FY2025/2
Financial Update

OPEN Group, Inc.
（TSE PRIME MARKET：6572）

Apr 14, 2025

#1

FY2025/2 Financial Overview

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FY2025/2 Financial Overview

The Intelligent Automation Segment and the Ad Automation Segment delivered firm results, and achieved increases in both revenue and operating profit YoY.
A loss on investment of ¥308 million related to an equity affiliate and a loss on investments in investment partnerships of ¥92 million were recorded as non-operating expenses, resulting in decreased ordinary profit YoY.
Gain on sale of investment securities of ¥146 million was recorded as extraordinary income, and head office relocation expenses of ¥133 million were recorded as extraordinary losses. Profit attributable to owners of parent was ¥435 million as a result of the recording of deferred tax assets due to the merger of consolidated subsidiaries and the attainment of profitability for the compliance services in the RoboRobo business.

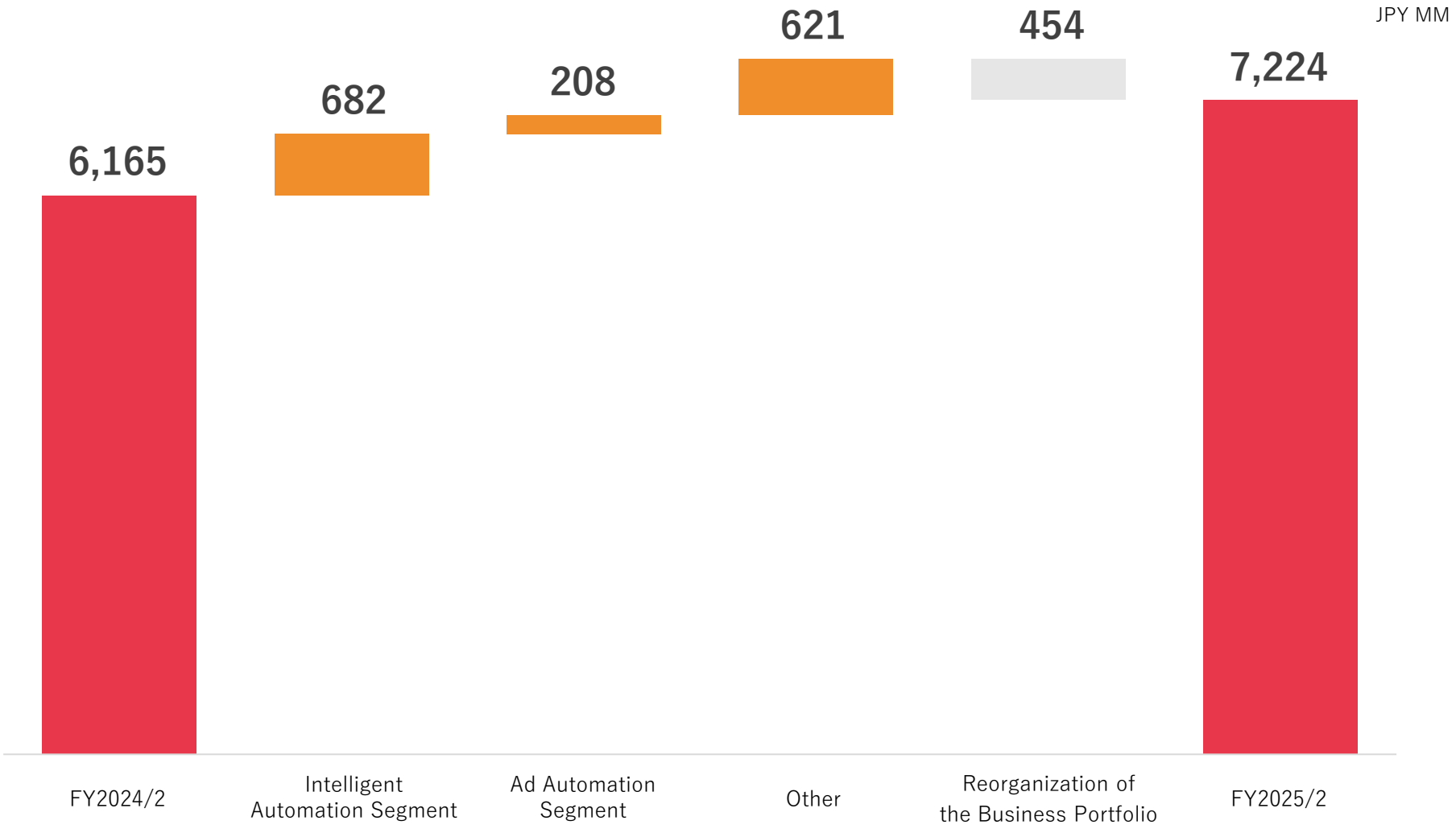
JPY MM

	FY2024/2	FY2025/2	YoY
Revenue	6,165	7,224	+17.2%
Operating profit	520	653	+25.7%
Ordinary profit	263	234	△10.8%
Profit attributable to owners of parent	166	435	+162.3%

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Factors Behind YoY Change in Consolidated Revenue

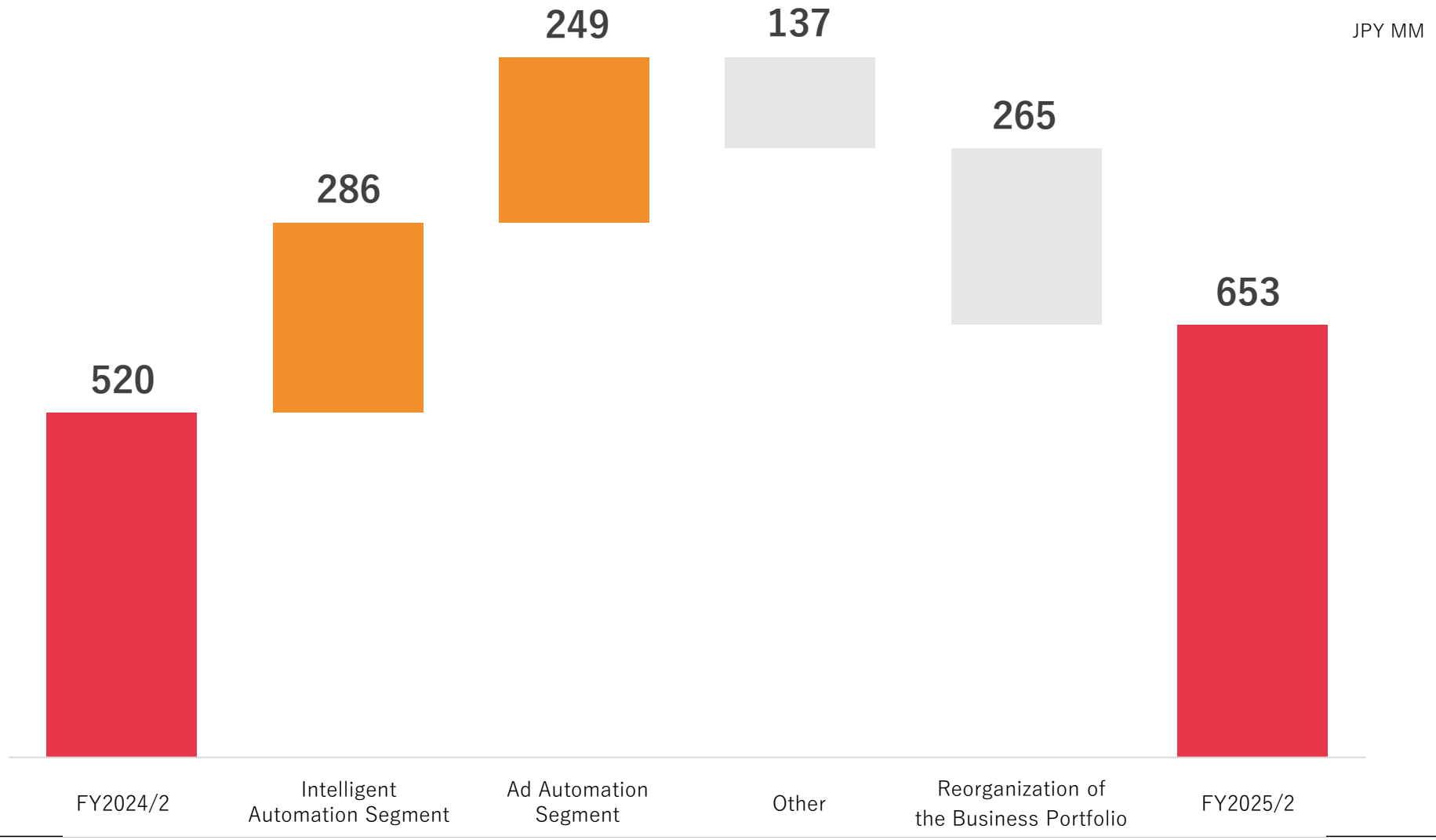
Revenue increased in both the Intelligent Automation Segment and the Ad Automation Segment when excluding the effects of business reorganization. Revenue also increased in Other due to the contribution of Gokinjowork Inc., which entered the Group in December 2023. Overall, revenue increased YoY despite the decreasing effects from business reorganization.



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Factors Behind YoY Change in Consolidated Operating Profit

Operating profit increased in both the Intelligent Automation Segment and the Ad Automation Segment when excluding the effects of business reorganization. Despite the impact of a decline in profit due to an upfront investment phase in Other and business reorganization, operating profit increased YoY.



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#2

Overview of the Intelligent Automation Segment

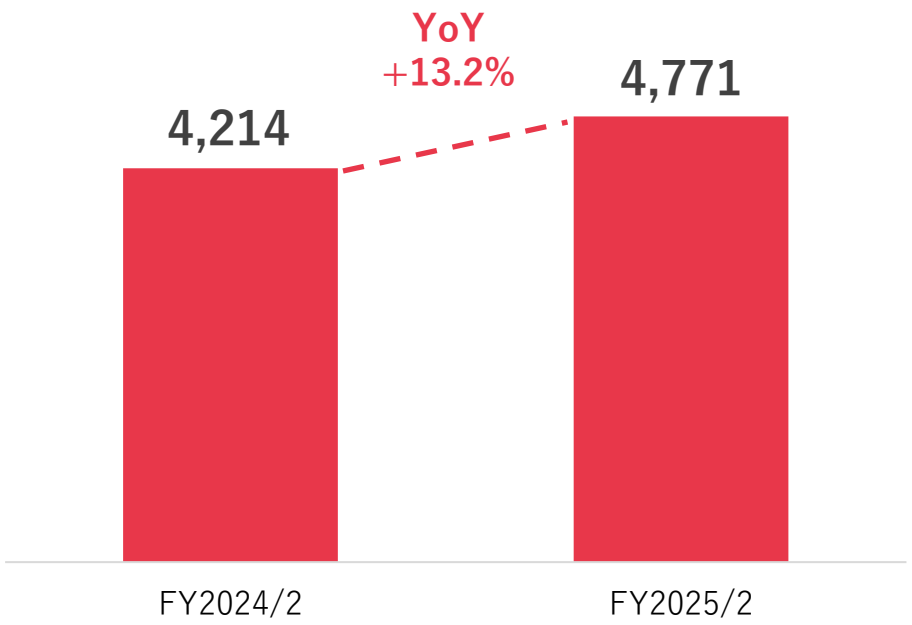
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Intelligent Automation Highlight

Revenue of both BizRobo! and RoboRobo was firm as the number of companies that have adopted them increased steadily.
BizRobo! delivered increases in both revenue and profit. RoboRobo continued to make upfront investments, mainly in product development, but RoboRobo also contributed to increased profits as the RoboRobo Compliance Service became profitable.

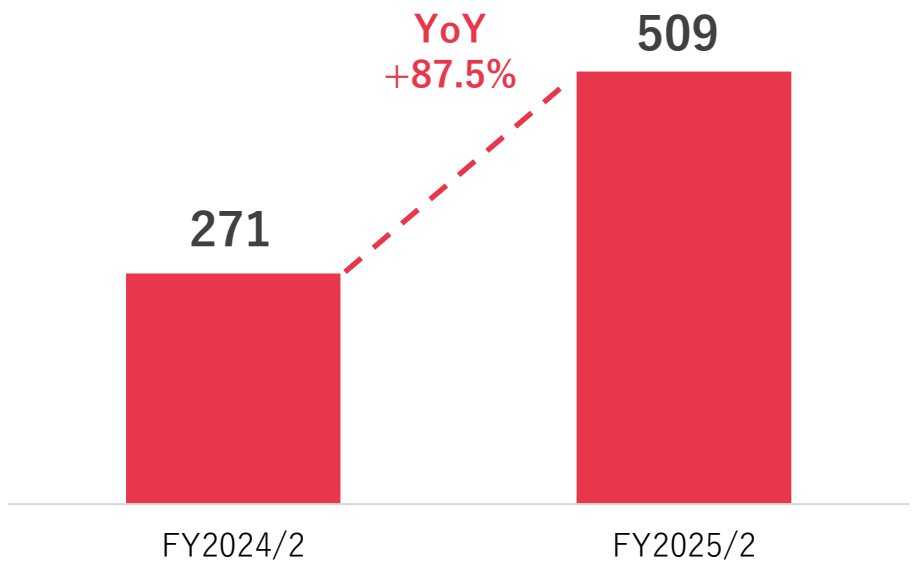
Revenue

JPY MM



Segment operating profit

JPY MM

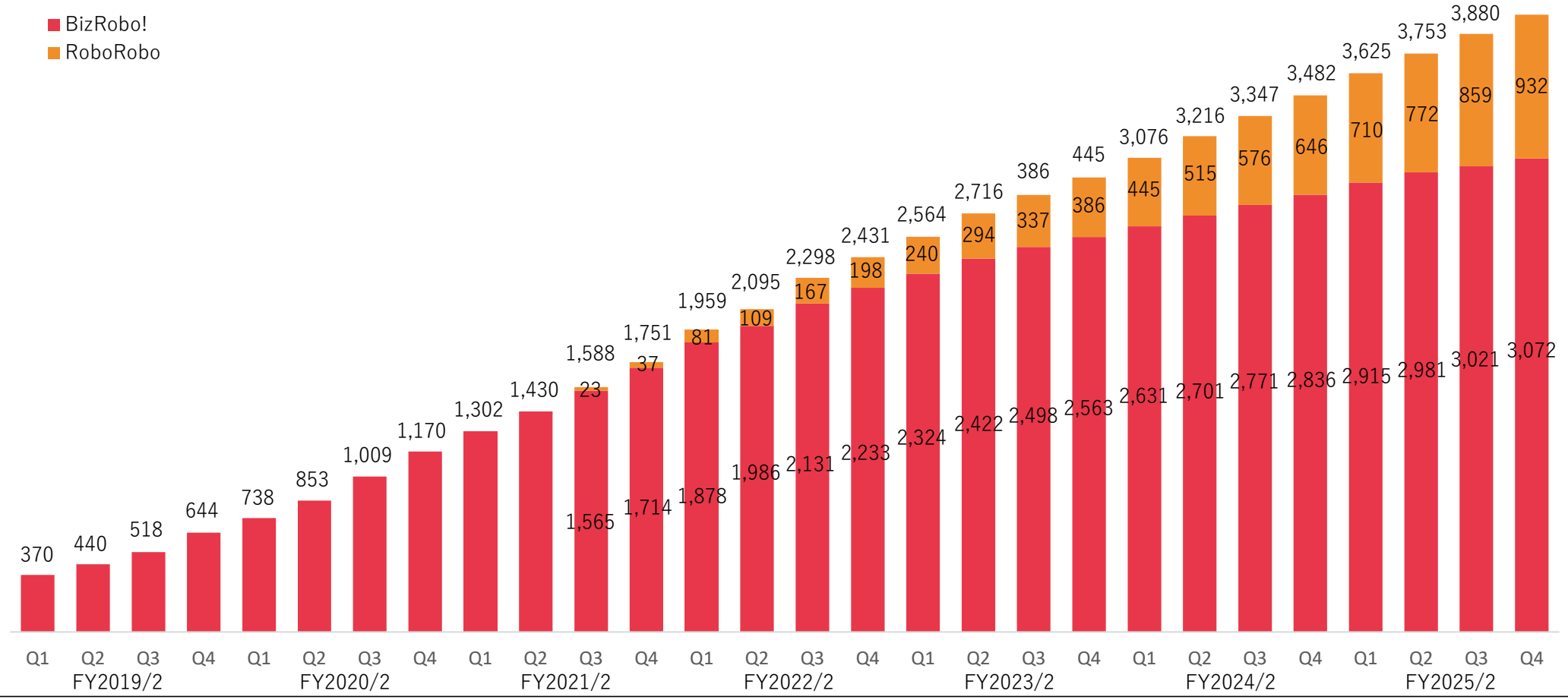


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Intelligent Automation Highlight：Number of Customers

The total number of companies that have adopted BizRobo! and RoboRobo has continued to steadily expand this quarter.
The churn rate for BizRobo! remains low at 0.79%.

4,004

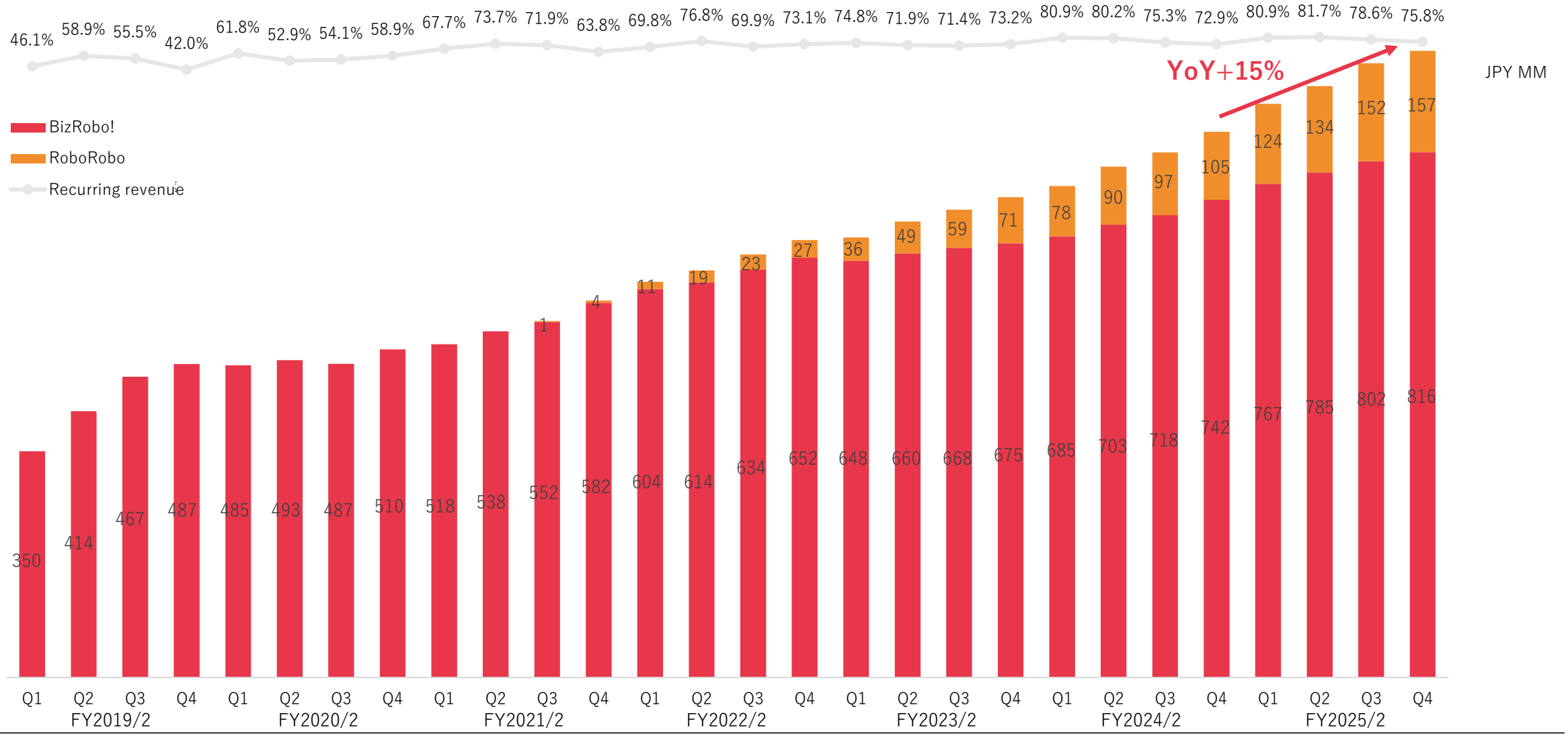


* For BizRobo!, the total number of companies that have adopted BizRobo! Basic, BizRobo! Lite and BizRobo! mini

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Intelligent Automation Highlight： Recurring revenue

Recurring revenue, which is a firm revenue base, increased by 15% YoY. Recurring revenue ratio also remained at a high level.



* For BizRobo!, the total amount of recurring revenue from BizRobo! Basic, BizRobo! Lite and BizRobo! mini

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#3

Overview of the Ad Automation Segment

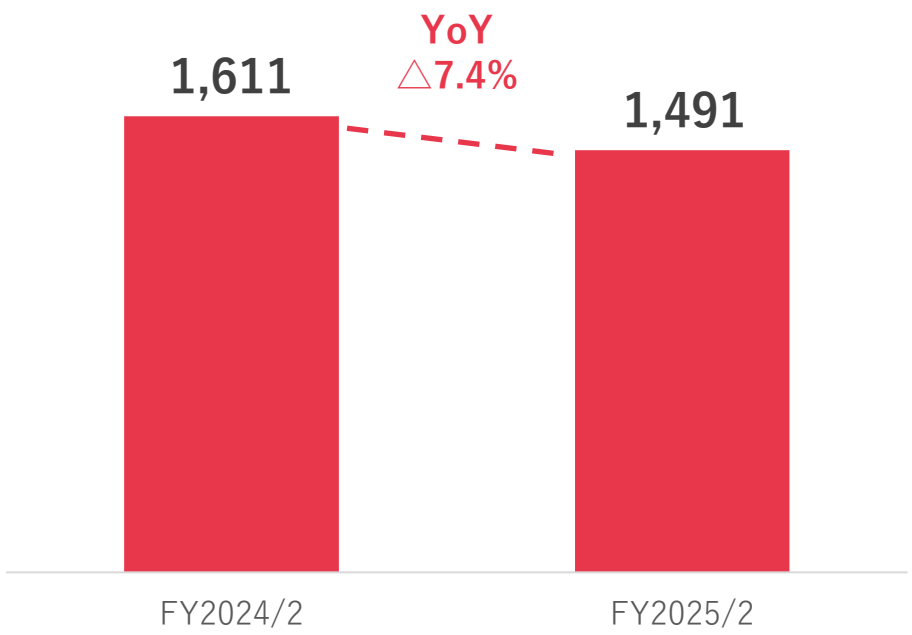
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Ad Automation Highlight

There was an impact of a decline in revenue and profit due to progress made in the business reorganization of projects that had increased the volatility of business performance. However, profit increased as a result of continuing smooth progress in efforts to expand the handling share of our mainstay CPA advertising business, in conjunction with progress made in improving fee rates. As stated in “Factors Behind YoY Change in Consolidated Revenue” on page 3, revenue increased for our mainstay CPA advertising business when excluding the effects of business reorganization.

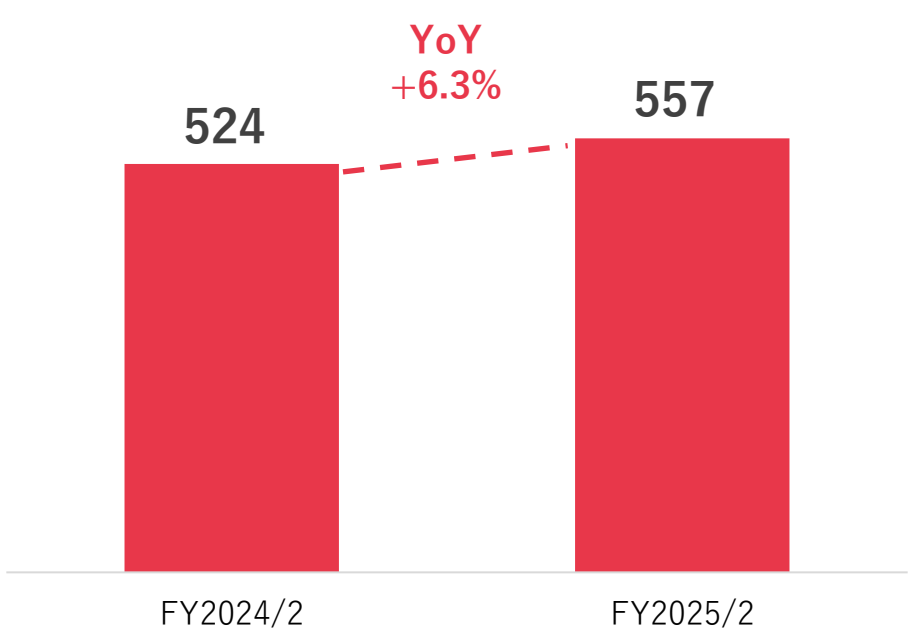
Revenue

JPY MM



Segment operating profit

JPY MM



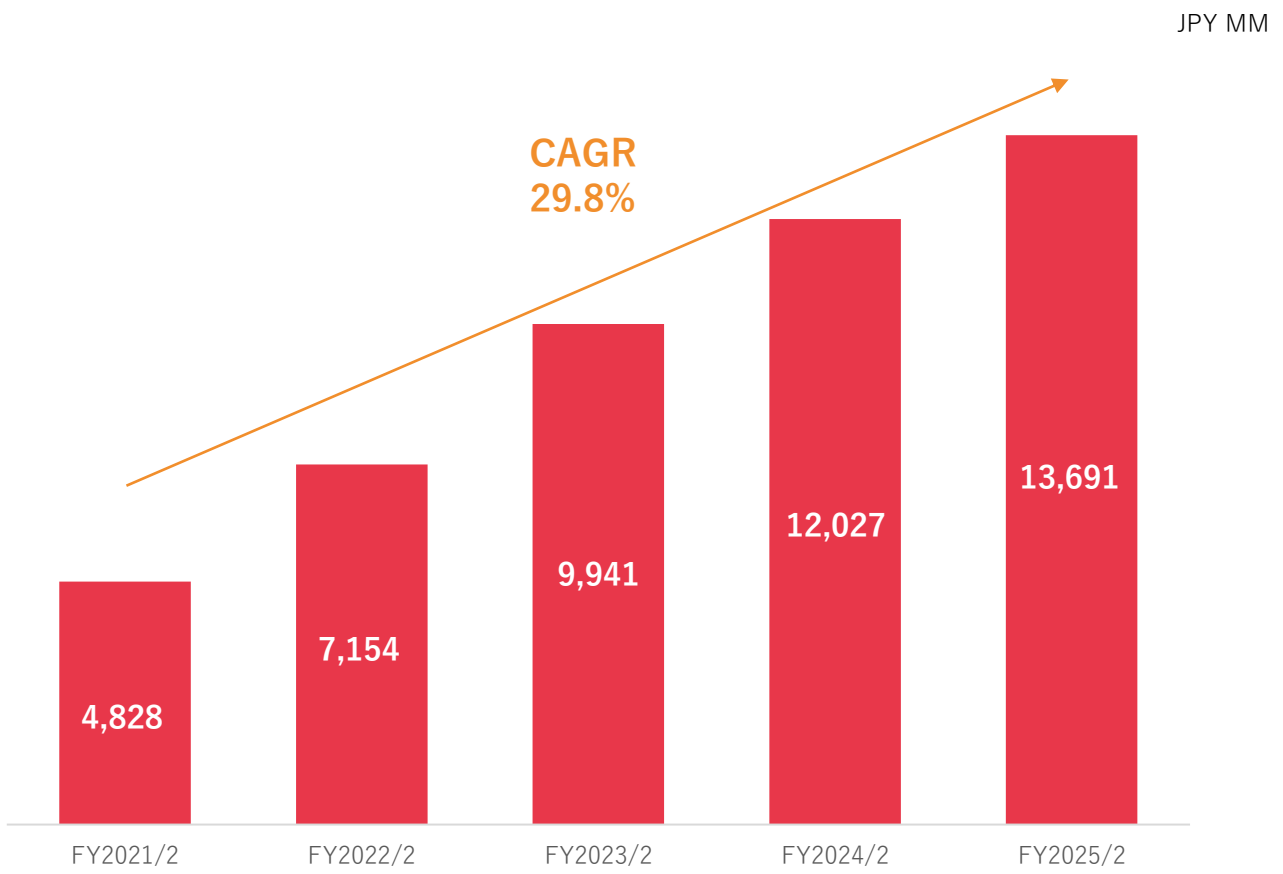
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Ad Automation Highlight ：Trends in PRESCO transaction volume

PRESCO

- PRESCO, which is a core product of the Ad Automation Segment, has achieved automation in the labor-intensive CPA advertising industry. This is the field where social implementation of the Company's core-strength RPA and its other cutting-edge technologies has been most powerful.
- It has achieved high growth in recent years by entering a cycle of replacing competitors, expanding market share and increasing transaction volumes. Transaction volumes steadily increased in FY2025/2 as well, and the momentum is currently favorable.
- In tandem with expanding transaction volumes, we will pursue further improvement in profitability through measures such as a review of set fee rates.

＜Trends in PRESCO transaction volume＞



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#4

FY2026/2 Earnings Forecasts

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FY2026/2 Earnings Forecast

Revenue and profit are forecast to increase, and revenue is forecast to increase by 17.7 % YoY due to business expanding in the businesses of Intelligent Automation and Ad Automation . We will continue to strengthen cost control while advancing investments in accordance with growth. Operating profit is forecast to increase by 46.9% YoY, ordinary profit is forecast to increase by 266.4% YoY and profit is forecast to increase by 18.5% YoY.

JPY MM

	FY2025/2	FY2026/2	YoY
Revenue	7,224	8,500	+17.7%
Operating profit	653	960	+46.9%
Ordinary profit	234	860	+266.4%
Profit attributable to owners of parent	435	516	+18.5%

【Dividend Forecasts】 We aim for total shareholder returns of 40% or higher of adjusted operating profit after income taxes.

JPY

Dividend per Share	5.50 (Ordinary dividend: 3.00) (Commemorative dividend: 2.50)	4.50	–

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Business Growth Strategy

BizRobo!

- In this climate of low introduction rates for small and medium-sized companies, solutions being sought to increase productivity with fewer personnel in line with the tight labor market, along with DX, we expect that market growth will continue.
- We are working to expand recurring revenue through the expansion of product lineup resulting from AUTORO Inc. joining the Group, as well as through additional licenses and upselling through expansion of applicable business fields. We will leverage assets built with BizRobo! at more than 3,000 customer companies and expand business through launch of new products and services.
- Our automation is not only performed on a task-by-task basis; we are evolving toward hyper automation, which is a new operation automation concept of leveraging smart technologies such as AI and ML to automate the overall business process made up of multiple operations.

RoboRobo

- The compliance check business attained profitability for the full FY2025/2. Focus is on expanding ARR by upselling, etc.
- The target market for the RoboRobo business is back-office operations, and the business opportunities are enormous. The payroll calculation outsourcing market, the payroll target market for which we are currently developing business, reached a scale of ¥329 billion in FY2022, and as a future potential market, it is projected to increase to upwards of ¥700 billion.
- We are promoting the establishment of back office digital BPO centers, starting with the initiative after Asuka Payroll Pro Inc. joined the Group.

PRESCO

- Achieving automation in the labor-intensive CPA advertising industry. This is the field where social implementation of the Company's core-strength RPA and its other cutting-edge technologies has been most powerful.
- The size of the CPA advertising market has surpassed ¥300 billion. It has achieved high growth in recent years by entering a cycle of taking market share from competing services, expanding market share and increasing transaction volumes.While we continue to expand our share in our main business area of human resources, we are entering into and expanding in other industries as well.
- While promoting the expansion of transaction volume,we will pursue further improvement in profitability through measures such as a review of commission rate.

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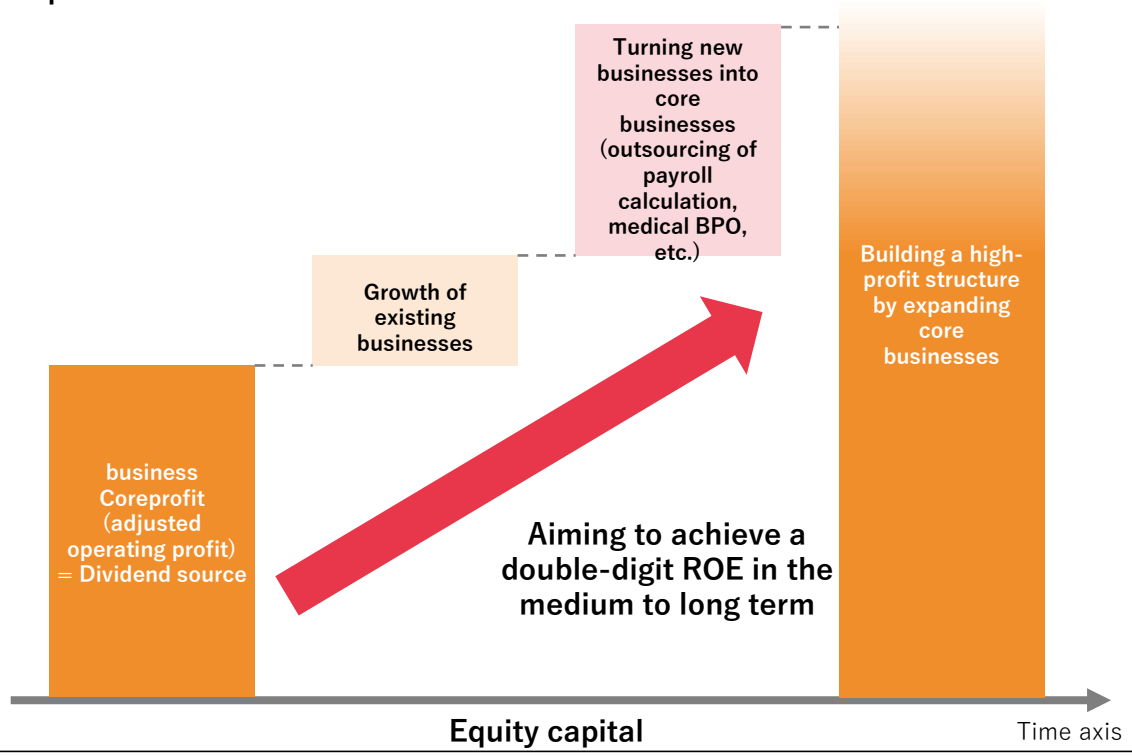
#5

Progress of capital policy initiatives

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Capital policy and capital allocation policy for growth

- In October 2024, we will formulate a new capital policy to achieve future growth and a fair valuation from the capital market. We aim to increase ROE based on core business profits* generated from our main businesses to double digits by promoting the following strategies:
  ① A strategy for maximizing core business profits by expanding core businesses centered on BizRobo!, RoboRobo! and PRESCO, while also incorporating new businesses that are on track to become profitable and acquired companies that have a stable profit structure into core businesses.
  ② On the other hand, there is limited need to increase equity capital given current financial soundness indicators. Our policy is to strengthen shareholder returns, centered on dividends, while taking into account the status of cash flow and new investment opportunities.
- In the fiscal year ending February 2025, we will begin concrete efforts to realize this capital policy. We believe that we have made significant progress in both ① and ②. In the fiscal year ending February 2026, we will further accelerate these efforts, aiming to achieve a double-digit ROE as soon as possible.



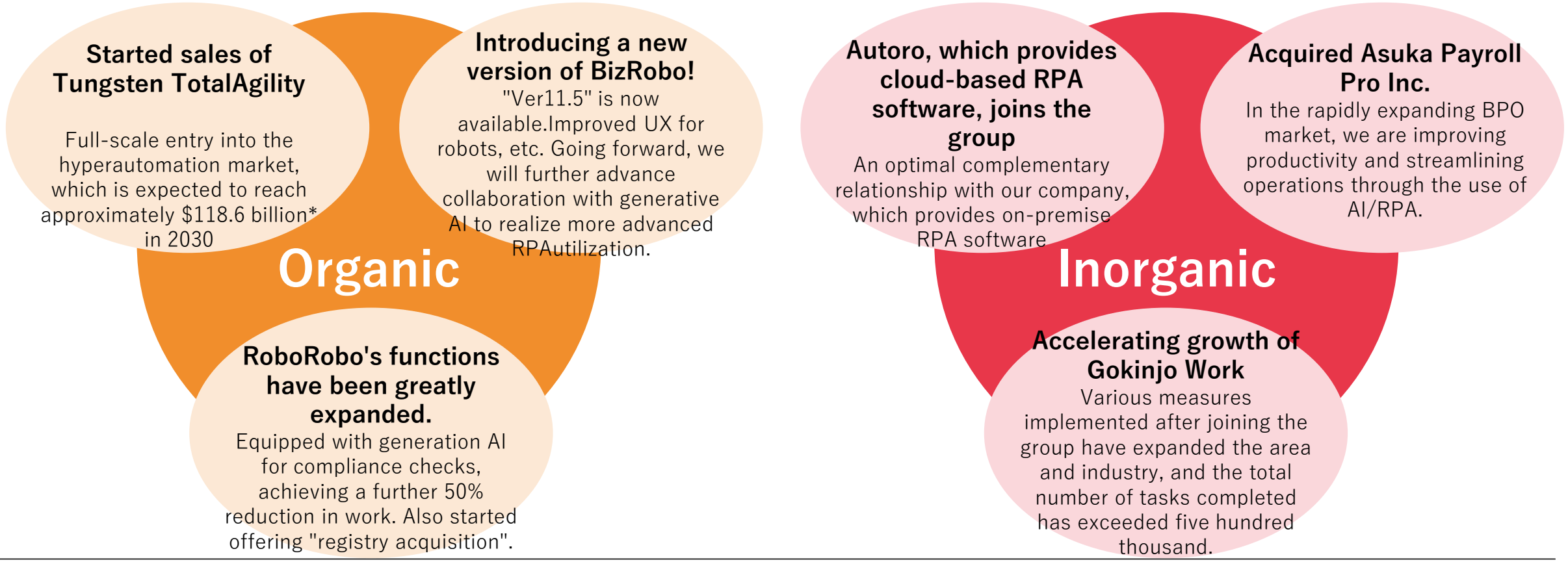
Resource	Allocation
Expected operating CF for next 3 years of ¥3 to ¥5 billion	M&A to strengthen existing businesses
	Investment in existing business
	Dividends
Net cash of about ¥8 billion	New business domain and large-scale M&A
	Safety funds ・Allocation for investments and share buybacks as necessary

※This profit is based on after-tax operating profit and has been adjusted to exclude profits and losses from new business development with high performance volatility (currently, Hospitality Partners Co., Ltd., established in March 2024, Gokinjo Work Co., Ltd., acquired in December 2023, Autoro Co., Ltd., acquired in June 2024, and Asuka Payroll Pro Co., Ltd., acquired in October 2024).

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①Initiatives to grow our core businesses

- **Launching Tungsten TotalAgility in the hyper-automation market, which is expected to expand rapidly in the future. Steady progress in existing products, such as expanding functionality, leading to increased profitability.**
- **In the fiscal year ending February 2025, we made several acquisitions. PMI will progress and move to the synergy expression phase. Going forward, we will continue to seek out and execute promising projects that will deepen and expand our social implementation capabilities of advanced technologies such as AI and RPA, which are the source of our competitiveness.**



※"Hyperautomation Market Size, Share & Trends Analysis Report" by Grand View Research, a US research company

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②Strengthening capital control and shareholder returns

Dividends

- The business portfolio will be reorganized by the fiscal year ending February 2024, and management will be confident in future business performance, so it has been decided to start paying dividends from the fiscal year ending February 2025.
- The dividend payout ratio will be set at 40% of core business profit, and while aiming to increase dividends by improving business performance, the company will aim to further strengthen shareholder returns by introducing a DOE (dividend on equity) ratio of approximately 3% by the fiscal year ending February 2028.
- In the fiscal year ending February 2025, the company will pay a dividend of 5.5 yen per share, which is 3 yen per share based on the above dividend payout ratio, plus a commemorative dividend of 2.5 yen for the 25th anniversary of the company's founding. In the fiscal year ending February 2026, the company expects to pay a dividend of 4.5 yen per share due to improved business performance.

Acquisition of treasury shares

- In order to achieve double-digit percentage ROE based on core business profit as soon as possible, in addition to dividends, we set a total of 2 billion yen for share buybacks in January 2025 and started market buybacks.
- By March 2025, we had made approximately 340 million yen in market buybacks (progress rate on a monetary basis: 17%).
- While keeping in mind the achievement of a 35% tradable share ratio, one of the criteria for maintaining listing, we intend to consider the appropriateness of share buybacks and the effective use of the acquired treasury shares after comprehensively taking into account business performance, market environment, etc.

While keeping in mind financial soundness and achieving the standards for maintaining our listing on the Tokyo Stock Exchange, we will continue to strengthen shareholder returns and control capital at an appropriate level.

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#6

Appendix

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Consolidated P/L（FY2025/2）

JPY MM

	FY2024/2	FY2025/2	YoY
Revenue	**6,165**	**7,224**	**＋17.2%**
Intelligent Automation Segment	4,214	4,771	＋13.2%
Ad Automation Segment	1,611	1,491	△7.4%
Other	339	961	＋182.9%
Operating profit	**520**	**653**	**25.7%**
OP Margin	8.4%	9.0%	-
Profit before income taxes	**276**	**244**	**△11.7%**
Net Income	**166**	**435**	**162.3%**
NI Margin	2.7%	6.0%	-

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Segment Financials (FY2025/2)

JPY MM

	Intelligent Automation Segment	Ad Automation Segment	Total	Other	Adjust-ment	Consoli-dated
Revenue	**4,788**	**1,514**	**6,302**	**967**	**△45**	**7,224**
Revenue from external customers	4,771	1,491	6,263	961	-	7,224
Adjustments	16	22	39	5	△45	-
Operating profit	**509**	**557**	**1,066**	**15**	**△428**	**653**
OP Margin	10.6%	36.8%	16.9%	-		9.0%

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Consolidated B/S

JPY MM

	FY2024/2	FY2025/2	Difference
Current assets	14,372	15,577	1,205
Cash & cash equivalents	11,516	10,510	△1,006
Non-current assets	4,870	4,389	△481
Total assets	19,243	19,967	723
Current liabilities	5,826	5,978	152
Non-current liabilities	1,749	2,005	256
Total liabilities	7,575	7,984	408
Total debt	3,966	4,278	311
Common stock	5,914	5,926	11
Capital surplus	6,022	6,071	49
Retained earnings	211	647	435
Treasury shares	△494	△678	△183
Total equity	11,667	11,982	314

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#7

Company Overview

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Company Overview

Company name	OPEN Group, Inc.
Foundation	April 2000
Common stock	JPY 5,926million yen （As of February 28, 2025）
Location	KDX Nishi-Shinbashi Building 3F 3-3-1 Nishi-Shinbashi, Minato-ku, Tokyo
Board of directors	Representative Director　Tomomichi Takahashi Director　Nobuyuki Osumi Director　Satoshi Matsui Director　Takashi Nishiki Director*　Yoshihiko Masuda Director*　Eiichi Nagai Director*　Hideaki Takahashi Director*　Miho Yokoyama
Business	Pure holding company
Group companies	OPEN, Inc. LEAGLE Inc. Hospitality Partners, inc. AUTORO Inc. Gokinjowork Inc. Asuka Payroll Pro Inc.

MISSION

Co-creating Human Evolution

* Audit and supervisory committee member

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Business

BizRobo!

Freeing All Workers from Routine Tasks

Increase your productivity by delegating tedious tasks to BizRobo! Create a better work environment by avoiding human errors in simple tasks, chronic worker shortages, and manual labor.

RoboRobo

Cloud-based back office efficiency tools

No more labor-intensive back-office operations— they can all be automated.
We combine the strengths of both humans and automation to improve the efficiency of your back office operations.

PRESCO

Robots x Online Advertising

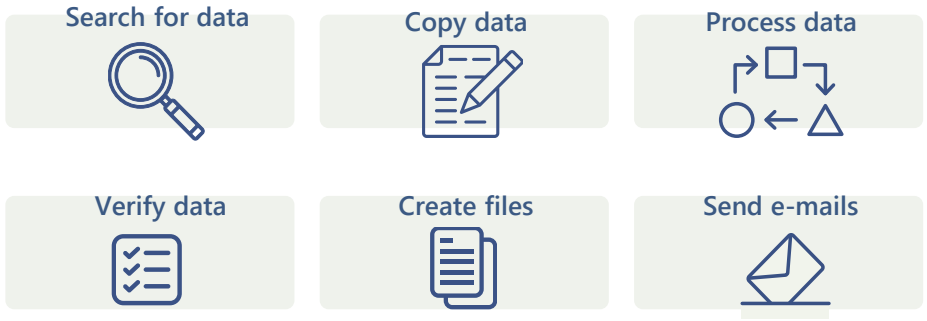
In a world inundated with information, PRESCO aims to help users make essential decisions.
We use robots and AI to organize and deliver relevant information so that users can make proactive decisions.

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Intelligent Automation：BizRobo!

BizRobo! automates day-to-day operations that utilize various systems based on the Company's proprietary RPA technologies, and increases corporate productivity. Usability that can also be used for non-IT applications, a robust support system and wide-ranging product lineup that responds to corporate needs are the sources of its competitiveness.

With RPA as its core technology, BizRobo! automates all of the following day-to-day operations:



Solve the following issues shared by all companies



Examples: Product information entry for sales websites, recording and printing of invoices, attendance input reminders, monthly consolidated account closing, etc.

Examples of sales partners*

SoftBank
HITACHI Inspire the Next 日立システムズ
VINX
FUJIFILM 富士フイルム ビジネス イノベーション株式会社
RICOH

Examples of companies that have introduced BizRobo! (more than 2,900 companies)

GMOクリック証券
日本生命
三菱重工
at home
Otsuka 大塚ホールディングス
江東区
ビックカメラ
広島市 The City of Hiroshima
PERSOL パーソル テクノロジースタッフ
東京歯科大学 市川総合病院

* Sales partners buy digital labor from the Company, and sell to client companies.

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Intelligent Automation：RoboRobo

RoboRobo is a cloud service that automates operations shared by all companies, such as legal/general administration, recruiting, human resources and labor affairs. Starting with legal/general administration, we are expanding into fields such as recruiting, human resources and labor affairs.

All work was previously done by hand for background checks...

(1) Execute inspection
Execute one by one... Repeat over and over...

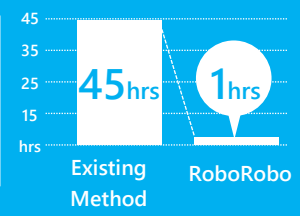
(2) Confirm news articles
Distinguish doubtful and useless news articles by means of a visual check...

(3) Save evidence
Save PDFs and copy URLs for each confirmation...

(4) Judge the propriety of business
Report via e-mail or chat whenever judgments are made...

RoboRobo
Automate all processes with RoboRobo

Background check of 100 clients
98 % (Max) time saving



Legal/ general Administra-tion	RoboRobo Compliance check	Service that automatically checks business partners' status of legal and social compliance
	RoboRobo Credit check	Service that makes it possible to automatically obtain business partners' credit data
Recruiting	RoboRobo Recruiting	All-in-one service that creates recruitment pages, batch posts to recruitment media, and manages applicants
	RoboRobo Background check	Service that automatically checks the previous work history and status of legal compliance of candidates for recruitment
HR and labor affairs	RoboRobo Payroll	Hybrid service that combines outsourcing of payroll calculation with the issuance of detailed statements and master management of personnel
	RoboRobo Attendance	Service that makes it possible to simply manage time recording for arriving at work, leaving work and breaks only

Examples of companies that have introduced RoboRobo (more than 6,000 companies*)

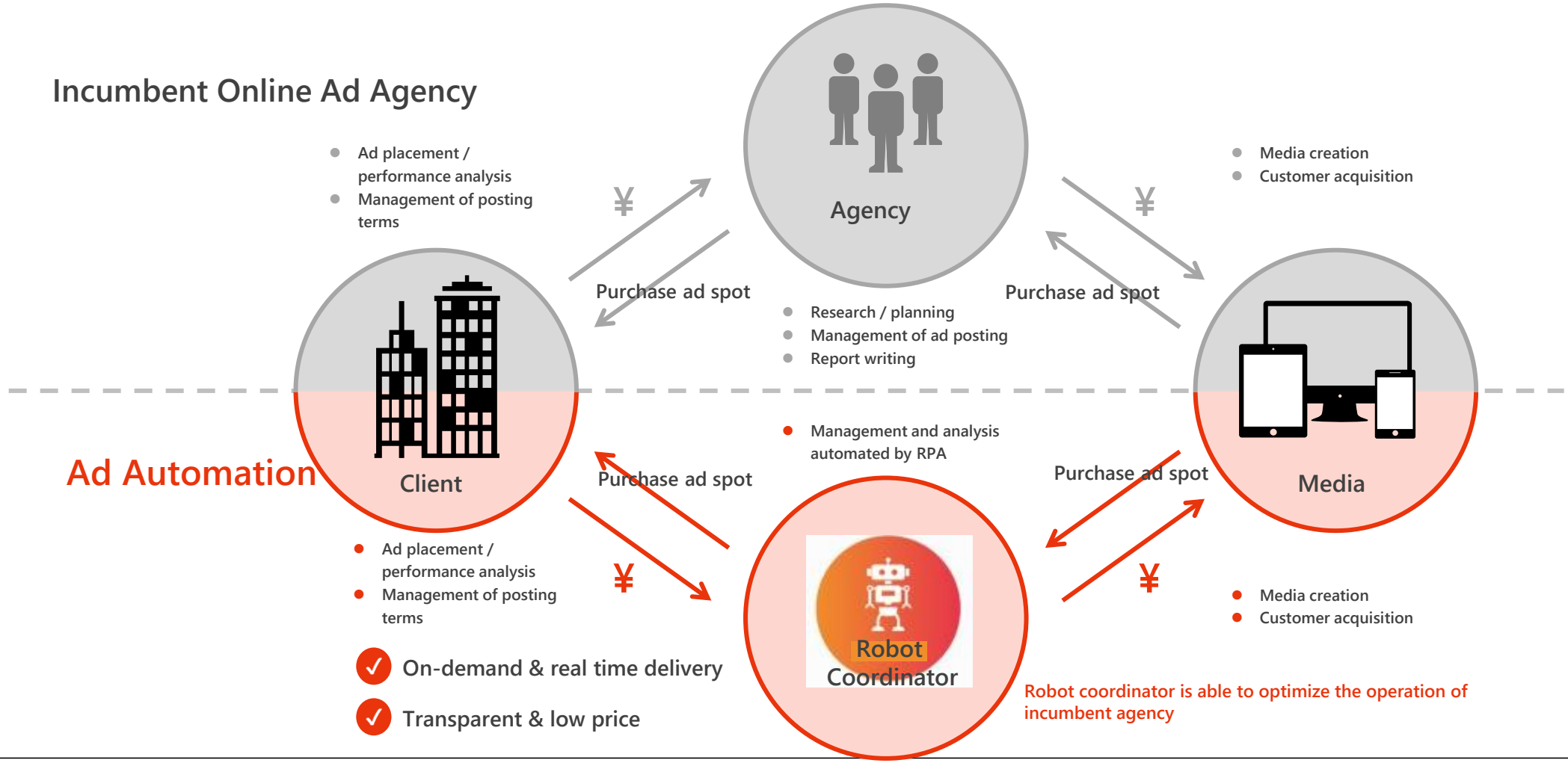
三菱地所リアルエステートサービス
三菱地所ハウスネット
FUJITSU 富士通コミュニケーションサービス株式会社
IBJ
STARBUCKS
TAITO
RECEPTIONIST

* The number of companies that introduced RoboRobo Compliance Check (including free-trial users and paying spot-use users)

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Ad Automation：PRESCO

The RPA-enabled robot coordinator functions in place of the agency to achieve the Automation. It provides completely new customer experiences.



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The factors which may affect actual results include but not limited to: Japanese and global economic conditions, conditions of markets in which OPEN Group operates.

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