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July 11, 2024

Financial Results for the Three Months Ended May 31, 2024 (Under Japanese GAAP)(Consolidated)

Company name: RORZE CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 6323
 URL: <https://www.rorze.com/en/>
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 Submission of quarterly securities filing: July 16, 2024
 Scheduled date of payment of cash dividends : —
 The additional materials for the quarterly financial results: Yes
 The briefing session for the quarterly financial results: None

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2024

(March 1, 2024, through May 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	%
Three months ended								
May 31, 2024	29,288	75.5	8,748	85.4	11,361	118.1	8,774	146.7
May 31, 2023	16,693	△23.0	4,718	△6.2	5,208	△27.5	3,557	△30.6

Note: Comprehensive income For the three months ended May 31, 2024: ¥11,830 million [205.9%]
 For the three months ended May 31, 2023: ¥3,867 million [△46.1%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2024	498.18	497.26
May 31, 2023	201.91	201.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2024	161,752	108,515	62.4
February 29, 2024	156,136	99,550	59.1

Reference: Shareholder's equity
 As of May 31, 2024: ¥100,949 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: No

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

2.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) Adoption of specific accounting policies for quarterly 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 May 31, 2024	17,640,000 shares
As of February 29, 2024	17,640,000 shares

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

As of May 31, 2024	34,691 shares
As of February 29, 2024	19,791 shares

- (4) -3 Average number of shares issued during the three months ended May 31

Fiscal year ended February 28, 2025	17,612,597 shares
Fiscal year ended February 29, 2024	17,616,538 shares

※This Quarterly 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) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	37,951	40,206
Notes and accounts receivable - trade	26,457	27,870
Merchandise and finished goods	6,866	5,820
Work in process	12,545	13,204
Raw materials and supplies	33,873	34,372
Other	2,457	2,133
Allowance for doubtful accounts	△10	△18
Total current assets	120,140	123,589
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,037	11,726
Machinery, equipment and vehicles, net	5,657	5,751
Land	4,769	4,876
Other, net	1,155	936
Total property, plant and equipment	22,621	23,291
Intangible assets		
Goodwill	2,319	2,255
Other	2,901	2,889
Total intangible assets	5,221	5,144
Investments and other assets		
Investment securities	3,192	3,547
Retirement benefit asset	244	252
Deferred tax assets	1,959	1,933
Other	2,815	4,055
Allowance for doubtful accounts	△58	△61
Total investments and other assets	8,153	9,727
Total non-current assets	35,996	38,163
Total assets	156,136	161,752

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,392	6,152
Short-term borrowings	16,336	15,363
Income taxes payable	4,567	3,352
Provision for bonuses	1,359	1,385
Provision for bonuses for directors (and other officers)	4	1
Provision for product warranties	1,422	1,406
Other	6,347	7,002
Total current liabilities	36,430	34,664
Non-current liabilities		
Long-term borrowings	18,167	16,846
Provision for retirement benefits for directors (and other officers)	423	429
Retirement benefit liability	82	85
Asset retirement obligations	302	326
Deferred tax liabilities	997	704
Other	182	180
Total non-current liabilities	20,156	18,573
Total liabilities	56,586	53,237
Net assets		
Shareholders' equity		
Share capital	982	982
Capital surplus	5,231	5,231
Retained earnings	78,465	84,861
Treasury shares	△3	△441
Total shareholders' equity	84,677	90,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	292	361
Foreign currency translation adjustment	7,243	9,953
Total accumulated other comprehensive income	7,535	10,314
Share acquisition rights	85	85
Non-controlling interests	7,251	7,480
Total net assets	99,550	108,515
Total liabilities and net assets	156,136	161,752

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

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Net sales	16,693	29,288
Cost of sales	9,749	17,659
Gross profit	6,943	11,629
Selling, general and administrative expenses	2,225	2,881
Operating profit	4,718	8,748
Non-operating income		
Interest income	2	51
Foreign exchange gains	526	2,731
Electricity sale income	15	15
Other	81	59
Total non-operating income	626	2,858
Non-operating expenses		
Interest expenses	18	16
Electricity sale expenses	4	4
Derivative Expense	101	210
Other	11	12
Total non-operating expenses	136	245
Ordinary profit	5,208	11,361
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	-
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	5,210	11,362
Income taxes - current	1,470	2,732
Income taxes - deferred	37	△270
Total income taxes	1,507	2,462
Profit	3,702	8,899
Profit attributable to non-controlling interests	145	125
Profit attributable to owners of parent	3,557	8,774

(Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	3,702	8,899
Other comprehensive income		
Valuation difference on available-for-sale securities	15	69
Foreign currency translation adjustment	148	2,861
Total other comprehensive income	164	2,931
Comprehensive income	3,867	11,830
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,861	11,553
Comprehensive income attributable to non-controlling interests	5	277

(Important Afterdevelopment)

(Consolidated subsidiary through third-party allotment of new shares)

At the Board of Directors meeting held on June 24, 2024, the Company resolved to invest Nanoverse Technologies, Ltd. (hereinafter referred to as "Nanoverse") through the underwriting of a third-party allotment of new shares. Nanoverse will be recognized as one of the Company's consolidated subsidiaries in accounting basis.

1. Outline of the business combination

(1) Name and business of the invested company

Name : Nanoverse Technologies, Ltd.

Description of business: Development, manufacture and sales of semiconductor manufacturing equipment

(2) Main reasons for the business combination

Nanoverse is based in Oregon, USA, and is mainly engaged in the development, manufacture, and sale of semiconductor manufacturing equipment. Since its establishment in 2022, Naoverse has continued to research and develop technologies that will be useful in future semiconductor manufacturing processes, and holds multiple competitive patents. By combining these patented technologies, Naoverse plans to develop new semiconductor manufacturing equipment in the advanced package field, which is expected to grow in the future, and deliver evaluation equipment to semiconductor manufacturers. In addition, the Company's wafer transfer equipment is used in the equipment under development, and Nanoverse is also one of the customers of the Company.

Under these circumstances, Nanonverse has decided to implement a third-party allotment in order to meet future capital needs for R&D and working capital. The Company has decided to undertake a third-party allotment of new shares with the aim of realizing further growth of the semiconductor equipment business of both companies by effectively utilizing the management resources such as the core technologies, service networks, and production capabilities.

Although the ratio of voting rights based on the shares held by the Company will be less than 50%, the Company will have recognized it as a consolidated subsidiary because the Company may have substantial control in consideration of the capital, personnel, and business relationship with Nanoverse.

(3) Date of business combination

By the end of July 2024 (planned)

(4) Legal form of business combination

Acquisition of shares through a third-party allotment

(5) Name of the combined company

No change.

(6) Percentage of voting rights to be acquired

Ratio before acquiring shares: - %

Ratio after acquiring shares :33.00 %

(7) Main grounds for determining the investment

This is due to the acquisition of shares by the Company in cash.

2. Breakdown of acquisition costs and types of consideration by the acquired company

Consideration for	Cash	70 million USD
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acquisition

Acquisition cost	70 million USD
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3. Details and amount of major acquisition-related expenses

It has not been confirmed at this time.

4. Amount of generated goodwill, cause of accrual, amortization method, and amortization period

It has not been confirmed at this time.

5. The amount of assets and liabilities accepted on the date of the business combination, and the main breakdown thereof.

It has not been confirmed at this time.