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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2025 <under Japanese GAAP>

July 12, 2024

Company name: **OPEN Group, Inc.**
(Former company name: RPA Holdings, Inc.)
Listing: Tokyo Stock Exchange
Stock code: 6572
URL: <https://open-group.co.jp/en/>
Representative: Tomomichi Takahashi, Representative Director
Inquiries: Satoshi Matsui, Director
TEL: +81-3-5157-6388
Scheduled date to file quarterly securities report: July 12, 2024
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, 2025 (from March 1, 2024 to May 31, 2024)

(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, 2024	1,783	23.1	164	63.9	44	(49.4)	20	(94.7)
May 31, 2023	1,448	4.2	100	–	87	–	384	–

Note: Comprehensive income: Three months ended May 31, 2024 ¥19 million [(94.9)%]
Three months ended May 31, 2023 ¥381 million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 31, 2024	0.33	0.33
May 31, 2023	6.35	6.19

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of			
May 31, 2024	19,519	11,731	60.1
February 29, 2024	19,243	11,667	60.6

(Reference) Equity capital: As of May 31, 2024 ¥11,728 million
As of February 29, 2024 ¥11,662 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, 2024	–	0.00	–	0.00	0.00
Fiscal year ending February 28, 2025	–				
Fiscal year ending February 28, 2025 (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, 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

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, 2024	62,235,000 shares
As of February 29, 2024	62,235,000 shares

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

As of May 31, 2024	1,414,788 shares
As of February 29, 2024	1,414,788 shares

(iii) Average number of shares outstanding during the period

For the three months ended May 31, 2024	60,820,212 shares
For the three months ended May 31, 2023	60,598,388 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 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	11,516,731	11,199,893
Accounts receivable - trade	2,420,159	2,612,793
Work in process	15,826	6,340
Other	420,107	648,830
Total current assets	14,372,824	14,467,857
Non-current assets		
Property, plant and equipment	86,108	81,338
Intangible assets		
Goodwill	266,739	257,415
Software	641,415	550,123
Software in progress	52,041	101,370
Other	72	72
Total intangible assets	960,268	908,981
Investments and other assets		
Investment securities	3,228,547	3,250,376
Other	595,794	810,680
Total investments and other assets	3,824,341	4,061,056
Total non-current assets	4,870,718	5,051,377
Total assets	19,243,542	19,519,235
Liabilities		
Current liabilities		
Accounts payable - trade	1,796,076	2,135,195
Short-term borrowings	1,500,000	1,500,000
Current portion of bonds payable	394,000	294,000
Current portion of long-term borrowings	358,344	358,344
Income taxes payable	248,353	76,425
Provision for bonuses	107,819	68,253
Provision for loss on trust-type share options	17,424	-
Other	1,404,377	1,812,546
Total current liabilities	5,826,394	6,244,765
Non-current liabilities		
Bonds payable	1,084,000	959,000
Long-term borrowings	630,503	549,217
Provision for loss on trust-type share options	34,848	35,248
Total non-current liabilities	1,749,351	1,543,465
Total liabilities	7,575,745	7,788,230

(Thousands of yen)

	As of February 29, 2024	As of May 31, 2024
Net assets		
Shareholders' equity		
Share capital	5,914,618	5,914,618
Capital surplus	6,022,725	6,068,630
Retained earnings	211,894	232,267
Treasury shares	(494,897)	(494,897)
Total shareholders' equity	11,654,340	11,720,618
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,345	8,308
Total accumulated other comprehensive income	8,345	8,308
Share acquisition rights	5,110	4,525
Non-controlling interests	–	(2,447)
Total net assets	11,667,796	11,731,004
Total liabilities and net assets	19,243,542	19,519,235

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

(Thousands of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Net sales	1,448,986	1,783,669
Cost of sales	498,178	656,078
Gross profit	950,808	1,127,591
Selling, general and administrative expenses	850,266	962,821
Operating profit	100,542	164,769
Non-operating income		
Foreign exchange gains	185	–
Commission income	–	3,989
Other	251	4,734
Total non-operating income	436	8,723
Non-operating expenses		
Interest expenses	2,268	2,486
Commission expenses	2,045	11,405
Foreign exchange losses	–	1,131
Loss on investments in investment partnerships	3,813	5,343
Share of loss of entities accounted for using equity method	3,765	106,240
Other	1,433	2,532
Total non-operating expenses	13,326	129,140
Ordinary profit	87,651	44,353
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 before income taxes	387,924	44,353
Income taxes	1,119	24,823
Profit	386,805	19,529
Profit (loss) attributable to non-controlling interests	1,988	(842)
Profit attributable to owners of parent	384,816	20,372

Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	386,805	19,529
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,772)	(37)
Total other comprehensive income	(5,772)	(37)
Comprehensive income	381,032	19,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	379,044	20,334
Comprehensive income attributable to non-controlling interests	1,988	(842)