



Financial Results for FY2024

Members Co., Ltd. (TSE 2130)

May 10, 2024

Company Profile

Company name	Members Co., Ltd.	
Locations	<ul style="list-style-type: none"> •Headquarters (Tokyo) •Sapporo Office •Web Garden Sendai •Kanda Office •Gotanda Office •Musashikosugi Office 	<ul style="list-style-type: none"> •Nagoya Office •Sabae Office •Osaka Office •Web Garden Kobe •Web Garden Kitakyushu •Fukuoka Office
Date of establishment	June 26, 1995	
Consolidated capital	1,057 million yen (as of March 31, 2024)〔IFRS〕	
No. of employees (consolidated)	2,806 (as of March 31, 2024)	
Consolidated sales revenue	20,467 million yen (fiscal year ended March 31, 2024)〔IFRS〕	
Securities code	2130; Prime Section of Tokyo Stock Exchange	
Business content	Digital Talent Accompaniment DX Field Support Program	

Mission

Create a spiritually rich society through
“MEMBERSHIP”

VISION2030

With the power of creators across Japan, we will contribute to solving social issues centered on climate change and population decline, and lead the transformation to a sustainable society.



Joined Japan Climate Leaders' Partnership in October, 2020.



Selected as “Nadeshiko Brand” in 2023 as the enterprise for the outstanding efforts in encouraging women’s success by METI and TSE



Continuation of 100% renewable energy from 2020 onwards



Income Statement Summary

- Although sales revenue achieved the revised full-year plan, the added-value sales rate declined due to many large-scale construction projects. Although the specialized company grew significantly by +43.5% compared to the previous year, it was not able to compensate for the slowdown in the growth rate of our mainstay web operations division; therefore, consolidated added-value sales did not fully grow and remained at +13.8%.
- Due to the number of DCs increasing 23.4% from the previous year as the large upfront investment in human capital, the operating rate decreased, and the gross profit margin decreased by 8.4 points from the previous year. In addition to this recruitment investment, we continued to expand investment in service development such as generation AI, and marketing, then SGA expenses resulted +13.4%.
- Although operating income returned to the black for the full year, the revised full-year plan was not achieved. Net income was almost in line with plan due to financial income and tax incentives to encourage wage increases.

	Full year result			Full year forecast in FY3/2024 (revised in October 2023)	
(Unit: million yen)	FY3/2023	FY3/2024	y/y	Revised Forecast	Variance
Sales revenue	17,662	20,467	+15.9%	20,000	+467
Added- value sales	16,886	19,208	+13.8%	—	—
Gross profit	5,201	4,292	(17.5%)	—	—
(Gross profit margin)	29.4%	21.0%	—	—	—
SGA	3,758	4,263	+13.4%	—	—
(SGA ratio)	21.3%	20.8%	—	—	—
Operating profit	1,441	46	(96.7%)	200	(153)
(Operating profit margin)	8.2%	0.2%	—	1.0%	—
Pretax profit	1,399	136	(90.2%)	190	(53)
Net profit	1,009※	126	(87.5%)	130	(3)

* Due to the application of IAS No. 12 "Corporate Income Tax" (revised in May 2021), net income for the fiscal year ended March 2023 is the figure after retrospective application.

Balance Sheet Summary

(Unit: thousand yen)	Previous consolidated accounting year (Mar. 31, 2023)	Current consolidated accounting year (Mar. 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	4,479,967	3,776,990
Trade receivables and other receivables	3,387,822	3,847,649
Inventory assets	68,547	38,897
Other financial assets	—	2,496
Other current assets	234,311	299,828
Total current assets	8,170,648	7,965,861
Non-current assets		
Tangible fixed assets	349,032	325,710
Rights to use as assets	918,446	950,275
Goodwill	116,115	116,115
Intangible assets	9,897	7,681
Other financial assets	1,340,550	1,739,644
Deferred tax assets	401,188	419,105
Other non-current assets	—	2,692
Total non-current assets	3,135,231	3,561,225
Total assets	11,305,879	11,527,087

Balance Sheet Summary

	Previous consolidated accounting year (Mar. 31, 2023)	Current consolidated accounting year (Mar. 31, 2024)
(Unit: thousand yen)		
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Lease liabilities	360,860	439,620
Trade payables and other payables	1,201,535	1,119,772
Income taxes payable	204,338	96,825
Contract liabilities	66,737	4,816
Other current liabilities	2,551,526	3,427,062
Total current liabilities	4,384,998	5,088,097
Non-current liabilities		
Lease liabilities	301,917	276,211
Allowance	252,658	228,069
Total non-current liabilities	554,576	504,280
Total liabilities	4,939,574	5,592,377
Shareholders' equity		
Capital stock	1,017,504	1,057,867
Capital surplus	342,670	393,069
Treasury shares	(300,140)	(698,155)
Other components of equity	30,845	160,985
Retained earnings	5,275,424	5,020,941
Total equity attributable to owners of the parent	6,366,305	5,934,709
Total shareholders' equity	6,366,305	5,934,709
Total liabilities and equity	11,305,879	11,527,087

Consolidated earnings forecast for the fiscal year ending March 2025

- Since more than 400 new graduate joined us in April 2024, FY2025 will also be affected by this upfront investment. Therefore, our plan for the cumulative 2Q will be at the same level of deficit as the previous year, but for the full year, we plan to gain a slight increase in profit.
- We will steadily achieve our plan to increase profit by defining this term as a period of transition from the upfront investment phase to the monetization phase. We will solidify our foothold to recover profitability from the next term onward (Operating profit margin target: 5% for FY2026, 10% for FY2027).

(Unit: million yen)	Results for FY 2024 (IFRS)				Forecast for FY2025 (IFRS)			
	1 st half year	y/y increase/ decrease rate	Full year	y/y increase/ decrease rate	1 st half year	y/y increase/ decrease rate	Full year	y/y increase/ decrease rate
Sales revenue	9,616	17.1%	20,467	15.9%	10,950	13.9%	23,230	13.5%
Added- value sales	9,033	15.2%	19,208	13.8%	10,380	14.9%	22,140	15.3%
Operating profit	(551)	-	46	(96.7%)	(550)	-	200	326.0%
Operating profit margin	(5.7%)	-	0.2%	-	(5.0%)	-	0.9%	-

Cautionary Statement

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

For IR inquiries

Members Co., Ltd.

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