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April 11, 2024

Financial Results for the Fiscal Year Ended February 29, 2024 (Under Japanese GAAP)(Consolidated)

Company name: RORZE CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6323
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 Scheduled date of Annual General Meeting of Shareholders : May 30, 2024
 Submission of securities report: May 31, 2024
 Scheduled date of payment of cash dividends : May 31, 2024
 The additional materials for the financial results: Yes
 The briefing session for the financial results: Yes (for investors and analysts)

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

1. Consolidated Financial Results for the Fiscal Year Ended February 29, 2024

(March 1, 2023, through February 29, 2024)

(1) Consolidated operating results

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	93,247	△1.3	24,138	△8.6	27,076	△10.8	19,576	△8.5
February 28, 2023	94,518	41.1	26,418	67.1	30,344	70.3	21,384	66.7

Note: Comprehensive income Fiscal year ended February 29, 2024: ¥ 23,318 million [△11.2%]
 Fiscal year ended February 28, 2023: ¥26,256 million [62.9%]

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
February 29, 2024	1,111.11	1,109.06	24.4	19.2	25.9
February 28, 2023	1,237.42	1,235.10	37.7	28.3	28.0

Reference: Equity in earnings (losses) of affiliates As of Fiscal year ended February 29, 2024: — million
 As of Fiscal year ended February 28, 2023: — million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets par share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2024	156,136	99,550	59.1	5,233.37
February 28, 2023	126,482	74,795	53.9	3,947.79

Reference: Shareholder's equity
 As of February 29, 2024: ¥92,213 million
 As of February 28, 2023: ¥68,222 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
As of	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 29, 2024	15,544	△5,908	△792	37,951
February 28, 2023	△1,920	△5,151	10,742	28,292

2. Dividends

	Annual cash dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2023	—	0 00	—	135.00	135.00	2,332	10.9	4.1
Fiscal year ended February 29, 2024	—	0 00	—	135.00	135.00	2,378	12.2	2.9
Fiscal year ending February 28, 2025 (Forecast)	—	0 00	—	16.00	16.00		12.3	

Note: The Company plans to conduct a ten-for-one stock split of shares of common shares effective 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
Six months ending August 31, 2024	61,474	50.0	17,298	73.8	17,300	24.7	12,604	28.2	715.39
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: The Company plans to conduct a ten-for-one stock split of shares of common shares effective 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: None
- (2) Changes in accounting policies, accounting estimation change and restatement
- (2) -1 Changes in accounting policies due to the revision of the accounting standards. : None
- (2) -2 Changes in accounting policies except for those in (2)-1 : None
- (2) -3 Changes due to accounting estimation change : None
- (2) -4 Restatement : None
- (3) Number of shares issued

- (3) -1 Total number of shares issued at the end of the period (including treasury stocks)

As of February 29, 2024	17,640,000 shares
As of February 28, 2023	17,640,000 shares

- (3) -2 Number of treasury stocks at the end of the period

As of February 29, 2024	19,791 shares
As of February 28, 2023	358,747 shares

- (3) -3 Average number of shares issued during the period

Fiscal year ended February 29, 2024	17,619,286 shares
Fiscal year ended February 28, 2023	17,281,298 shares

(Reference): Summary of non-consolidated financial results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 29, 2024

(1) Non-consolidated operating results

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	64,454	2.5	16,712	35.1	18,750	34.5	13,221	36.5
February 28, 2023	62,910	28.8	12,368	11.6	13,937	9.1	9,686	5.0

Fiscal year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
February 29, 2024	750.41	749.03
February 28, 2023	560.50	559.45

(1) Non-consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 29, 2024	96,032	52,162	54.2	2,955.53
February 28, 2023	74,029	37,321	50.3	2,154.72

Reference: Shareholder's equity

As of February 29, 2024: ¥52,076 million

As of February 28, 2023: ¥37,236 million

※ 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 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	28,292	37,951
Notes receivable - trade	1,709	1,872
Accounts receivable - trade	25,013	24,584
Merchandise and finished goods	2,778	6,866
Work in process	14,067	12,545
Raw materials and supplies	25,988	33,873
Other	2,150	2,457
Allowance for doubtful accounts	△12	△10
Total current assets	99,986	120,140
Non-current assets		
Property, plant and equipment		
Buildings and structures	15,047	16,467
Accumulated depreciation	△4,649	△5,429
Buildings and structures, net	10,398	11,037
Machinery, equipment and vehicles	10,708	11,453
Accumulated depreciation	△4,499	△5,795
Machinery, equipment and vehicles, net	6,209	5,657
Land	4,415	4,769
Leased assets	-	11
Accumulated depreciation	-	△2
Leased assets	-	9
Construction in progress	343	393
Other	2,382	2,916
Accumulated depreciation	△1,645	△2,162
Other, net	736	753
Total property, plant and equipment	22,102	22,621
Intangible assets		
Software	400	339
Goodwill	-	2,319
Other	243	2,562
Total intangible assets	643	5,221
Investments and other assets		
Investment securities	1,369	3,192
Long-term loans receivable	5	1,744
Retirement benefit asset	189	244
Deferred tax assets	1,290	1,959
Other	948	1,071
Allowance for doubtful accounts	△53	△58
Total investments and other assets	3,749	8,153
Total non-current assets	26,496	35,996
Total assets	126,482	156,136

(Millions of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,350	6,392
Short-term borrowings	14,936	16,336
Lease liabilities	-	3
Income taxes payable	4,268	4,567
Accrued consumption taxes	91	145
Provision for bonuses	1,021	1,359
Provision for bonuses for directors (and other officers)	72	4
Provision for product warranties	1,287	1,422
Other	4,016	6,199
Total current liabilities	33,044	36,430
Non-current liabilities		
Long-term borrowings	17,887	18,167
Lease liabilities	-	7
Deferred tax liabilities	105	997
Provision for retirement benefits for directors (and other officers)	306	423
Retirement benefit liability	67	82
Asset retirement obligations	272	302
Other	3	175
Total non-current liabilities	18,643	20,156
Total liabilities	51,687	56,586
Net assets		
Shareholders' equity		
Share capital	982	982
Capital surplus	1,470	5,231
Retained earnings	61,221	78,465
Treasury shares	△55	△3
Total shareholders' equity	63,619	84,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	153	292
Foreign currency translation adjustment	4,449	7,243
Total accumulated other comprehensive income	4,602	7,535
Share acquisition rights	85	85
Non-controlling interests	6,487	7,251
Total net assets	74,795	99,550
Total liabilities and net assets	126,482	156,136

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

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	94,518	93,247
Cost of sales	59,712	57,989
Gross profit	34,806	35,257
Selling, general and administrative expenses	8,388	11,119
Operating profit	26,418	24,138
Non-operating income		
Interest income	19	140
Dividend income	8	8
Foreign exchange gains	3,948	2,717
Electricity sale income	61	53
Rental income from buildings	34	51
Royalty income	24	7
Other	217	227
Total non-operating income	4,315	3,206
Non-operating expenses		
Interest expenses	49	70
Electricity sale expenses	25	26
Derivative Expense	289	124
Rental expenses	8	34
Other	17	13
Total non-operating expenses	389	268
Ordinary profit	30,344	27,076
Extraordinary income		
Gain on sale of non-current assets	14	2
Total extraordinary income	14	2
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	5	11
Total extraordinary losses	5	12
Profit before income taxes	30,352	27,066
Income taxes - current	6,919	7,830
Income taxes - deferred	735	△853
Total income taxes	7,654	6,977
Profit	22,698	20,089
Profit attributable to non-controlling interests	1,313	512
Profit attributable to owners of parent	21,384	19,576

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	22,698	20,089
Other comprehensive income		
Valuation difference on available-for-sale securities	△15	138
Foreign currency translation adjustment	3,574	3,090
Total other comprehensive income	3,558	3,228
Comprehensive income	26,256	23,318
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	24,539	22,510
Comprehensive income attributable to non-controlling interests	1,717	808

(3) Statements of changes in equity

Fiscal year ended February 28, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	982	1,470	41,506	△54	43,905
Cumulative effects of changes in accounting policies			△546		△546
Restated balance	982	1,470	40,960	△54	43,359
Changes during period					
Dividends of surplus			△1,123		△1,123
Profit attributable to owners of parent			21,384		21,384
Purchase of treasury shares				△0	△0
Disposal of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	—	—	20,260	△0	20,260
Balance at end of period	982	1,470	61,221	△55	63,619

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	168	1,278	1,447	81	4,788	50,222
Cumulative effects of changes in accounting policies						△546
Restated balance	168	1,278	1,447	81	4,788	49,676
Changes during period						
Dividends of surplus						△1,123
Profit attributable to owners of parent						21,384
Purchase of treasury shares						△0
Disposal of treasury shares						
Net changes in items other than shareholders' equity	△15	3,170	3,155	4	1,699	4,859
Total changes during period	△15	3,170	3,155	4	1,699	25,119
Balance at end of period	153	4,449	4,602	85	6,487	74,795

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	982	1,470	61,221	△55	63,619
Changes during period					
Dividends of surplus			△2,332		△2,332
Profit attributable to owners of parent			19,576		19,576
Purchase of treasury shares				△0	△0
Disposal of treasury shares		3,761		52	3,813
Net changes in items other than shareholders' equity					
Total changes during period	—	3,761	17,243	52	21,057
Balance at end of period	982	5,231	78,465	△3	84,677

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	153	4,449	4,602	85	6,487	74,795
Changes during period						
Dividends of surplus						△2,332
Profit attributable to owners of parent						19,576
Purchase of treasury shares						△0
Disposal of treasury shares						3,813
Net changes in items other than shareholders' equity	138	2,794	2,933		764	3,697
Total changes during period	138	2,794	2,933	—	764	24,754
Balance at end of period	292	7,243	7,535	85	7,251	99,550

(4) Statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	30,352	27,066
Depreciation	1,862	2,187
Amortization of intangible assets	118	360
Amortization of goodwill	-	257
Increase (decrease) in allowance for doubtful accounts	△42	△1
Interest and dividend income	△28	△148
Interest expenses	49	70
Foreign exchange losses (gains)	△1,821	△1,905
Loss (gain) of derivatives	289	124
Loss on retirement of property, plant and equipment	5	11
Loss (gain) on sale of property, plant and equipment	△14	△1
Decrease (increase) in trade receivables	△8,601	1,231
Decrease (increase) in inventories	△16,801	△6,101
Increase (decrease) in trade payables	△186	△1,596
Decrease (increase) in other current assets	△597	△945
Increase (decrease) in other current liabilities	593	1,170
Other, net	△83	1,618
Subtotal	5,093	23,398
Interest and dividends received	28	138
Interest paid	△50	△70
Income taxes paid	△6,991	△7,921
Net cash provided by (used in) operating activities	△1,920	15,544
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,510	△1,218
Proceeds from sale of property, plant and equipment	29	4
Purchase of intangible assets	△62	△84
Purchase of investment securities	△21	△2,441
Proceeds from sale of investment securities	-	877
Loan advances	△7	△1,740
Proceeds from collection of loans receivable	0	548
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	△1,779
Other, net	△579	△74
Net cash provided by (used in) investing activities	△5,151	△5,908

(Millions of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	350	31
Proceeds from long-term borrowings	18,200	11,000
Repayments of long-term borrowings	△6,664	△9,444
Dividends paid	△1,123	△2,332
Purchase of treasury shares	△0	△0
Repayments of lease liabilities	△1	△2
Dividends paid to non-controlling interests	△17	△44
Net cash provided by (used in) financing activities	10,742	△792
Effect of exchange rate change on cash and cash equivalents	989	815
Net increase (decrease) in cash and cash equivalents	4,660	9,658
Cash and cash equivalents at beginning of period	23,631	28,292
Cash and cash equivalents at end of period	28,292	37,951