

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 Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 14, 2023

Company name: Rasa Industries, Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4022 URL <https://www.rasa.co.jp/>
 Representative: Representative Director, President &CEO SAKAO Kousaku
 Representative Director, Managing Executive Officer MOCHIZUKI Tetsuo
 Inquiries: MOCHIZUKI Tetsuo TEL 03-3258-1835
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	20,640	(18.1)	1,376	(47.6)	1,353	(50.8)	991	(45.8)
Six months ended September 30, 2022	25,205	56.4	2,626	73.2	2,750	77.5	1,831	70.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	125.27	–
Six months ended September 30, 2022	231.31	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	45,095	23,886	53.0
As of March 31, 2023	47,552	23,252	48.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	–	–	82.00	82.00
Year ending March 31, 2024	–	41.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	41.00	82.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	43,000	(13.3)	3,250	(29.7)	3,050	(35.0)	2,100	(35.0)	265.03

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- 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, 2023	7,944,203 shares	As of March 31, 2023	7,944,203 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2023	20,638 shares	As of March 31, 2023	30,972 shares
--------------------------	---------------	----------------------	---------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	7,916,126 shares	Six months ended September 30, 2022	7,915,911 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,940	2,889
Notes and accounts receivable - trade	11,303	11,541
Merchandise and finished goods	3,827	3,731
Work in process	1,372	1,818
Raw materials and supplies	3,165	2,377
Other	957	447
Allowance for doubtful accounts	(2)	(3)
Total current assets	25,564	22,801
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,097	4,022
Machinery, equipment and vehicles, net	4,682	4,432
Tools, furniture and fixtures, net	901	926
Land	6,879	6,879
Construction in progress	1,234	1,277
Other, net	96	87
Total property, plant and equipment	17,893	17,625
Intangible assets	40	51
Investments and other assets		
Investment securities	2,736	3,356
Other	1,322	1,265
Allowance for doubtful accounts	(5)	(6)
Total investments and other assets	4,053	4,615
Total non-current assets	21,987	22,293
Total assets	47,552	45,095

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,524	3,680
Short-term borrowings	7,147	6,656
Income taxes payable	730	539
Provision for bonuses	460	469
Other	1,874	2,325
Total current liabilities	15,737	13,671
Non-current liabilities		
Long-term borrowings	5,021	4,012
Retirement benefit liability	3,165	3,156
Other	376	368
Total non-current liabilities	8,563	7,537
Total liabilities	24,300	21,208
Net assets		
Shareholders' equity		
Share capital	8,443	8,443
Retained earnings	14,199	14,540
Treasury shares	(59)	(39)
Total shareholders' equity	22,583	22,944
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	155	91
Deferred gains or losses on hedges	10	10
Foreign currency translation adjustment	743	1,180
Remeasurements of defined benefit plans	(366)	(339)
Total accumulated other comprehensive income	542	942
Non-controlling interests	126	–
Total net assets	23,252	23,886
Total liabilities and net assets	47,552	45,095

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, 2022	Six months ended September 30, 2023
Net sales	25,205	20,640
Cost of sales	20,142	16,842
Gross profit	5,062	3,798
Selling, general and administrative expenses	2,435	2,421
Operating profit	2,626	1,376
Non-operating income		
Dividend income	27	46
Rental income from land and buildings	13	15
Foreign exchange gains	35	52
Share of profit of entities accounted for using equity method	191	37
Other	31	21
Total non-operating income	299	172
Non-operating expenses		
Interest expenses	93	96
Inactive mine environmental impact mitigation expenses	56	58
Other	26	40
Total non-operating expenses	176	195
Ordinary profit	2,750	1,353
Extraordinary income		
Insurance claim income	–	140
Gain on sale of investment securities	2	–
Total extraordinary income	2	140
Extraordinary losses		
Loss on disaster	32	–
Total extraordinary losses	32	–
Profit before income taxes	2,720	1,494
Income taxes - current	745	468
Income taxes - deferred	125	27
Total income taxes	871	496
Profit	1,849	998
Profit attributable to non-controlling interests	18	6
Profit attributable to owners of parent	1,831	991

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,849	998
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	(63)
Deferred gains or losses on hedges	20	(0)
Foreign currency translation adjustment	445	394
Remeasurements of defined benefit plans, net of tax	27	26
Share of other comprehensive income of entities accounted for using equity method	113	52
Total other comprehensive income	580	410
Comprehensive income	2,430	1,408
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,400	1,392
Comprehensive income attributable to non-controlling interests	29	16

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,720	1,494
Depreciation	915	930
Increase (decrease) in retirement benefit liability	83	29
Interest and dividend income	(27)	(46)
Share of loss (profit) of entities accounted for using equity method	(191)	(37)
Interest expenses	93	96
Gain on insurance claims	–	(140)
Decrease (increase) in trade receivables	(2,115)	(95)
Decrease (increase) in inventories	(1,717)	637
Decrease (increase) in other assets	(123)	215
Increase (decrease) in trade payables	827	(1,858)
Increase (decrease) in other liabilities	116	541
Other, net	(24)	(8)
Subtotal	556	1,757
Interest and dividends received	132	323
Interest paid	(94)	(100)
Income taxes paid	(661)	(662)
Proceeds from insurance income	–	497
Net cash provided by (used in) operating activities	(68)	1,815
Cash flows from investing activities		
Purchase of property, plant and equipment	(789)	(488)
Purchase of shares of subsidiaries and associates	–	(895)
Other, net	(25)	(29)
Net cash provided by (used in) investing activities	(815)	(1,413)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,155	(620)
Repayments of long-term borrowings	(1,910)	(1,148)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(144)
Dividends paid	(551)	(644)
Other, net	(72)	(27)
Net cash provided by (used in) financing activities	620	(2,584)
Effect of exchange rate change on cash and cash equivalents	193	131
Net increase (decrease) in cash and cash equivalents	(69)	(2,050)
Cash and cash equivalents at beginning of period	3,538	4,940
Cash and cash equivalents at end of period	3,469	2,889