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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2021 <under Japanese GAAP>

July 15, 2020

Company name: **RPA Holdings, Inc.**
Listing: Tokyo Stock Exchange
Stock code: 6572
URL: http://rpa-holdings.com/
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Scheduled date to file quarterly securities report: July 15, 2020
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 three months of the fiscal year ending February 28, 2021 (from March 1, 2020 to May 31, 2020)

(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	%
Three months ended								
May 31, 2020	3,102	46.1	118	(30.3)	110	(11.7)	28	(44.3)
May 31, 2019	2,123	19.0	169	(14.6)	125	(36.1)	51	(58.7)

Note: Comprehensive income: Three months ended May 31, 2020 ¥28 million [(44.3)%]
Three months ended May 31, 2019 ¥51 million [(58.7)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 31, 2020	0.49	0.44
May 31, 2019	0.94	0.83

Note: The Company conducted a 2-for-1 share split of its common shares on July 1, 2019. Basic earnings per share and diluted earnings per share have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
May 31, 2020	18,389	13,135	71.4
February 29, 2020	18,028	13,106	72.7

(Reference) Equity capital: As of May 31, 2020 ¥13,130 million
As of February 29, 2020 ¥13,101 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 29, 2020	–	0.00	–	0.00	–
Fiscal year ending February 28, 2021	–				
Fiscal year ending February 28, 2021 (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 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, 2021 (from March 1, 2020 to February 28, 2021)

(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 28, 2021	11,000 to 12,500	9.2 to 24.1	300 to 700	(36.3) to 48.6	250 to 650	(34.6) to 70.1	0 to 220	–	0.00 to 3.77

Note: Revisions to the earnings forecasts most recently announced: None

*** 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 May 31, 2020	58,358,500 shares
As of February 29, 2020	58,358,500 shares

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

As of May 31, 2020	– shares
As of February 29, 2020	– shares

(iii) Average number of shares outstanding during the period

For the three months ended May 31, 2020	58,358,500 shares
For the three months ended May 31, 2019	54,593,414 shares

Note: The Company conducted a 2-for-1 share split of its common shares on July 1, 2019. Number of issued shares as of the end of the period, number of treasury shares as of the end of the period, and average number of shares outstanding during the period have been calculated assuming that the share split was conducted at the beginning of the previous fiscal year.

*** 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 29, 2020	As of May 31, 2020
Assets		
Current assets		
Cash and deposits	12,394,441	12,644,802
Notes and accounts receivable - trade	1,313,198	1,234,464
Work in process	634	9,266
Other	616,751	714,401
Allowance for doubtful accounts	(1,094)	(208)
Total current assets	14,323,930	14,602,727
Non-current assets		
Property, plant and equipment	23,996	164,477
Intangible assets		
Goodwill	1,348,571	1,258,528
Software	743,938	687,880
Software in progress	250,985	328,900
Other	72	72
Total intangible assets	2,343,568	2,275,381
Investments and other assets	1,336,707	1,346,774
Total non-current assets	3,704,271	3,786,633
Total assets	18,028,202	18,389,360
Liabilities		
Current liabilities		
Accounts payable - trade	848,016	993,660
Short-term borrowings	1,000,000	1,000,000
Current portion of bonds	200,000	200,000
Current portion of long-term borrowings	237,250	234,100
Income taxes payable	29,700	128,336
Provision for bonuses	67,279	55,462
Provision for variable compensation	133,122	91,765
Other	584,030	886,538
Total current liabilities	3,099,399	3,589,862
Non-current liabilities		
Bonds payable	700,000	600,000
Long-term borrowings	1,122,000	1,064,000
Total non-current liabilities	1,822,000	1,664,000
Total liabilities	4,921,399	5,253,862
Net assets		
Shareholders' equity		
Share capital	5,881,796	5,881,796
Capital surplus	6,017,915	6,017,915
Retained earnings	1,201,828	1,230,522
Total shareholders' equity	13,101,540	13,130,234
Share acquisition rights	5,263	5,263
Total net assets	13,106,803	13,135,497
Total liabilities and net assets	18,028,202	18,389,360

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

(Thousands of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Net sales	2,123,735	3,102,925
Cost of sales	1,292,975	2,194,801
Gross profit	830,759	908,123
Selling, general and administrative expenses	660,968	789,782
Operating profit	169,791	118,340
Non-operating income		
Miscellaneous income	203	415
Total non-operating income	203	415
Non-operating expenses		
Interest expenses	7,982	6,456
Commission expenses	14,992	104
Share issuance cost	12,208	–
Bond issuance cost	8,568	–
Foreign exchange losses	249	547
Other	558	903
Total non-operating expenses	44,560	8,011
Ordinary profit	125,433	110,745
Profit before income taxes	125,433	110,745
Income taxes	73,878	82,051
Profit	51,555	28,694
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	51,555	28,694

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Profit	51,555	28,694
Comprehensive income	51,555	28,694
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	51,555	28,694
Comprehensive income attributable to non-controlling interests	–	–