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Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending February 28, 2023 <under Japanese GAAP>

January 13, 2023

Company name: **RPA Holdings, Inc.**
 Listing: Tokyo Stock Exchange
 Stock code: 6572
 URL: <https://rpa-holdings.com/en/>
 Representative: Tomomichi Takahashi, Representative Director
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 Scheduled date to file quarterly securities report: January 13, 2023
 Scheduled date of the commencement of dividend payment: –
 Preparation of supplementary materials on financial results: Yes
 Holding of financial results meeting: None

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

1. Consolidated financial results for the first nine months of the fiscal year ending February 28, 2023 (from March 1, 2022 to November 30, 2022)

(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	%
Nine months ended										
November 30, 2022	4,436	0.7	565	(34.6)	190	(34.2)	109	(58.7)	(74)	–
November 30, 2021	4,405	–	864	–	289	–	265	–	(784)	–

Note: Comprehensive income: Nine months ended November 30, 2022 ¥(54) million [–%]
 Nine months ended November 30, 2021 ¥(785) million [–%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
November 30, 2022		(1.23)		–
November 30, 2021		(12.82)		–

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

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending February 28, 2023, and each figure for the nine months ended November 30, 2021, is the figure after retrospectively applying the accounting standard and relevant ASBJ regulations. Accordingly, the percentages indicating the year-on-year changes for the nine months ended November 30, 2021 are not shown.

(2) Consolidated financial position

As of	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
November 30, 2022		18,051		11,370		62.9
February 28, 2022		17,720		11,600		65.4

(Reference) Equity capital: As of November 30, 2022 ¥11,349 million
 As of February 28, 2022 ¥11,583 million

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending February 28, 2023, and each figure as of February 28, 2022, is the figure after retrospectively applying the accounting standard and relevant ASBJ regulations.

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, 2022	–	0.00	–	0.00	0.00
Fiscal year ending February 28, 2023	–	0.00	–		
Fiscal year ending February 28, 2023 (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, 2023 (from March 1, 2022 to February 28, 2023)

(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	%	
Fiscal year ending February 28, 2023	5,910	0.1	741	(32.6)	250	(29.5)	136	(54.7)	(119)	–	Yen (1.96)

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

2. EBITDA (Ordinary profit + Depreciation + Amortization of goodwill + Interest expenses)

3. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending February 28, 2023, and because the year-on-year changes were adjusted retrospectively according to the changes in accounting policies, the figures shown are for the comparison with the figures for the fiscal year ended February 28, 2022 after the retrospective adjustment.

*** 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.: Yes
 - (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 November 30, 2022	61,980,000 shares
As of February 28, 2022	61,930,000 shares

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

As of November 30, 2022	1,428,405 shares
As of February 28, 2022	940,300 shares

(iii) Average number of shares outstanding during the period

For the nine months ended November 30, 2022	60,655,806 shares
For the nine months ended November 30, 2021	61,150,207 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**

Caution regarding forward-looking statements and others

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, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	12,623,491	12,803,465
Accounts receivable - trade	1,771,357	2,064,436
Work in process	12,016	12,242
Other	989,788	410,114
Total current assets	15,396,652	15,290,257
Non-current assets		
Property, plant and equipment	118,978	116,327
Intangible assets		
Goodwill	570,397	424,099
Software	659,772	497,080
Software in progress	68,951	229,974
Other	72	72
Total intangible assets	1,299,193	1,151,227
Investments and other assets	906,107	1,494,019
Total non-current assets	2,324,280	2,761,574
Total assets	17,720,933	18,051,832
Liabilities		
Current liabilities		
Accounts payable - trade	1,342,354	1,603,480
Short-term borrowings	1,500,000	1,500,000
Current portion of bonds payable	324,000	424,000
Current portion of long-term borrowings	287,196	287,596
Income taxes payable	185,388	120,887
Provision for bonuses	68,218	37,267
Other	921,147	1,034,110
Total current liabilities	4,628,304	5,007,342
Non-current liabilities		
Bonds payable	752,000	1,150,000
Long-term borrowings	740,143	524,346
Total non-current liabilities	1,492,143	1,674,346
Total liabilities	6,120,447	6,681,688
Net assets		
Shareholders' equity		
Share capital	5,900,441	5,901,941
Capital surplus	6,036,560	6,037,551
Retained earnings	(32,648)	(107,506)
Treasury shares	(321,260)	(499,650)
Total shareholders' equity	11,583,093	11,332,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	16,667
Total accumulated other comprehensive income	-	16,667
Share acquisition rights	5,263	5,263
Non-controlling interests	12,129	15,877
Total net assets	11,600,485	11,370,144
Total liabilities and net assets	17,720,933	18,051,832

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

(Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Net sales	4,405,647	4,436,141
Cost of sales	1,614,154	1,712,497
Gross profit	2,791,492	2,723,644
Selling, general and administrative expenses	2,502,294	2,533,359
Operating profit	289,198	190,284
Non-operating income		
Interest income	56	52
Foreign exchange gains	742	1,484
Gain on investments in investment partnerships	975	-
Other	259	910
Total non-operating income	2,032	2,447
Non-operating expenses		
Interest expenses	16,137	14,798
Commission expenses	350	2,332
Bond issuance costs	7,632	12,264
Loss on investments in investment partnerships	-	36,126
Share of loss of entities accounted for using equity method	-	10,705
Other	2,021	6,897
Total non-operating expenses	26,141	83,123
Ordinary profit	265,090	109,608
Extraordinary income		
Gain on sale of businesses	40,000	-
Total extraordinary income	40,000	-
Extraordinary losses		
Impairment losses	203,046	-
Loss on valuation of investment securities	591,117	-
Total extraordinary losses	794,163	-
Profit (loss) before income taxes	(489,073)	109,608
Income taxes	296,296	180,718
Loss	(785,370)	(71,110)
Profit (loss) attributable to non-controlling interests	(1,297)	3,748
Loss attributable to owners of parent	(784,072)	(74,858)

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended November 30, 2021	Nine months ended November 30, 2022
Loss	(785,370)	(71,110)
Other comprehensive income		
Valuation difference on available-for-sale securities	–	16,667
Total other comprehensive income	–	16,667
Comprehensive income	(785,370)	(54,443)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(784,072)	(58,191)
Comprehensive income attributable to non-controlling interests	(1,297)	3,748