



Members Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2024

May 13, 2024

Presentation

Moderator:

Greetings to all participants, thank you very much for taking time out of your busy schedule to join us today. The time has come so we will begin the presentation of the full-year financial results for the fiscal year ended March 31, 2024 and mid-term strategy of Members Co., Ltd.

To start with, I would like to make one point. Today's briefing will be recorded. The video and transcript will be available later on the IR page of our corporate website. Thank you for your understanding.

Let me introduce the attendee from our company. This is Takano, Representative Director and President.

At today's meeting, Takano will provide an overview of the financial results for the fiscal year ended March 31, 2024, with the financial result presentation material, as well as future outlook and medium-term management policies. This will be followed by a Question & Answer session.

Please enter and submit your questions at any time in the Q&A function of Zoom. You may also speak up. We will talk about it later.

Now, Takano-san, please begin.

Takano : I am Takano, the representative of Members. Thank you very much for taking time out of your busy schedule today to participate in the presentation of the full-year financial results for the fiscal year ended March 31, 2024 and mid-term strategy of Members Co., Ltd. Today, after explaining our full-year financial results for the fiscal year ended March 31, 2024, I would like to review our VISION 2030 initiatives to date and explain our medium-term strategy for the future based on this review.

会社概要

社名	株式会社メンバーズ (英名称: Members Co., Ltd.)
所在地	東京本社 〒104-6037 東京都中央区晴海1丁目8番10号 晴海アイランド トリトンスクエアオフィスタワーX 37階 (受付35階) <ul style="list-style-type: none"> ・東京本社 ・札幌オフィス ・ウェブガーデン仙台 ・神田オフィス ・五反田オフィス ・武蔵小杉オフィス ・名古屋オフィス ・鯖江オフィス ・大阪オフィス ・ウェブガーデン神戸 ・ウェブガーデン北九州 ・福岡オフィス
設立	1995年6月26日
資本金 (連結)	1,057百万円 (2024年3月末時点) [(IFRS)]
社員数 (連結)	2,806名 (2024年3月末時点)
売上収益 (連結)	20,467百万円 (2024年3月期実績) [(IFRS)]
証券コード	2130 東京証券取引所 プライム市場
業務内容	デジタル人材の伴走によるDX現場支援事業

ミッション

“MEMBERSHIP”で、心豊かな社会を創る

VISION2030

日本中のクリエイターの中で、
気候変動・人口減少を中心とした社会課題解決へ
貢献し、持続可能社会への変革をリードする



日本気候リーダーズ・パートナーシップ (JCLP) 加盟



2020年度以降
再エネ100%を継続



「なでしこ銘柄」令和4年度に選定

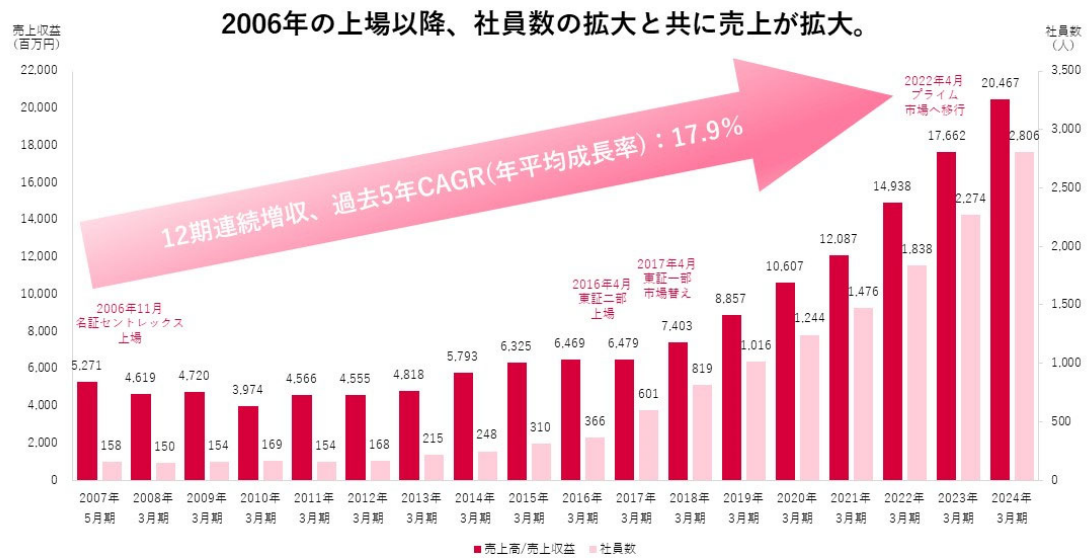


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First of all, before I start explaining the financial results, I would like to mention that we Members put a great importance on our mission and vision management. We are currently working on VISION 2030, which aims to "contribute to solving social issues focusing on climate change and population decline with the power of creators throughout Japan and lead the transformation to a sustainable society".

売上高/売上収益および社員数の推移



2008年3月期は決算期変更により、2007年6月1日から2008年3月31日までの10か月間のみ。
2018年3月期よりIFRSに基づいて連結財務諸表を作成。2016年3月期までの数値は日本基準、2017年3月期は遡及しそれ以後の数値はIFRS基準。

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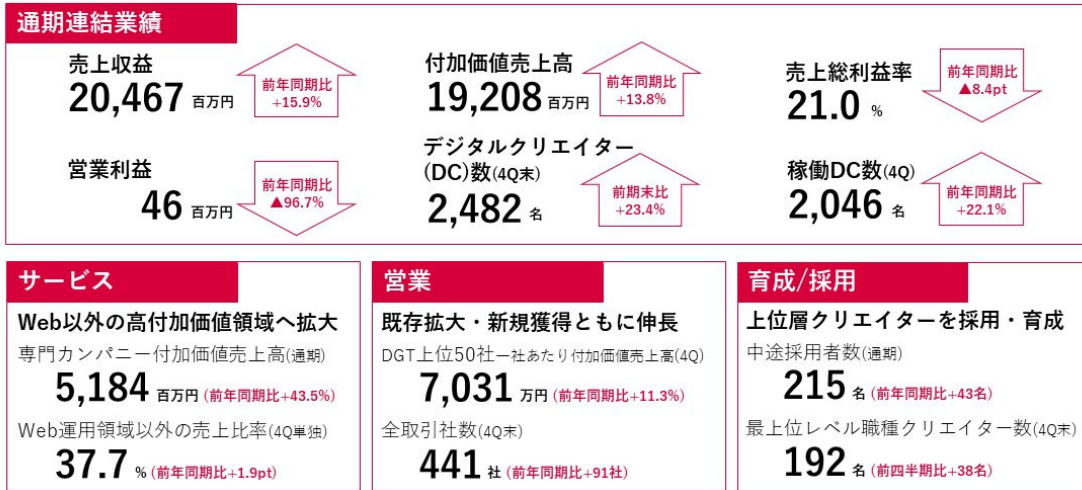
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It has been four years since we started VISION 2030. We believe that we have been able to continue to realize significant growth by attracting many employees who share our mission and vision. Over the past four years, the scale of our business has doubled compared to the fiscal year ended March 31, 2020, before the start of VISION2030.

I will now explain our full-year results for the fiscal year ended March 31, 2024.

2024年3月期 通期 業績ハイライト

売上収益/付加価値売上高(※)は過去最高額を更新。一定の成長率は保持しているものの、採用先行投資を上回る成長には至らず、収益性は大幅に悪化。専門カンパニーは付加価値売上高が前年同期比+43.5%と高成長を維持。



※付加価値売上高=売上収益-外注・仕入=社内リソースによる売上

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First of all, sales revenue and added-value sales are at an all-time high. We believe that we have been able to maintain a high level of growth, with sales up 15.9% YoY and added-value sales up 13.8% YoY. However, as I have been explaining for some time, the number of digital creators has increased by 23.4%. We are continuing to make very large upfront investments in recruitment in order to achieve our VISION 2030 targets. Due to this, our profitability became worse significantly.

Operating profit has turned from a loss in the third quarter to a profit at the end of this year, but it has declined significantly.

2024年3月期 通期 連結P/L

- 売上収益は修正後の通期計画を達成も、大型構築案件が多く付加価値売上高率低下。専門カンパニーは前期比+43.5%と大きく伸長したものの、主力のWeb運用部門の成長率の鈍化を補うに至らず、連結の付加価値売上高は+13.8%と伸ばし切れず。
- DC数前期比+23.4%と人的資本への大きな先行投資により稼働率が低下し、売上総利益率は前期比▲8.4pt。採用投資に加え、生成AI等のサービス開発、マーケティングへの投資も引き続き拡大させ販管費は+13.4%。
- 営業利益は通期で黒字転換したものの修正後通期計画は未達。金融収益や賃上げ促進税制などにより当期利益はほぼ計画通りの水準。

(単位:百万円)	通期実績			2024年3月期通期 (2023年10月修正)	
	2023年3月期	2024年3月期	前年同期比	計画	計画差
売上収益	17,662	20,467	+15.9%	20,000	+467
付加価値売上高	16,886	19,208	+13.8%	—	—
売上総利益	5,201	4,292	▲17.5%	—	—
売上総利益率 (%)	29.4%	21.0%	—	—	—
販管費	3,758	4,263	+13.4%	—	—
販管費率 (%)	21.3%	20.8%	—	—	—
営業利益	1,441	46	▲96.7%	200	▲153
営業利益率 (%)	8.2%	0.2%	—	1.0%	—
税引前利益	1,399	136	▲90.2%	190	▲53
当期利益	1,009※	126	▲87.5%	130	▲3

※ IAS第12号「法人所得税」(2021年5月改訂)の適用に伴い、2023年3月期の当期利益は遡及適用後の数値を記載。

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I would like to explain the full-year results in more detail. At the beginning of the H2 of the fiscal year, we revised our forecast downward and announced a plan of JPY20 billion in sales revenue and JPY200 million in operating profit. Although the sales revenue has met the plan, the added-value sales ratio has declined due to the large number of large-scale construction projects.

In addition, the specialized companies, which had been actively investing in, achieved a significant growth of 43.5% over the previous year, but this was not enough to make up for the slowdown in the growth of the mainstay the website operation division. Therefore, the consolidated added-value sales did not reach the target of 15% but landed at 13.8%.

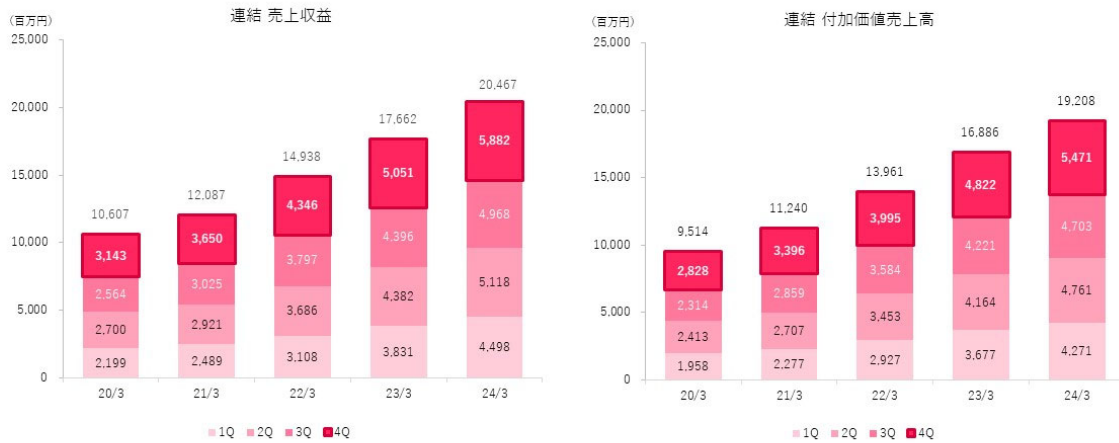
The upfront investment in human capital, which is very large at plus 23.4% for the total number of digital creators, has resulted in a significant decline in the operating ratio. As a result, the gross profit margin declined by 8.4 percentage points from the previous year to 21%, resulting in a deterioration in profitability. In addition, SG&A expenses increased 13.4% YoY due to continued aggressive investment in recruitment, investment in service development such as AI generation, and marketing investment.

As a result, although operating profit has returned to profitable for the full year, the revised full-year plan has not been achieved, which is a very disappointing result.

Net profit was almost in line with the plan, at JPY126 million, due to the impact of financial income, tax breaks to promote wage increases, and other factors.

連結 売上収益・付加価値売上高

- 売上収益：20,467百万円（前年同期比+15.9%）
- 付加価値売上高：19,208百万円（前年同期比+13.8%）
- 第4半期単独で売上収益は前年同期比+16.4%、付加価値売上高は同+13.4%と第3四半期から成長率改善。



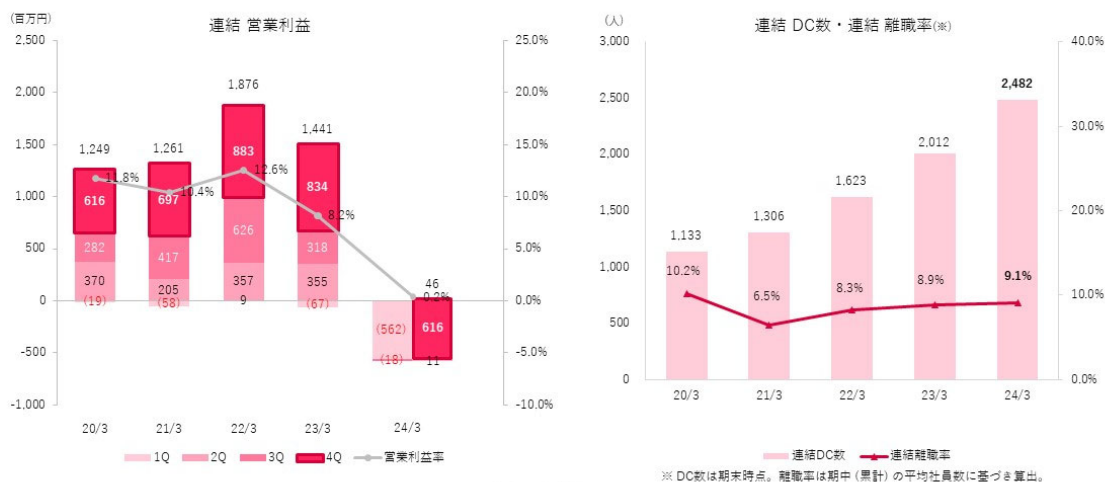
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Next, I would like to talk about the quarterly figures. The growth rate of sales revenue was 16.4%, the one of added-value sales was 13.4% in the fourth quarter alone. The growth rate of added-value sales was about 11% in the third quarter. So, we are seeing a certain recovery and improvement in the fourth quarter in terms of the growth rate, rather than declining rapidly.

連結 営業利益・デジタルクリエイター (DC) 数・離職率

- 営業利益：通期46百万円 と黒字転換（前年同期比▲96.7%）。4Q時点で未だ新卒未稼働コストは大きいものの4Q単独営業利益率は**10.5%**確保。採用数・稼働率を適正化すれば高収益となる事業性は維持。
- DC数：2,482名（前期末比+470名、+23.4%）、離職率：9.1%（前年同期比+0.2ポイント）。



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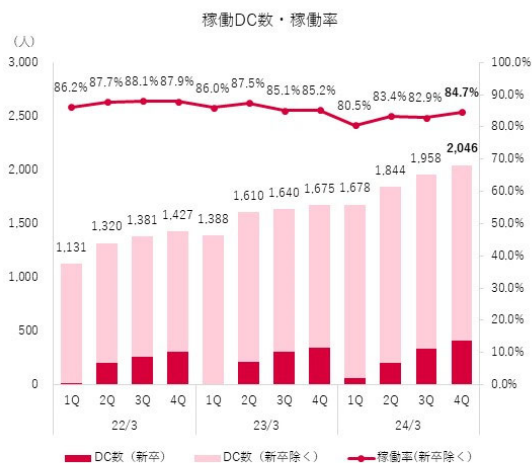
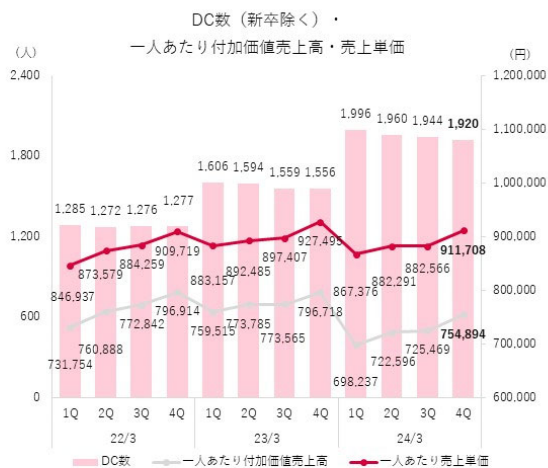
Operating profit was a cumulative deficit of JPY570 million until the third quarter. However, in the fourth quarter alone, it was JPY616 million, an operating margin of 10.5%. As a result, we managed to return to profitability for the full year.

In the fourth quarter, there were still a large number of unoperated costs for new graduates due to upfront investment in the recruitment, however the fact that an operating margin of 10.5% was achieved in the fourth quarter alone indicates that the business is in a position to generate solid profits by optimizing the number of hires and operating ratio.

As for the number of digital creators, it has grown significantly, with an increase of 470 or 23.4% over the end of the previous fiscal year to 2,482. The turnover rate has also risen slightly, but is stable at around 9%, which is low for this industry.

主要指標: 一人あたり付加価値売上高・売上単価、稼働率

- 新卒を除くDC数は前期末比364名増。一人あたりの売上単価および付加価値売上高は前四半期比で改善。
- 稼働DC数は前四半期比88名増。稼働率(新卒除く)は、売上成長重視の積極的な中途採用の影響で低下。



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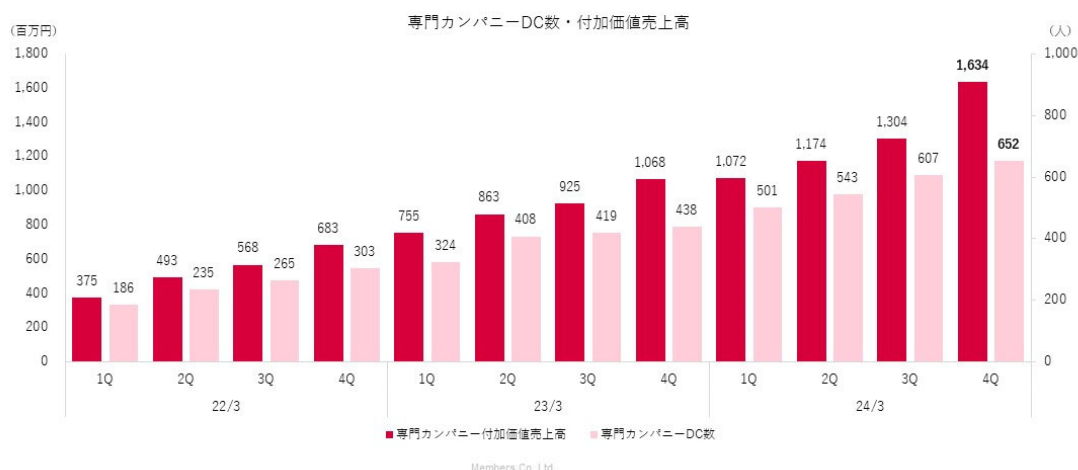
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These are indicators such as added-value sales per person, sales price per person, and operating rate, which are important KPIs. As for the sales per employee, it remained flat even in the situation we have new graduates which we think it was not too bad. However, the added-value sales per employee have decreased significantly due to the decline in the operating rate.

The right side shows the operating rate, especially the rate excluding new graduates. We thought that this was a problem, as there was a slight downward trend in this area compared to the previous year and the two previous years. I will talk about later, but the operating rate has been declining also due in part to aggressive investment in mid-career hiring, mainly by specialized companies.

主要指標: 専門カンパニー推移

- 専門カンパニーのDC数は652名と**前期末比214名増**。700名目標には届かなかったものの高付加価値人材の輩出は順調に進捗。
- 専門カンパニーの付加価値売上高(通期)：5,184百万円（前年同期比**+43.5%**）。**4Q単独で前年同期比52.9%**と大幅に伸長。



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The number of digital creators in this specialized companies, which we have been investing in very aggressively, has grown significantly, with 214 more digital creators than at the end of the previous fiscal year. The added-value sales were JPY5,184 million, up 43.5% from the same period last year, and up 52.9% in the fourth quarter alone, indicating that we were able to grow significantly. We believe that the result of our aggressive investment is making a certain degree of success.

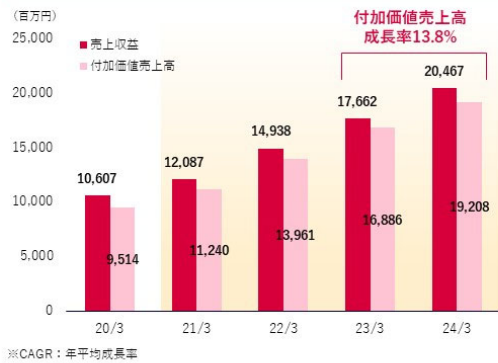
I have briefly explained our performance in the previous fiscal year, which was a very significant downturn in our business performance. We have explained that there is a gap and an imbalance between hiring and sales on a single year basis, and we believe that not only profitability but also growth is slowing down.

From this point on, we have been thoroughly and critically analyzing our past efforts. We believe that to achieve high-growth and highly profitable operations, it is essential to examine the underlying factors contributing to the deterioration in performance and the increase in growth. From here, I would like to begin this analysis by reviewing the VISION2030 initiatives to date.

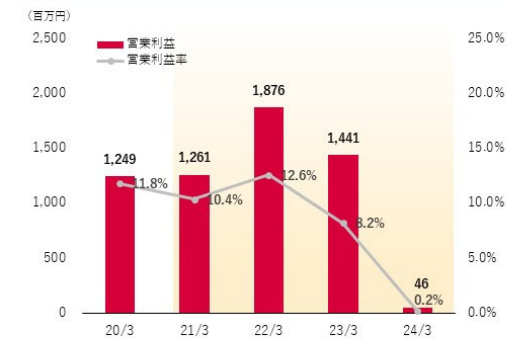
VISION2030の進捗・振り返り

- VISION2030達成に向け『世界一のデジタルビジネス運用への転換』および『1万名体制に向けた新卒採用先行モデル』を推進。20/3期から24/3期にかけて付加価値売上高は2倍(CAGR※:19.2%)。毎期25%成長を見据え積極採用したものの、DC数の伸びに比して24/3期の付加価値売上高成長率は13.8%に留まり収益性は大幅に悪化。
- VISION2030目標の達成が優先された経営となり、顧客視点の欠けた成長戦略が収益性悪化の根本原因。
- 一方で当社の強みである顧客との関係性、人的資本は弱体化しておらず、引き続き強固。

売上収益/付加価値売上高 (連結)



営業利益 (連結)



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First, regarding the VISION 2030, VISION 2030 is broadly divided into two challenges. One is the shift from website operations to the world's number one digital business operation. The other is the goal of 10,000 digital creator challenge. In particular, we have continued to take on the challenge of recruiting new graduates, and the challenge of establishing the workforce of 10,000 digital creators and achieving both of these goals over the next 10 years since 2020.

As a result, as I mentioned at the beginning of this presentation, the added-value sales have almost doubled since the fiscal year ended March 2020, before we started VISION2030. The compound annual growth rate during that period was 19.2%, which is a significant growth.

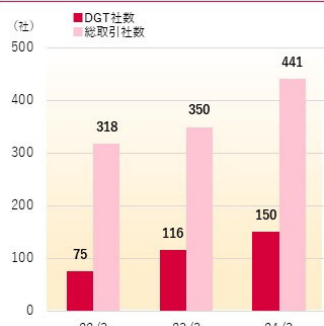
However, as we took on the challenge of building a 10,000 digital creator workforce, we continued to invest aggressively in hiring new graduates and other human capital, with the basic goal of achieving 25% growth as an upfront investment. In the fiscal year ended March 31, 2024, the growth rate of added-value sales was only 13.8%, resulting in an extremely large deterioration in profitability.

From here, I will talk a little more specifically about those two, two initiatives, the transformation to the world's best digital business operation, and the goal of having 10,000 digital creators challenge.

VISION2030の進捗・振り返り-世界一のデジタルビジネス運用への転換

- 『世界一のデジタルビジネス運用への転換』に向けて、専門カンパニーの成長に積極投資し（24/3期付加価値売上高：前年同期比+43.5%）Web運用以外売上比率が伸長する一方、従来主力のWeb運用部門は成長率が想定以上に鈍化。クロスセルも狙いほどには進まず。
- 顧客満足度は過去5年間に渡りポジティブ回答が8割以上と継続的に高水準であり、サービス品質の低下や顧客離反は発生していないが、取引拡大意向は低下傾向。主力サービスのコモディティ化や顧客ニーズにマッチしたポジショニング、サービス/人材開発に課題あり。

DGT社数※/総取引社数（連結）



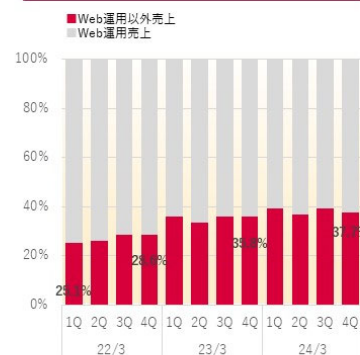
※DGT社数とは、3名以上のDCが顧客専任チームとして成果を追求しサービスを提供する顧客の数

専門カンパニー付加価値売上高/DC数



Members Co.,Ltd.

Web運用以外売上比率 四半期推移



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First, on the transformation to the world's best digital business operation. As I mentioned earlier, we have been actively investing mainly in specialized companies. As I mentioned earlier, the added-value sales of the specialized companies grew significantly at 43.5% YoY, to JPY5,184 million, which is about one-fourth of the consolidated total sales.

These are sales of the digital business operation, which was the sales except the web operation area as targeted in VISION2030. Our goal is to raise that portion to 80%, and we believe we have achieved a relatively steady increase to a level of less than 40%.

While the growth in specialized companies have achieved in this way, the growth rate of the website operation, which had been the mainstay of the Company, has been slower than expected. The operation of the website has large-scale clients; however, we have not succeeded in cross-selling the services of our specialized companies to the main clients of our primary division or to other large clients as anticipated. This remains a significant challenge.

It can be said positively that the specialized companies have been able to achieve such growth by developing and marketing its own services without relying on primary customers of the website operation or on our assets. However, we have not been able to evolve our services for our primary customers, which is an issue.

We have been able to maintain a high level of satisfaction with our services to these customers, with a satisfaction rate of more than 80% for the past five years and we believe that this is one of the major assets of Members. However, the fact is that although our customers are satisfied with our conventional services such as website operation, there is a declining trend in their willingness to expand into new areas of business.

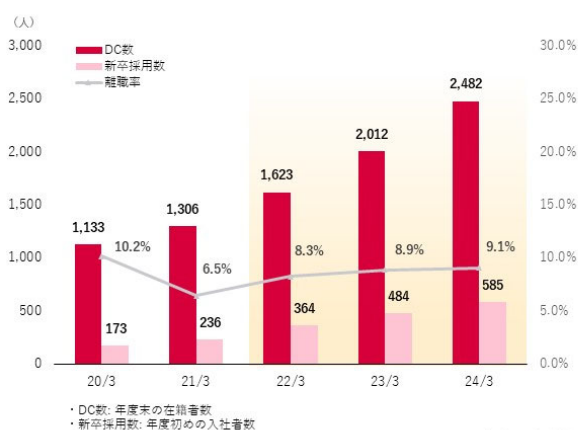
We have been unable to provide services and positions that meet the needs of our large customers, and our main service, website operation, has become commoditized.

We are trying to achieve this through the specialized companies, but we have not been able to do so due to a lack of coordination between the two. We acknowledge this as a significant challenge.

VISION2030の進捗・振り返り-1万名体制に向けた新卒採用先行モデル

- 新卒採用を毎年拡大し22/3期から24/3期の3年で1,433名採用。DC数を同3年で1.9倍の2,482名と大幅拡充。
- 社員エンゲージメントスコアは高水準を維持。改善ポイントも明確になり更なる高エンゲージメントを目指す。
- 離職率も安定しており当社のミッション・ビジョン経営に基づく高い人的資本価値は引き続き強み。

DC数/新卒採用数/離職率 (連結)



社員エンゲージメントスコア

総合的な
エンゲージメント
スコア **3.52 / 5.00**
参考値(※)比+0.39

- 仕事への熱意や挑戦・学習風土のスコアが最も高く、コアバリュー「貢献・挑戦・誠実・仲間」を体現していることを確認。
- 組織への愛着は他社比高いものの、当社内では相対的に低く、この結果を踏まえ、管理職がワークショップを実施し、今後の取り組みを議論。

※参考値: 従業員規模1,000人以上の民間企業の正社員を母集団とする回答結果。

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Now, I would like to talk about areas such as the goal of 10,000 digital creator engagement. We have been expanding the hire of new graduates each year by 200, 300, 400, and 500, and have hired more than 1,400 new graduates in the past three years. I mentioned earlier that our added-value sales have approximately doubled over the past four years, but as for the number of digital creators, we have grown significantly over the past three years, approximately doubling, or 1.9 times, the number of digital creators to 2,482.

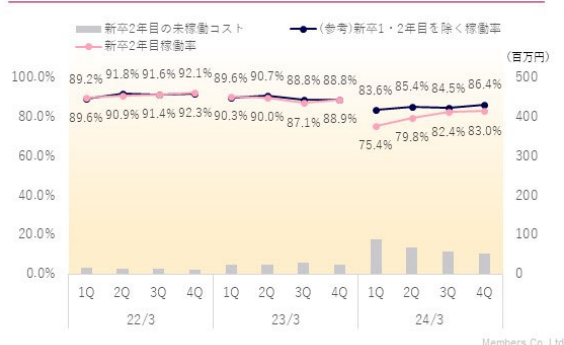
We believe that our mission and visionary management have been very effective in this context, and we have achieved a high level of employee engagement scores compared to other companies or industry standard level. We believe that our employee turnover rate is stable and low for this industry.

We believe that this kind of highly engaged human capital will remain one of our company's strengths. We will continue to make various improvements in this area.

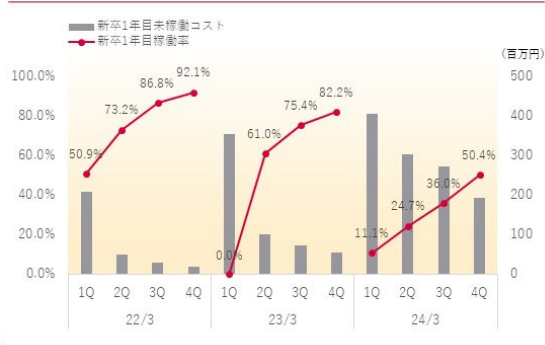
VISION2030の進捗・振り返り-1万名体制に向けた新卒採用先行モデル

- 従来主力であったWeb運用部門の成長率が鈍化し、新卒1・2年目を中心に稼働率が大きく低下。24/3期は1・2年目の未稼働コストだけで14.5億円（前期比+7.5億円）発生しており、当期の大幅減益の主要因。成長率の向上が伴わない過大な採用投資となった。
- 継続的に2年目は他の既存社員同等に稼働できるレベルに育成できており、未稼働の若手社員は今後の業績向上に向けた先行投資の位置付け。
- 新卒1・2年目を除く既存社員も、中途含む採用先行の売上成長重視マネジメントにより稼働率が低下しており、収益改善の余地大きい。

新卒2年目未稼働コスト/稼働率 四半期推移（連結）



新卒1年目未稼働コスト/稼働率 四半期推移（連結）



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However, as I have been saying all along, as a result of these efforts, there has been a significant decline in the overall operation rate. In particular, the operation rate for the first and second year of new graduates is declining. The graph on the right side shows the operating rate for the first year of new graduates and the non-operation cost.

The operation rate has been declining, while the number of recruits has also improved significantly, so the non-operation costs have increased significantly compared to the previous year. For the fiscal year ended March 31, 2024, the actual non-operation costs for the first and second year of new graduates alone were just under JPY1.5 billion, an increase of JPY750 million over the previous year.

We believe that it is reasonable to identify this area as a major factor and the primary cause of the decline in business performance in the previous fiscal year.

As I explained earlier, the growth rate has somewhat slowed, and it is apparent that excessive investment in recruitment has not led to an increase in the growth rate.

But if you look at this graph on the left side, this is basically the operation rate of second-year employees and the rest. The operation rates for employees excluding first and second-year new graduates are displayed here. Essentially, the operation rates for second-year employees and those are nearly identical, indicating that employees are able to work effectively and develop their skills by their second year. This effectively demonstrates the level of skill development expected by the second year of employment.

In other words, we believe that these non-operational young employees are an asset that will lead to future growth over time, and that they are an up-front investment in recruitment.

However, as I mentioned earlier, the operation rate of existing employees, excluding first and second-year new graduates, has dropped by several percentage points compared to the previous year and the year before that. We acknowledge this is an issue.

One reason for this is that senior employees and younger employees are sharing the workload. The workload is simply low, so that a lower operation rate. In addition, we have invested aggressively in mid-career hiring

in the specialized companies with a priority on sales growth rather than operation rate. That is where the operation rate has dropped amidst a lavish investment in that area. As a result, profitability is also declining and we think it is an issue.

With the brief review of VISION2030, I see the key issues we have encountered, including why we have experienced lower profits and growth compared to our targets, and why our growth rate has not met these expectations. I will also outline our medium-term strategy moving forward, detailing how we plan to address these issues and adjust our strategy.

高成長・高収益の事業を確立するための中期事業戦略

基本方針

DX現場支援ナンバー1のポジションを獲得し、高成長、高収益の事業を確立する

前期までの課題の本質	<ul style="list-style-type: none"> ➢ 「運用」という事業ポジショニングおよび新卒採用先行モデルの成功体験への過信 ➢ VISION2030の数値目標ありきで顧客視点を欠いた拡大戦略 				
方針の前提	VISION2030は将来的に目指す姿であることには変わらないが 数値目標である社員数1万名・営業利益100億円は凍結。 当面は収益性の回復・高収益事業の確立に専念				
ポジショニングの転換	<table border="1"> <tr> <td>従来</td> <td>今後</td> </tr> <tr> <td>運用 ・Web運用 ・デジタルビジネス運用</td> <td>DX現場支援 現状のマーケットニーズを踏まえたポジショニングの転換</td> </tr> </table>	従来	今後	運用 ・Web運用 ・デジタルビジネス運用	DX現場支援 現状のマーケットニーズを踏まえたポジショニングの転換
従来	今後				
運用 ・Web運用 ・デジタルビジネス運用	DX現場支援 現状のマーケットニーズを踏まえたポジショニングの転換				
主要戦略	<ol style="list-style-type: none"> ① 稼働率引き上げ最注力と利益重視マネジメントへの転換 ② DX4事業に再編、既存顧客売上の最大化 ③ 顧客のDX内製化伴走支援ポジションの獲得 				

Members Co., Ltd.

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I believe that the core issues up until the previous fiscal year stemmed from overconfidence or being misled by our business positioning in operations and the past successes of our new graduate recruitment model. Additionally, VISION2030 sets numerical targets, such as reaching 10,000 employees and achieving 25% growth. I believe that the expansion strategy does not sufficiently take the customer perspective into account.

Therefore, we will address those two points. We are considering a shift in our business positioning and successful new graduate recruitment model as a management strategy. First of all, as a basic premise, we are considering freezing the numerical targets of VISION 2030 for the time being. We are considering putting a freeze on numerical targets, such as 10,000 employees, and doing what is right as a current strategy. For the time being, we would like to focus on recovering profitability and establishing highly profitable businesses with our existing capabilities.

And secondly, we are thinking of shifting our positioning. Members has achieved significant growth through its unique and effective positioning in website operations and new graduate recruitment. However, we are now embracing the challenge of leveraging this positioning to transition into digital business operations.

We believe that the shift from website to digital is perfectly correct, but we have been very particular about the position of operation. I think that our commitment to this position has not been sufficient to meet the needs of our clients in the current DX environment. We believe that we are not positioned to be an important partner to our customers. So, we would like to shift our positioning from operation and digital business operation to DX field support.

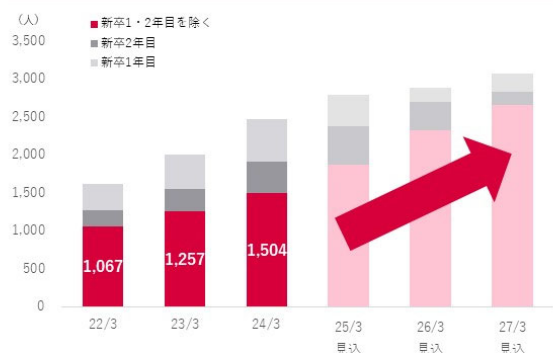
Our goal is to achieve the number one position in DX field support and establish a high-growth, highly profitable business. The three main strategies are here to achieve our vision.

We will mostly focus on raising operation rates and shifting to profit-oriented management. Reorganize into DX4 business to maximize existing customer sales. To obtain something like a DX internalization accompaniment support for a client. We would like to work on these three main strategies. We will explain each one by one.

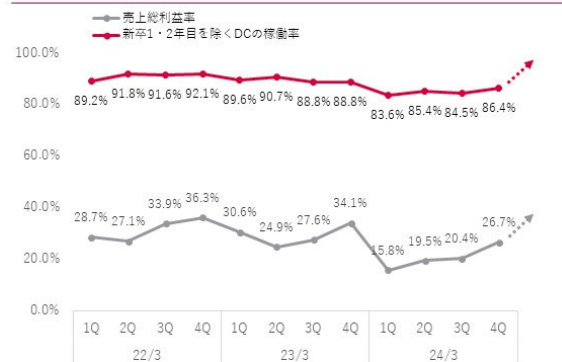
高収益体質の回復/確立-稼働率引き上げ最注力と利益重視マネジメントへの転換

- 新卒採用数は、付加価値売上高成長率の範囲（目標成長率▲10%程度）に当面抑制。25/3期は新卒411名入社でまだ全体での低稼働は続くが、翌期以降稼働率と利益率は回復する見込み。
- 専門カンパニーを中心に売上成長重視で積極投資していた中途採用も適正化し、新卒1・2年目を除くデジタルクリエイター(DC)の稼働率向上に最注力。利益重視マネジメントに転換し、先行投資フェーズから収益化フェーズへと移行する。

年次別DC数の推移



新卒1・2年目を除くDCの稼働率/売上総利益率（連結） 四半期推移



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First, in order to restore a highly profitable structure, we will focus most and foremost on raising the operation ratio, and on shifting to profit-oriented management. The first thing to do here is to curtail the hiring of new graduates in a relatively simple manner. However, as we have already mentioned, we will not curtail the hiring of new graduates on a spot basis, but rather, we will basically hire new graduates within the scope of our business growth potential. Specifically, the target rate is -10% of target sales growth rate. If the target sales growth rate is 20%, we would hire new graduates for 10% of the total number of employees.

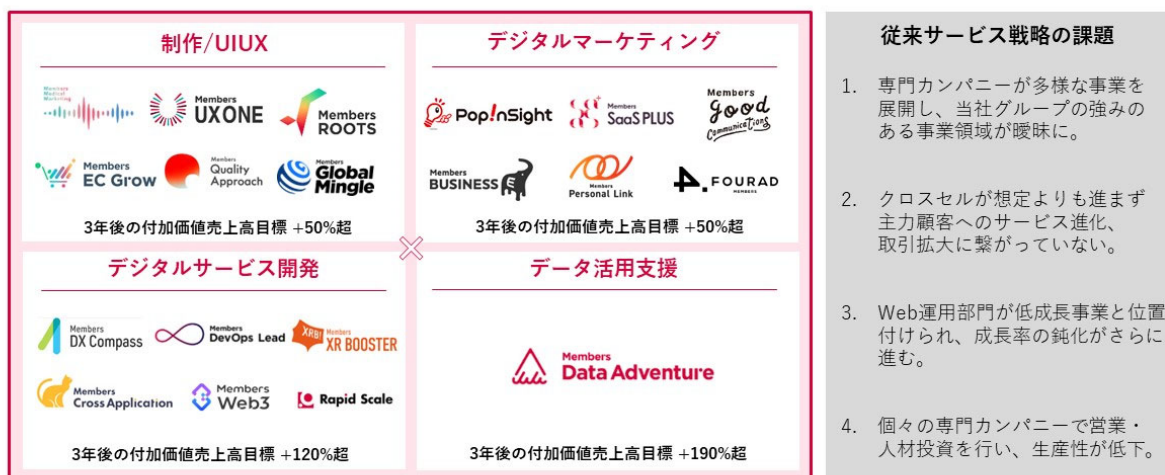
In this April this fiscal year, we welcomed 411 new graduates to the Company. We believe that this is the last big upfront investment for recruitment. With this, we foresee that a low profitability and low operation rate will continue to be seen this fiscal year. However, we believe that these will improve in the next fiscal and beyond by reducing number of new graduates hiring which will contribute to the overall non-operation ratio associated costs.

In addition, we have been actively hiring mid-career employee for the specialized companies with an emphasis on sales growth, but we will optimize this as well. As I will explain here and later, we will work to raise the operation rate of existing employees, excluding first and second-year new graduates, through such measures as optimizing it in each business unit.

Through these efforts, we aim to shift toward profit-oriented management and transition from a phase focused on upfront investment to one where we achieve profitability.

高成長事業の確立①-DX4事業に再編、既存顧客売上の最大化

- 専門カンパニーを多数立ち上げて高成長を目指す従来のサービス戦略の課題を解消するため、全社を4事業領域に再編。
- 全ての事業領域においてAI/クラウド等の高付加価値サービスを進化させ、主力部門の大口顧客へ専門カンパニーのクロスセルを推進する。



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Second, we will reorganize into the DX4 business to maximize existing customer sales. The service strategy to date has been, roughly speaking, to establish a number of specialized companies, and to increase their growth potential by investing more and more in sales and human resources. We aimed to enhance the overall growth potential of the Company through these efforts, but I believe that our service growth strategy was somewhat simplistic and, at the same time, rather crude. As described here, one of the issues is that we have established nearly 20 specialized companies, each developing its services independently. This led to confusion regarding the Group's strengths and the types of business Members offers. Additionally, as I mentioned earlier, cross-selling has not progressed as expected.

We initially believed that existing clients, large-lot clients, and large-lot clients in our main division would have certain needs, which would facilitate cross-selling and enable growth by leveraging these assets. However, since the organization was divided and managed independently, cross-selling did not proceed as smoothly as we had hoped. Consequently, this did not lead to the evolution of services for large clients or the further expansion of these large transactions.

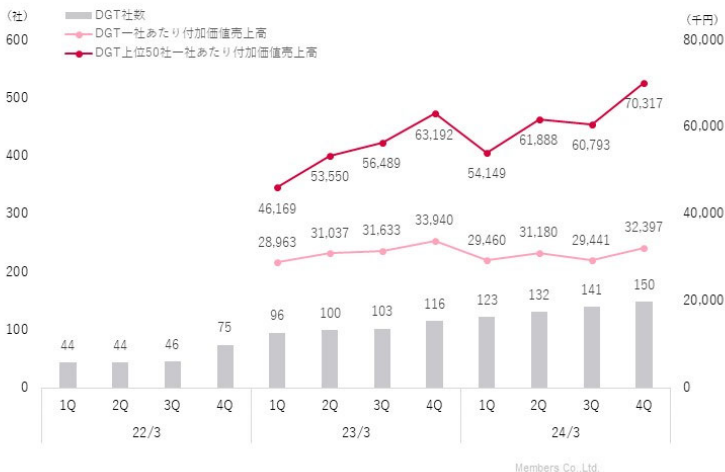
In addition, the website operation which had been the mainstay of the Company, was a low-growth division, so we took a simple approach of not investing in this division and instead investing in specialized companies. We felt that the growth rate of our mainstay website operation was slowing down even further.

In this context, we have grouped the conventional main divisions, specialized companies, and individual specialized companies into four broad categories. In terms of customer DX needs, we have reorganized into four major categories: UIUX, digital marketing, digital service development, and data utilization support. In each of these four business areas, we aim to enhance our customer services and evolve them using advanced technologies such as AI and cloud computing through our specialized companies. Additionally, we plan to promote cross-sales to existing customers to increase the number of large orders.

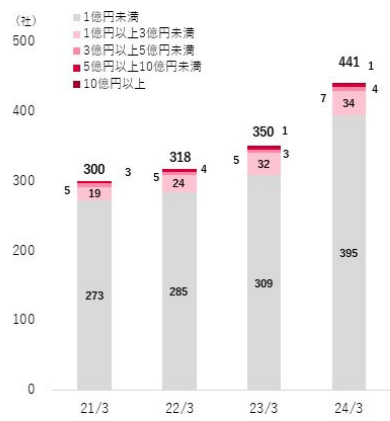
高成長事業の確立①-DX4事業に再編、既存顧客売上の最大化

- 4事業領域内でのクロスセルに加え、各事業を跨いだトップセールス担当を配置。これらの取り組みにより、DGT顧客取引の更なる大口化、一社あたり付加価値売上高の最大化を目指す。

DGT社数/一社あたり付加価値売上高 四半期推移



売上規模別取引社数推移 (連結)



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In addition to promoting cross-selling within each of the four business areas, we have also appointed a top sales representative to promote cross-selling across the four business areas. Through these efforts, we intend to maximize added-value sales per DGT customer and further increase the number of large-lot customers.

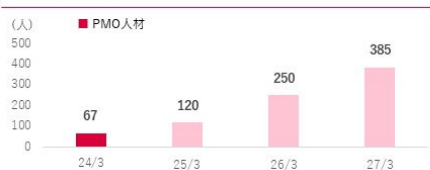
Looking at the clients we serve, we believe that there should be many more companies with JPY500 million or JPY1 billion annual sales but in reality, as of last year, there was only one client with over JPY1 billion sales, and only four with over JPY500 million sales. We would like to take on the challenge of increasing the number of such clients.

高成長事業の確立②-顧客のDX内製化伴走支援ポジションの獲得

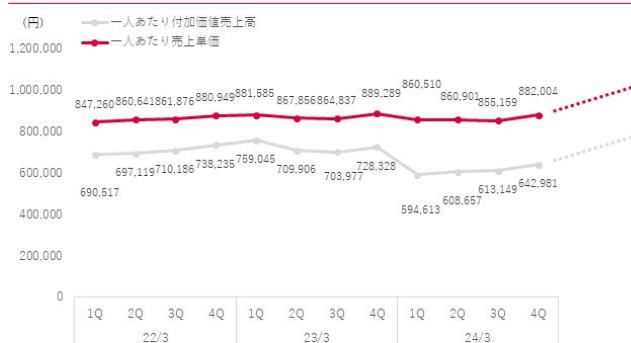
- 従来の実行運用フェーズのポジションから、顧客ニーズが拡大しているDXの企画・推進や内製化といった実行企画領域において、顧客に伴走支援するポジションを獲得する。
- デジタル専門技術の育成に加えて、ビジネススキル等を含めた顧客のDX内製化に伴走するデジタル人材の育成において業界一を目指し、PMO※を含めた高付加価値デジタル人材の育成に注力する。
- DX4事業領域でのサービス展開と本ポジション獲得により、顧客のDX投資のROIを最大化させるDX現場支援を確立する。



PMO人材数※



一人あたり売上単価・付加価値売上高 四半期推移 (連結)



※PMO(Project Management Office)：企業や各組織のプロジェクトを円滑に進めるために、部署の枠を超えて横断的にプロジェクトマネジメントを統括する部門や体制を指す。プロジェクトを統括し、様々な意思決定を担う立場であるPM(Project Manager)に対し、PMOはPMが円滑に意思決定できるよう情報収集や関係先との調整を行い、PMのプロジェクトマネジメントを支援する立場。

Members Co., Ltd.

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Third, we will work to obtain a position to support the internalization of DX within our clients. We believe that the needs of our customers are now expanding, and that they are moving from the traditional DX strategy planning phase to the implementation phase.

We are positioned in the operational phase of the execution phase, and we have been focusing on this phase with particular attention to detail. We have continued our efforts to nurture human resources with the skills and techniques to create and develop digital human resources.

We believe this will continue to be one of our strengths; however, we are also observing the internalization of DX among our customers. The challenge of DX internalization is an essential aspect of this process, and our customers' efforts in adopting DX are advancing in parallel.

When customers internalize their operations, they typically aim to either manage the operations area themselves or automate it using technologies like AI and cloud computing to reduce the workload. We have been committing in that position for long time and we think we could do better. As customers undergo transformation through digitalization and DX, the operations position often becomes the last area addressed in their transformation journey. I believe that operations are the final challenge they face, and it is where we can effectuate the changes they are currently encountering.

If we look at it as an execution area, we can make the most of our strengths, such as our understanding of the field and technology, and we would like to move our position to the execution from the execution plan or DX strategy planning. One clear indicator to consider in the future is PMO, the Project Management Office. We would like to greatly expand the number of human resources who can support our customers' DX and DX internalization projects. We believe that through this kind of position change, we can improve the unit sales per employee and added-value sales by improving the operation rate.

In the DX4 business, we believe that we can provide strong support in the areas of execution planning and execution promotion, which are collectively referred to as DX on-site support. We would like to become an important partner in maximizing the ROI of our clients' DX investments by acquiring such a position.

高成長事業の確立②-顧客のDX内製化伴走支援ポジションの獲得（事例）

- サービスデザイン、CX/UX企画、AI/クラウド導入企画、DXプロジェクトマネジメント支援など、DX内製化支援に関わる伴走支援の事例は増加しており、その案件の成長率も高い。

トヨタコネクティッド株式会社様 

- 新商品（プロダクト）に搭載するソフトウェア開発を支援。UX起点におけるリサーチやデザインを担当。
- モビリティを活用した新規事業における実証実験。新サービスのアイデア検討、実地調査、ユーザーリサーチなど幅広い領域を担当。

メンバーズの提供価値



メンバーズからは総勢38名のデジタルクリエイターが参画
(2024年3月末時点、前期末比+10名)

顧客と密に連携することから、社内事情を熟知し
戦略・企画段階から伴走支援をすることで、状況にあった
活動が可能となり、サービス創出やプロダクト開発が加速

Members Co., Ltd.

KDDI株式会社様 

- 主力サービスにおける契約増加に向けチャネル横断、部門横断で全社的に抜本的なDXを推進するプロジェクトに参画。
- 専任チームがCX・UX・UI領域において顧客体験の磨き上げを推進、アジャイル型・内製型の運用体制確立にも貢献。

メンバーズの提供価値

DX推進 × UIUXデザイン × AI活用



その他多数のカンパニーが複数部署のDXプロジェクトをご支援中

メンバーズからは総勢35名のデジタルクリエイターが参画
(2024年3月末時点、前期末比+7名)

多様な専門特化型カンパニーのクロスセルが寄与し
全社視点で抜本的なDXを推進するプロジェクトにて
DX推進パートナーとして急速に支援を拡大

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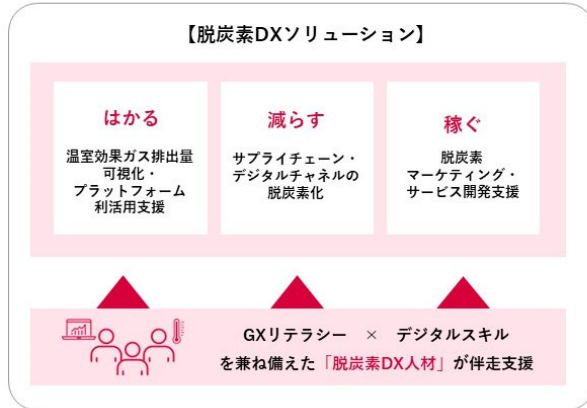
We are often asked if such a position is really possible, or if Members can do such a thing, or if we have been an operation company for a long time. In reality, however, there are already cases where we are in charge of such projects, and I believe that we are more capable of realizing such projects.

As I mentioned earlier, particularly in the DX4 business, we believe that Members can secure a strong position in the areas of execution planning and promotion across these four business domains. This strength will be due to our deep understanding of the field, execution, and technology.

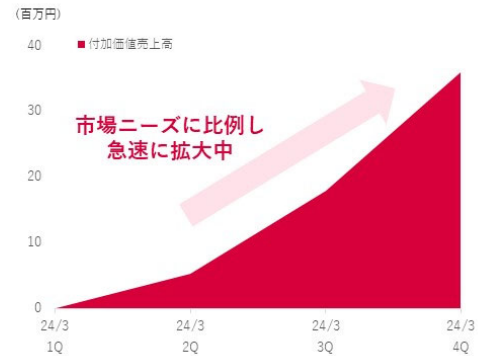
Specific examples include Toyota Connected and KDDI, and we are seeing an increase in the number of cases where we provide support for service design, CX/UX planning, AI and cloud implementation projects, and DX project management support. The number of cases where we support in-house DX production is increasing, and the growth potential for such projects is significant. By doing so, we can confirm the value of our services and the degree to which they match the needs of our customers in these areas.

将来への投資-脱炭素DX事業の確立/脱炭素DX人材の育成

- 急激な気候変動の影響や国際情勢により、GX市場は急速に拡大傾向。GXリテラシーとデジタルスキルを兼ね備えた脱炭素DX人材のニーズは加速度的に高まると想定。
- 今後3年でAIなどのスキルを保有する**脱炭素DX人材を1,000名**の育成・輩出を目指す。



付加価値売上高 四半期推移 (脱炭素DXカンパニー)



Members Co.,Ltd.

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We will focus on these three strategies. In addition to these three strategies, we will also take on the challenge of establishing a decarbonized DX business as an investment for the future. I know this is a bit of a stretch, but I think the timing is right for the GX market to be booming in light of the recent rapid climate change and changes in the international situation.

We believe that digital technology is indispensable for realizing GX, and the demand for digital human resources with both GX literacy and digital skills is increasing at an accelerating pace. We will continue our efforts to train 1,000 creators to become decarbonized DX human resources who can support such area. We would like to take on the challenge of creating a unique service strength and position of Members by doing so.

中期的な成長に向けた戦略

	戦略	KPI	目標
収益性強化	稼働率引き上げ最注力と利益重視マネジメントへの転換 ▶ 計画的採用による人材ポートフォリオの改善 ▶ 新卒1・2年目を除くDCの稼働率改善により未稼働人材を解消し売上総利益率を改善	新卒1・2年目を除くDCの稼働率 売上総利益率(連結)	付加価値売上高 15% 成長 営業利益率 10% 回復
	DX4事業に再編、既存顧客売上最大化 ▶ 事業領域を4領域に再構築し、事業領域ごとにサービス品質の向上と高付加価値化を推進 ▶ アカウントマネジメントにより既存顧客向けのサービスを強化し一社あたり付加価値売上高を最大化させ、大口社数を増加	DGT一社あたり付加価値売上高 通期売上収益1億円以上の取引社数	付加価値売上高 25% 成長 営業利益率 10%
高成長事業確立	顧客のDX内製化伴走支援ポジションの獲得 ▶ 運用領域から実行企画領域への拡張、PMOを強化 ▶ 高単価DCの稼働を増やす業界一の伴走力を持つデジタル人材の育成/内製支援ナレッジの蓄積	DC一人あたり売上単価 PMO人材数	
	将来への投資	脱炭素DX事業の確立/脱炭素DX人材の育成 脱炭素DX人材数	

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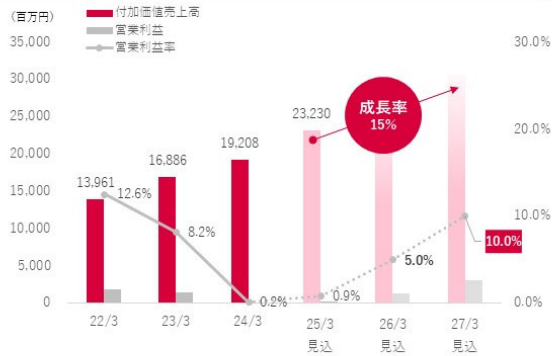
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In summary, we would like to promote three major initiatives, plus one more. To shift to profit-oriented management with the greatest focus on raising operation rate to strengthen profitability. Then, to establish high-growth businesses, we will reorganize into four DX businesses to maximize sales to existing customers. Then there is the position change. We will obtain position of an accompanying support for the internalization of DX for our clients. Through these efforts, we hope to establish a highly profitable and high-growth business.

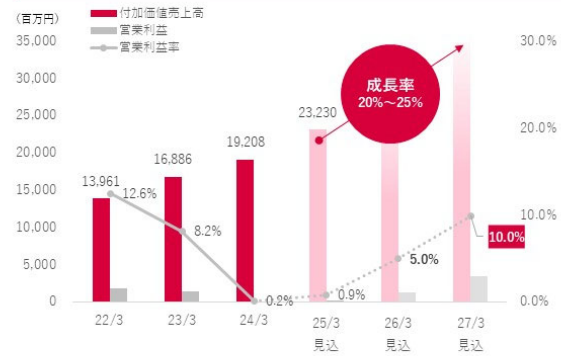
中期業績目標

- 収益性の回復/高収益事業の確立を目指し、利益重視マネジメントに転換し、採用数を抑制すると同時に稼働率引き上げに最注力。
- DX4事業でのサービス展開とDX内製化伴走支援のポジション確立を通じて、成長率の引き上げを目指す。
- 営業利益率は10%目標。2025年3月期以降の成長率目標は15%以上とし、15%成長でも営業利益率10%は確保。10%超過分は投資を強化し、更なる成長を目指す。

付加価値売上高/営業利益（連結）【収益性の回復・高収益事業の確立】



付加価値売上高/営業利益（連結）【高成長事業の確立】



Members Co., Ltd.

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As for specific performance targets, we will firmly return to profitability in the next fiscal year and the year after that by establishing a highly profitable business. We believe that we will be able to achieve a return to the original 10% of operating profit margin. We have set a growth rate target of 15% for basic sales and added-value sales and anticipate achieving operating profit margins of 5% and 10%, respectively, with a sales growth rate around 15%. This will be accomplished through a shift to profit-oriented management and transitioning from the upfront investment mode to the profit phase.

In addition, we are aiming for further expansion of high profitability by increasing the growth rate to more than 20% through service development and position change in the DX4 business, as well as by establishing a position in the DX internalization support business.

2025年3月期方針/業績目標

- 今期は2024年4月に400名超の新卒社員が入社し先行投資を継続。2Q累計は前期同様の赤字水準の計画だが、通期では若干の増益を計画。
- 当期を先行投資フェーズから収益化フェーズへの転換の期として着実に増益計画を達成し、翌期以降の収益性回復(営業利益率目標：26/3期5%、27/3期10%)への足場固めを行う。

(単位：百万円)	2024年3月期 実績				2025年3月期 計画			
	2Q累計	対前年同期 増減率	通期	対前年同期 増減率	2Q累計	対前年同期 増減率	通期	対前年同期 増減率
売上収益	9,616	17.1%	20,467	15.9%	10,950	13.9%	23,230	13.5%
付加価値売上高	9,033	15.2%	19,208	13.8%	10,380	14.9%	22,140	15.3%
営業利益	▲551	-	46	▲96.7%	▲550	-	200	326.0%
営業利益率	▲5.7%	-	0.2%	-	▲5.0%	-	0.9%	-

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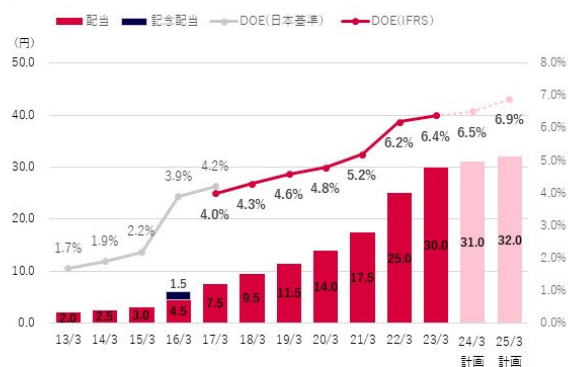
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As for the performance target for this fiscal year, as I have repeatedly mentioned, more than 400 new graduates joined our company in April as our last primary investment in recruitment. As of the second quarter of the current fiscal year, we anticipate recording an operating loss similar to last year's, at negative JPY550 million. However, due to changes in management this fiscal year, we aim for a slight increase in operating income to JPY200 million by year-end. This year is intended as a transition period from the upfront investment phase to the monetization phase. We are committed to steadily implementing our profit increase plan, setting a solid foundation for achieving profitability targets of 5% or 10% of operating profit margin in the next fiscal year and beyond.

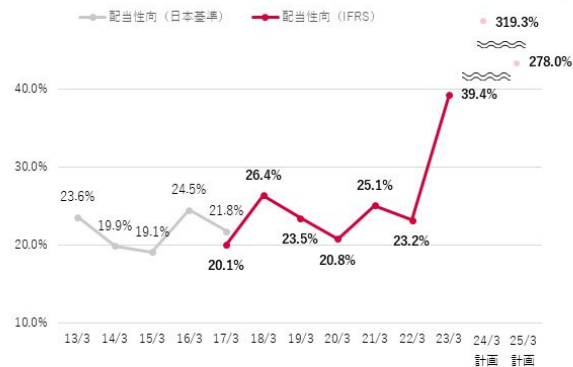
株主還元

- 2024年3月期配当：31.0円。初配から**12期連続増配**を予定。
- 2025年3月期配当：32.0円。今期はまだ低収益が継続するが来期には収益性回復する計画であり、継続増配方針に基づき、一株あたり1円の増配予定。
- 今後も**DOE5%以上**の配当を継続。配当性向は一時的な異常値であり、目標は25%。

配当およびDOE



配当性向



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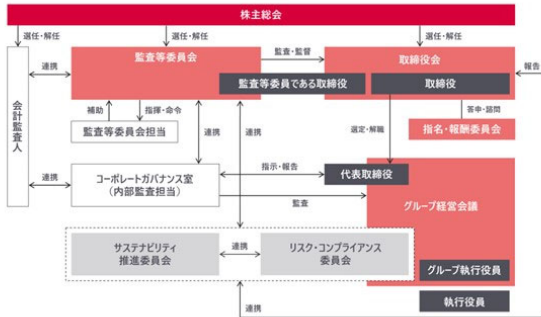
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In light of the above plan, we plan to increase the dividend by JPY1 each, even though the low profitability of the previous and current fiscal years is still expected to continue. We have a policy of continuing to increase dividends as long as we do not fall into the red. Since we expect to improve profitability, especially in the next fiscal year and beyond, so we decided to increase dividend by 1JPY, and we hope to further increase the dividend based on future earnings recovery.

コーポレート・ガバナンス

- 2023年4月より社長交代、二代表制に移行。女性取締役比率は28.6%。
- プライム市場に相応しい体制として、CGコード各原則はすべて実施。TCFD提言への取り組み情報を開示。

コーポレート・ガバナンス体制



取締役会のスキルマトリックス

氏名 役職	重要な兼職の状況等	スキル・マトリックス				
		経営/CSV	テクノロジー/ IT	財務/会計/法務 コンプライアンス	人材/組織開発	グローバル経験
代表取締役 専任執行役員 剣持 忠		○	○			○
代表取締役 専任執行役員 高野 明彦	㈱メンバーズエナジー 代表取締役社長	○		○		○
取締役 監査等委員 甘粕 潔	公認不正検査士 企業リスク管理コンサルタント			○		○
取締役 監査等委員 金井 政明	㈱良品計画 代表取締役会長	○				○
取締役 監査等委員 玉上 進一	㈱プレステージ・ インターナショナル代表取締役 社長執行役員 グループCEO	○				○
取締役 監査等委員 安岡 美佳	デンマーク・ロスキレ大学 情報学 asmus アナブル・ デジタルリゼンション 准教授		○			○
取締役 監査等委員 三宅 香	三井住友信託銀行㈱JPL役員 ESG/リベラ公庫推進部 主管	○		○		○
	社外役員 JCLP 共同代表					○

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Lastly, regarding corporate governance and management structure, there are basically no major changes, but it has been one year since I assumed the position of president. I consider it to have been a very unsatisfactory year. We believe that the current fiscal year is a period for achieving solid results through the initiatives I have just described.

Although not shown here, we have made changes to our internal group executive officers and group management structure, and we will build a strong management team that can and will realize the medium-term plan I have explained so far.

That is all from me for now. We would be happy to answer any questions you may have. Thank you.

Moderator [M]: Thank you very much.

Question & Answer

Moderator [M]: Okay, we will now move on to the Question & Answer session. First, we have received a question in advance, which we would like to introduce.

Questioner [Q]: How do you address the challenge of providing training opportunities for young people given the increasing complexity and difficulty of the projects? It seems that there is no problem if there is a need even if the difficulty is low. I would like to know your thoughts in this area.

Takano [A]: Thank you very much. Although we believe that the operation rate of new graduates is not increasing due to the complexity of projects, we believe that basically it is a matter of whether or not they can gain some hands-on experience. As shown here, we believe that those in their second year with us are currently demonstrating active engagement.

As we shifted to specialized companies, it was difficult to recruit new graduates because they were not a large team-type service or a client base was small. So it was very difficult to add a new graduate to the team. The special technology is for sure a bit difficult, and I think it may cause a delay of a few months, but not a year. Rather, it is because of a lack of client base on specialized companies, which is not large enough to hire new graduates.

On the other hand, as I explained earlier, the growth rate of the website operations, which used to be our mainstay, has been slowing down. If we are unable to keep a good operation rate for new graduates there, we will not be able to provide them with enough experience. This is a primary issue that is preventing us from raising the operation rate of new graduates.

So, our basic approach is to simply reduce the number of hires to a level that matches the growth potential of our client base. We will also aggressively target the four businesses conversion, I mentioned earlier and position changes through these efforts, and we will expand sales of existing customers and the size of our team. The basic idea behind our efforts is to make it easier for new graduates to work in this context.

Moderator [M] : Thank you very much. This is a question received in advance.

We will then move on to a Question & Answer session from those attending today.

Now that we received a question from the Q&A function, let me introduce it.

Questioner [Q]: What would you consider the primary factors, in order of importance, contributing to the slowdown in performance? What would happen if you changed the order of difficulty with regard to measures for each.

Takano [A]: Thank you very much. I believe this is a challenging question to answer, as the granularity of the question varies. From an external perspective, the number of new graduates hired far exceeded the growth potential, and the up-front investment in hiring was the cause of the sluggish profitability clearly.

I believe that the reason behind this is that management decisions were made with the numerical targets of VISION 2030, and that the expansion strategy was based on these targets. I believe that this led to a further decline in our service capabilities. So, in order, it was an up-front investment in recruitment without growth potential. Not in that order though. In a nutshell, I believe that the challenges we face are that we have made an upfront investment in recruitment without growth potential.

Therefore, one of the things I would like to do is to simply change the management hat is focused on reality, rather than one that is focused on profitability and the VISION 2030 goals, or on numerical targets. One of our policies is to change management to one that can generate a solid profit at this point in time.

The growth potential of our services has been slowing, and we have been investing in specialized companies with simplistic and poorly planned strategies, which is less than ideal. We recognize the importance of shifting to a service strategy that aligns with the current needs of our customers.

I'm sorry, I think I've answered your question in a way that is a little bit unclear.

Moderator [M]: Thank you very much.

Questioner [Q]: Next, how do you see the business environment changing in the market for enterprise DX support solutions? What would be the positive and negative aspects of these for your company, he asked.

Takano [A]: Thank you very much. As for corporate DX, I think that the DX strategy phase has been growing significantly once a DX strategy is made, especially in the area of consulting companies. Now I feel it has moved to an execution phase from strategy phase. So, execution, planning, promotion, PM, PMO, and other areas are currently growing in the market.

In addition, on another axis, technology vendors such as AI and cloud computing are growing significantly in the DX market. These are companies such as Amazon, Microsoft, Google, Salesforce, and others, which have been very active in DX, the use of technology to automate, optimize, and improve the results of many things. We think this area has been growing without change.

In terms of advantages and disadvantages for our company, we believe that the growth of technology is a tailwind that we can take advantage of.

Previously, we transitioned from the DX strategy phase to the implementation phase, where we have consistently been involved in the operational phase, including human resources for final product creation and operations. However, in this phase, we analyzed that we have not been able to align with the current needs of our clients or the market.

We possess considerable knowledge and experience in the execution and operation phases, and are well-versed in the technology and the field. We believe that this expertise will enable us to establish a strong position in the execution planning and promotion phases. We are prepared to take on the challenges posed by the changing market.

The area of DX where we are not on track, we have successfully expanded our specialized technical personnel in areas such as operations and creation within our specialized companies. However, we have not fully addressed the execution planning phase, which is critical to meet market and client needs. Despite we have been doing on this area, we were often perceived as an operation company, and we were unable to solidify our position in execution planning because we also had a narrow focus.

We have not been able to capture the high and growing needs of our customers, and we would like to take advantage of our existing strengths to capture this position as a future shift.

Moderator [M]: Thank you very much.

One question has been added, so this is the last question.

Questioner [Q]: For the cost this year, where do you plan to make an upfront invest as expenses for this fiscal year? Please explain the contents and breakdown of the amount.

Takano [A]: Thank you very much. One of the costs incurred this fiscal year is the 411 new graduates who are hired.

The number of new graduates for this fiscal year is 480, compared to 580 last year, so the cost will be roughly in that proportion, although the amount is not disclosed. Other areas, such as mid-career recruitment and marketing investment, will be optimized within this business through the four-business structure I mentioned earlier.

So, we had invested in specialized companies and such separately. When consolidated, those investments appeared somewhat bloated. By optimizing investment across each of these four businesses, we plan to align our investments with the growth of each business, rather than as upfront investments. We aim to keep investments within the scope of each business's normal growth, rather than considering them as upfront investments.

Moderator [M]: Thank you very much. This concludes the Question & Answer session.

Takano [M]: Thank you for your questions. Members have seen two consecutive fiscals of profit declines and two consecutive fiscals of downward revisions. So, people are wondering how far Members will go down. We are aware that this was the performance in real-term, and we are determined to turn it around with this plan. We are confident that we will be able to meet the challenges and realize the plan and increase our growth potential. So, we would like to communicate about the plan in detail with you, including individual meetings.

Thank you very much for your attention today.

Moderator [M]: This concludes the presentation of the full-year financial results for the fiscal year ended March 31, 2024 and mid-term strategy of Members Co., Ltd.

Thank you very much for your participation today.

Takano [M]: Thank you very much.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [Inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
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