



Aug 22, 2025

To whom it may concern,

Located 1-8-10 Harumi, Chuo-ku, Tokyo
Company name: Members Co., Ltd.
Representative: Akihiko Takano,
Representative Director and President
(TSE Prime Market Code No.2130)
Contact: Shinya Yonezawa,
Executive Officer and General Manager
of Business Platform Department
TEL. +81-3-5144-0660

Notice Concerning Issuance of Stock Acquisition Rights (Stock Options Linked to Business Performance)

Members Co., Ltd. (the "Company") hereby announces that at a meeting of its Board of Directors held today, it resolved to issue stock options (hereinafter, the "Stock Options") to the Company's directors (excluding outside directors), executive officers, and employees, in accordance with the provisions of Articles 236, 238, and 240 of the Companies Act, as described below. These Stock Options will be issued for a fair price to the subscribers and are not considered to be on particularly favorable terms, thus their issuance will be implemented without obtaining approval from a general meeting of shareholders. Furthermore, these Stock Options are not intended as compensation for the eligible recipients but rather are to be subscribed based on the individual investment decisions of each eligible recipient.

Furthermore, as the total number of the Company's common shares that would be issued upon the full exercise of these stock acquisition rights is equivalent to 4.75% of the total voting rights pertaining to the shares outstanding as of the end of March 2025, the Company will allocate its treasury shares to mitigate the dilutive effect on its stock. However, if there are insufficient treasury shares to be allocated for stock acquisition rights, the Company may adopt the method of acquiring treasury shares or issuing new shares, depending on the circumstances.

The exercise of these stock options is conditioned on the achievement of pre-determined profit targets, and we recognize that the achievement of such targets will contribute to the enhancement of our corporate and shareholder value and will also contribute to the interests of existing shareholders. Upon exercise of the stock acquisition rights, the Company plans to take action based on the use of treasury stock held by the Company, and therefore, the Company believes that the impact on share dilution will be within a reasonable range.

I. Purpose and Reason for Offering Stock Options

The Company will issue Stock Options to its directors (excluding outside directors), executive officers and employees for a fee in order to further increase their motivation and morale and to further enhance their commitment to the expansion of the Company's business performance and promote the All-Hands Management as the Company aims to further increase its corporate value over the medium to long term.

These Stock Options include a performance-based exercise condition where 100% of the options can be exercised if the Company's operating income, as stated in the audited profit and loss statements (consolidated profit and loss statements, if consolidated financial statements are prepared) in the Company's Annual Securities Reports for any of the fiscal years ending March 2026, March 2027, March 2028, or March 2029, reaches 3,000 million yen. The reason for using operating income as an indicator is that the Company positions this indicator as one of its important management indicators. We have set the operating income at 3,000 million yen in the business performance target level because we believe this is a level that can be achieved by establishing highly profitable and high-growth businesses by rebuilding our business foundation based on our "Strategy for Medium-Term Growth."

In the fiscal year ended March 31, 2025, profitability recovered significantly more than initially planned due

to a shift from the web operation domain to a unique DX on-site support position that accompanies and supports the in-house production of DX projects including AI and thorough profit-oriented management through cost controls such as hiring restraints. We believe that this has paved the way for further recovery of profitability in the fiscal year ending March 31, 2026, and beyond. Based on the “Strategy for Medium-Term Growth,” we will focus on three key strategies for further raising the growth rate in the fiscal year ending March 31, 2026: human resource development, service/sales, and investment for the future, accelerate the shift to a DX field support position and establish field-centered, All-Hands Management. By steadily implementing these policies and initiatives, we expect to return to an operating margin of approximately 5% in the fiscal year ending March 31, 2026 (2.2% in the fiscal year ended March 31, 2025). Furthermore, with the goal of further increasing the value-added sales growth rate and achieving an operating profit margin of 10% in the fiscal year ending March 2027, and aiming to achieve a highly profitable and high-growth structure over the medium to long term, the operating income target in the performance target level has been set at 3,000 million yen.

The performance target level of 3,000 million yen in operating income is high compared to the operating income for the fiscal year ended March 31, 2025 (493 million yen) and the Company's operating income prior to that period, and requires further improvement in the business motivation and morale of the subscribers.

Even if the target level is not met in the fiscal year ended March 2026, the Stock Options are designed to function as an incentive plan for continuous corporate value creation without being invalidated, by setting the same target level for the fiscal years ending March 2027, March 2028, and March 2029.

Furthermore, as the total number of the Company's common shares that would be issued upon the full exercise of these stock acquisition rights is equivalent to 4.75% of the total voting rights pertaining to the shares outstanding as of the end of March 2025, the Company will allocate its treasury shares to mitigate the dilutive effect on its stock. However, if there are insufficient treasury shares to be allocated for Stock Options, the Company may adopt the method of acquiring treasury shares or issuing new shares, depending on the circumstances. Nevertheless, Stock Options are subject to the exercise condition of meeting pre-determined profit targets, and we recognize that the achievement of such targets will contribute to the enhancement of our corporate value, or shareholder value, and will also contribute to the interests of our existing shareholders. Furthermore, since the Company plans to respond to the exercise of Stock Options on the basis of using treasury stock held by the Company, the Company believes that the impact on share dilution will be within a reasonable range.

II. Outline of Stock Option Offering

1. Number of Stock Options

60,550 units

The above number of Stock Options represents the maximum number to be issued and may decrease depending on the number of applications received.

2. Cash Payment for Stock Options

The issue price per Stock Option shall be 20yen (2yen per share).

The Company requested Plutus Consulting Co., Ltd., a third-party valuation institution, to calculate the price of these Stock Options, considering the various conditions stipulated in the outline of Stock Option Offering. The valuation institution calculated the result using the Monte Carlo simulation, a generally used option pricing model, based on the closing price of the Company's shares on the Tokyo Stock Exchange on the business day prior to the Board of Directors' resolution regarding the issuance of these Stock Options (1,281yen), stock price volatility (49.97%), dividend yield (2.5%), risk-free interest rate (1.137%), and the conditions stipulated in the outline of Stock Option Offering (exercise price: 1,281yen, term to maturity: 4.75years). The Company considered this result and decided that the issue price would be the same as the calculated value.

In determining the issue price of these Stock Options, the Company considered that the valuation institution had taken into account events that could affect the calculation and had used generally accepted

valuation methods. Furthermore, after reviewing the valuation institution's results, the Company also determined that the cash payment for the Stock Options and the calculated value of the Stock Options were the same, and therefore, it was judged that the amount was not particularly favorable.

3. Details of Stock Options

(1) Type and Number of Shares Subject to Stock Options

Common stock: 605,500 shares

The number of shares subject to each Stock Option (hereinafter, "Allotted Shares") shall be 10 shares of the Company's common stock.

If the Company conducts a stock split (including a gratuitous allotment of the Company's common stock without consideration; hereinafter the same applies) or a stock consolidation after the allotment date of these Stock Options, the number of Allotted Shares shall be adjusted according to the following formula. However, such adjustment shall only be made for the number of shares subject to Stock Options that have not been exercised at that time, and any fractional shares less than one share resulting from the adjustment shall be rounded down.

$$\text{Adjusted Allotted Shares} = \text{Allotted Shares Before Adjustment} \times \text{Split (or Consolidation) Ratio}$$

In addition, if the Company conducts a merger, company split, or reduction in capital, or in other similar cases where an adjustment to the number of Allotted Shares is necessary, the Company may appropriately adjust the number of Allotted Shares within a reasonable range.

(2) Value or Method of Calculation of Assets to Be Contributed Upon Exercise of Stock Options

The value of assets to be contributed upon the exercise of these Stock Options shall be the amount obtained by multiplying the payment amount per share (hereinafter, "Exercise Price") to be delivered upon the exercise of these Stock Options by the number of Allotted Shares.

The Exercise Price shall be 1,281yen, which is the closing price of the Company's shares on the Tokyo Stock Exchange on the business day prior to the Board of Directors' resolution regarding the issuance of these Stock Options.

If the Company conducts a stock split or stock consolidation after the allotment date of these Stock Options, the Exercise Price shall be adjusted according to the following formula, and any fractional yen less than one yen resulting from the adjustment shall be rounded up.

$$\text{Adjusted Exercise Price} = \text{Exercise Price Before Adjustment} \times \frac{1}{\text{Split (or Consolidation) Ratio}}$$

In addition, if the Company issues new shares or disposes of treasury shares of the Company's common stock at a price below their market value after the allotment date of these Stock Options (excluding issuance of new shares and disposition of treasury shares based on the exercise of stock options, and transfer of treasury shares through stock exchange), the Exercise Price shall be adjusted according to the following formula, and any fractional yen less than one yen resulting from the adjustment shall be rounded up.

$$\text{Adjusted Exercise Price} = \frac{\text{Exercise Price Before Adjustment} \times \frac{\text{Number of Issued Shares} + \frac{\text{Number of Newly Issued Shares} \times \text{Payment Amount Per Share}}{\text{Market Price Per Share Before New Issue}}}{\text{Number of Issued Shares} + \text{Number of Newly Issued Shares}}$$

In the above formula, “*Number of Issued Shares*” refers to the total number of issued shares of the Company's common stock minus the number of treasury shares of the Company's common stock. If the Company disposes of treasury shares of its common stock, “*Number of Newly Issued Shares*” shall be read as “*Number of Treasury Shares Disposed*.”

Furthermore, in addition to the above, if the Company merges with another company, conducts a company split, or in other similar cases where an adjustment to the Exercise Price is necessary after the allotment date of these Stock Options, the Company may appropriately adjust the Exercise Price within a reasonable range.

(3) Period During Which Stock Options May Be Exercised

The period during which these Stock Options may be exercised (hereinafter, the “Exercise Period”) shall be from July 1, 2026, to June 30, 2030 (provided that if June 30, 2030, is not a bank business day, then the preceding bank business day).

(4) Matters Regarding Increase in Stated Capital and Capital Reserve

(i) The amount of the increase in stated capital upon the issuance of shares by the exercise of these Stock Options shall be one-half of the maximum amount of increase in stated capital, etc., calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulations. If a fractional amount less than 1-yen results from the calculation, such fractional amount shall be rounded up.

(ii) The amount of the increase in capital reserve upon the issuance of shares by the exercise of these Stock Options shall be the amount obtained by subtracting the amount of the increase in stated capital specified in (i) above from the maximum amount of increase in stated capital, etc., specified in (i) above.

(5) Restriction on Acquisition of Stock Options by Transfer

The acquisition of these Stock Options by transfer shall require the approval of the Company's Board of Directors.

(6) Conditions for Exercise of Stock Options

(i) Stock option holders may exercise a prescribed percentage of the number of Stock Options allotted to each stock option holder, up to the maximum number of Stock Options allotted, if the operating income in the audited profit and loss statements (consolidated profit and loss statements, if consolidated financial statements are prepared) stated in the Company's Annual Securities Reports for the fiscal years ending March 2026, March 2027, March 2028, or March 2029 is 3,000 million yen or more in any of those fiscal years. This exercise can be made from the first day of the month following the submission date of the Annual Securities Report for the fiscal year in which the target was achieved, until the end of the exercise period. However, if there is a significant change in the concept of financial figures to be referred to due to changes in applicable accounting standards, etc., the Company shall determine appropriate financial figures to be referred to by the Board of Directors within a reasonable range. If the number of exercisable Stock Options includes a fractional amount less than one unit, it shall be rounded down.

(ii) The exercise of these Stock Options by the heir of a stock option holder is not permitted.

(iii) If the exercise of these Stock Options would cause the total number of issued shares of the Company to exceed the authorized shares at that time, such exercise of these Stock Options cannot be performed.

(iv) No fractional Stock Option (less than one unit may be exercised.

4. Allotment Date of Stock Options

September 30, 2025

5. Matters Regarding Acquisition of Stock Options

(1) If a merger agreement in which the Company will be the disappearing company, a company split agreement or plan for a company split in which the Company will be the splitting company, or a share exchange agreement or share transfer plan in which the Company will become a wholly-owned subsidiary is approved by a general meeting of shareholders (or by a resolution of the Board of Directors if approval of a general meeting of shareholders is not required), the Company may acquire all of these Stock Options without compensation upon the arrival of a date separately determined by the Company's Board of Directors.

(2) If a stock option holder becomes unable to exercise these Stock Options in accordance with the provisions of 3.(6) above before exercising their rights, the Company may acquire the Stock Options without compensation.

6. Treatment of Stock Options in the Event of Organizational Restructuring

In the event that the Company conducts a merger (limited to cases where the Company is dissolved by merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as “Organizational Restructuring”), the Company shall deliver stock options of the company subject to restructuring (hereinafter, “Restructuring Target Company”) to the stock option holders on the effective date of the Organizational Restructuring, in each case, based on the following conditions, in accordance with Article 236, Paragraph 1, Item 8, Sub-items (a) to (e) of the Companies Act. However, this shall be limited to cases where it is stipulated in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement, or share transfer plan that stock options of the Restructuring Target Company will be delivered in accordance with the following conditions.

(1) Number of Stock Options of the Restructuring Target Company to Be Delivered

The same number of stock options as held by the stock option holder shall be delivered.

(2) Type of Shares of the Restructuring Target Company Subject to Stock Options

Common stock of the Restructuring Target Company.

(3) Number of Shares of the Restructuring Target Company Subject to Stock Options

To be determined based on 3.(1) above, taking into account the conditions of the Organizational Restructuring.

(4) Value of Assets to Be Contributed Upon Exercise of Stock Options

The value of assets to be contributed upon the exercise of each delivered stock option shall be the amount obtained by multiplying the exercise price after restructuring, obtained by adjusting the exercise price stipulated in 3.(2) above, by the number of shares of the Restructuring Target Company subject to such stock option, determined in accordance with 6.(3) above, taking into account the conditions of the Organizational Restructuring.

(5) Period During Which Stock Options May Be Exercised

From the later of the first day of the exercise period stipulated in 3.(3) above and the effective date of the Organizational Restructuring, until the end of the exercise period stipulated in 3.(3) above.

(6) Matters Regarding Increase in Stated Capital and Capital Reserve Upon Issuance of Shares by Exercise of Stock Options

To be determined based on 3.(4) above.

(7) Restriction on Acquisition of Stock Options by Transfer

The acquisition of stock options by transfer shall require the approval of the Board of Directors of the Restructuring Target Company.

(8) Other Conditions for Exercise of Stock Options

To be determined based on 3.(6) above.

(9) Events and Conditions for Acquisition of Stock Options

To be determined based on 5 above.

(10) Other conditions shall be determined in accordance with the conditions of the Restructuring Target Company.

7. Matters Regarding Stock Option Certificates for Stock Options

The Company shall not issue stock option certificates for these Stock Options.

8. Application Deadline

September 16, 2025

9. Rounding Down of Fractional Shares Arising from Exercise of Stock Options

If the number of shares to be delivered to a stock option holder includes a fraction less than one share, such fraction shall be rounded down.

10. Recipients and Number of Allotted Stock Options

2 Directors, 26 Executive officers, and Employees: 2,894.

Total: 2,922 individuals, 60,550 units (605,500 shares)