

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 11, 2024

Consolidated Financial Results for the Six Months Ended August 31, 2024 (Under Japanese GAAP)

Company name: RORZE CORPORATION
Listing: Tokyo Stock Exchange
Securities code: 6323
URL: <https://www.rorze.com/en/>
Representative: Yoshiyuki Fujishiro, Representative Director, President and Chief Executive Officer
Inquiries: Eiichi Isemura, General Manager of Administration Department
Telephone: +81-84-960-0001
Scheduled date to file semi-annual securities report: October 15, 2024
Scheduled date of payment of cash dividends : —
The additional materials for the financial results: Yes
The briefing session for the financial results: Yes (For analysts and institutional investors)

(Amounts less than one million yen are rounded down unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended August 31, 2024

(March 1, 2024, through August 31, 2024)

(1) Consolidated operating results

(Percent indications show percentage of changes from corresponding figures for the year-ago period.)

	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 August 31, 2024	60,229	46.9	17,146	72.3	20,574	48.3	15,850	61.2
August 31, 2023	40,992	△10.4	9,952	△9.0	13,878	△17.9	9,835	△20.5

Note: Comprehensive income For the Six months ended August 31, 2024: ¥23,131 million [66.6%]
For the Six months ended August 31, 2023: ¥13,881 million [△20.9%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 31, 2024	89.97	89.85
August 31, 2023	55.82	55.72

Note: The Company conducted a ten-for-one stock split of its common stock on September 1, 2024. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
August 31, 2024	184,726	124,212	60.6
February 29, 2024	156,136	99,550	59.1

Reference: Shareholder's equity
As of August 31, 2024: ¥111,876 million
As of February 29, 2024: ¥92,213 million

2. Dividends

	Annual cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2024	—	0.00	—	135.00	135.00
Fiscal year ended February 28, 2025	—				
Fiscal year ending February 28, 2025(Forecast)		0.00	—	16.00	16.00

Note: 1. Revisions to the most recently announced dividend forecast: None

2. The Company conducted a ten-for-one stock split of its common stock on September 1, 2024.

The forecast of dividend per share for the fiscal year ending February 28, 2025, therefore, takes into account the effect of this stock split.

3. Forecast of consolidated operating results for Fiscal Year ending February 28, 2025 (March 1, 2024 through February 28, 2025)

(Percent indications show percentage of changes from corresponding figures for the previous period.)

	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
Fiscal year ending February 28, 2025	120,784	29.5	31,617	31.0	31,518	16.4	22,916	17.1	130.07

Note:1. Revisions to the most recently announced operating results forecast: None

2. The Company conducted a ten-for-one stock split of its common stock on September 1, 2024. The earnings per share in the consolidated results forecasts for the fiscal year ending February 28, 2025, therefore, takes into account the effect of this stock split.

***Notes**

- (1) Significant changes in scope of consolidated subsidiaries: Yes
Newly included: 1 company (Nanoverse Technologies, Ltd.)
- (2) Adoption of specific accounting policies for semi-annual consolidated financial statements : None
- (3) Changes in accounting policies, accounting estimation change and restatement
- (3) -1 Changes in accounting policies due to the revision of the accounting standards. : None
- (3) -2 Changes in accounting policies except for those in (3)-1 : None
- (3) -3 Changes due to accounting estimation change : None
- (3) -4 Restatement : None
- (4) Number of shares issued

- (4) -1 Total number of shares issued at the end of the period (including treasury stocks)

As of August 31, 2023	176,400,000 shares
As of February 29, 2024	176,400,000 shares

- (4) -2 Number of treasury stocks at the end of the period

As of August 31, 2024	42,860 shares
As of February 29, 2024	197,910 shares

- (4) -3 Average number of shares issued during the Six months ended August 31

Fiscal year ended February 28, 2025	176,188,891 shares
Fiscal year ended February 29, 2024	176,183,735 shares

Note: The Company conducted a ten-for-one stock split of its common stock on September 1, 2024. The total number of shares issued at the end of the period, the number of treasury stock at the end of the period, and the average number of shares during the period are calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

※ This financial results report is out of scope of review by certified public accountants or an audit firm

**※ Explanation regarding the appropriate use of forecast of operating results and other special notes
(Notes on forward-looking statements)**

The financial forecast of operating results is based on judgements and estimates that have been made using currently available information. By nature, such financial forecast is subject to uncertainty and risk. Therefore, the final results might be significantly different from the aforementioned forecast due to changes in economic environments related to our business, market trends, exchange rate, etc.

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	37,951	55,080
Notes and accounts receivable - trade	26,457	26,953
Merchandise and finished goods	6,866	5,614
Work in process	12,545	13,207
Raw materials and supplies	33,873	34,301
Other	2,457	2,217
Allowance for doubtful accounts	△10	△83
Total current assets	120,140	137,292
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,037	12,307
Machinery, equipment and vehicles, net	5,657	6,571
Land	4,769	4,940
Other, net	1,155	1,855
Total property, plant and equipment	22,621	25,674
Intangible assets		
Goodwill	2,319	11,303
Other	2,901	3,008
Total intangible assets	5,221	14,312
Investments and other assets		
Investment securities	3,192	3,560
Retirement benefit asset	244	166
Deferred tax assets	1,959	2,113
Other	2,815	1,671
Allowance for doubtful accounts	△58	△64
Total investments and other assets	8,153	7,447
Total non-current assets	35,996	47,434
Total assets	156,136	184,726

(Millions of yen)

	As of February 29, 2024	As of August 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,392	6,183
Short-term borrowings	16,336	19,411
Income taxes payable	4,567	4,662
Provision for bonuses	1,359	1,187
Provision for bonuses for directors (and other officers)	4	2
Provision for product warranties	1,422	1,498
Other	6,347	7,759
Total current liabilities	36,430	40,704
Non-current liabilities		
Long-term borrowings	18,167	17,739
Provision for retirement benefits for directors (and other officers)	423	440
Retirement benefit liability	82	89
Asset retirement obligations	302	351
Deferred tax liabilities	997	720
Other	182	466
Total non-current liabilities	20,156	19,808
Total liabilities	56,586	60,513
Net assets		
Shareholders' equity		
Share capital	982	982
Capital surplus	5,231	4,923
Retained earnings	78,465	91,937
Treasury shares	△3	△55
Total shareholders' equity	84,677	97,787
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	292	255
Foreign currency translation adjustment	7,243	13,832
Total accumulated other comprehensive income	7,535	14,088
Share acquisition rights	85	5
Non-controlling interests	7,251	12,331
Total net assets	99,550	124,212
Total liabilities and net assets	156,136	184,726

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Net sales	40,992	60,229
Cost of sales	26,123	36,485
Gross profit	14,868	23,743
Selling, general and administrative expenses	4,916	6,597
Operating profit	9,952	17,146
Non-operating income		
Interest income	29	231
Dividend income	2	3
Foreign exchange gains	3,924	3,421
Electricity sale income	28	32
Other	212	115
Total non-operating income	4,197	3,804
Non-operating expenses		
Interest expenses	37	39
Electricity sale expenses	10	10
Derivative Expense	199	295
Other	24	29
Total non-operating expenses	271	376
Ordinary profit	13,878	20,574
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	6	16
Total extraordinary losses	6	16
Profit before income taxes	13,874	20,559
Income taxes - current	3,552	4,734
Income taxes - deferred	145	△348
Total income taxes	3,697	4,386
Profit	10,176	16,173
Profit attributable to non-controlling interests	341	322
Profit attributable to owners of parent	9,835	15,850

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended August 31, 2023	Six months ended August 31, 2024
Profit	10,176	16,173
Other comprehensive income		
Valuation difference on available-for-sale securities	15	△36
Foreign currency translation adjustment	3,690	6,995
Total other comprehensive income	3,705	6,958
Comprehensive income	13,881	23,131
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,252	22,403
Comprehensive income attributable to non-controlling interests	628	728