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Consolidated Financial Results for the Year Ended February 29, 2024 <under Japanese GAAP>

April 12, 2024

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 of the ordinary general meeting of shareholders: May 28, 2024
 Scheduled date of the commencement of dividend payment: –
 Scheduled date to file annual securities report: May 28, 2024
 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 fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	6,165	3.5	520	70.0	263	226.6	166	157.3
February 28, 2023	5,957	0.9	305	(13.8)	80	(73.1)	64	–

Note: Comprehensive income: Fiscal year ended February 29, 2024 ¥159 million [77.4%]
 Fiscal year ended February 28, 2023 ¥89 million [–%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
February 29, 2024	2.74	2.67	1.4	1.4	8.4
February 28, 2023	1.06	1.04	0.6	0.4	5.1

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended February 29, 2024 ¥(145) million
 Fiscal year ended February 28, 2023 ¥(122) million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 29, 2024	19,243	11,667	60.6	191.76
February 28, 2023	18,467	11,514	62.2	189.75

(Reference) Equity capital: As of February 29, 2024 ¥11,662 million
 As of February 28, 2023 ¥11,492 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended February 29, 2024	1,024	(865)	142	11,516
Fiscal year ended February 28, 2023	760	(2,646)	(3)	11,213

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 ended February 29, 2024	–	0.00	–	0.00	0.00
Fiscal year ending February 28, 2025 (Forecast)	–	–	–	–	–

	Total annual dividends	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	Millions of yen	%	%
Fiscal year ended February 28, 2023	–	–	–
Fiscal year ended February 29, 2024	–	–	–
Fiscal year ending February 28, 2025 (Forecast)		–	

Note: In its Articles of Incorporation, the Company has designated the last day of its second quarter and the last day of its fiscal year as dividend record dates, but it has not yet formulated a forecast of the dividends to which said record dates will apply.

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

(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
Six months ending August 31, 2024	3,440	18.1	230	20.9	189	282.5	130	(57.3)	2.14
Fiscal year ending February 28, 2025	7,200	16.8	650	25.0	570	116.5	360	116.8	5.92

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of February 29, 2024	62,235,000 shares
As of February 28, 2023	61,995,000 shares

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

As of February 29, 2024	1,414,788 shares
As of February 28, 2023	1,428,405 shares

(iii) Average number of shares outstanding during the period

For the fiscal year ended February 29, 2024	60,656,011 shares
For the fiscal year ended February 28, 2023	60,630,439 shares

Reference: Summary of non-consolidated financial results

**1. Non-consolidated financial results for the fiscal year ended February 29, 2024
(from March 1, 2023 to February 29, 2024)**

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2024	1,317	(1.8)	334	(12.6)	279	(22.3)	(135)	–
February 28, 2023	1,341	(15.5)	383	(41.5)	359	(47.2)	(112)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 29, 2024	(2.23)	–
February 28, 2023	(1.85)	–

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 29, 2024	15,401	11,249	73.0	184.87
February 28, 2023	15,270	11,365	74.4	187.56

(Reference) Equity capital: As of February 29, 2024 ¥11,244 million
As of February 28, 2023 ¥11,360 million

* **Financial results reports are exempt from audit 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.

Consolidated Financial Statements**(1) Consolidated balance sheet**

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	11,213,927	11,516,731
Accounts receivable - trade	2,443,758	2,420,159
Work in process	13,720	15,826
Prepaid expenses	180,812	231,174
Other	226,076	188,933
Total current assets	14,078,295	14,372,824
Non-current assets		
Property, plant and equipment		
Buildings	56,624	56,624
Accumulated depreciation	(14,307)	(19,212)
Buildings, net	42,317	37,411
Tools, furniture and fixtures	143,823	146,879
Accumulated depreciation	(77,721)	(98,183)
Tools, furniture and fixtures, net	66,101	48,696
Total property, plant and equipment	108,418	86,108
Intangible assets		
Goodwill	363,222	266,739
Software	487,415	641,415
Software in progress	145,803	52,041
Other	72	72
Total intangible assets	996,514	960,268
Investments and other assets		
Investment securities	2,886,933	3,228,547
Leasehold deposits	211,886	208,876
Deferred tax assets	185,520	386,917
Total investments and other assets	3,284,340	3,824,341
Total non-current assets	4,389,273	4,870,718
Total assets	18,467,569	19,243,542

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,885,011	1,796,076
Short-term borrowings	1,500,000	1,500,000
Current portion of bonds payable	424,000	394,000
Current portion of long-term borrowings	279,296	358,344
Accounts payable - other	227,619	267,473
Income taxes payable	154,083	248,353
Provision for bonuses	89,700	107,819
Provision for loss on trust-type share options	–	17,424
Other	804,070	1,136,904
Total current liabilities	5,363,781	5,826,394
Non-current liabilities		
Bonds payable	1,128,000	1,084,000
Long-term borrowings	460,847	630,503
Provision for loss on trust-type share options	–	34,848
Total non-current liabilities	1,588,847	1,749,351
Total liabilities	6,952,628	7,575,745
Net assets		
Shareholders' equity		
Share capital	5,902,391	5,914,618
Capital surplus	6,038,918	6,022,725
Retained earnings	31,870	211,894
Treasury shares	(499,650)	(494,897)
Total shareholders' equity	11,473,530	11,654,340
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	18,816	8,345
Total accumulated other comprehensive income	18,816	8,345
Share acquisition rights	5,263	5,110
Non-controlling interests	17,330	–
Total net assets	11,514,940	11,667,796
Total liabilities and net assets	18,467,569	19,243,542

(2) Consolidated statement of income and comprehensive income
Consolidated statement of income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	5,957,823	6,165,703
Cost of sales	2,268,622	2,217,200
Gross profit	3,689,200	3,948,502
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	137,048	130,452
Salaries and allowances	795,872	824,186
Outsourcing expenses	603,290	614,708
Provision for bonuses	89,220	107,278
Amortization of goodwill	195,062	133,282
Other	1,562,857	1,618,517
Total selling, general and administrative expenses	3,383,351	3,428,426
Operating profit	305,849	520,076
Non-operating income		
Interest and dividend income	122	687
Foreign exchange gains	1,214	–
Gain on sale of investment securities	3,205	–
Other	1,068	3,069
Total non-operating income	5,611	3,757
Non-operating expenses		
Interest expenses	17,514	14,541
Commission expenses	2,332	4,455
Foreign exchange losses	–	1,706
Loss on investments in investment partnerships	65,084	81,737
Share of loss of entities accounted for using equity method	122,496	145,978
Bond issuance costs	12,264	6,678
Other	11,164	5,461
Total non-operating expenses	230,857	260,559
Ordinary profit	80,603	263,274
Extraordinary income		
Gain on sale of businesses	–	162,181
Gain on sale of investment securities	–	200,252
Gain on sale of shares of subsidiaries and associates	–	34,000
Gain on change in equity	466,460	–
Total extraordinary income	466,460	396,434
Extraordinary losses		
Impairment losses	132,462	317,472
Loss on valuation of investment securities	49,999	9,980
Loss on trust-type share options	–	55,632
Total extraordinary losses	182,462	383,085
Profit before income taxes	364,601	276,623
Income taxes - current	192,775	304,119
Income taxes - deferred	100,699	(197,483)
Total income taxes	293,475	106,635
Profit	71,126	169,988
Profit attributable to non-controlling interests	6,607	3,964
Profit attributable to owners of parent	64,519	166,023

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	71,126	169,988
Other comprehensive income		
Valuation difference on available-for-sale securities	18,816	(10,470)
Total other comprehensive income	18,816	(10,470)
Comprehensive income	89,942	159,518
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	83,335	155,553
Comprehensive income attributable to non-controlling interests	6,607	3,964

(3) Consolidated statement of changes in equity
Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,900,441	6,036,560	(32,648)	(321,260)	11,583,093
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,950	1,950			3,900
Profit attributable to owners of parent			64,519		64,519
Purchase of treasury shares				(183,936)	(183,936)
Disposal of treasury shares		(508)		5,547	5,038
Change in scope of equity method					-
Purchase of shares of consolidated subsidiaries		916			916
Net changes in items other than shareholders' equity					
Total changes during period	1,950	2,357	64,519	(178,389)	(109,562)
Balance at end of period	5,902,391	6,038,918	31,870	(499,650)	11,473,530

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Accumulated other comprehensive income			
Balance at beginning of period	-	-	5,263	12,129	11,600,485
Changes during period					
Issuance of new shares - exercise of share acquisition rights					3,900
Profit attributable to owners of parent					64,519
Purchase of treasury shares					(183,936)
Disposal of treasury shares					5,038
Change in scope of equity method					-
Purchase of shares of consolidated subsidiaries					916
Net changes in items other than shareholders' equity	18,816	18,816	-	5,201	24,017
Total changes during period	18,816	18,816	-	5,201	(85,545)
Balance at end of period	18,816	18,816	5,263	17,330	11,514,940

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,902,391	6,038,918	31,870	(499,650)	11,473,530
Changes during period					
Issuance of new shares - exercise of share acquisition rights	12,226	12,226			24,453
Profit attributable to owners of parent			166,023		166,023
Purchase of treasury shares					–
Disposal of treasury shares		285		4,752	5,038
Change in scope of equity method			14,000		14,000
Purchase of shares of consolidated subsidiaries		(28,705)			(28,705)
Net changes in items other than shareholders' equity					
Total changes during period	12,226	(16,192)	180,023	4,752	180,810
Balance at end of period	5,914,618	6,022,725	211,894	(494,897)	11,654,340

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Accumulated other comprehensive income			
Balance at beginning of period	18,816	18,816	5,263	17,330	11,514,940
Changes during period					
Issuance of new shares - exercise of share acquisition rights					24,453
Profit attributable to owners of parent					166,023
Purchase of treasury shares					–
Disposal of treasury shares					5,038
Change in scope of equity method					14,000
Purchase of shares of consolidated subsidiaries					(28,705)
Net changes in items other than shareholders' equity	(10,470)	(10,470)	(153)	(17,330)	(27,953)
Total changes during period	(10,470)	(10,470)	(153)	(17,330)	152,856
Balance at end of period	8,345	8,345	5,110	–	11,667,796

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	364,601	276,623
Depreciation	384,268	307,308
Amortization of goodwill	195,062	133,282
Loss (gain) on sale of businesses	–	(162,181)
Impairment losses	132,462	317,472
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	49,999	9,980
Loss (gain) on change in equity	(466,460)	–
Loss on trust-type share options	–	55,632
Increase (decrease) in provision for bonuses	21,482	17,578
Interest and dividend income	(122)	(687)
Interest expenses	17,514	14,541
Bond issuance costs	12,264	6,678
Foreign exchange losses (gains)	(1,214)	1,706
Share of loss (profit) of entities accounted for using equity method	122,496	145,978
Loss (gain) on investments in investment partnerships	65,084	81,737
Decrease (increase) in trade receivables	(672,401)	65,116
Decrease (increase) in inventories	(1,704)	(2,106)
Increase (decrease) in trade payables	546,441	(78,021)
Increase (decrease) in accounts payable - other	33,918	(37,547)
Other, net	133,586	317,702
Subtotal	937,280	1,236,542
Interest received	122	687
Interest paid	(17,697)	(13,920)
Income taxes paid	(354,740)	(300,206)
Income taxes refund	195,757	101,181
Net cash provided by (used in) operating activities	760,723	1,024,285
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,885)	(3,056)
Purchase of intangible assets	(385,453)	(432,918)
Purchase of investment securities	(2,164,138)	(604,701)
Proceeds from sale of investment securities	6,206	216,468
Purchase of shares of subsidiaries and associates	(100,000)	–
Proceeds from sale of shares of subsidiaries and associates	–	34,000
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(244,319)
Payments for acquisition of businesses	–	(19,464)
Proceeds from sale of businesses	–	162,181
Proceeds from distributions from investment partnerships	14,143	16,378
Payments of leasehold deposits	(1,444)	(4,353)
Proceeds from refund of leasehold deposits	879	14,351
Net cash provided by (used in) investing activities	(2,646,692)	(865,433)

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from financing activities		
Proceeds from issuance of bonds	787,735	343,321
Redemption of bonds	(324,000)	(424,000)
Proceeds from long-term borrowings	–	538,000
Repayments of long-term borrowings	(287,196)	(289,296)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(490)	(50,000)
Proceeds from issuance of shares	3,900	24,300
Purchase of treasury shares	(183,936)	–
Net cash provided by (used in) financing activities	(3,987)	142,325
Effect of exchange rate change on cash and cash equivalents	2,360	1,625
Net increase (decrease) in cash and cash equivalents	(1,887,596)	302,803
Cash and cash equivalents at beginning of period	13,101,523	11,213,927
Cash and cash equivalents at end of period	11,213,927	11,516,731