

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.

January 11, 2023

## Financial Results for the Nine Months Ended November 30, 2022 (Under Japanese GAAP)(Consolidated)

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 Isemra, General Manager of Administration Department  
 Telephone: +81-84-960-0001  
 Submission of quarterly securities filing: January 13, 2023  
 Scheduled date of payment of cash dividends : —  
 The additional materials for the quarterly financial results: Yes (Japanese only)  
 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 Nine Months Ended November 30, 2022

(March 1, 2022 through November 30, 2022)

#### (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	%
Nine months ended								
November 30, 2022	71,382	53.2	17,739	64.6	26,652	122.7	19,666	125.7
November 30, 2021	46,591	22.0	10,774	45.0	11,965	72.9	8,715	70.5

Note: Comprehensive income For the nine months ended November 30, 2022: ¥25,893 million [134.7%]  
 For the nine months ended November 30, 2021: ¥11,034 million [120.8%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2022	1,138.05	1,135.91
November 30, 2021	504.34	503.42

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
November 30, 2022	126,693	74,432	54.0
February 28, 2022	88,290	50,222	51.4

Reference: Shareholder's equity  
 As of November 30, 2022: ¥68,449 million  
 As of February 28, 2022: ¥45,352 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 28, 2022	—	0.00	—	65.00	65.00
Fiscal year ended February 28, 2023	—	0.00	—		
Fiscal year ending February 28, 2023(Forecast)		—	—	135.00	135.00

Note: Revisions to the most recently announced dividend forecast: Yes

## 3. Forecast of consolidated operating results for FY2023(March 1, 2022 through February 28, 2023)

(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
FY2023	96,466	44.0	23,225	46.9	30,805	72.9	22,793	77.7	1,318.94

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

**\*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. : Applicable
- (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 November 30, 2022	17,640,000 shares
As of February 28, 2021	17,640,000 shares

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

As of November 30, 2022	358,720 shares
As of February 28, 2021	358,695 shares

- (4) -3 Average number of shares issued during the nine months ended November 30

Fiscal year ended February 28, 2023	17,281,305 shares
Fiscal year ended February 28, 2022	17,281,324 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.

**(Notes on change in presentation of amounts)**

Amounts given on the Company's Quarterly consolidated financial statements and other items were previously rounded down to thousands, but starting from the first quarter of the current fiscal year and the three months ended May 31, 2022, figures are rounded down to millions.

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	23,631	30,009
Notes and accounts receivable - trade	18,915	25,218
Merchandise and finished goods	1,742	3,206
Work in process	6,019	13,068
Raw materials and supplies	14,662	24,861
Other	1,538	2,304
Allowance for doubtful accounts	△53	△16
Total current assets	66,455	98,652
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,187	10,648
Machinery, equipment and vehicles, net	5,276	6,868
Land	3,537	4,382
Other, net	1,479	1,448
Total property, plant and equipment	17,481	23,347
Intangible assets	614	705
Investments and other assets		
Investment securities	1,318	1,478
Retirement benefit asset	-	74
Deferred tax assets	1,771	1,860
Other	697	629
Allowance for doubtful accounts	△47	△55
Total investments and other assets	3,739	3,987
Total non-current assets	21,834	28,040
<b>Total assets</b>	<b>88,290</b>	<b>126,693</b>

(Millions of yen)

	As of February 28, 2022	As of November 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,850	8,113
Short-term borrowings	11,923	14,466
Income taxes payable	4,362	3,565
Provision for bonuses	853	1,578
Provision for bonuses for directors (and other officers)	72	54
Provision for product warranties	1,163	1,376
Other	3,266	5,295
Total current liabilities	28,491	34,449
Non-current liabilities		
Long-term borrowings	8,961	17,035
Provision for retirement benefits for directors (and other officers)	291	454
Retirement benefit liability	115	55
Asset retirement obligations	202	262
Other	5	3
Total non-current liabilities	9,576	17,811
Total liabilities	38,068	52,260
<b>Net assets</b>		
Shareholders' equity		
Share capital	982	982
Capital surplus	1,470	1,470
Retained earnings	41,506	59,504
Treasury shares	△54	△55
Total shareholders' equity	43,905	61,902
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	168	178
Foreign currency translation adjustment	1,278	6,368
Total accumulated other comprehensive income	1,447	6,546
Share acquisition rights	81	85
Non-controlling interests	4,788	5,897
Total net assets	50,222	74,432
Total liabilities and net assets	88,290	126,693

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

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Net sales	46,591	71,382
Cost of sales	30,712	47,551
Gross profit	15,878	23,831
Selling, general and administrative expenses	5,103	6,092
Operating profit	10,774	17,739
Non-operating income		
Interest income	7	8
Dividend income	7	8
Foreign exchange gains	1,353	9,742
Electricity sale income	48	50
Other	50	206
Total non-operating income	1,466	10,016
Non-operating expenses		
Interest expenses	28	36
Derivative Expense	203	1,028
Electricity sale expenses	16	19
Other	27	19
Total non-operating expenses	276	1,103
Ordinary profit	11,965	26,652
Extraordinary income		
Gain on sale of investment securities	11	-
Gain on sale of non-current assets	850	11
Total extraordinary income	861	11
Extraordinary losses		
Loss on sale of non-current assets	3	-
Loss on retirement of non-current assets	5	5
Total extraordinary losses	8	5
Profit before income taxes	12,817	26,658
Income taxes - current	3,961	6,007
Income taxes - deferred	△716	69
Total income taxes	3,245	6,077
Profit	9,572	20,580
Profit attributable to non-controlling interests	857	913
Profit attributable to owners of parent	8,715	19,666

## (Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Profit	9,572	20,580
Other comprehensive income		
Valuation difference on available-for-sale securities	59	9
Foreign currency translation adjustment	1,402	5,303
Total other comprehensive income	1,461	5,312
Comprehensive income	11,034	25,893
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,188	24,766
Comprehensive income attributable to non-controlling interests	846	1,127

(3) Notes to Quarterly Consolidated Financial Statements.

(Notes to the going concern)

Not applicable

(Notes to significant changes in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of accounting standard for revenue recognition)

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No.29, March 31, 2020, hereinafter, "Revenue Recognition Accounting Standard") since the beginning of the first quarter of the fiscal year ending February 28, 2023, and recognizes revenue based on the amounts expected to be received in exchange for the promised goods or services as the control of those goods or services are transferred to customers. Accordingly, the Company has recognized the revenue of some product sales which had been recognized at shipment at the arrival of products to customers and the revenue of products sold with services at the completion of services.

In addition, in cases where the control of products is transferred to customers from the shipment in normal period, the Company recognizes revenue upon the shipment of the products under the application of alternative treatment allowed under paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No.30, March 26, 2021)

When applying the Revenue Recognition Accounting Standard, the Company follows the transitional treatment stipulated in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative amount of effect from retroactive application of the new accounting policy prior to the beginning of the consolidated fiscal year is added to or subtracted from the retained earnings at the beginning of the first quarter of the fiscal year under review, and the new accounting policy is applied from the beginning balance after such addition/subtraction.

As a result, for the period under review, net sales decreased by ¥543 million, with the cost of sales decreasing by ¥454 million and operating profit, ordinary profit and profit before income taxes decreasing by ¥88 million. In addition, the beginning balance of retained earnings decreased by ¥546 million.

In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Accounting Standard, no reclassification has been made for the previous

consolidated fiscal year using the new presentation method. Information on disaggregated revenue from contracts with customers is not presented for the period under review in accordance with the transitional treatment set forth in paragraph 28-15 of the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No.12, March 31, 2020)

(Application of accounting standard for fair value measurement)

The Company has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No.30, July 4, 2019, hereinafter, “Fair Value Measurement Accounting Standard”) since the beginning of the first quarter of the fiscal year ending February 28, 2023. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No.10, July 4, 2019) the Company has decided to apply the new accounting policies stipulated by the Fair Value Measurement Accounting Standard prospectively in future statements. This change has no impact on the quarterly consolidated financial statements.