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RASA INDUSTRIES,LTD.

**FY 2022 (Year ended March 31,2023) Consolidated
Financial Results**

May 31, 2023

Stock code : 4022

Contents

- 1. Business overview**
- 2. FY 2022 (Apr.-Mar.) Financial Results and Forecast for FY2023**
- 3. Medium-Term Management Plan Progress Update**

1. Business overview

Business overview

Company Profile

Company Name	Rasa industries, Ltd.
Head Office	1-18-13, Soto-Kanda, Chiyoda-ku, Tokyo 101-0021, Japan
Founded	May 1, 1913
Established	June 26, 1918
Employees	610 (consolidated) <As of March 31, 2023>

Chemicals 41,918million yen / 84.5%

■ Phosphorus products

Phosphoric acid
Phosphate etc

■ Flocculant products

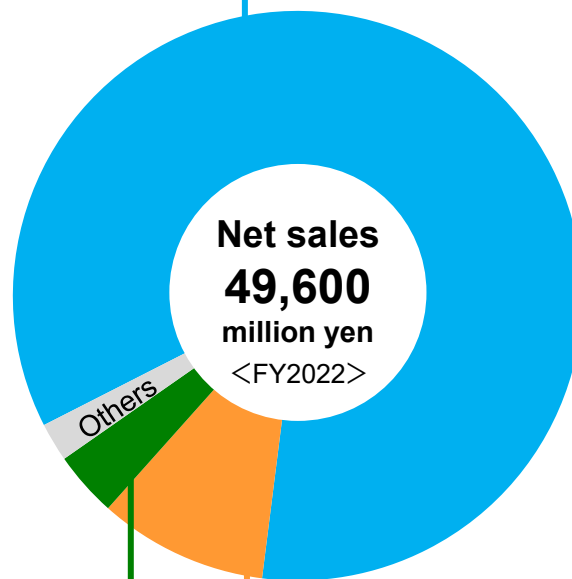
■ Other products

■ High-purity inorganic materials for compound semiconductors

(Gallium, Indium, Red phosphorus, Boron trioxide, etc)

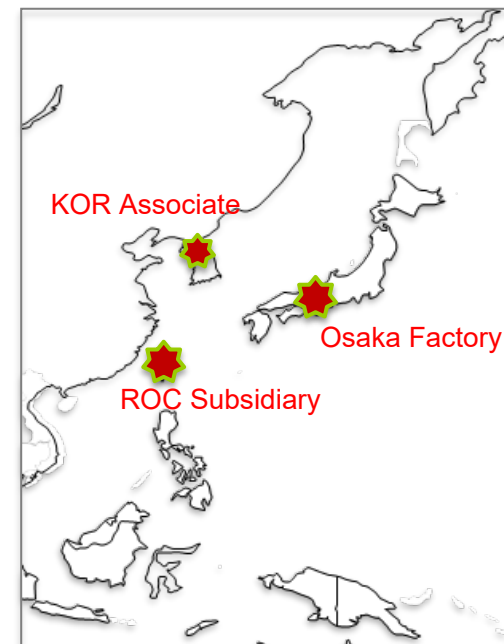
■ Radioactive iodine adsorbents

Electronic Materials 1,830million yen / 3.7%



Machinery 4,739million yen / 9.6%

- Construction machinery (Jaw crusher, Screen, Powder equipment)
- Civil engineering machinery Pipe jacking machine (for water supply and sewerage)



<Phosphoric acid Factory>

2. FY 2022 (Apr.-Mar.) Financial Results and Forecast for FY2023

FY 2022 (Apr.-Mar.) Financial Summary

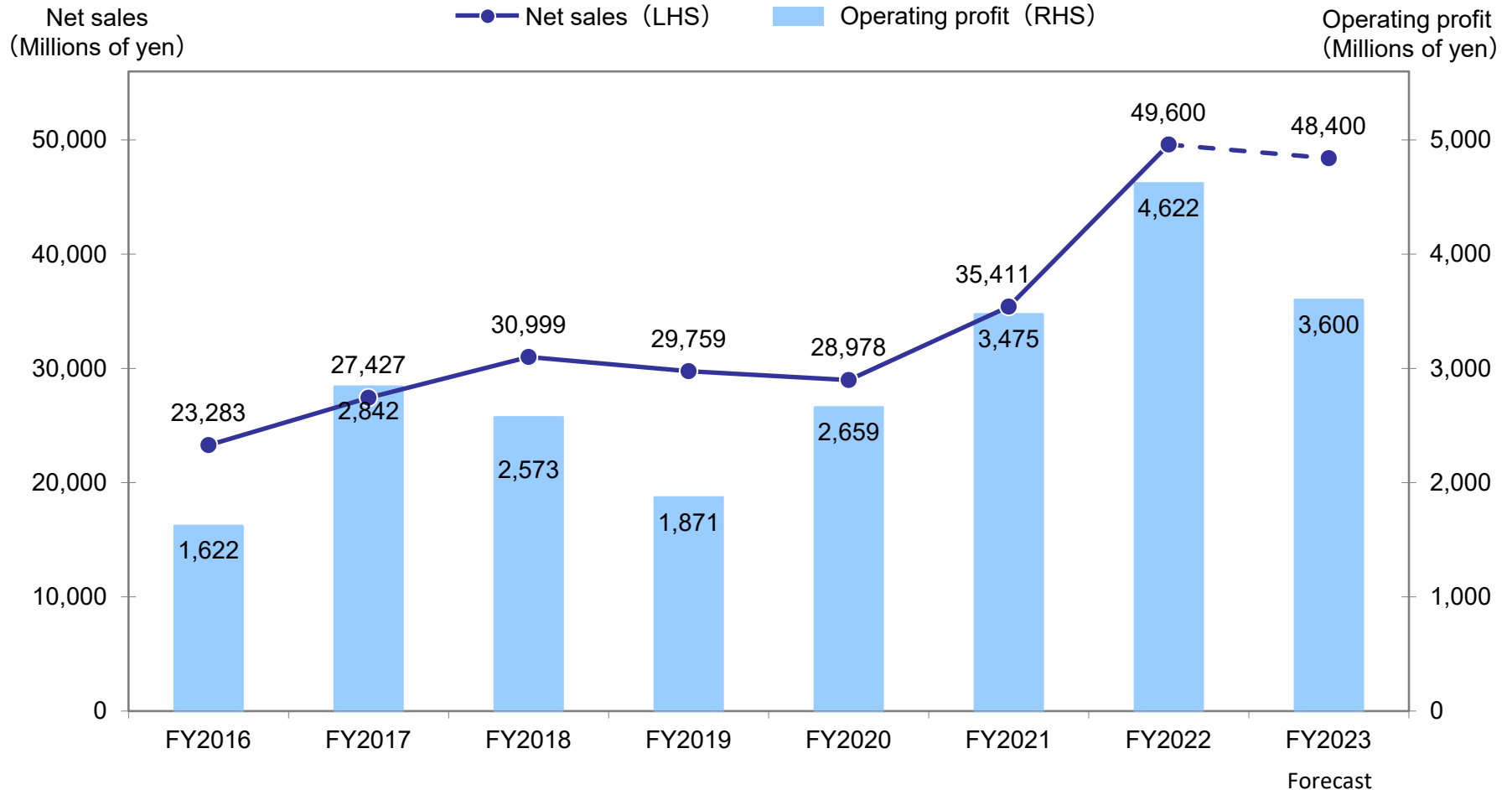
- Net sales : Increased by 40.1% Year-on-Year
- Operating profit : Increased by 33.0% Year-on-Year. Record high profit.

(Millions of yen)

	FY2021 (Apr.-Mar.)	FY2022 (Apr.-Mar.)	Change	Change Rate	Forecast (2022.8.10)	Change
Net sales	35,411	49,600	14,189	40.1%	52,600	(3,000)
Operating profit	3,475	4,622	1,147	33.0%	4,500	122
Ordinary profit	3,562	4,690	1,128	31.7%	4,600	90
Profit attributable to owners of parent	2,538	3,232	694	27.3%	3,200	32
Annual dividends per share	70.00yen	82.00yen	12.00yen	17.1%	70.00yen	12.00yen
(Depreciation)	1,525	1,845	320	21.0%		

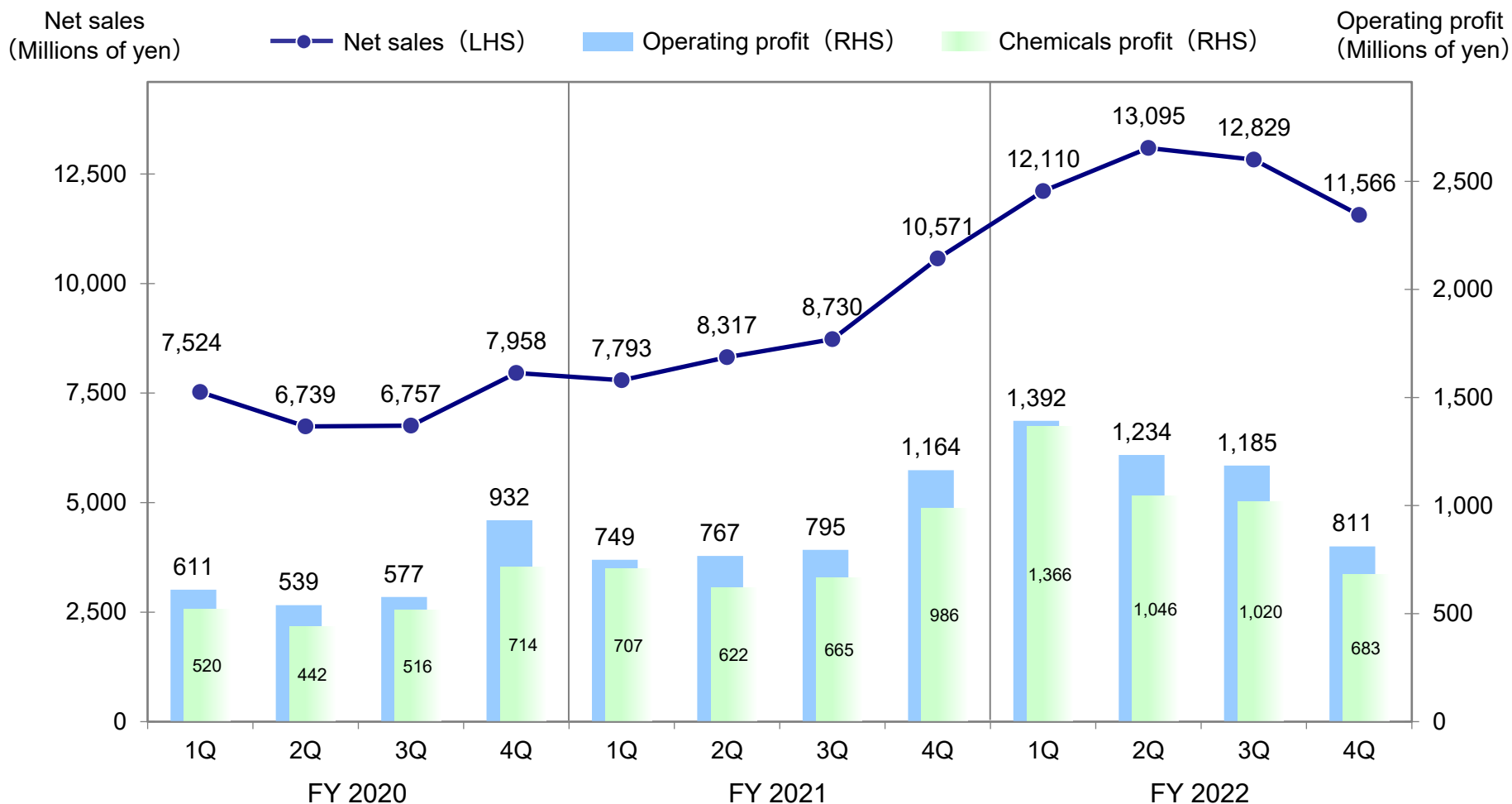
Changes in Fiscal Year Performance

Changes in Net sales and Operating profit



Changes in Quarterly Performance

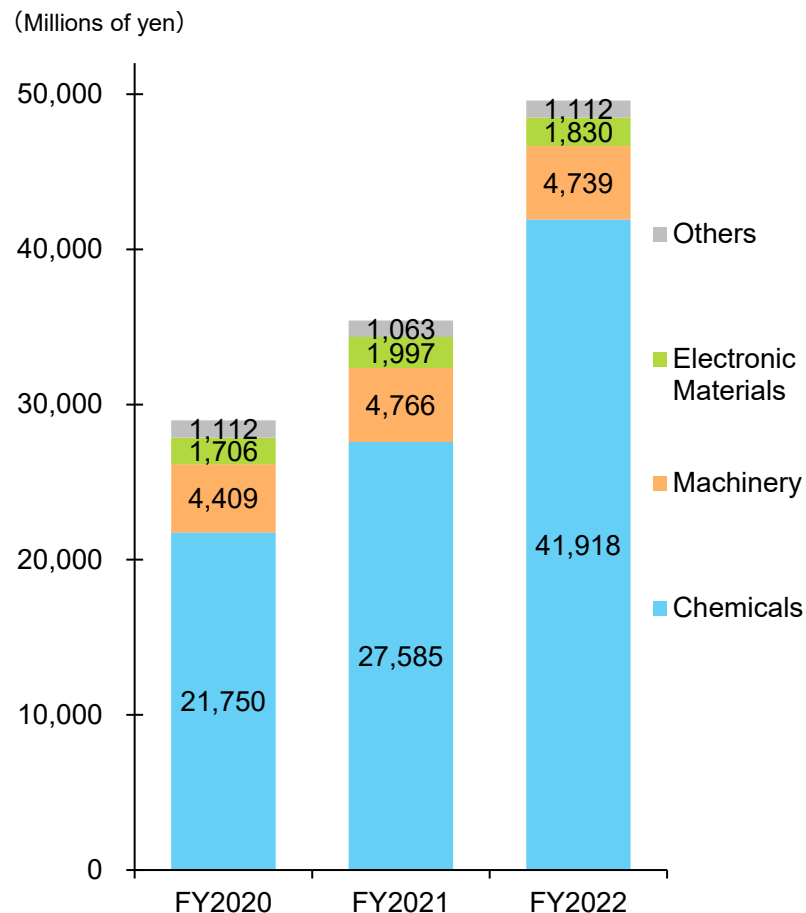
Changes in Net sales and Operating profit



FY 2022 (Apr.-Mar.) Business Segment Overview (Net sales)

Changes in Net sales

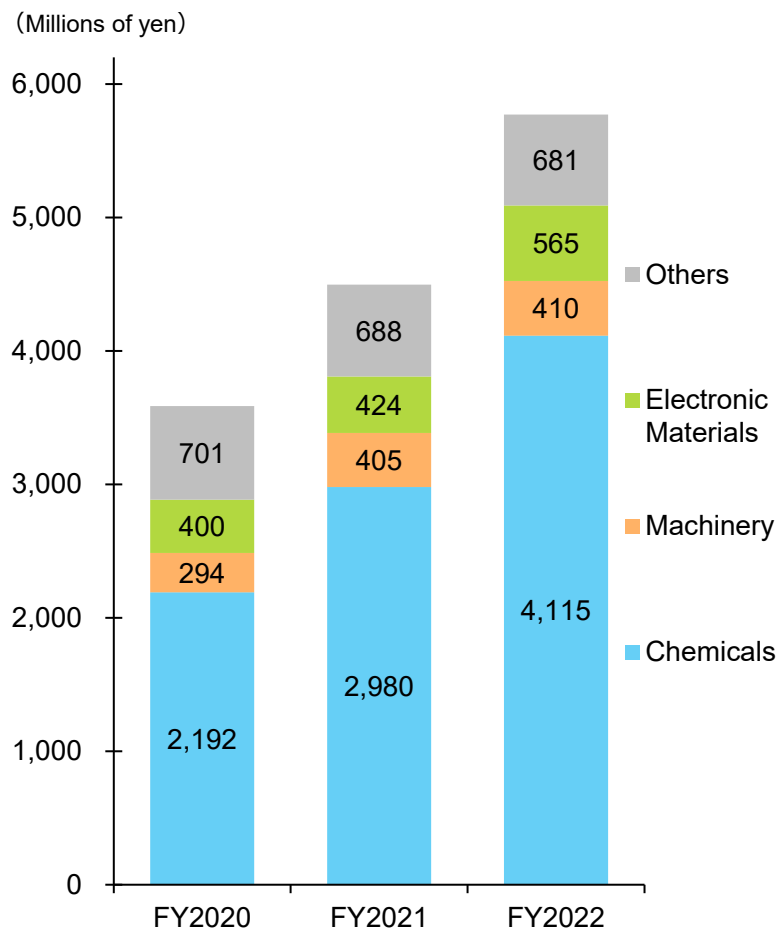
	(Millions of yen)			
	FY 2021 (Apr.-Mar.)	FY 2022 (Apr.-Mar.)	Change	Change Rate
Chemicals	27,585	41,918	14,333	52.0%
Machinery	4,766	4,739	(27)	(0.6%)
Electronic Materials	1,997	1,830	(167)	(8.3%)
Others	1,063	1,112	49	4.5%
T o t a l	35,411	49,600	14,189	40.1%



FY 2022 (Apr.-Mar.) Business Segment Overview (Operating profit)

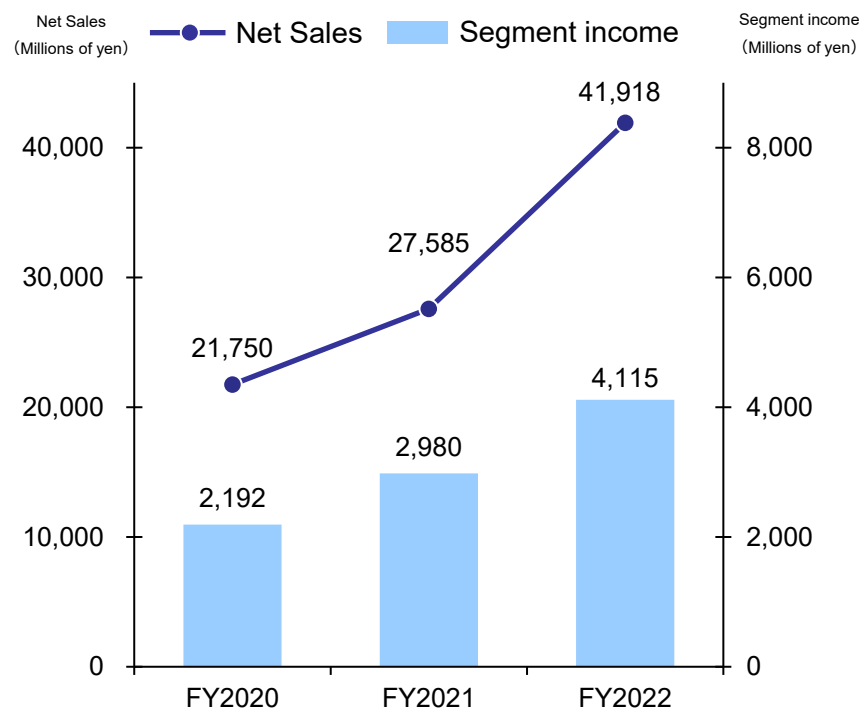
Changes in Operating profit

	(Millions of yen)			
	FY 2021 (Apr.-Mar.)	FY 2022 (Apr.-Mar.)	Change	Change Rate
Chemicals	2,980	4,115	1,135	38.0%
Machinery	405	410	5	1.2%
Electronic Materials	424	565	141	33.1%
Others	688	681	(7)	(1.1%)
(Adjustments)	(1,024)	(1,149)	(125)	—
T o t a l	3,475	4,622	1,147	33.0%

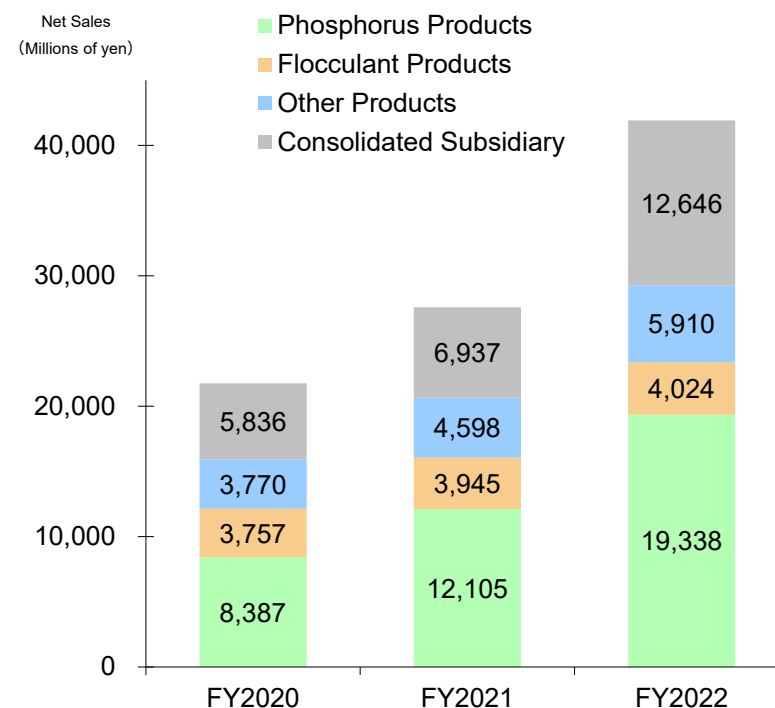


Chemicals

Changes in Net sales and Segment income

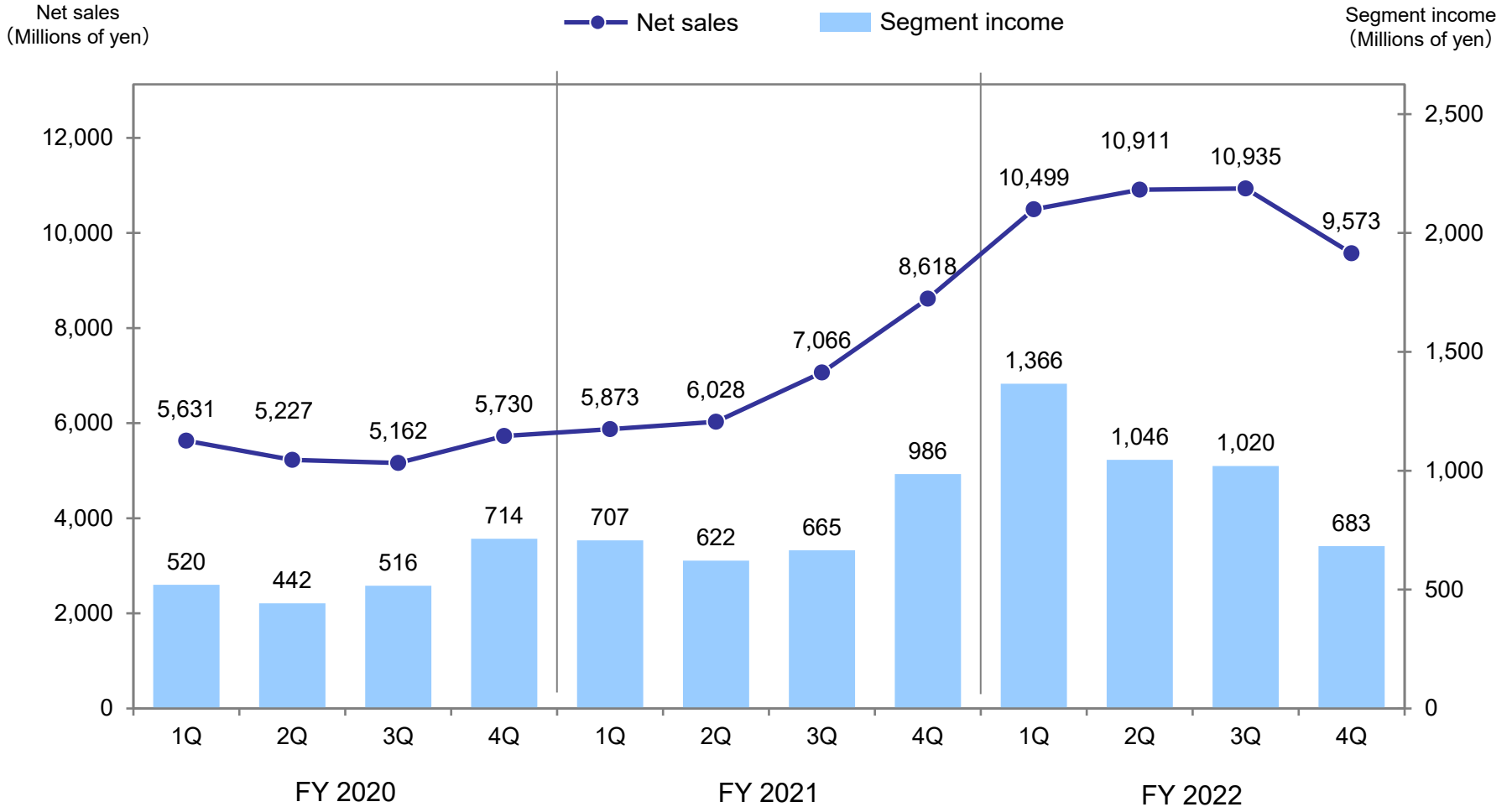


Changes in Net sales by Product



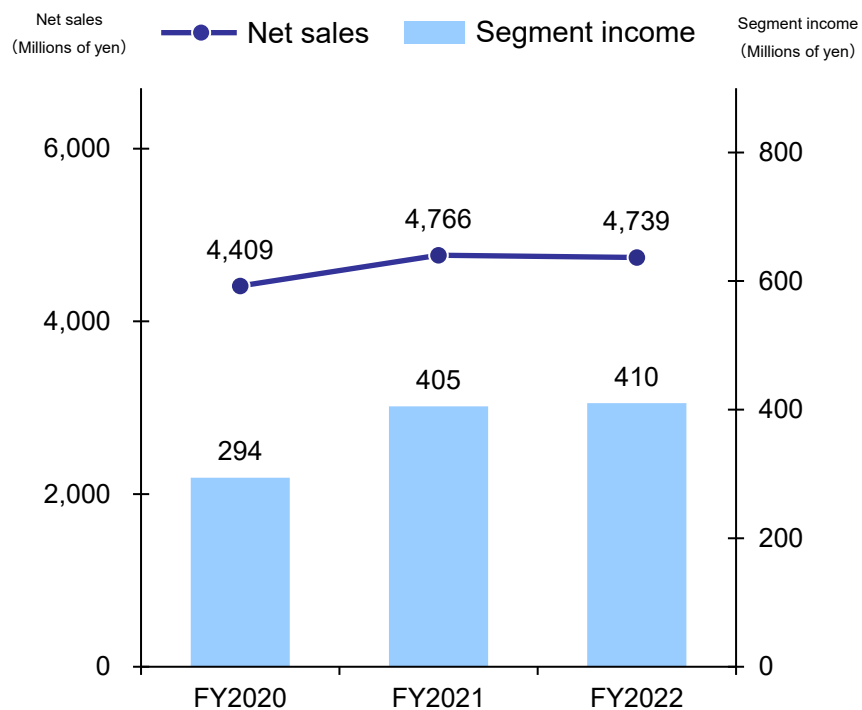
Chemicals (Quarterly)

Changes in Net sales and Segment income

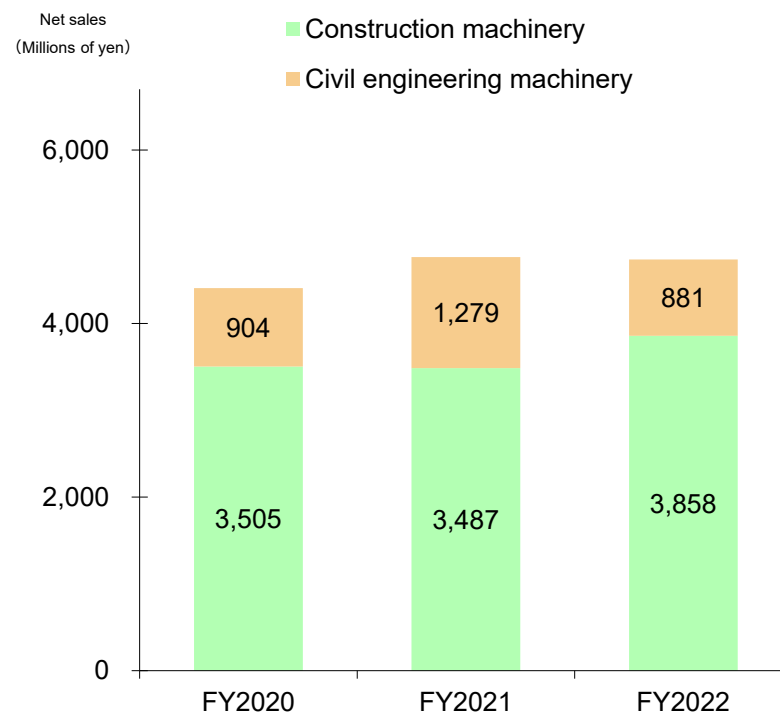


Machinery

Changes in Net sales and Segment income

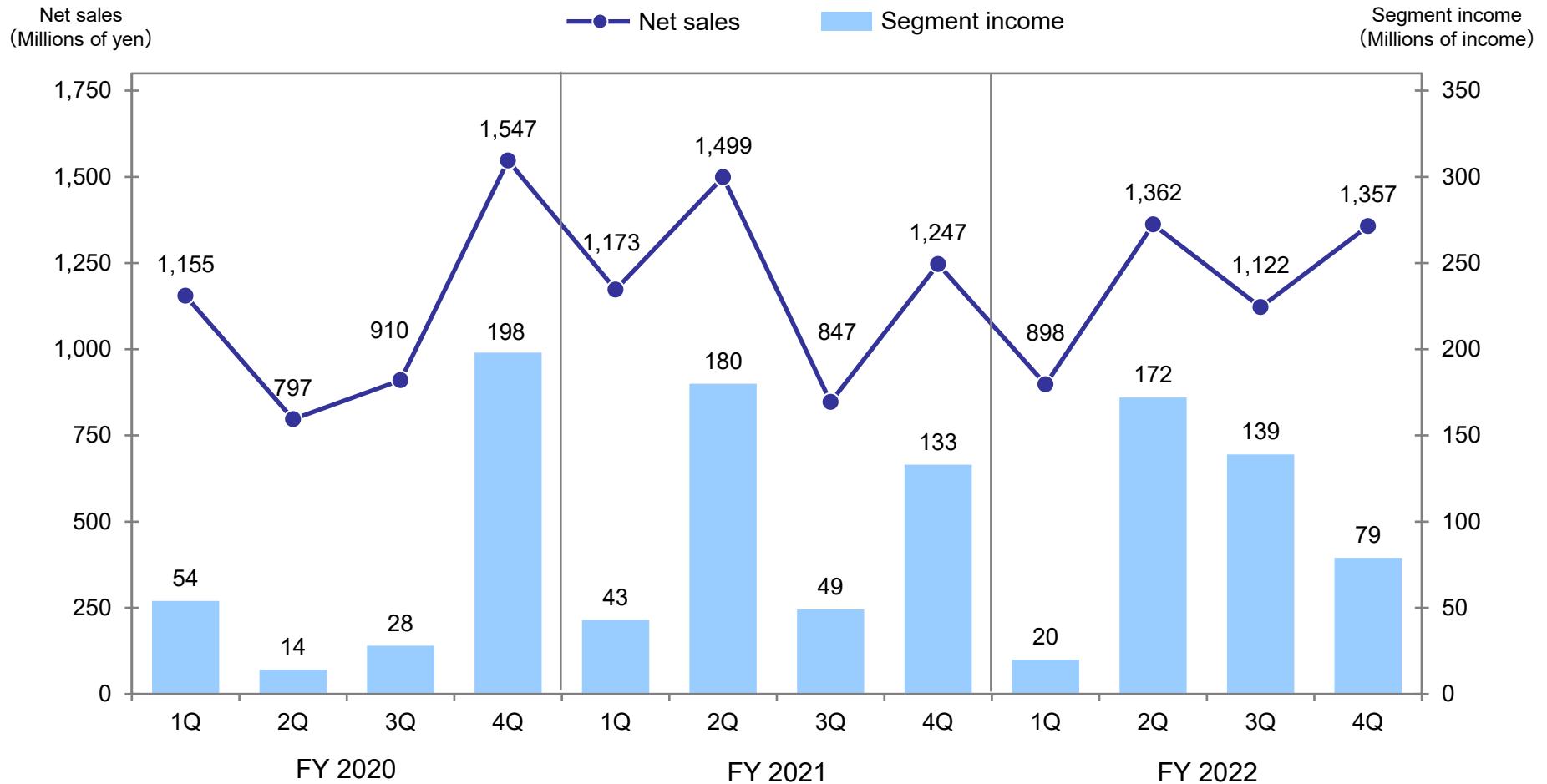


Changes in Net sales by Product



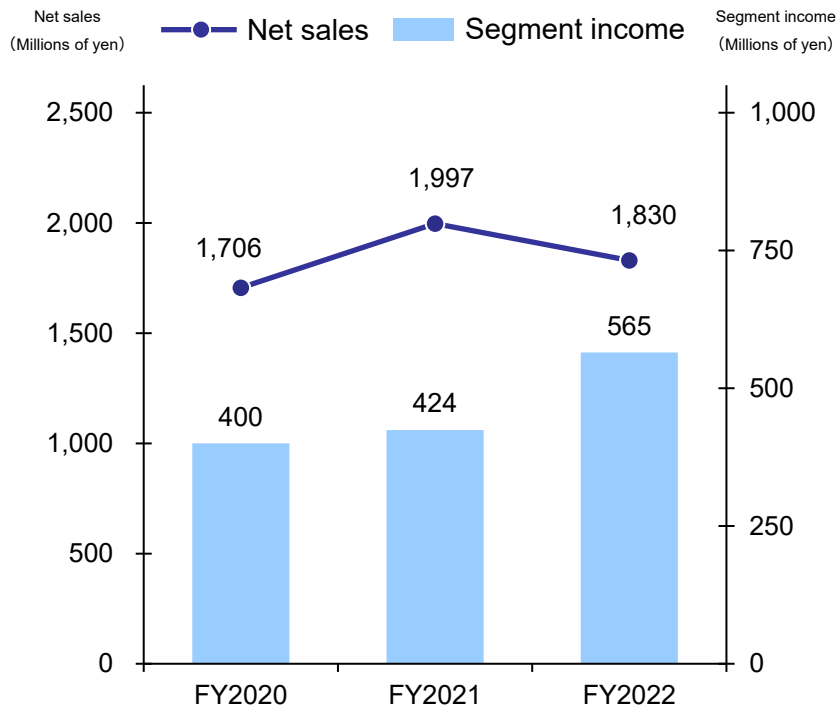
Machinery (Quarterly)

Changes in Net sales and Segment income

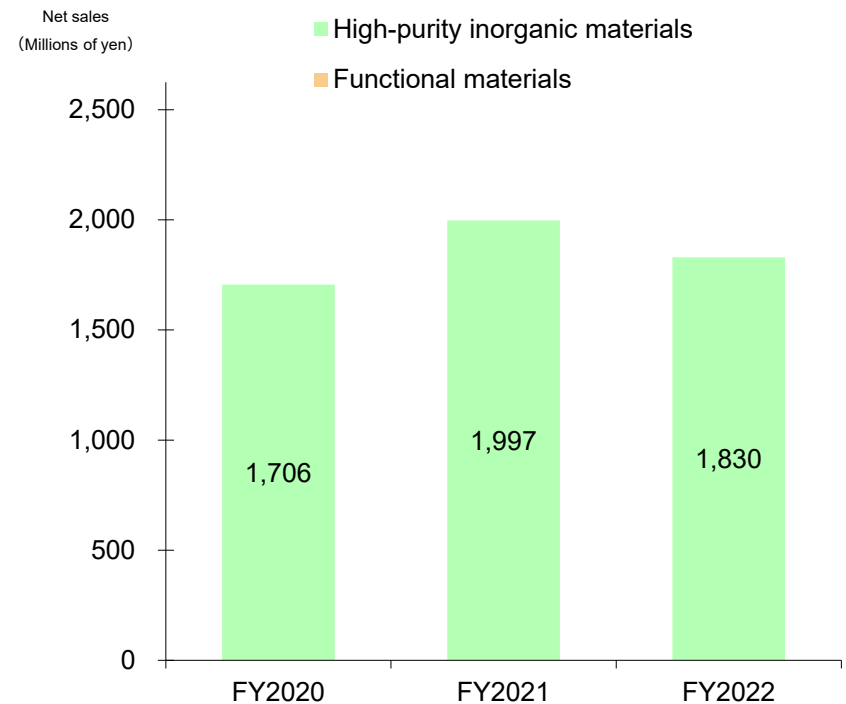


Electronic Materials

Changes in Net sales and Segment income

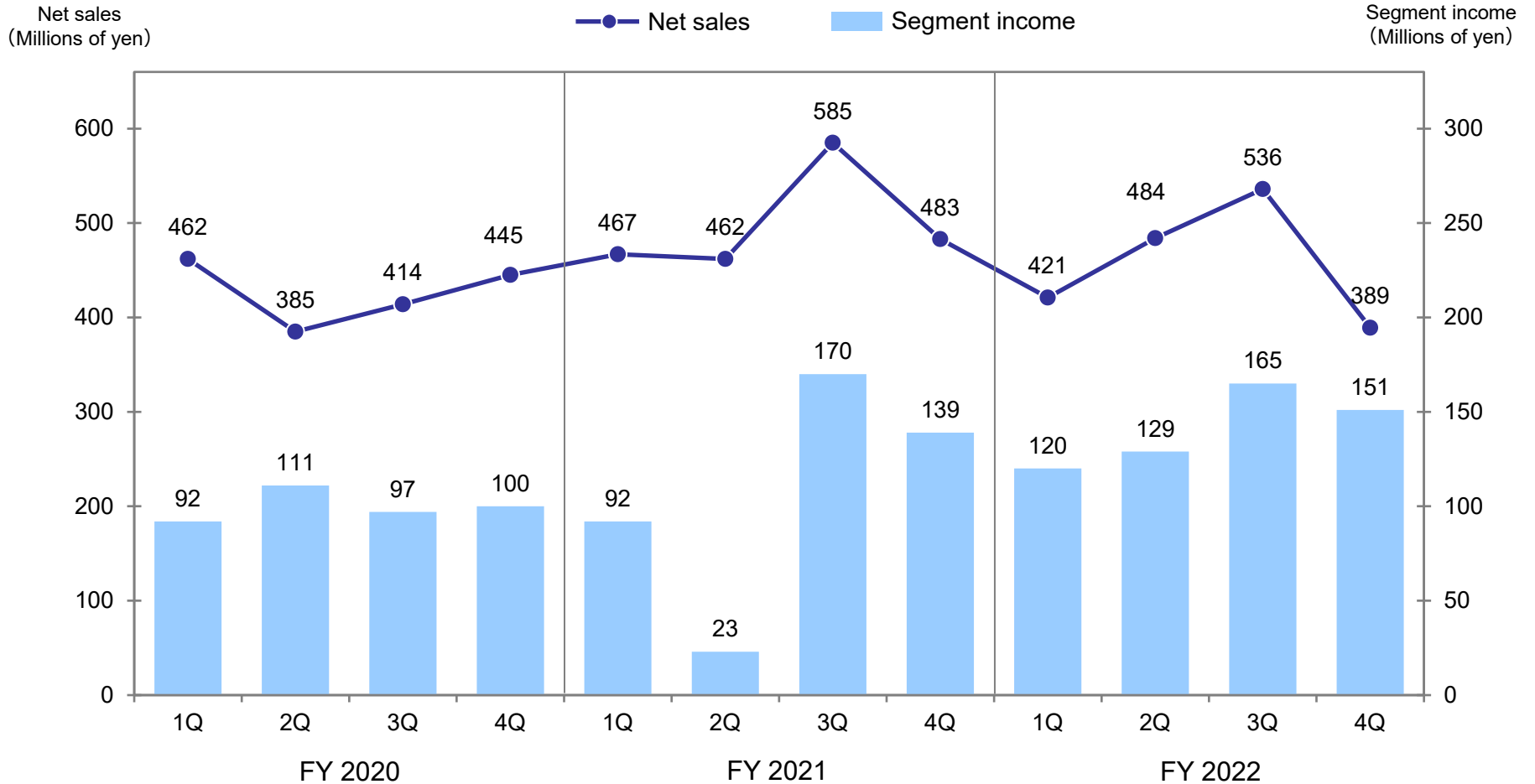


Changes in Net sales by Product



Electronic Materials (Quarterly)

Changes in Net sales and Segment income



Consolidated statements of income

(Millions of yen)

	FY 2021 (Apr.-Mar.)	FY 2022 (Apr.-Mar.)	Change	Change Rate
Net sales	35,411	49,600	14,189	40.1%
Cost of sales	27,362	40,186	12,824	46.9%
Selling, general and administrative expenses	4,573	4,791	218	4.8%
Operating profit	3,475	4,622	1,147	33.0%
Non-operating income	490	514	24	4.9%
Non-operating expenses	403	446	43	10.7%
Ordinary profit	3,562	4,690	1,128	31.7%
Extraordinary income	116	5	(111)	(95.7%)
Extraordinary losses	159	66	(93)	(58.5%)
Profit before income taxes	3,519	4,629	1,110	31.5%
Profit attributable to owners of parent	2,538	3,232	694	27.3%
(Depreciation)	1,525	1,845	320	21.0%

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023	change
Total current assets	19,584	25,564	5,980
Cash and deposits	3,538	4,940	1,402
Accounts receivable ※	10,377	11,302	925
Inventory ※	5,337	8,364	3,027
Total non-current assets	22,339	21,987	(352)
Property, plant and equipment	18,566	17,893	(673)
Intangible assets	47	40	(7)
Investments and other assets	3,725	4,053	328
Total current liabilities	12,821	15,737	2,916
Notes and accounts payable	4,264	5,524	1,259
Short-term borrowings	5,806	7,147	1,340
Total non-current liabilities	8,801	8,563	(238)
Long-term borrowings	5,337	5,021	(316)
Retirement benefit liabilities	3,066	3,165	99
Total net assets	20,301	23,252	2,950
Tangible net worth	20,206	23,125	2,919
Non-controlling interests	95	126	31
Total assets	41,924	47,552	5,628
<Equity ratio>	48.2%	48.6%	+0.4%

※Accounts receivable = Notes receivable - trade + Electronically recorded monetary claims - operating + Accounts receivable - trade

※Inventory = Merchandise and finished goods + Work in process + Raw materials and supplies

Consolidated statements of cash flows

(Millions of yen)

	FY 2021 (Apr.-Mar.)	FY 2022 (Apr.-Mar.)	Change
Net cash provided by operating activities	1,996	2,042	46
Profit before income taxes	3,519	4,629	1,110
Depreciation	1,525	1,845	320
Decrease(increase) in trade receivables	(1,700)	(887)	813
Decrease(increase) in inventories	(1,311)	(3,016)	(1,704)
Increase(decrease) in trade payables	753	1,254	501
Income taxes paid	(763)	(1,203)	(440)
Net cash provided by investing activities	(2,322)	(961)	1,360
Purchase of property, plant and equipment	(2,430)	(919)	1,510
Net cash provided by financing activities	308	245	(62)
Net increase(decrease) in borrowings	701	896	195
Net increase(decrease) in cash and cash equivalents	130	1,402	1,272
Cash and cash equivalents at end of period	3,538	4,940	1,402

Forecast for FY 2023

(Millions of yen)

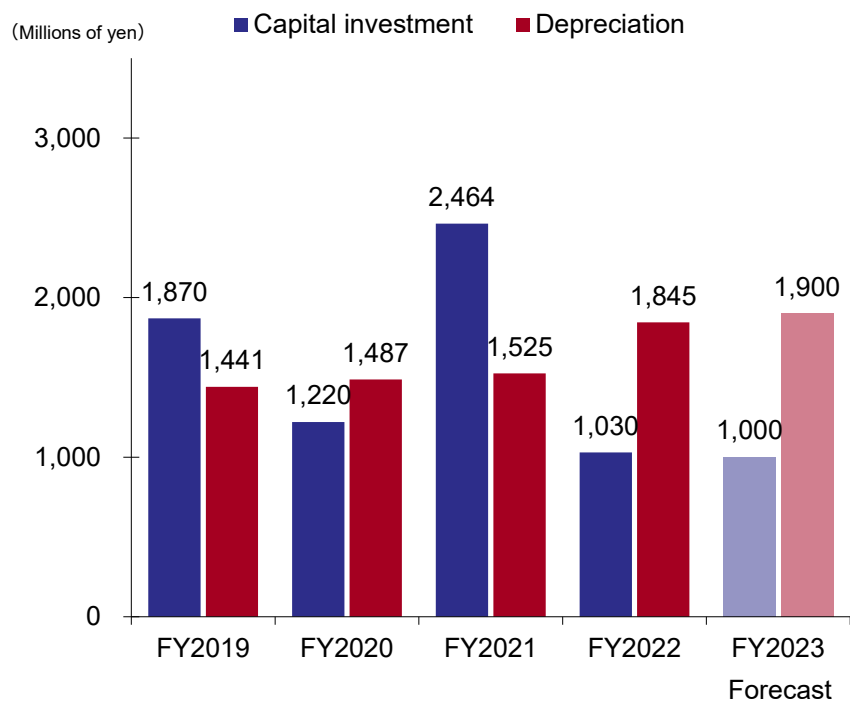
	FY 2022 (Apr.-Mar.) Actual	FY 2023 (Apr.-Mar.) Forecast	Change	Change Rate
Net sales	49,600	48,400	(1,200)	(2.4%)
Chemicals	41,918	39,000	(2,918)	(7.0%)
Machinery	4,739	6,200	1,461	30.8%
Electronic Materials	1,830	2,050	220	12.0%
Others	1,112	1,150	38	3.4%
Operating profit	4,622	3,600	(1,022)	(22.1%)
Chemicals	4,115	3,100	(1,015)	(24.7%)
Machinery	410	550	140	34.1%
Electronic Materials	565	500	(65)	(11.5%)
Others	681	700	19	2.8%
Adjustments	(1,149)	(1,250)	(101)	-
Ordinary profit	4,690	3,600	(1,090)	(23.2%)
Profit attributable to owners of parent	3,232	2,600	(632)	(19.6%)
Annual dividends per share	82.00yen	82.00yen	0yen	0.0%

Assumed exchange rate

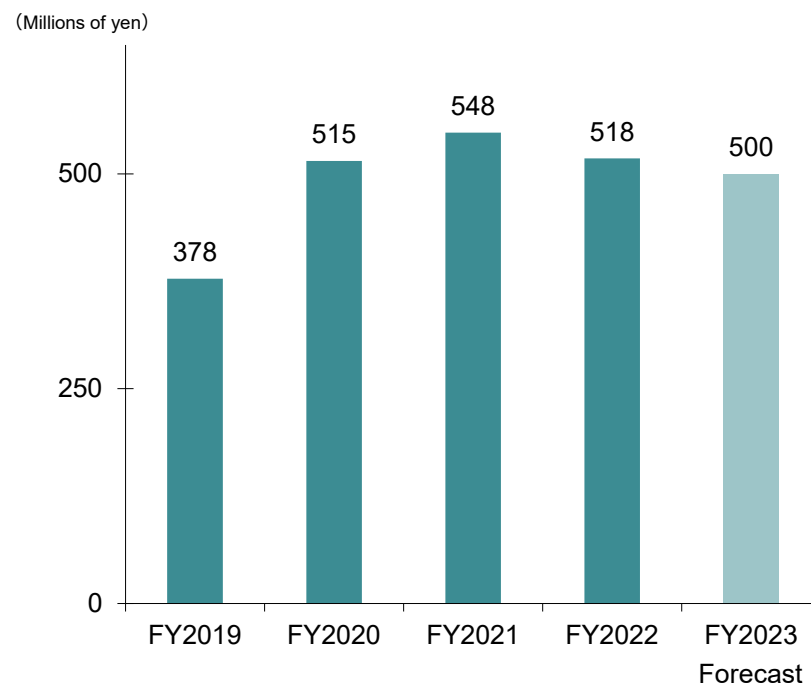
130yen/USD

Changes in Capital investment , Depreciation and R&D costs

Capital investment · Depreciation



R & D costs



3. Medium-Term Management Plan Progress Update

Overview of the Medium-Term Management Plan 2023 (FY2021 - FY2023)

Medium-Term Management Plan 2023

~ Pursuing a “business strategy that responds to changes in the next generation and further strengthens our business foundation for the future” ~

Objectives

1. Consolidated operating profit of 3.3 billion yen
2. Consolidated equity ratio of 55%
3. Continuation of paying dividends in line with business performance

Business strategies

- Strengthen and expand existing business domains
- Strengthen response to global markets
- Explore and nurture new businesses
- Further strengthen our financial position

Medium-Term Management Plan 2023 Business Strategies

[Company-wide Policies]

Strengthen and expand existing business domain

Strengthen response to global markets

Explore and nurture new businesses

[Measures]

- Solid capturing demand in the areas of 5G, IoT, and AI
- Clarify and implement policies in accordance with the medium- to long-term vision for existing business
- Solidly execute capital investment and investment recovery
- Improve maintenance and preservation of facilities and ability to provide a stable supply

- Agilely respond to decentralization of supply chains
- Strengthen raw material procurement and securing of a stable delivery
- Review our post-COVID-19 overseas sales approach

- Strengthen collaboration between product development and sales
- Expand users and add higher value

Infrastructure Development

Management System

- ✓ DX Initiatives
- ✓ Creating flexible and agile organizational structures
- ✓ ESG Initiatives

HR Strategy

- ✓ Nurture diverse talent and strengthen recruiting capabilities
- ✓ Relocate and retrain talent in response to innovation

Medium-Term Management Plan 2023 Numerical Targets 1/2

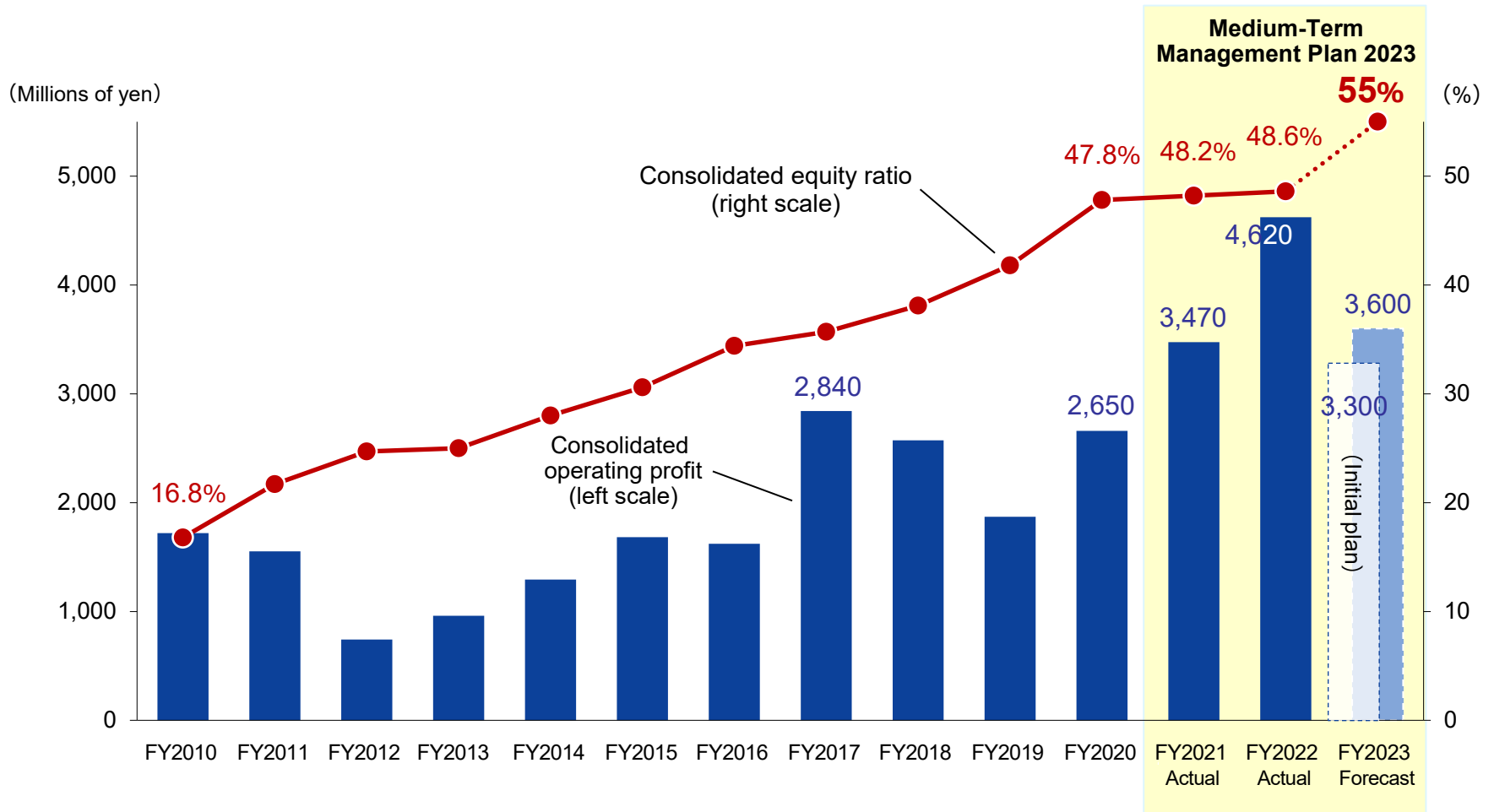
(Millions of yen)

	FY2023 Initial Plan (1)	FY2021 Actual	FY2022 Actual	FY2023 Forecast (2)	Change from initial Plan (2) – (1)	Change Rate
Net sales	36,000	35,411	49,600	48,400	12,400	34%
Chemicals	27,000	27,585	41,918	39,000	12,000	44%
Machinery	5,700	4,766	4,739	6,200	500	9%
Electronic Materials	2,100	1,997	1,830	2,050	(50)	(2%)
Others	1,200	1,063	1,112	1,150	(50)	(4%)
Operating profit	3,300	3,475	4,622	3,600	300	9%
Chemicals	2,700	2,980	4,115	3,100	400	15%
Machinery	600	405	410	550	(50)	(8%)
Electronic Materials	400	424	565	500	100	25%
Others	700	688	681	700	0	0%
Adjustments	(1,100)	(1,024)	(1,149)	(1,250)	(150)	14%
Ordinary profit	3,400	3,562	4,690	3,600	200	6%
Profit attributable to owners of parent	2,400	2,538	3,232	2,600	200	8%
Equity ratio	55.0%	48.2%	48.6%	55.0%	0.0%	

- At the time the formulation of the Medium-Term Management Plan (FY2020), the economic forecast was uncertain due to the impact of COVID-19.
- In the first year (FY2021), results exceeded the plan for the final year (FY2023).
- In the second year (FY2022), results in revenue and earnings increased significantly due to growth in sales of high-purity products for semiconductors in Chemicals and correction of product selling prices in response to soaring raw material prices.
- The final year (FY2023) forecast assumes that the adjustment phase in the electronic components-related market will continue during the first half of the year, and a gradual recovery is expected from the second half, but a decrease in sales and profits are forecasted compared to the previous year.
- Sales are forecast to significantly exceed the initial plan, and operating income is also expected to exceed the initial plan by 300 million yen (+9%).

Medium-Term Management Plan 2023 Numerical Targets 2/2

Aiming to improve profitability and further strengthen our financial position



Medium-Term Management Plan Second Year (FY2022) Measures and Summary

- ✓ In the Chemicals business, the Company achieved record profits due to growth in high-purity products for semiconductors both domestically and overseas. Sales and profits also increased significantly due to a price correction of products in response to soaring raw material prices.
- ✓ Record profits we achieved for the second consecutive year.
- ✓ Affected by a correction phase in the electronic components-related market in the second half of FY2022.

	Chemicals	Machinery	Electronic Materials
Measures	<ul style="list-style-type: none"> • Stable operation and increased sales of high-purity phosphoric acid for semiconductors • Taiwanese subsidiary: Stable operation of increased production facilities and supported sales expansion • Exploring and nurturing new businesses 	<ul style="list-style-type: none"> • Capturing renewal demand for interim storage facilities and plant equipment projects • Cultivating new markets for pipe jacking machines • Exploring and nurturing new businesses 	<ul style="list-style-type: none"> • Developing pure inorganic materials for next-generation telecommunications demand • Overseas sales of radioactive iodine adsorbent (AgX) • Exploring and nurturing new businesses
Plan horizon	<ul style="list-style-type: none"> • Strong sales of high-purity phosphoric acid for semiconductors both in Japan and overseas; shipments down in the second half due to market slowdown • Price correction of products in response to soaring raw material prices 	<ul style="list-style-type: none"> • Sales of plants for recycling • Solid performance of precision machining for semiconductors 	<ul style="list-style-type: none"> • Solid performance of high-purity inorganic materials for compound semiconductors and power semiconductors
Minor delay	<ul style="list-style-type: none"> • Review of operation system for facilities to increase production of raw materials for capacitors due to poor growth in demand • Development of deodorant products for various applications 	<ul style="list-style-type: none"> • Development of overseas markets has not progressed due in part to the impact of COVID-19 • Sales development of biomass heat utilization devices 	<ul style="list-style-type: none"> • Developing new demand for high-purity inorganic materials • Approaching overseas markets for radioactive iodine adsorbent (AgX)

Key Measures 1



<phosphoric acid>

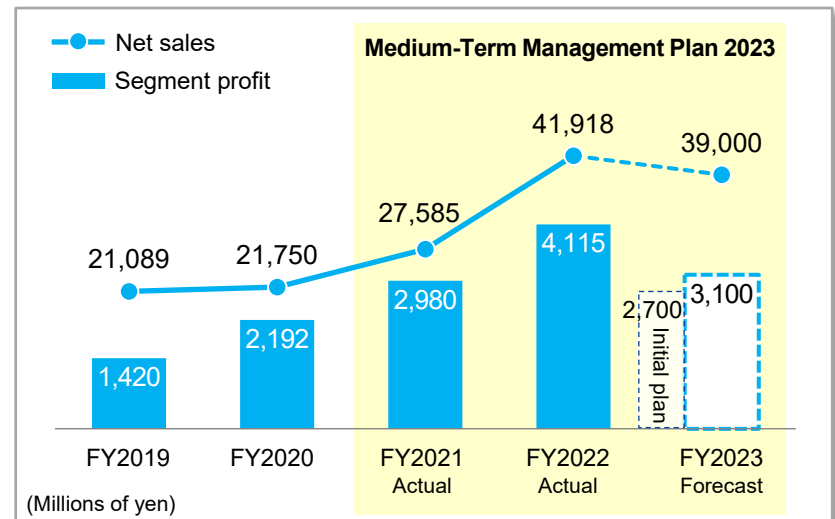


<deodorants>



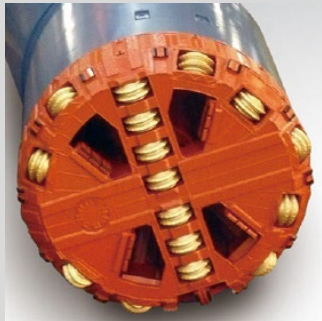
<Taiwan Subsidiary>

Chemicals

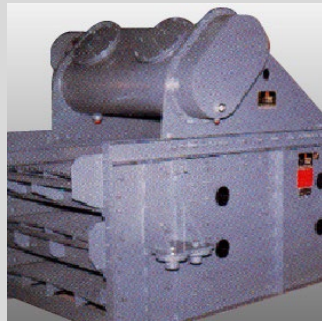


- Solidly capture demand in electronic component-related markets**
 - ✓ High-purity phosphoric acid for semiconductors - Stabilization of reliable supply systems in Japan and overseas
 - ✓ Improvement of production system and labor savings to meet demand for facilities for increased production of raw materials for capacitors
- Strengthen response to global markets**
 - ✓ Taiwanese Subsidiary: Monitor market trends, ensure stable operation of increased production facilities, and strengthen user support
 - ✓ Strengthen cooperation with Korean joint venture
- Expand users and add higher value**
 - ✓ Focus on R&D of deodorants

Key Measures 2



<pipe jacking machine>

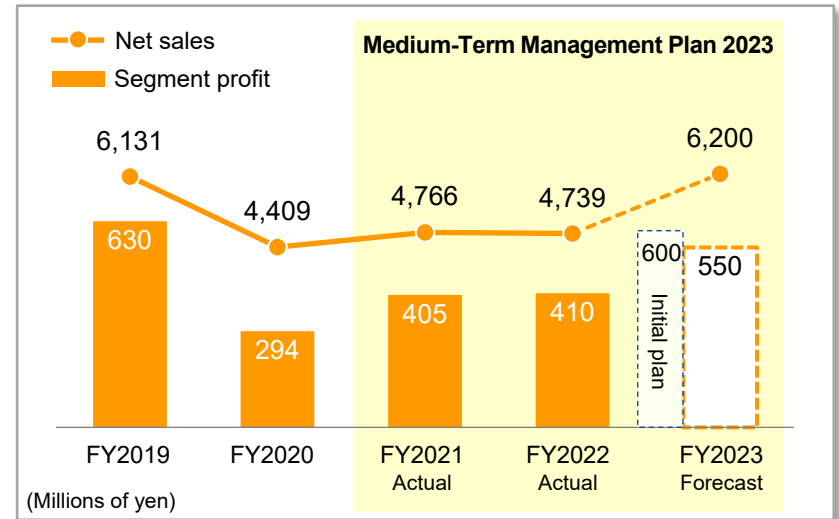


<screen>



<rotor mill>

Machinery



■ Strengthen and expand existing business domains

- ✓ Capture demand for plant equipment projects for recycling
- ✓ Expand orders from semiconductor and OLED domains in precision machining

■ Strengthen response to global markets

- ✓ Develop new markets (Southeast Asia) for excavators for sewage systems by strengthening relationships with overseas sales networks

■ Explore and nurture new businesses

- ✓ Strengthen sales of biomass heat utilization devices

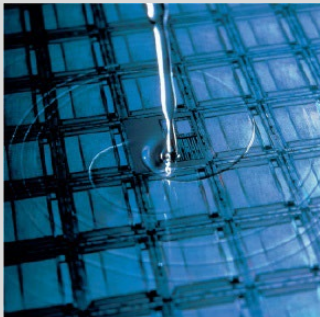
Key Measures 3



<high purity inorganic materials>

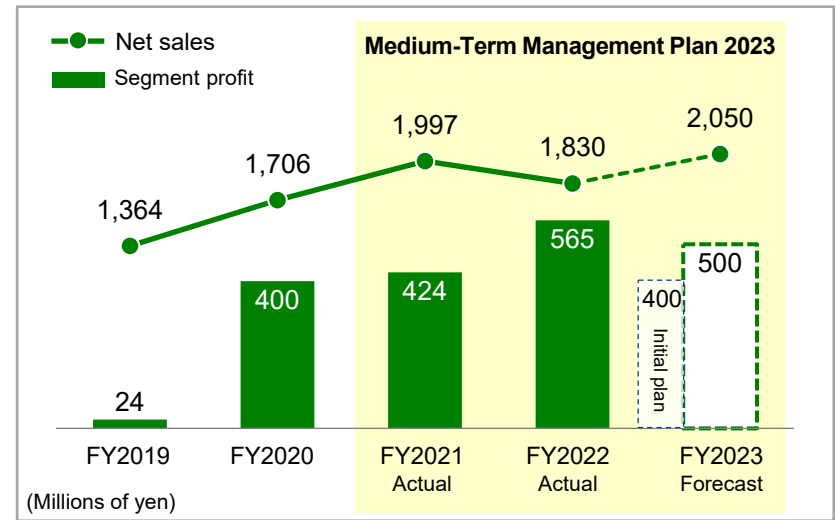


<radioactive iodine adsorbents>



<coating materials>

Electronic Materials



■ Strengthen and expand existing business domains

- ✓ Improve systems to increase production in light of the expanding market for high-purity inorganic materials
- ✓ Improve profitability by adjusting sales and production and improving processes

■ Strengthen response to global markets

- ✓ Develop new overseas demand for high-purity inorganic materials
- ✓ Achieve sustained overseas sales of radioactive iodine adsorbent (AgX)

■ Explore and nurture new businesses

- ✓ Explore new businesses through R&D of radioactive iodine adsorbents, etc.
- ✓ Expand application-specific coating materials

Basic Strategy by Segment

	Strengthen and expand existing business domains	Strengthen response to global markets	Explore and nurture new businesses
Chemicals	<ul style="list-style-type: none"> ✓ Stable operation and increased sales of high-purity phosphoric acid for semiconductors ✓ Stable operation of facilities for increased production of raw materials for capacitors and additional labor savings 	<ul style="list-style-type: none"> ✓ Taiwan Subsidiary Respond to increased demand (invest in increased production) ✓ Strengthen cooperation with Korean joint venture 	<ul style="list-style-type: none"> ✓ Focus on R&D of deodorants
Machinery	<ul style="list-style-type: none"> ✓ Capture renewal demand for 2011 earthquake restoration-related projects (temporary storage facilities, decontamination-related projects) ✓ Capture demand for plant equipment projects 	<ul style="list-style-type: none"> ✓ Develop new markets (Southeast Asia) for pipe jacking machines for sewage systems by strengthening relationships with overseas sales networks 	<ul style="list-style-type: none"> ✓ Develop new sales of biomass heat utilization devices
Electronic Materials	<ul style="list-style-type: none"> ✓ Develop new demand for high-purity inorganic materials ✓ Improve profitability by adjusting sales and production and improving processes 	<ul style="list-style-type: none"> ✓ Develop new overseas demand for high-purity inorganic materials ✓ Achieve sustained overseas sales of radioactive iodine adsorbent (AgX) 	<ul style="list-style-type: none"> ✓ Explore new businesses through R&D of radioactive iodine adsorbents, etc. ✓ Expand application-specific coating materials

ESG Initiatives

Aiming for sustainable and stable growth through ESG initiatives

[Key ESG Issues]

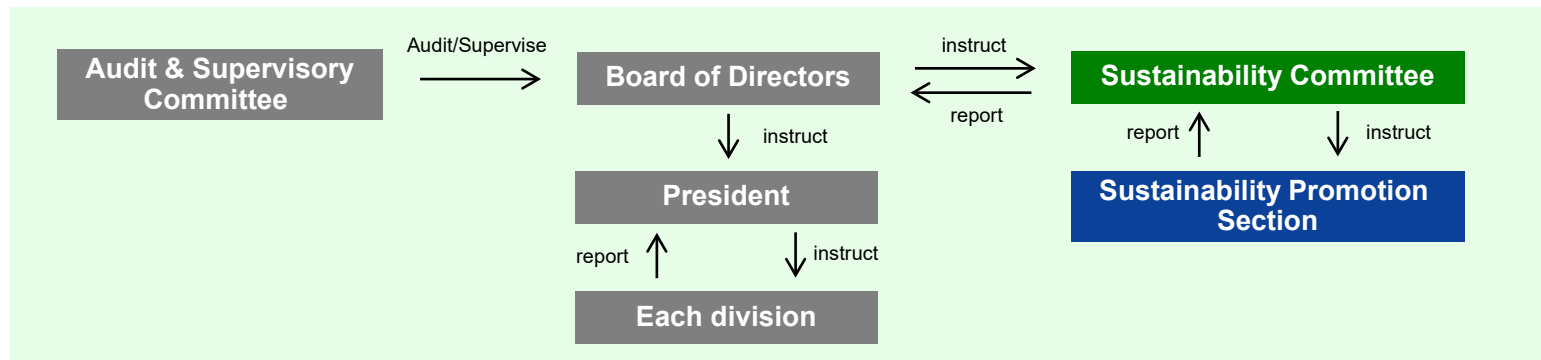
[The Group's Initiatives]

<Environment> E	Recycle Business (Cyclical use / recycling of resources)	<ul style="list-style-type: none"> • Recycling of etching solution for printed circuit boards (Chemicals) • Sales of recycling plant equipment (Machinery) • Recycling of gallium and indium (Electronic Materials) • Regenerated catalysts for oil refineries (other)
	Water Environment Conservation Business	<ul style="list-style-type: none"> • Sales of polymer coagulants for water supply and sewage systems and factory drainage (Chemicals) • Sales of pipe jacking machines for building water supply and sewage systems (Machinery) • Sales of plant equipment related to flood countermeasures (Machinery) • Management of decommissioned mines (processing of ant drainage water at decommissioned mines in Iwate and Miyazaki prefectures, management of loading docks, etc.)
	Environmental Impact Reduction Business	<ul style="list-style-type: none"> • Sales of biomass heat utilization related devices (Machinery) • Sales of equipment for 2011 earthquake-related debris processing plants and temporary storage plants (Machinery) • Sales of radioactive iodine adsorbent for use in the event of a serious accident at a nuclear power plant (Electronic Materials) • R&D of materials for rechargeable batteries (Electronic Materials)
<Social> S	Quality Management Safety and Health Social Contribution	<ul style="list-style-type: none"> • Securing the quality and safety of chemicals and products • Improving security disaster prevention and occupational health and safety • Harmonious coexistence with society and local communities
<Governance> G	Corporate Governance Compliance	<ul style="list-style-type: none"> • Initiatives to enhance the corporate governance structure • Thorough compliance

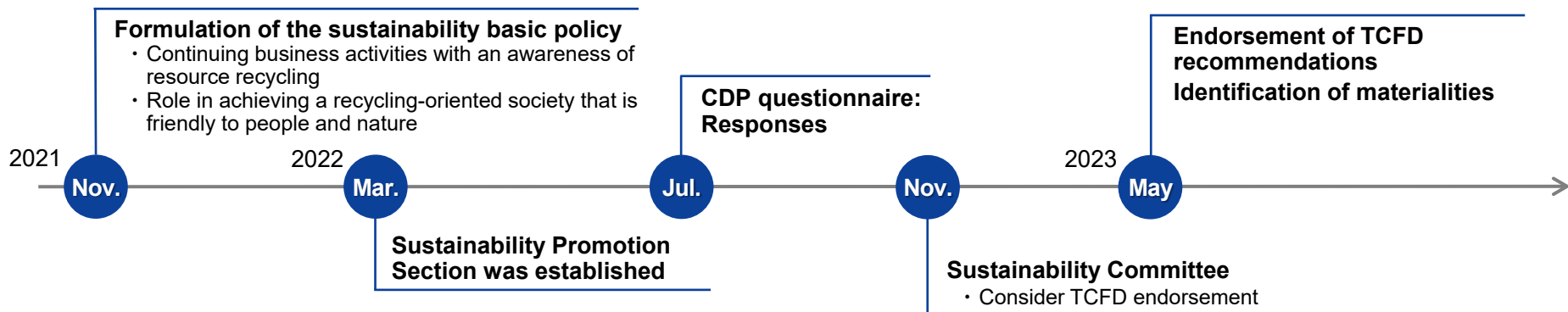
Sustainability
 Achieving sustainable and stable growth

Sustainability Promotion Structure

- We established a "Sustainability Committee" to promote efforts to resolve issues surrounding social and corporate sustainability, such as consideration of climate change and other global environmental issues, respect for human rights, and fair and appropriate business activities for all stakeholders, including employees, as its business opportunities.
- The Sustainability Committee is led by the Representative Director and President and is composed of Directors as its members.
- In March 2022, the Sustainability Promotion Section was established under the General Affairs Department as a section in charge of formulating a basic plan for ESG activities across the organization and its promotion.



<Status of key initiatives>



(Notes) CDP: A not-for-profit charity established in the U.K. engaged in the environmental field. TCFD: Task force on Climate-related Financial Disclosures

Materiality

- We have selected candidates for priority issues to be addressed from the viewpoint of their importance to both the Company's management and society in an effort to achieve a sustainable society and sustainable corporate growth. We have identified six materialities based on their importance and impact.

[Materiality]

[Initiatives]

E Environment	Addressing Climate Change	Reduction of greenhouse gases Forest conservation
	Building a Recycling-Oriented Society	Effective utilization of resources Expansion of environmentally friendly products
S ocial	Respecting Human Rights	Diversity Employee-friendly workplaces (work-life balance) Occupational health and safety
	Investing in Human Capital	Human resources development In-house environmental improvement
G overnance	Thorough Compliance	Fair transactions (aiming for co-existence and co-prosperity with our business partners) Compliance
	Promoting Risk Management	BCP Information security

Topics 1 Capacity Investment

Increased Investment in Production Capacity at Taiwanese Subsidiary

<Completion in FY2021; Production underway during FY2022>

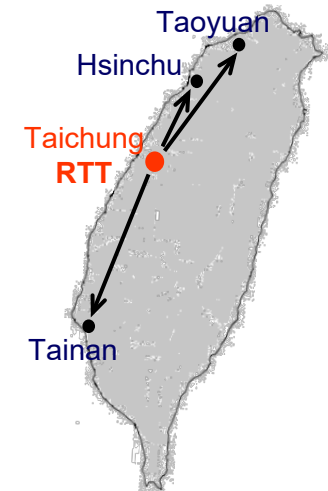
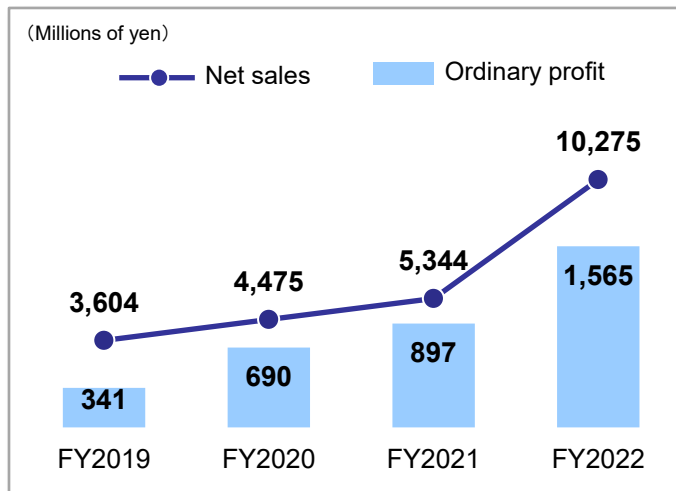
Taiwan Consolidated Subsidiary

Company name: **Rasa Technology Taiwan Ltd.**

Address: No.1, Weier Road, Wuqi District
Taichung City, Taiwan

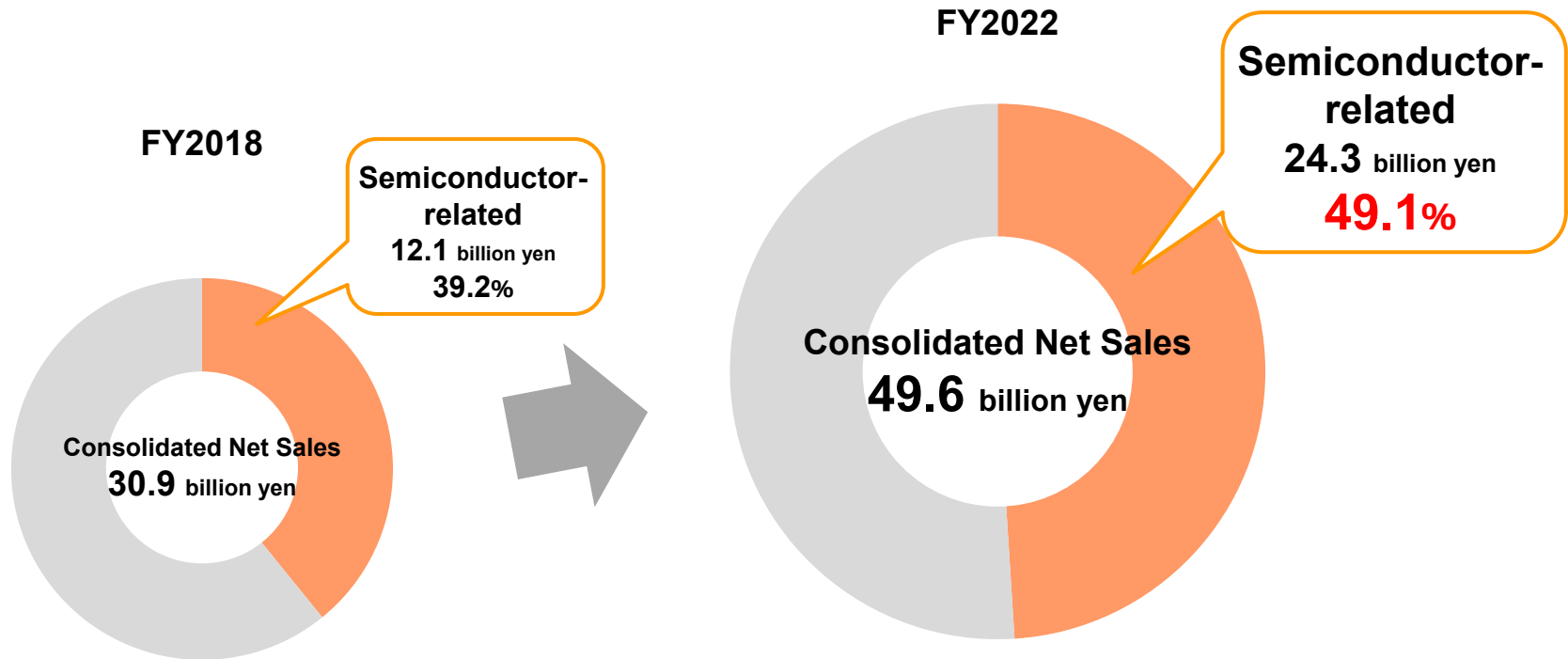
Established: December 17, 2003

Investment Objective	Increase production of high purity phosphoric acid for semiconductors
Investment amount	2.0 billion yen
Investment Effect	Increase production capacity in Taiwan by approx. 50%



Topics 2 Expansion in Semiconductors and Electronic Components

Sales ratio of semiconductor-related^(Note) expand to 49.1%



(Note) Semiconductor related sales are total sales of semiconductors and electronic components related products

Cautionary Statement Concerning this Material

The statements in this material are based on a variety of assumptions, and we ask for your understanding that forward-looking statements regarding future figures and other information are subject to uncertainties.