

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: Rasa Industries, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4022 URL <http://www.rasa.co.jp/>
 Representative: PRESIDENT SAKAO KOUSAKU
 MANAGING DIRECTOR GENERAL
 Inquiries: MOCHIZUKI TETSUO TEL 03-3258-1835
 MANAGER ACCOUNTING DEPT.
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	35,411	22.2	3,475	30.7	3,562	34.4	2,538	26.7
Year ended March 31, 2021	28,978	(2.6)	2,659	42.1	2,649	53.5	2,004	45.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	320.15	–	13.4	9.0	9.8
Year ended March 31, 2021	252.89	–	12.0	7.1	9.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	41,924	20,301	48.2	2,546.86
As of March 31, 2021	36,928	17,721	47.8	2,227.54

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	1,996	(2,322)	308	3,538
Year ended March 31, 2021	2,367	(1,860)	(1,825)	3,407

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	–	–	45.00	45.00	356	17.8	2.1
Year ended March 31, 2022	–	–	–	70.00	70.00	555	21.9	2.9
Year ending March 31, 2023 (Forecast)	–	–	–	70.00	70.00		21.4	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	21,000	30.3	1,700	12.1	1,700	9.7	1,200	11.5	151.25
Full year	42,700	20.6	3,600	3.6	3,600	1.1	2,600	2.4	327.71

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	7,944,203 shares	As of March 31, 2021	7,944,203 shares
----------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2022	10,409 shares	As of March 31, 2021	18,829 shares
----------------------	---------------	----------------------	---------------

Average number of shares during the period

Year ended March 31, 2022	7,930,528 shares	Year ended March 31, 2021	7,925,526 shares
---------------------------	------------------	---------------------------	------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	3,407	3,538
Notes and accounts receivable - trade	8,540	–
Notes receivable - trade	–	2,346
Accounts receivable - trade	–	8,031
Merchandise and finished goods	2,026	2,581
Work in process	918	976
Raw materials and supplies	956	1,780
Other	174	332
Allowance for doubtful accounts	(0)	(2)
Total current assets	16,024	19,584
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,135	15,924
Accumulated depreciation	(11,991)	(12,091)
Buildings and structures, net	4,143	3,832
Machinery, equipment and vehicles	21,898	22,520
Accumulated depreciation	(17,740)	(18,692)
Machinery, equipment and vehicles, net	4,157	3,828
Tools, furniture and fixtures	2,174	2,253
Accumulated depreciation	(1,587)	(1,708)
Tools, furniture and fixtures, net	586	545
Land	6,922	6,908
Construction in progress	1,443	3,349
Other	173	194
Accumulated depreciation	(86)	(91)
Other, net	86	102
Total property, plant and equipment	17,340	18,566
Intangible assets	51	47
Investments and other assets		
Investment securities	1,981	2,195
Deferred tax assets	848	852
Other	692	691
Allowance for doubtful accounts	(9)	(14)
Total investments and other assets	3,513	3,725
Total non-current assets	20,904	22,339
Total assets	36,928	41,924

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,483	4,264
Short-term borrowings	4,708	5,806
Income taxes payable	506	712
Provision for bonuses	370	401
Other	1,381	1,635
Total current liabilities	10,449	12,821
Non-current liabilities		
Long-term borrowings	5,424	5,337
Retirement benefit liability	2,943	3,066
Provision for environmental measures	7	4
Other	382	393
Total non-current liabilities	8,757	8,801
Total liabilities	19,206	21,622
Net assets		
Shareholders' equity		
Share capital	8,443	8,443
Retained earnings	9,346	11,523
Treasury shares	(43)	(23)
Total shareholders' equity	17,746	19,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	95	44
Deferred gains or losses on hedges	–	9
Foreign currency translation adjustment	80	500
Remeasurements of defined benefit plans	(267)	(291)
Total accumulated other comprehensive income	(92)	263
Non-controlling interests	67	95
Total net assets	17,721	20,301
Total liabilities and net assets	36,928	41,924

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	28,978	35,411
Cost of sales	22,049	27,362
Gross profit	6,928	8,048
Selling, general and administrative expenses	4,269	4,573
Operating profit	2,659	3,475
Non-operating income		
Interest income	0	1
Dividend income	27	36
Rental income from land and buildings	35	30
Share of profit of entities accounted for using equity method	241	314
Other	72	108
Total non-operating income	377	490
Non-operating expenses		
Interest expenses	173	139
Inactive mine environmental impact mitigation expenses	115	131
Loss on retirement of non-current assets	31	83
Other	67	49
Total non-operating expenses	387	403
Ordinary profit	2,649	3,562
Extraordinary income		
Gain on sale of investment securities	12	112
Compensation for forced relocation	59	–
Other	–	4
Total extraordinary income	71	116
Extraordinary losses		
Impairment losses	58	122
Loss on disaster	–	36
Total extraordinary losses	58	159
Profit before income taxes	2,662	3,519
Income taxes - current	617	938
Income taxes - deferred	27	24
Total income taxes	645	962
Profit	2,017	2,556
Profit attributable to non-controlling interests	13	17
Profit attributable to owners of parent	2,004	2,538

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,017	2,556
Other comprehensive income		
Valuation difference on available-for-sale securities	95	(50)
Deferred gains or losses on hedges	–	9
Foreign currency translation adjustment	30	403
Remeasurements of defined benefit plans, net of tax	129	(24)
Share of other comprehensive income of entities accounted for using equity method	16	26
Total other comprehensive income	273	365
Comprehensive income	2,290	2,922
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,276	2,894
Comprehensive income attributable to non-controlling interests	14	28

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,443	7,659	(42)	16,059
Changes during period				
Dividends of surplus		(317)		(317)
Profit attributable to owners of parent		2,004		2,004
Purchase of treasury shares			(0)	(0)
Disposal of treasury shares				
Net changes in items other than shareholders' equity				
Total changes during period	–	1,687	(0)	1,686
Balance at end of period	8,443	9,346	(43)	17,746

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(0)	33	(397)	(364)	53	15,748
Changes during period						
Dividends of surplus						(317)
Profit attributable to owners of parent						2,004
Purchase of treasury shares						(0)
Disposal of treasury shares						
Net changes in items other than shareholders' equity	95	46	129	272	14	286
Total changes during period	95	46	129	272	14	1,973
Balance at end of period	95	80	(267)	(92)	67	17,721

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,443	9,346	(43)	17,746
Changes during period				
Dividends of surplus		(356)		(356)
Profit attributable to owners of parent		2,538		2,538
Purchase of treasury shares			(0)	(0)
Disposal of treasury shares		(4)	20	15
Net changes in items other than shareholders' equity				
Total changes during period	–	2,177	19	2,196
Balance at end of period	8,443	11,523	(23)	19,943

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	95	–	80	(267)	(92)	67	17,721
Changes during period							
Dividends of surplus							(356)
Profit attributable to owners of parent							2,538
Purchase of treasury shares							(0)
Disposal of treasury shares							15
Net changes in items other than shareholders' equity	(50)	9	419	(24)	355	28	383
Total changes during period	(50)	9	419	(24)	355	28	2,580
Balance at end of period	44	9	500	(291)	263	95	20,301

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	2,662	3,519
Depreciation	1,487	1,525
Increase (decrease) in retirement benefit liability	19	88
Interest and dividend income	(28)	(38)
Share of loss (profit) of entities accounted for using equity method	(241)	(314)
Interest expenses	173	139
Loss (gain) on sale of investment securities	(12)	(112)
Impairment losses	58	122
Decrease (increase) in trade receivables	(369)	(1,700)
Decrease (increase) in inventories	(383)	(1,311)
Decrease (increase) in other assets	144	(142)
Increase (decrease) in trade payables	(322)	753
Increase (decrease) in other liabilities	(413)	204
Other, net	72	129
Subtotal	2,847	2,861
Interest and dividends received	28	38
Interest paid	(176)	(140)
Payments associated with disaster loss	(14)	–
Income taxes paid	(318)	(763)
Net cash provided by (used in) operating activities	2,367	1,996
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,742)	(2,430)
Purchase of investment securities	(91)	–
Proceeds from sale of investment securities	16	163
Other, net	(43)	(56)
Net cash provided by (used in) investing activities	(1,860)	(2,322)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(872)	592
Proceeds from long-term borrowings	2,000	2,968
Repayments of long-term borrowings	(2,601)	(2,859)
Dividends paid	(315)	(354)
Other, net	(35)	(39)
Net cash provided by (used in) financing activities	(1,825)	308
Effect of exchange rate change on cash and cash equivalents	(11)	149
Net increase (decrease) in cash and cash equivalents	(1,329)	130
Cash and cash equivalents at beginning of period	4,737	3,407
Cash and cash equivalents at end of period	3,407	3,538