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

January 14, 2021

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: January 14, 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 nine months of the fiscal year ending February 28, 2021 (from March 1, 2020 to November 30, 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	%
Nine months ended November 30, 2020	8,228	13.0	268	(18.2)	250	0.8	34	(11.0)
Nine months ended November 30, 2019	7,283	24.8	328	(41.0)	248	(53.6)	38	(87.9)

Note: Comprehensive income: Nine months ended November 30, 2020 ¥34 million [(11.0)%]
Nine months ended November 30, 2019 ¥38 million [(87.9)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2020	0.58	0.53
Nine months ended November 30, 2019	0.69	0.61

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 November 30, 2020	17,896	13,155	73.5
As of February 29, 2020	18,028	13,106	72.7

(Reference) Equity capital: As of November 30, 2020 ¥13,149 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	–	0.00	–		
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 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, 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 11,500	9.2 to 14.2	420 to 500	(10.8) to 6.1	370 to 450	(3.2) to 17.8	33 to 90	90.1 to 418.3	0.57 to 1.54

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 November 30, 2020	58,596,500 shares
As of February 29, 2020	58,358,500 shares

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

As of November 30, 2020	– shares
As of February 29, 2020	– shares

(iii) Average number of shares outstanding during the period

For the nine months ended November 30, 2020	58,470,573 shares
For the nine months ended November 30, 2019	55,982,752 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**

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.

Financial results meeting

The Company plans to make the video of the financial results meeting available for viewing on January 14, 2021. The video will be accessible from the Company's website (http://rpa-holdings.com/).

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of February 29, 2020	As of November 30, 2020
Assets		
Current assets		
Cash and deposits	12,394,441	12,860,495
Notes and accounts receivable - trade	1,313,198	1,031,365
Work in process	634	11,302
Other	616,751	412,365
Allowance for doubtful accounts	(1,094)	(52)
Total current assets	14,323,930	14,315,477
Non-current assets		
Property, plant and equipment	23,996	139,813
Intangible assets		
Goodwill	1,348,571	1,278,917
Software	743,938	817,544
Software in progress	250,985	120,004
Other	72	72
Total intangible assets	2,343,568	2,216,540
Investments and other assets	1,336,707	1,224,748
Total non-current assets	3,704,271	3,581,102
Total assets	18,028,202	17,896,579
Liabilities		
Current liabilities		
Accounts payable - trade	848,016	589,312
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	287,196
Income taxes payable	29,700	190,316
Provision for bonuses	67,279	62,394
Provision for variable compensation	133,122	95,158
Other	584,030	717,801
Total current liabilities	3,099,399	3,142,178
Non-current liabilities		
Long-term borrowings	1,122,000	1,099,138
Bonds payable	700,000	500,000
Total non-current liabilities	1,822,000	1,599,138
Total liabilities	4,921,399	4,741,316
Net assets		
Shareholders' equity		
Share capital	5,881,796	5,888,936
Capital surplus	6,017,915	6,025,055
Retained earnings	1,201,828	1,236,007
Total shareholders' equity	13,101,540	13,149,999
Share acquisition rights	5,263	5,263
Total net assets	13,106,803	13,155,263
Total liabilities and net assets	18,028,202	17,896,579

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Net sales	7,283,012	8,228,469
Cost of sales	4,768,969	5,616,533
Gross profit	2,514,042	2,611,936
Selling, general and administrative expenses	2,185,349	2,343,121
Operating profit	328,693	268,815
Non-operating income		
Interest income	50	54
Insurance claim income	–	7,152
Other	723	7,452
Total non-operating income	773	14,659
Non-operating expenses		
Interest expenses	18,441	15,860
Commission expenses	23,546	257
Share issuance cost	24,045	–
Bond issuance cost	8,568	–
Loss on investments in investment partnerships	3,647	7,524
Foreign exchange losses	509	777
Other	2,013	8,469
Total non-operating expenses	80,772	32,890
Ordinary profit	248,694	250,584
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	491	–
Total extraordinary losses	491	–
Profit before income taxes	248,202	250,584
Income taxes	209,818	216,404
Profit	38,384	34,179
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	38,384	34,179

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Nine months ended November 30, 2019	Nine months ended November 30, 2020
Profit	38,384	34,179
Comprehensive income	38,384	34,179
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,384	34,179
Comprehensive income attributable to non-controlling interests	–	–