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## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2022 <under Japanese GAAP>

October 15, 2021

Company name: **RPA Holdings, Inc.**  
 Listing: Tokyo Stock Exchange  
 Stock code: 6572  
 URL: <http://rpa-holdings.com/>  
 Representative: Tomomichi Takahashi, Representative Director  
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 Scheduled date to file quarterly securities report: October 15, 2021  
 Scheduled date of the commencement of dividend payment: –  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results meeting: Yes (financial results meeting available via video streaming)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the first six months of the fiscal year ending February 28, 2022 (from March 1, 2021 to August 31, 2021)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended										
August 31, 2021	8,741	51.5	654	11.7	261	20.9	251	29.1	(769)	–
August 31, 2020	5,769	20.8	585	4.3	216	(37.5)	194	(28.5)	71	(21.4)

Note: Comprehensive income: Six months ended August 31, 2021 ¥(769) million [–%]  
 Six months ended August 31, 2020 ¥71 million [(21.4)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended				
August 31, 2021	(12.65)		–	
August 31, 2020	1.22		1.10	

\* EBITDA (Ordinary profit + Depreciation + Amortization of goodwill + Interest expenses)

### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of						
August 31, 2021	17,890		12,395		69.3	
February 28, 2021	18,538		13,142		70.9	

(Reference) Equity capital: As of August 31, 2021 ¥12,390 million  
 As of February 28, 2021 ¥13,136 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2021	–	0.00	–	0.00	0.00
Fiscal year ending February 28, 2022	–	0.00			
Fiscal year ending February 28, 2022 (Forecast)			–	–	–

Notes: 1. Revisions to the cash dividends forecasts most recently announced: None

2. In its Articles of Incorporation, the Company has designated the last day of its fiscal year as a dividend record date, but it has not yet formulated a forecast of the dividends to which the said record date will apply.

## 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2022	17,000	51.7	1,170	(13.1)	400	(24.9)	380	(27.2)	(740)	–	(12.16)

Note: Revisions to the earnings forecasts most recently announced: Yes

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes due to revision to accounting standards, etc.: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Number of issued shares as of the end of the period (including treasury shares)

As of August 31, 2021	61,830,000 shares
As of February 28, 2021	58,596,500 shares

(ii) Number of treasury shares as of the end of the period

As of August 31, 2021	– shares
As of February 28, 2021	– shares

(iii) Average number of shares outstanding during the period

For the six months ended August 31, 2021	60,814,005 shares
For the six months ended August 31, 2020	58,415,728 shares

**\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.**

**\* Proper use of earnings forecasts and other special items**

The forward-looking statements contained in these materials, including the earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual financial results may differ significantly from the forecasts for various reasons.

**Quarterly Consolidated Financial Statements**

## (1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of February 28, 2021	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	13,405,199	12,855,988
Notes and accounts receivable - trade	1,492,547	2,118,408
Work in process	9,652	17,555
Other	271,213	422,994
<b>Total current assets</b>	<b>15,178,613</b>	<b>15,414,948</b>
Non-current assets		
Property, plant and equipment	134,755	124,571
Intangible assets		
Goodwill	1,177,588	810,898
Software	653,453	703,646
Software in progress	53,140	101,530
Other	72	72
<b>Total intangible assets</b>	<b>1,884,255</b>	<b>1,616,148</b>
Investments and other assets	1,341,356	735,216
<b>Total non-current assets</b>	<b>3,360,366</b>	<b>2,475,935</b>
<b>Total assets</b>	<b>18,538,980</b>	<b>17,890,883</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,000,655	1,421,640
Short-term borrowings	1,000,000	1,000,000
Current portion of bonds payable	244,000	244,000
Current portion of long-term borrowings	289,029	287,196
Income taxes payable	288,564	242,949
Provision for bonuses	83,268	59,064
Provision for variable compensation	72,585	31,755
Other	715,425	770,754
<b>Total current liabilities</b>	<b>3,693,527</b>	<b>4,057,361</b>
Non-current liabilities		
Long-term borrowings	1,027,339	883,741
Bonds payable	676,000	554,000
<b>Total non-current liabilities</b>	<b>1,703,339</b>	<b>1,437,741</b>
<b>Total liabilities</b>	<b>5,396,866</b>	<b>5,495,102</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,888,936	5,900,391
Capital surplus	6,025,055	6,036,510
Retained earnings	1,222,858	453,615
<b>Total shareholders' equity</b>	<b>13,136,851</b>	<b>12,390,517</b>
Share acquisition rights	5,263	5,263
<b>Total net assets</b>	<b>13,142,114</b>	<b>12,395,780</b>
<b>Total liabilities and net assets</b>	<b>18,538,980</b>	<b>17,890,883</b>

(2) Quarterly consolidated statements of income and comprehensive income  
**Quarterly consolidated statement of income**

(Thousands of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Net sales	5,769,076	8,741,763
Cost of sales	4,000,079	6,911,800
Gross profit	1,768,997	1,829,962
Selling, general and administrative expenses	1,552,503	1,568,148
Operating profit	216,493	261,814
Non-operating income		
Interest income	54	56
Foreign exchange gains	–	383
Gain on investments in investment partnerships	–	975
Other	5,375	183
Total non-operating income	5,429	1,598
Non-operating expenses		
Interest expenses	11,156	10,908
Commission expenses	154	218
Loss on investments in investment partnerships	7,524	–
Foreign exchange losses	656	–
Other	7,926	1,262
Total non-operating expenses	27,419	12,388
Ordinary profit	194,503	251,023
Extraordinary losses		
Impairment loss	–	203,046
Loss on valuation of investment securities	–	591,117
Total extraordinary losses	–	794,163
Profit (loss) before income taxes	194,503	(543,139)
Income taxes	123,364	226,103
Profit (loss)	71,138	(769,243)
Profit attributable to non-controlling interests	–	–
Profit (loss) attributable to owners of parent	71,138	(769,243)

**Quarterly consolidated statement of comprehensive income**

(Thousands of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
Profit (loss)	71,138	(769,243)
Comprehensive income	71,138	(769,243)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	71,138	(769,243)
Comprehensive income attributable to non- controlling interests	—	—

## (3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Six months ended August 31, 2020	Six months ended August 31, 2021
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	194,503	(543,139)
Depreciation	196,280	192,667
Amortization of goodwill	183,843	199,732
Impairment loss	–	203,046
Loss on valuation of investment securities	–	591,117
Increase (decrease) in allowance for doubtful accounts	(897)	–
Increase (decrease) in provision for bonuses	(1,112)	(24,203)
Increase (decrease) in variable compensation	(80,494)	(40,829)
Interest income	(54)	(56)
Interest expenses	11,156	10,908
Foreign exchange losses (gains)	109	(383)
Loss (gain) on investments in investment partnerships	7,524	(975)
Decrease (increase) in trade receivables	258,242	(625,860)
Decrease (increase) in inventories	(10,908)	(7,902)
Increase (decrease) in trade payables	187,823	425,374
Increase (decrease) in accounts payable - other	(99,149)	(14,153)
Other, net	409,292	(12,107)
Subtotal	1,256,161	353,233
Interest received	54	56
Interest paid	(7,794)	(11,180)
Income taxes paid	(205,540)	(409,531)
Income taxes refund	257,484	95,789
Net cash provided by (used in) operating activities	1,300,365	28,367
<b>Cash flows from investing activities</b>		
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(78,120)	–
Purchase of shares of subsidiaries and associates	–	(2,500)
Proceeds from sales of shares of subsidiaries and associates	10,000	–
Purchase of property, plant and equipment	(137,438)	(1,174)
Purchase of intangible assets	(200,275)	(319,940)
Purchase of investment securities	–	(9,999)
Payments of leasehold deposits	(544)	(1,339)
Proceeds from refund of leasehold deposits	90,393	1,514
Net cash provided by (used in) investing activities	(315,985)	(333,440)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(121,250)	(145,431)
Redemption of bonds	(100,000)	(122,000)
Proceeds from issuance of shares	11,700	22,910
Net cash provided by (used in) financing activities	(209,550)	(244,521)
Effect of exchange rate change on cash and cash equivalents	(109)	383
Net increase (decrease) in cash and cash equivalents	774,720	(549,210)
Cash and cash equivalents at beginning of period	12,394,441	13,405,199
Cash and cash equivalents at end of period	13,169,161	12,855,988