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## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 29, 2024 <under Japanese GAAP>

October 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: October 13, 2023  
 Scheduled date of the commencement of dividend payment: –  
 Preparation of supplementary materials on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(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 29, 2024 (from March 1, 2023 to August 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
August 31, 2023	2,913	0.5	190	341.3	49	–	304	–
August 31, 2022	2,899	0.3	43	(84.5)	(8)	–	(93)	–

Note: Comprehensive income: Six months ended August 31, 2023 ¥296 million [–%]  
 Six months ended August 31, 2022 ¥(76) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
August 31, 2023	5.02	4.89
August 31, 2022	(1.54)	–

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
August 31, 2023	18,265	11,842	64.7
February 28, 2023	18,467	11,514	62.2

(Reference) Equity capital: As of August 31, 2023 ¥11,816 million  
 As of February 28, 2023 ¥11,492 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, 2023	–	0.00	–	0.00	0.00
Fiscal year ending February 29, 2024	–	0.00			
Fiscal year ending February 29, 2024 (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 29, 2024 (from March 1, 2023 to February 29, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		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	%	Yen
Fiscal year ending February 29, 2024	6,600	10.8	500	63.5	430	433.5	320	396.0	5.28

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, 2023	62,040,000 shares
As of February 28, 2023	61,995,000 shares

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

As of August 31, 2023	1,414,788 shares
As of February 28, 2023	1,428,405 shares

(iii) Average number of shares outstanding during the period

For the six months ended August 31, 2023	60,610,172 shares
For the six months ended August 31, 2022	60,708,976 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, 2023	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,213,927	11,342,895
Accounts receivable - trade	2,443,758	1,904,265
Work in process	13,720	10,031
Other	406,889	501,319
<b>Total current assets</b>	<b>14,078,295</b>	<b>13,758,511</b>
Non-current assets		
Property, plant and equipment	108,418	96,556
Intangible assets		
Goodwill	363,222	267,380
Software	487,415	602,350
Software in progress	145,803	106,327
Other	72	72
<b>Total intangible assets</b>	<b>996,514</b>	<b>976,130</b>
Investments and other assets		
Investment securities	2,886,933	3,030,363
Other	397,406	404,223
<b>Total investments and other assets</b>	<b>3,284,340</b>	<b>3,434,586</b>
<b>Total non-current assets</b>	<b>4,389,273</b>	<b>4,507,274</b>
<b>Total assets</b>	<b>18,467,569</b>	<b>18,265,785</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,885,011	1,470,037
Short-term borrowings	1,500,000	1,500,000
Current portion of bonds payable	424,000	424,000
Current portion of long-term borrowings	279,296	262,696
Income taxes payable	154,083	198,200
Provision for bonuses	89,700	98,426
Other	1,031,690	1,219,991
<b>Total current liabilities</b>	<b>5,363,781</b>	<b>5,173,351</b>
Non-current liabilities		
Bonds payable	1,128,000	916,000
Long-term borrowings	460,847	333,849
<b>Total non-current liabilities</b>	<b>1,588,847</b>	<b>1,249,849</b>
<b>Total liabilities</b>	<b>6,952,628</b>	<b>6,423,200</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,902,391	5,908,768
Capital surplus	6,038,918	6,045,580
Retained earnings	31,870	350,211
Treasury shares	(499,650)	(494,897)
<b>Total shareholders' equity</b>	<b>11,473,530</b>	<b>11,809,662</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,816	6,516
<b>Total accumulated other comprehensive income</b>	<b>18,816</b>	<b>6,516</b>
Share acquisition rights	5,263	5,110
Non-controlling interests	17,330	21,294
<b>Total net assets</b>	<b>11,514,940</b>	<b>11,842,584</b>
<b>Total liabilities and net assets</b>	<b>18,467,569</b>	<b>18,265,785</b>

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

(Thousands of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Net sales	2,899,705	2,913,214
Cost of sales	1,119,425	1,026,514
Gross profit	1,780,279	1,886,700
Selling, general and administrative expenses	1,737,155	1,696,398
Operating profit	43,124	190,301
Non-operating income		
Interest income	52	47
Foreign exchange gains	1,440	949
Other	909	1,806
Total non-operating income	2,401	2,803
Non-operating expenses		
Interest expenses	11,617	8,408
Commission expenses	1,010	3,412
Loss on investments in investment partnerships	8,620	38,976
Share of loss of entities accounted for using equity method	26,674	90,248
Other	5,702	2,645
Total non-operating expenses	53,626	143,692
Ordinary profit (loss)	(8,100)	49,411
Extraordinary income		
Gain on sale of businesses	–	76,000
Gain on sale of investment securities	–	200,252
Gain on sale of shares of subsidiaries and associates	–	34,000
Total extraordinary income	–	310,252
Extraordinary losses		
Loss on valuation of investment securities	–	9,980
Total extraordinary losses	–	9,980
Profit (loss) before income taxes	(8,100)	349,684
Income taxes	85,210	41,379
Profit (loss)	(93,310)	308,305
Profit attributable to non-controlling interests	267	3,964
Profit (loss) attributable to owners of parent	(93,578)	304,340

**Quarterly consolidated statement of comprehensive income**

(Thousands of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
Profit (loss)	(93,310)	308,305
Other comprehensive income		
Valuation difference on available-for-sale securities	16,536	(12,299)
Total other comprehensive income	16,536	(12,299)
Comprehensive income	(76,774)	296,006
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(77,042)	292,041
Comprehensive income attributable to non-controlling interests	267	3,964

## (3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Six months ended August 31, 2022	Six months ended August 31, 2023
<b>Cash flows from operating activities</b>		
Loss before income taxes	(8,100)	349,684
Depreciation	196,031	137,324
Amortization of goodwill	97,531	95,841
Loss (gain) on sale of businesses	–	(76,000)
Loss (gain) on sale of shares of subsidiaries and associates	–	(34,000)
Loss (gain) on sale of investment securities	–	(200,252)
Loss (gain) on valuation of investment securities	–	9,980
Increase (decrease) in provision for bonuses	(6,956)	8,725
Interest income	(52)	(47)
Interest expenses	11,617	8,408
Foreign exchange losses (gains)	(1,440)	(949)
Share of loss (profit) of entities accounted for using equity method	26,674	90,248
Loss (gain) on investments in investment partnerships	8,620	38,976
Decrease (increase) in trade receivables	(74,424)	539,493
Decrease (increase) in inventories	(7,031)	3,689
Increase (decrease) in trade payables	25,929	(404,225)
Increase (decrease) in accounts payable - other	727	(48,260)
Other, net	98,369	234,994
Subtotal	367,497	753,632
Interest received	52	47
Interest paid	(10,746)	(6,589)
Income taxes paid	(185,388)	(211,055)
Income taxes refund	135,285	101,181
Net cash provided by (used in) operating activities	306,700	637,216
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,734)	–
Purchase of intangible assets	(157,887)	(211,668)
Purchase of investment securities	(383,133)	(298,400)
Proceeds from sale of investment securities	–	216,468
Proceeds from sale of shares of subsidiaries and associates	–	34,000
Proceeds from sale of businesses	–	76,000
Proceeds from distributions from investment partnerships	3,890	7,000
Payments of leasehold deposits	(263)	(3,164)
Proceeds from refund of leasehold deposits	776	13,404
Net cash provided by (used in) investing activities	(547,351)	(166,359)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(143,598)	(143,598)
Redemption of bonds	(162,000)	(212,000)
Proceeds from issuance of shares	–	12,600
Purchase of treasury shares	(183,936)	–
Net cash provided by (used in) financing activities	(489,534)	(342,998)
Effect of exchange rate change on cash and cash equivalents	2,691	1,108
Net increase (decrease) in cash and cash equivalents	(727,494)	128,967
Cash and cash equivalents at beginning of period	13,101,523	11,213,927
Cash and cash equivalents at end of period	12,374,029	11,342,895