

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

Company name: Rasa Industries, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4022 URL <http://www.rasa.co.jp/>
 Representative: President Kousaku Sakao
 Managing Director General Manager Tetsuo Mochizuki
 Accounting Dept. TEL +81-3-3258-1835
 Inquiries: Tetsuo Mochizuki
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	16,110	13.0	1,516	31.8	1,549	36.9	1,076	23.0
Six months ended September 30, 2020	14,263	(6.1)	1,150	31.8	1,131	35.7	875	44.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	135.80		–	
Six months ended September 30, 2020	110.40		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	37,996	18,725	49.1
As of March 31, 2021	36,928	17,721	47.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	–	–	45.00	45.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	50.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	31,500	8.7	2,700	1.5	2,700	1.9	2,100	4.8	264.98

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	7,944,203 shares	As of March 31, 2021	7,944,203 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	10,318 shares	As of March 31, 2021	18,829 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	7,927,687 shares	Six months ended September 30, 2020	7,925,625 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	3,407	3,824
Notes and accounts receivable - trade	8,540	8,767
Merchandise and finished goods	2,026	1,742
Work in process	918	867
Raw materials and supplies	956	1,113
Other	174	234
Allowance for doubtful accounts	(0)	(2)
Total current assets	16,024	16,548
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,143	4,057
Machinery, equipment and vehicles, net	4,157	3,968
Tools, furniture and fixtures, net	586	573
Land	6,922	6,922
Construction in progress	1,443	2,212
Other, net	86	100
Total property, plant and equipment	17,340	17,834
Intangible assets	51	47
Investments and other assets		
Investment securities	1,981	2,110
Other	1,540	1,470
Allowance for doubtful accounts	(9)	(14)
Total investments and other assets	3,513	3,566
Total non-current assets	20,904	21,448
Total assets	36,928	37,996

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,483	3,648
Short-term borrowings	4,708	5,543
Income taxes payable	506	501
Provision for bonuses	370	382
Other	1,381	1,514
Total current liabilities	10,449	11,590
Non-current liabilities		
Long-term borrowings	5,424	4,333
Retirement benefit liability	2,943	2,935
Provision for environmental measures	7	7
Other	382	404
Total non-current liabilities	8,757	7,680
Total liabilities	19,206	19,271
Net assets		
Shareholders' equity		
Share capital	8,443	8,443
Retained earnings	9,346	10,061
Treasury shares	(43)	(23)
Total shareholders' equity	17,746	18,480
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	84
Foreign currency translation adjustment	80	319
Remeasurements of defined benefit plans	(267)	(241)
Total accumulated other comprehensive income	(92)	163
Non-controlling interests	67	80
Total net assets	17,721	18,725
Total liabilities and net assets	36,928	37,996

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	14,263	16,110
Cost of sales	11,011	12,242
Gross profit	3,252	3,868
Selling, general and administrative expenses	2,101	2,351
Operating profit	1,150	1,516
Non-operating income		
Dividend income	20	24
Rental income from land and buildings	18	16
Share of profit of entities accounted for using equity method	108	114
Other	29	60
Total non-operating income	176	215
Non-operating expenses		
Interest expenses	89	70
Inactive mine environmental impact mitigation expenses	47	71
Other	58	41
Total non-operating expenses	195	183
Ordinary profit	1,131	1,549
Extraordinary income		
Compensation for forced relocation	59	–
Total extraordinary income	59	–
Profit before income taxes	1,191	1,549
Income taxes - current	280	428
Income taxes - deferred	29	36
Total income taxes	309	464
Profit	881	1,084
Profit attributable to non-controlling interests	6	7
Profit attributable to owners of parent	875	1,076

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	881	1,084
Other comprehensive income		
Valuation difference on available-for-sale securities	58	(10)
Foreign currency translation adjustment	15	215
Remeasurements of defined benefit plans, net of tax	14	26
Share of other comprehensive income of entities accounted for using equity method	(37)	29
Total other comprehensive income	51	261
Comprehensive income	932	1,345
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	925	1,332
Comprehensive income attributable to non-controlling interests	6	13

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,191	1,549
Depreciation	737	756
Increase (decrease) in retirement benefit liability	(0)	30
Interest and dividend income	(20)	(24)
Share of loss (profit) of entities accounted for using equity method	(108)	(114)
Interest expenses	89	70
Decrease (increase) in trade receivables	945	(160)
Decrease (increase) in inventories	(153)	235
Decrease (increase) in other assets	(94)	(15)
Increase (decrease) in trade payables	(591)	146
Increase (decrease) in other liabilities	(171)	205
Other, net	(0)	71
Subtotal	1,822	2,752
Interest and dividends received	21	24
Interest paid	(89)	(71)
Payments associated with disaster loss	(14)	–
Income taxes paid	(155)	(452)
Net cash provided by (used in) operating activities	1,583	2,253
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,000)	(1,129)
Other, net	(19)	(14)
Net cash provided by (used in) investing activities	(1,020)	(1,143)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4)	288
Proceeds from long-term borrowings	1,270	691
Repayments of long-term borrowings	(1,249)	(1,376)
Dividends paid	(314)	(353)
Other, net	(16)	(19)
Net cash provided by (used in) financing activities	(314)	(770)
Effect of exchange rate change on cash and cash equivalents	(2)	77
Net increase (decrease) in cash and cash equivalents	245	417
Cash and cash equivalents at beginning of period	4,737	3,407
Cash and cash equivalents at end of period	4,982	3,824