impact of prices due to rising gold prices as well as the increase in precious metals recycling volume in the jewelry sector contributed to generating net sales and operating profit above the projections. In the Food Business Segment, net sales and operating profit exceeded projections due to the increase in sales volume of livestock and agricultural products, alongside an increase in selling price on the back of rising raw material prices and yen depreciation, among other factors. Ordinary profit exceeded projections due to contributing factors such as foreign exchange gains resulting from yen depreciation.

On the other hand, from FY3/24 3Q and after, business results are expected to remain generally unchanged in both business segments, with the projection of a continued decline in operations in the semiconductor and electronic devices field, which is the key customer of the Precious Metals Business Segment, and expectations of persisting high prices for logistics and storage costs in the Food Business Segment.

In view of these reasons and in consideration of business results for the cumulative consolidated first half of FY3/24, the consolidated earnings projections for the full year of FY3/24, announced on May 12, 2023, have been revised as shown above.

Note: Forward-looking statements

The above projections are based on information available to the Company as of the date of release. Actual results may differ from projections due to a range of factors.