February 3, 2025

Non-Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

Company name: Members Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 2130
URL: https://www.members.co.jp/
Representative: Akihiko Takano, Representative Director and President
Inquiries: Shinya Yonezawa, Executive Officer and General Manager of Business Platform Department
Telephone: +81-3-5144-0660
Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	16,022	9.9	(139)	—	(138)	—	(95)	—
December 31, 2023	14,584	15.7	(569)	—	(533)	—	(382)	—

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Yen	Yen
December 31, 2024	192	—	(7.45)	(7.45)
December 31, 2023	(381)	—	(29.13)	(29.13)

(Note) As a result of the absorption-type merger of Members Energy Co., Ltd., a wholly owned subsidiary, effective November 1, 2024, our company has transitioned to non-consolidated financial reporting. Therefore, the figures for the current period are based on non-consolidated IFRS financial statements after the organizational restructuring, while the comparative information is based on the previous consolidated IFRS financial statements before the organizational restructuring. The same applies to (2) Financial position and 3. Non-consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025) below.

(2) Financial position

	Total assets	Total equity	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	11,252	5,753	51.1
March 31, 2024	11,527	5,934	51.5

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	31.00	31.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				32.00	32.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Non-consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	22,100	8.0	400	858.7	390	185.4	260	105.5

	Basic earnings per share
	Yen
Full year	19.96

Note: Changes from the latest financial forecast: Yes

1. The above non-consolidated earnings forecast is based on IFRS.
2. “Basic earnings per share” was calculated based on the average number of shares in FY 3/2024 (13,028,540).

*** Notes**

(1) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(2) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	13,421,700 shares
As of March 31, 2024	13,421,700 shares

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

As of December 31, 2024	654,871 shares
As of March 31, 2024	654,512 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	12,766,851 shares
Nine months ended December 31, 2023	13,115,024 shares

* Note: The accompanying quarterly financial statements have not been reviewed by a certified public accountant or audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes regarding the description, etc. related to the future)

The descriptions about the future, such as the business forecast, in this document are based on the information the company has obtained so far and certain assumptions that are considered reasonable, and our company does not guarantee that the results will be as forecasted. There is a possibility that actual business performance, etc. will be considerably different from the forecast due to various factors. For the assumptions for the earnings forecast, notes for the use of the forecast, etc., please refer to "1. Overview of Business Results, (3) Explanation Regarding the Future Forecast Information such as Consolidated Earnings Forecast" on the Appendix.

(How to obtain the material for supplementary explanations on financial results and the contents of the session for briefing financial results)

The English material for supplementary explanations on financial results will be uploaded to the website of our company on Monday, February 3, 2025.

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1. Overview of Business Results

As a result of the absorption-type merger of Members Energy Co., Ltd., a wholly owned subsidiary, effective November 1, 2024, our company has transitioned to non-consolidated financial reporting. Therefore, the figures for the current period are based on non-consolidated IFRS financial statements after the organizational restructuring, while the comparative information is based on the previous consolidated IFRS financial statements before the organizational restructuring.

(1) Overview of Business Results for the Quarter

Management's Explanation and Analysis of Business Results

Due to the climate change caused by global warming, severe natural disasters have been occurring frequently all over the world. The 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) was held in Dubai, United Arab Emirates (UAE) in November 2023, and the adopted decision document clearly states that greenhouse gases such as carbon dioxide, which are the main cause of global warming, need to be reduced by 43% by 2030 and 60% by 2035 compared to 2019 levels, in order to achieve the goal of limiting global warming to 1.5 degrees Celsius. An increasing number of countries and regions are declaring carbon neutrality, meaning that emissions of greenhouse gases are virtually zero. As it is believed that the success or failure of efforts toward GX (*1) is directly linked to the competitiveness of companies and, by extension, the nation, the Japanese government enacted the GX Promotion Act. The act aims to concurrently achieve three things: decarbonation, stable energy supply, and economic growth through such initiatives as switching to carbon-free power sources and making GX investments of 150 trillion yen in the public and private sectors. Companies are expected to make the most of digital technologies in order to accelerate corporate transformations for continuous value creation and to facilitate decarbonization and resolution of societal issues.

The Japanese domestic DX (digital transformation) market is predicted to expand from 3,483.8 billion yen in 2022 (actual) to 8,035 billion yen in 2030, backed by booming corporate digital investment (Market Edition of 2024 Future Prospects of the Digital Transformation Market published by Fuji Chimera Research Institute, Inc. on March 7, 2024). On the other hand, each company is having difficulty to recruit and internally train creative personnel who are versed on the Internet and digital technology, and such personnel shortage is now a huge hurdle to digitalization. According to the DX Trends 2024, more than 80% of Japanese companies answered that they lack both the quality and quantity of human resources to promote DX. In particular, the percentage of respondents who answered that there is a "significant shortage" in either the quality or quantity of human resources has increased compared to the previous year, indicating that the shortage of human resources is becoming more serious as DX initiatives are promoted (DX Trend 2024 issued by Information-technology Promotion Agency, Japan (IPA) on June 27, 2024).

Under such circumstances, we uphold our mission to "create a spiritually rich society through 'MEMBERSHIP'" and aim to realize GX through our hands-on support to our clients' DX efforts and convert their management style, marketing activities, services, and products into "the ones that makes the Earth and society sustainable".

<Business Overview>

From April 2024, our company has reorganized its headquarters and specialized companies into four business areas: "Production/UIUX," "Digital Marketing," "Digital Service Development," and "Data" in line with the DX needs of our client companies. In each business area, we have a model named "DGT (Digital Growth Team)" in which three or more digital creators with various specialized skills form a customer-dedicated team and work together with customers to improve their DX projects. We aim to expand the scale of transactions per each client company.

In addition, from April 2024, we have been promoting our business based on a "strategy for medium-term growth." The fiscal year ending March 2025 is positioned as the first year to solidify and rebuild our business foundation in order to achieve high profits and a high growth rate by the fiscal year ending March 2027.

<Overview of Financial Statements>

For the third quarter of the current cumulative term, revenue was 16,022 million yen (up 9.9% from the same period of the previous fiscal year), operating loss was 139 million yen (operating loss of 569 million yen in the same period of the previous fiscal year), loss before income taxes was 138 million yen (loss before income taxes of 533 million yen in the same period of the previous fiscal year), and net loss was 95 million yen (net loss of 382 million yen in the same period of the previous fiscal year).

Sales revenue increased by 9.9% compared to the same period of the previous year, and added-value sales, an important indicator (sales from internal resources after subtracting outsourcing and purchasing from sales revenue), were 15,341 million yen, an increase of 11.7% compared to the same period of the previous year, setting a new record high for the third quarter of the cumulative period. The added-value sales in the DX domain, where higher demand is expected, continued to show a high growth rate due to the strategic strengthening of human resource development and sales structure in that domain especially centering on services of specialized companies in UIUX design, product/service development, data, and PMO (*2) service. The added-value sales growth rate for the third quarter of the current fiscal year was 14.4% year-on-year, showing an improvement compared to the previous quarter.

While the number of employees increased due to the hiring of new graduates, the growth rate of added-value sales in the first nine months of the fiscal year improved. This resulted in a gross profit margin of 18.8%, marking a year-on-year increase. Additionally, the ratio of selling, general and administrative expenses to net sales improved year-on-year due to thorough cost control measures such as curbing mid-career recruitment and streamlining education investment. As a result, operating profit for the third quarter of the current fiscal year was 340 million yen (compared to an operating loss of 18 million yen in the same period of the previous fiscal year), marking the second consecutive quarter of operating profit. The operating loss for the first nine months of the fiscal year was 139 million yen, an improvement of 430 million yen year-on-year, demonstrating a significant recovery in profitability.

The main strategies set forth in "Strategies for medium-term growth," the related KPI trends at the end of the third quarter of the current cumulative term, and future initiatives are as follows.

1. Recovery of profitability and establishment of highly profitable business

In April 2024, 411 new graduates joined the company, but from 2025 onwards, we will optimize the ratio of new graduates in our human resources portfolio by keeping the number of new graduates hired within the growth rate of added-value sales. At the same time, we will strive to increase “operating rate of existing creators excluding first and second years new graduates” with the following measures: thoroughly implementing profit-oriented management across the group, curbing mid-career recruitment until operating rates reach an appropriate level, and optimizing staffing. Through these efforts, we will decrease the number of non-operating digital creators to the minimum and thereby increase gross profit margin. By focusing on the KPIs, we aim to restore profitability and secure the ratio of operating profit to 5%, and 10% gradually.

KPI	Results
・Operating rate of digital creators excluding first and second year new graduates	82.1% (2.4 point down year-on-year)
・Gross profit margin	18.8% (0.1 point up year-on-year)

As of the end of the third quarter of this cumulative term, the number of digital creators was 2,700, an increase of 218 from the end of the previous year (an increase rate of 8.8%), and the number of digital creators, excluding first and second year graduates, was 1,782, an increase of 317 from the end of the previous year (an increase rate of 21.6%). The KPI, the operating rate of digital creators excluding first and second year new graduates was 82.1%, decreasing year-on-year.

To further recover profitability, we will continue to implement thorough cost controls by curbing mid-career recruitment until operating rates reach an appropriate level and prioritize improving the operation rate of digital creators, excluding those in their first and second year after joining the company. In addition, to raise the growth rate of added-value sales, we will work to strengthen human resource development and our sales structure, aiming to increase the number of digital creators in the DX domain and expand their operations.

2. Establishment of high growth business

In parallel with the above measures, we will aim to raise the growth rate of added value sales to more than 20% at mid-term by strongly promoting the following two points.

1) Drastically strengthen service strategy

We will clarify the services that will maximize our strengths in each of the four DX-support business areas: “Production/UIUX,” “Digital Marketing,” “Digital Service Development,” and “Data,” and expand transactions by evolving our services to our main customers through cross-selling among the business areas. We will also strengthen account management across business areas for our major customers and strongly promote the maximization of sales revenue for each existing client. Through this initiative, we will increase the number of large-scale clients with an annual transaction amount of 100 million yen or more.

KPI	Results
・Added-value sales per DGT client	29.41 million yen (0.1 point down year-on-year)
・Number of clients with annual sales over 100 million yen	51 companies (estimate) (5 more than the end of previous year)

During this fiscal year, we are focusing on expanding annual revenue per client, primarily within the top 50 DGT companies in the web operations domain. We are actively pursuing cross-selling opportunities focused on DX services such as data utilization support, product development, and PMO, in addition to our existing web operations services. As a result, the added-value sales per client among the top 50 DGT companies in the third quarter reached 67.79 million yen, a year-on-year increase of 11.5%, showing steady expansion and an improved growth rate. Furthermore, the cumulative added-value sales of our specialized companies for the first nine months reached 5,030 million yen, a year-on-year increase of 41.7%, demonstrating continued strong growth.

The number of client companies with annual revenue exceeding 100 million yen is expected to reach 51 by the end of the third quarter, an increase of 5 companies compared to the end of the previous fiscal year and 7 companies compared to the same period last year. We will further strengthen our relationships with our clients to expand this number. In addition, we will reinforce our account management and further promote cross-selling, focusing on services in the DX domain such as AI and data utilization support, and product development, where we anticipate increased investment demand from our clients.

2) Acquisition of a position to support customer's DX in-house production

As our client companies' efforts to in-house DX are making great progress, we have been providing services focusing on the "execution and operation" phase. From now on, by leveraging the strengths we have cultivated in the phase of our supporting client companies' business with our UI/UX design and agile development capabilities, we will focus more on services in the "execution planning and promotion" phase. By doing so, we will change our positioning in which our digital creators can work together with our clients closely at each phase in order to contribute to maximizing the effects of our customers' DX investments. In order to achieve these, we strengthen the development of specialized skills, including those for PMO personnel, who will be responsible for overall project management such as project progress, quality and budget management, and project team personnel coordination. In addition, we will strengthen the development of not only specialized technical skills but also business skills and competencies, with the aim of producing a large number of digital human resources who are the best in the industry and can accompany our customers on-site to support their DX initiatives.

KPI	Results
・Sales price per digital creator	888,408 yen (3.9% up year-on-year)
・Number of PMO personnel	203 (136 more from the end of previous year)

The average unit sales price increased by 3.9% year-on-year, due to a higher sales mix of DX services such as UIUX, product and service development, and PMO services, which command higher unit prices compared to conventional web-related services. In particular, the unit price for digital creators, excluding those in their first and second year after graduation, increased by 8.1% year-on-year, showing a steady improvement.

The number of PMO personnel reached 203, an increase of 136 from the end of the previous fiscal year, exceeding the target of 120 for the fiscal year ending March 2025. This indicates that our focused efforts in PMO personnel training are progressing smoothly. Furthermore, we will strengthen the development of DX personnel, such as UX designers and marketing DX personnel, who will work closely with clients to accelerate the shift towards the DX domain. We will also create an environment where creators can continue to learn independently and promote the utilization of PMO and DX personnel by accumulating know-how in on-site support for client companies, aiming to improve the average unit sales price.

3) Investment for future

In order to achieve further growth and realize our mission and vision, we are working to establish a decarbonized DX (*3) business and develop decarbonized DX human resources who can support the establishment of the foundation for sustainable management of client companies.

During the third quarter of the current cumulative period, the decarbonized DX Company's added-value sales increased greatly compared to the same quarter of the previous year. The GX market is rapidly expanding due to the effects of rapid climate change and international situations, and we predict that the need for decarbonized DX human resources who have both GX literacy and digital skills will increase at an accelerating pace. We aim to further develop and produce 1,000 decarbonized DX human resources over the next three years.

As mentioned above, due to our focus on profit-oriented management, including the suppression of new graduate and mid-career recruitment, as well as cost control measures, along with higher unit prices driven by the shift to the DX domain and maximized operation of digital creators (excluding those in their first and second year after graduation), the transition from the upfront investment phase to the profit-making phase is progressing more smoothly than initially planned. Therefore, we have revised our earnings forecast for the fiscal year ending March 2025.

While our business typically experiences seasonal fluctuations with higher sales and profits in the second and fourth quarters, the increase in the proportion of human resource provision-type services for supporting in-house DX projects at client companies has led to progress in leveling off from this quarterly seasonality. Although the added-value sales growth rate for the third quarter of the current fiscal year is on a recovery trend, the initiatives to reduce seasonality are expected to result in a slower growth rate in the fourth quarter compared to the third quarter.

On the other hand, the likelihood of achieving a strong profit recovery from the next fiscal year ending March 2026 onwards (with an operating profit target of 10% for the fiscal year ending March 2027) has increased. If the average annual growth rate of added-value sales from the fiscal year ending March 2026 to the fiscal year ending March 2027 reaches 10-15%, we project that operating profit for the fiscal year ending March 2027 will exceed 2.5 to 3 billion yen, surpassing our previous record high. We will continue to implement various measures to further accelerate the shift of our business domain from the web to the DX domain, aiming to increase added-value sales and establish a highly profitable and high-growth business.

We believe that digital investment by companies will accelerate further, and at the same time, the shortage of IT/digital human resources will further expand, against the backdrop of further evolution of digital technology, the global effort toward decarbonization, and decline in population in Japan. Under such environment, we will continue to invest in human resources, such as developing specialized skills, and work on expanding our human capital by heightening skills and work engagement of our digital creators, who are the source of value creation for customers. We aim to lead social change together with our clients through DX support for client companies.

(*1) GX (Green Transformation): This refers to the transformation for utilizing clean energy while avoiding the use of fossil fuels as much as possible and activities aimed at achieving this goal. The Ministry of Economy, Trade and Industry believes that efforts to achieve carbon neutrality by 2050 and the national greenhouse gas emission reduction target by 2030 are opportunities for economic growth and defines GX as the transformation of entire economic and social system toward the goal of reducing emissions and improving industrial competitiveness.

(*2) PMO (Project Management Office): Refers to a department or system that supervises project management across departmental boundaries in order to smoothly advance projects in companies and organizations. The PM (Project Manager) is in a position to oversee the project and make various decisions, and the PMO supports the PM in project management by collecting information and coordinating with related parties so that the PM can make decisions smoothly.
(*3) Decarbonization DX: Refers to the use of the power of digital technology to realize a "decoupling model" that continues economic growth while reducing GHG (Greenhouse Gas = greenhouse gases such as carbon dioxide and methane) emissions.

(2) Overview of Financial Standing for the Quarter

i)Status of Assets, Liabilities, and Shareholders' Equity

The total assets at the third quarter of the current term were 11,252 million yen (down 274 million yen from the end of the previous consolidated fiscal year). This is primarily due to an increase of 384 million yen in other financial assets, 275 million yen in rights to use as assets, and 220 million yen in inventory assets, along with a decrease of 597 million yen in cash and cash equivalents and 498 million yen in trade receivables and other receivables.

Total liabilities stood at 5,499 million yen (down 92 million yen from the end of the previous consolidated fiscal year). This was primarily due to an increase of 282 million yen in lease liabilities, along with a decrease of 169 million yen in other current liabilities, 160 million yen in trade payables and other payables, and 66 million yen in income tax payables.

Total equity was 5,753 million yen (down 181 million yen from the end of the previous consolidated fiscal year). This was primarily due to an increase of 365 million yen in capital surplus and 290 million yen in other components of equity, along with a decrease of 836 million yen in retained earnings.

ii)Status of Cash Flows

The cash and cash equivalent (hereinafter referred to as "funds") at the end of the third quarter of the current term was 3,179 million yen, down 576 million yen from the end of the previous consolidated fiscal year (an increase of 20 million yen due to merger of the subsidiary company and a decrease of 597 million yen in other reasons). The status of each cash flow for the third quarter of current cumulative term and the factors behind them are as follows.

(Cash Flows from Operating Activities)

The funds acquired during the third quarter of the current cumulative term as a result of operating activities amounted to 233 million yen (570 million yen used in the same period of the previous year). The income was mainly from a decrease of 499 million yen in trade and other receivables, 442 million yen in depreciation and amortization, and 114 million yen in income taxes refund while the expenditure was mainly from 260 million yen in others, an increase of 220 million yen in inventory assets, a decrease of 150 million yen in trade and other payables, and 138 million yen in loss before income taxes.

(Cash Flows from Investing Activities)

The funds used during the third quarter of the current cumulative term as a result of investing activities amounted to 47 million yen (80 million yen used in the same period of the previous year). The income was mainly from 50 million yen in proceeds from the sale of investments while the expenditure was mainly from 62 million yen in purchase of property, plant and equipment, and 44 million yen in payments for investments.

(Cash Flows from Financing Activities)

The funds used during the third quarter of the current cumulative term as a result of financing activities amounted to 783 million yen (802 million yen used in the same period of the previous year). The expenditure was mainly from 396 million yen as dividends paid and 389 million yen in expenditure for the repayment of lease liabilities.

(3) Explanation Regarding the Future Forecast Information such as Earnings Forecast

Based on the results for the first nine months of the fiscal year and the current outlook, we have revised the full-year non-consolidated financial forecast for the fiscal year ending March 31, 2025, which was announced on January 22, 2025, as follows:

Revision of non-consolidated financial forecast for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

	Revenue	Operating Profit	Profit before tax	Profit	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	23,230	200	180	150	11.51
Revised forecast (B)	22,100	400	390	260	19.96
Variance (B-A)	(1,130)	200	210	110	

Increase/Decrease rate (%)	(4.9)	100.0	116.7	73.3	

(Regarding the Dividend Forecast)

From the perspective of enhancing the return of profits to all of our shareholders and further increasing enterprise value, we will retain earnings in preparation for new business investment for long-term profit growth and the expansion in business activities, as well as set a fundamental policy of the distribution of profits according to the improvement of business results and a continuous increase in the dividend amount. Our medium-term target of an equity dividend ratio attributable to owners of the consolidated parent company is about 5%.

After comprehensively taking into account of the DOE and dividend payout ratio, the term-end dividend for FY 3/2025 is planned to be 32.00 yen as not changed although the earnings forecast has been revised as above.

2. Summary of Financial Statements and Major Notes under IFRS

(1) Summary of Quarter Balance Sheets

[unit: thousand yen]

	Previous consolidated accounting year (Mar. 31, 2024)	3rd quarter of the current accounting year (Dec. 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	3,776,990	3,179,737
Trade receivables and other receivables	3,847,649	3,349,389
Inventory assets	38,897	259,000
Other financial assets	2,496	-
Other current assets	299,828	287,577
Total current assets	7,965,861	7,075,704
Non-current assets		
Tangible fixed assets	325,710	343,991
Rights to use as assets	950,275	1,225,956
Goodwill	116,115	116,115
Intangible assets	7,681	11,378
Other financial assets	1,739,644	2,126,203
Deferred tax assets	419,105	352,903
Other non-current assets	2,692	673
Total non-current assets	3,561,225	4,177,222
Total assets	11,527,087	11,252,927

[unit: thousand yen]		
	Previous consolidated accounting year (Mar. 31, 2024)	3rd quarter of the current accounting year (Dec. 31, 2024)
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Lease liabilities	439,620	512,820
Trade payables and other payables	1,119,772	959,164
Income taxes payable	96,825	29,966
Contract liabilities	4,816	6,389
Other current liabilities	3,427,062	3,257,400
Total current liabilities	5,088,097	4,765,741
Non-current liabilities		
Lease liabilities	276,211	485,028
Allowance	228,069	248,638
Total non-current liabilities	504,280	733,666
Total liabilities	5,592,377	5,499,408
Shareholders' equity		
Capital stock	1,057,867	1,057,867
Capital surplus	393,069	758,841
Treasury shares	(698,155)	(698,155)
Other components of equity	160,985	450,998
Retained earnings	5,020,941	4,183,965
Total shareholders' equity	5,934,709	5,753,518
Total liabilities and equity	11,527,087	11,252,927

(2) Summary of Quarter Statements of Income

[unit: thousand yen]

	3Q FY2024 Consolidated (Apr. 1, 2023 to Dec. 31, 2023)	3Q FY2025 (Apr. 1, 2024 to Dec. 31, 2024)
Revenue	14,584,754	16,022,256
Cost of sales	11,862,867	13,015,662
Gross profit	2,721,887	3,006,594
Selling, general and administrative expenses	3,286,713	3,136,983
Other income	2,242	8,629
Other expenses	7,087	17,647
Operating profit (loss)	(569,671)	(139,406)
Finance income	47,145	16,886
Finance costs	10,633	16,440
Profit (loss) before income taxes	(533,159)	(138,960)
Income taxes	(151,074)	(43,862)
Profit (loss) for the period	(382,084)	(95,098)
Earnings per share		
Basic earnings (loss) per share (yen)	(29.13)	(7.45)
Diluted earnings (loss) per share (yen)	(29.13)	(7.45)

(3) Summary of Quarter Statements of Comprehensive Income

[unit: thousand yen]

	3Q FY2024 Consolidated (Apr. 1, 2023 to Dec. 31, 2023)	3Q FY2025 (Apr. 1, 2024 to Dec. 31, 2024)
Profit (loss) for the period	(382,084)	(95,098)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	121	287,693
Total items that will not be reclassified to profit or loss	121	287,693
Other comprehensive income after tax	121	287,693
Comprehensive income total	(381,963)	192,595

(4) Summary of Quarter Statements of Changes in Equity

Consolidated first nine months of the prior fiscal year ended March 2024 (Apr. 1, 2023 to Dec. 31, 2023)

	Capital stock	Capital surplus	Treasury shares	Other components of equity	Retained earnings	Total
Balance on April 1, 2023	1,017,504	342,670	(300,140)	30,845	5,275,424	6,366,305
Profit (loss) for the period	—	—	—	—	(382,084)	(382,084)
Other comprehensive income	—	—	—	121	—	121
Total comprehensive income	—	—	—	121	(382,084)	(381,963)
Exercise of share acquisition rights	40,363	40,363	—	(8,140)	—	72,586
Share-based compensation transactions	—	6,047	—	—	—	6,047
Issuance of share acquisition rights	—	—	—	195	—	195
Expiration of share acquisition rights	—	—	—	(11,587)	11,587	—
Purchase of treasury stock	—	—	(131,235)	—	—	(131,235)
Disposal of treasury stock	—	917	1,970	—	—	2,887
Dividends	—	—	—	—	(392,585)	(392,585)
Total transactions with owners	40,363	47,327	(129,264)	(19,531)	(380,998)	(442,103)
Balance on December 31, 2023	1,057,867	389,997	(429,405)	11,435	4,512,341	5,542,237

First nine months of the current fiscal year ending March 2025 (Apr. 1, 2024 to Dec. 31, 2024)

	Capital stock	Capital surplus	Treasury shares	Other components of equity	Retained earnings	Total
Balance on April 1, 2024	1,057,867	749,626	(698,155)	160,985	4,674,806	5,945,130
Profit (loss) for the period	—	—	—	—	(95,098)	(95,098)
Other comprehensive income	—	—	—	287,693	—	287,693
Total comprehensive income	—	—	—	287,693	(95,098)	192,595
Share-based compensation transactions	—	9,215	—	—	—	9,215
Issuance of share acquisition rights	—	—	—	2,359	—	2,359
Dividends	—	—	—	—	(395,782)	(395,782)
Transfer to retained earnings	—	—	—	(39)	39	—
Total transactions with owners	—	9,215	—	2,319	(395,742)	(384,207)
Balance on December 31, 2024	1,057,867	758,841	(698,155)	450,998	4,183,965	5,753,518

(5) Summary of Quarter Statements of Cash Flows

[unit: thousand yen]

	3Q FY2024 Consolidated (Apr. 1, 2023 to Dec. 31, 2023)	3Q FY2025 (Apr. 1, 2024 to Dec. 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	(533,159)	(138,960)
Depreciation and amortization	381,173	442,991
Finance income	(47,145)	(16,886)
Finance costs	10,633	16,440
(Increase) decrease in inventories	(131,702)	(220,102)
(Increase) decrease in trade and other receivables	35,475	499,915
Increase (decrease) in trade and other payables	(8,412)	(150,017)
Other	93,486	(260,882)
Subtotal	(199,652)	172,497
Interest and dividends received	20	272
Subsidy Received	-	638
Interest paid	(7,655)	(9,093)
Income taxes paid	(363,671)	(45,536)
Income taxes refund	36	114,683
Cash flows from operating activities	(570,921)	233,461
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,668)	(62,309)
Purchase of intangible assets	-	(5,138)
Payments for investments	(22,514)	(44,585)
Proceeds from the sale of investments	26,271	50,348
Payments for leasehold deposits and guarantee deposits	(61,736)	(12,519)
Proceeds from collection of leasehold deposits and guarantee deposits	866	30,293
Other	-	(3,139)
Cash flows from investing activities	(80,781)	(47,051)
Cash flows from financing activities		
Repayments of lease liabilities	(351,796)	(389,345)
Proceeds from issuance of share acquisition rights	195	2,359
Proceeds from exercise of share acquisition rights	72,586	-
Payments for purchase of treasury shares	(132,102)	-
Dividends paid	(391,835)	(396,533)
Cash flows from financing activities	(802,952)	(783,519)
Net increase (decrease) in cash and cash equivalents	(1,454,655)	(597,109)
Cash and cash equivalents at beginning of period	4,479,967	3,756,620
Cash and cash equivalents increase from the merger	-	20,225
Cash and cash equivalents at end of period	3,025,311	3,179,737

(6) Notes to Summary of Financial Statements

(Additional Information)

As a result of the absorption-type merger of Members Energy Co., Ltd., a wholly owned subsidiary, effective November 1, 2024, our company has transitioned to non-consolidated financial reporting. Therefore, the figures for the current period are based on non-consolidated IFRS financial statements after the organizational restructuring, while the comparative information is based on the previous consolidated IFRS financial statements before the organizational restructuring.

(Segment Information)

As our group has a single segment, the online business support business, segment information has been omitted.

(Notes on Going Concern Assumption)

There is no related information.

(Significant Subsequent Events)

There is no related information.