



FY2027 2Q Financial Results Presentation Materials

Members Co., Ltd.

(Prime Market, Tokyo Stock Exchange, Securities code: 2130)



Members Co., Ltd.
URL: <https://www.members.co.jp/>

FY2027 2Q Results

FY2027 2Q Consolidated Financial Results Highlights

- Revenue and Value-added Revenue were in line with the revised plan. Due to personnel cost control, the operating loss of 389 million yen was better than the revised plan.
- While the average billing rate per DC (digital creator) and the AI/data-related revenue ratio continued to rise steadily, the transformation to the AX business is still only halfway complete. The Group will continue to pursue this as its top priority with a sense of speed, aiming to establish a foundation for growth.

Consolidated Results *1 (1H)

Revenue

11,788 million yen

YoY **+3.0%**

Value-added Revenue *2

11,392 million yen

YoY **+2.9%**

Operating profit

-389 million yen

YoY change **-652 (million yen)**

Gross profit margin

19.9 %

YoY **-2.8pt**

Key KPIs (2Q Results)

Profitability Drivers

Excluding 1st and 2nd
year new graduates
Utilization rate

80.6%

YoY **-2.6pt**

Average billing rate
per DC
(excluding new graduates)

990 thousand yen

YoY **+7.2%**

Number of DCs
(at the end of 2Q)

2,592 people

vs. end of FY2026
+136 people

Business Structure

DX revenue ratio

57.8%

YoY **+5.7pt**

AI/Data-related
revenue ratio

15.5%

Revenue growth rate
+80.2%

100 million yen or more
Number of clients
(annualized)

53 clients

YoY **+6 clients**

*1 Due to the merger of subsidiaries in November 2024, the Company shifted to non-consolidated reporting from FY2025 3Q, and to consolidated financial results (IFRS) from FY2026 4Q due to the conversion into a subsidiary on January 1, 2026. Since there is a difference in the calculation scope compared to the previous year's results (non-consolidated), each indicator such as YoY is stated as a reference value.

*2 Value-added Revenue = Revenue - Subcontracting and purchases = Revenue from internal resources Members Co., Ltd.

FY2027 2Q Consolidated P/L

- Due to a decline in the utilization rate, the gross profit margin decreased by 2.8pt YoY. SG&A expenses trended upward YoY due to the increase in new graduate hires and the impact of M&A, in addition to continued investment in transforming the business structure. In light of 1H progress, the full-year operating profit plan was revised downward to 200 million yen in September 2026.

(Millions of yen)	FY2026 1H Cumulative Result	FY2027 1H Cumulative Result		FY2027 Plan			
	Non- Consolidated	Consolidated	YoY	1H Cumulative Plan (Revised)	Achievement Rate	Full-year Plan (Revised)	Progress Rate
Revenue	11,448	11,788	+3.0%	11,800	99.9%	25,000	47.2%
Value-added Revenue	11,070	11,392	+2.9%	11,400	99.9%	24,100	47.3%
Gross profit (Gross profit margin)	2,597 22.7%	2,351 19.9%	-9.5% -2.8pt	—	—	—	—
SG&A expenses (SG&A expense ratio)	2,333 20.4%	2,742 23.3%	+17.5% +2.9pt	—	—	—	—
Operating profit (Operating profit margin)	263 2.3%	-389 -3.3%	-652 -5.6pt	-430 -3.6%	—	200 0.8%	—
Profit before tax	316	-372	-688	-400	—	200	—
Profit	195	-262	-457	-300	—	150	—

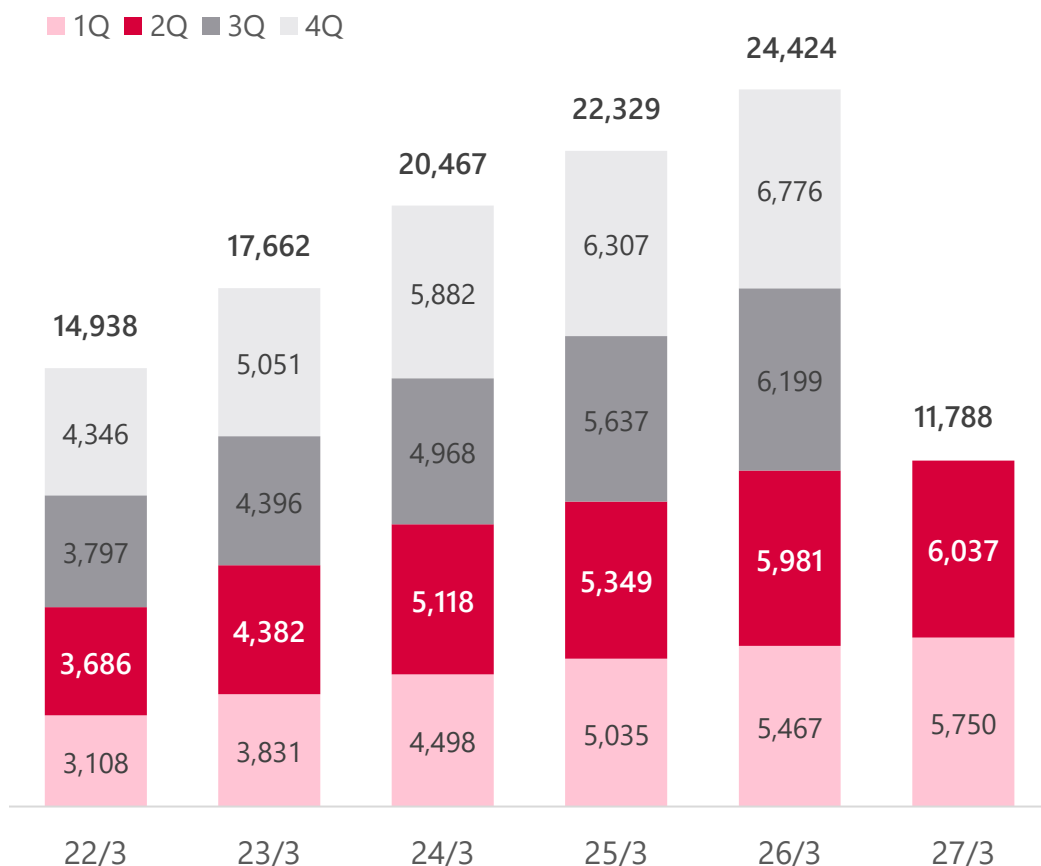
*1 Due to the merger of subsidiaries in November 2024, the Company transitioned to non-consolidated reporting from FY2025 3Q; therefore, the FY2026 2Q results are based on the Company's separate (non-consolidated) financial statements under IFRS. Note: As the Company transitioned to consolidated financial statements (IFRS) from FY2026 4Q, the FY2027 2Q results and the 1H cumulative plan are based on consolidated figures.

*2 For operating profit, profit before tax, and profit, the plan is in the black while results are in the red (signs differ), so the progress rate is not calculated and is shown as "—".

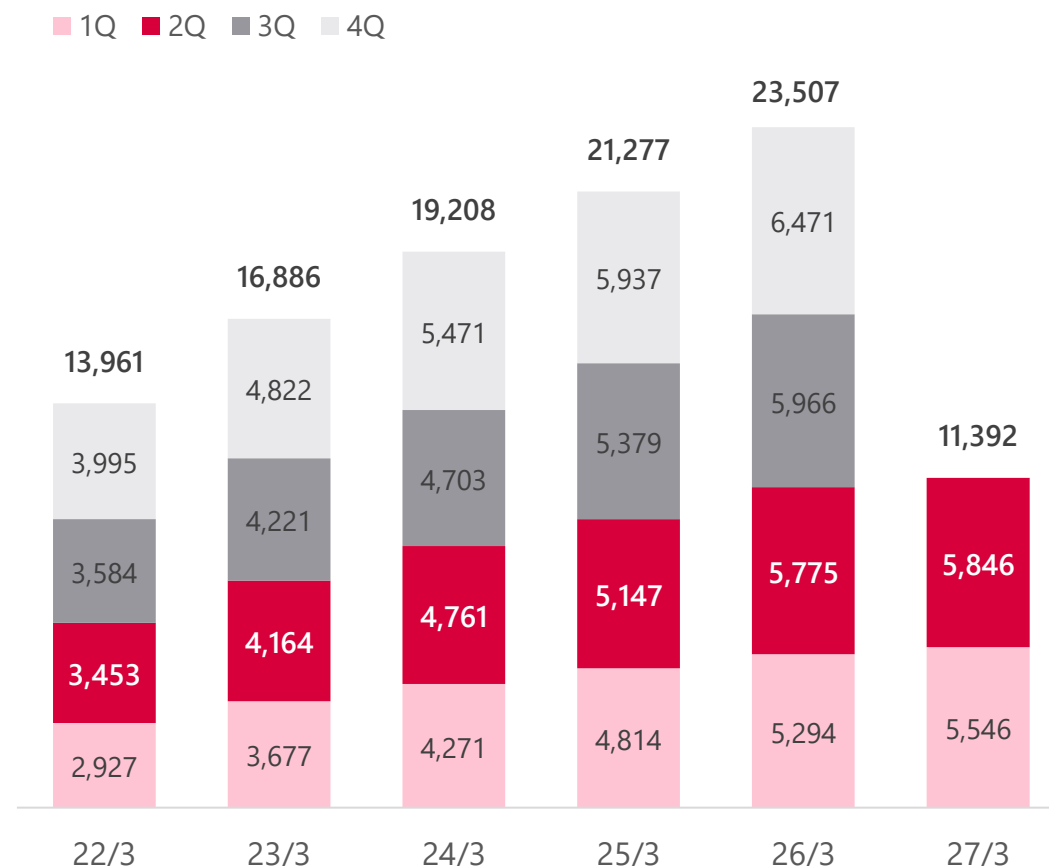
Consolidated Revenue / Value-added Revenue

- Revenue: 11,788 million yen (YoY +3.0%).
- Value-added Revenue: 11,392 million yen (YoY +2.9%).

Revenue (Non-consolidated for FY2025 3Q–FY2026 3Q) (million yen)



Value-added Revenue (Non-consolidated for FY2025 3Q–FY2026 3Q) (million yen)



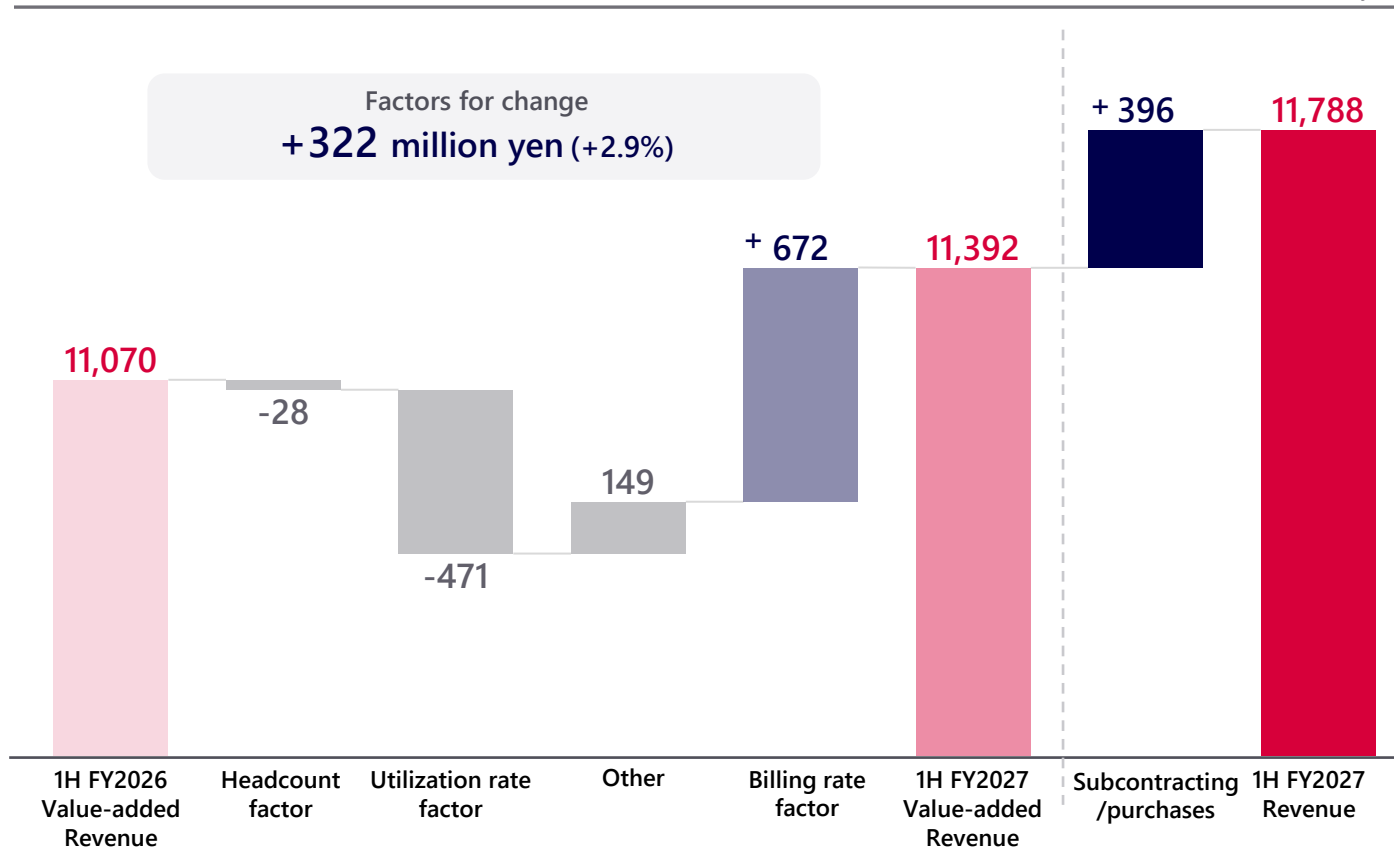
Due to the merger of subsidiaries in November 2024, the Company transitioned to non-consolidated reporting from FY2025 3Q, so consolidated results before the transition are presented as comparative information. Following the acquisition of a new subsidiary in January 2026, the Company transitioned to consolidated reporting from FY2026 4Q.

Value-added Revenue: Analysis of Factors for Change

- Higher average billing rates (+672 million yen) drove results, absorbing the impact of lower utilization rates. Value-added Revenue increased by 322 million yen YoY.
- The DX domain grew by 817 million yen, offsetting the contraction in non-DX domains such as web operations (-495 million yen).
- The Group has shifted away from growth reliant on increasing headcount and is focusing on raising Value-added Revenue per DC through the transformation to the AX business.

Factors for Change in Value-added Revenue (YoY)

(million yen)



(1) Growth rate by domain

(million yen)

	Increase /decrease	Growth rate
DX domain (ratio 57.8%)	+817	+14.2%
Non-DX (Web operations, etc.)	-495	-9.2%
Value-added Revenue change	+322	+2.9%

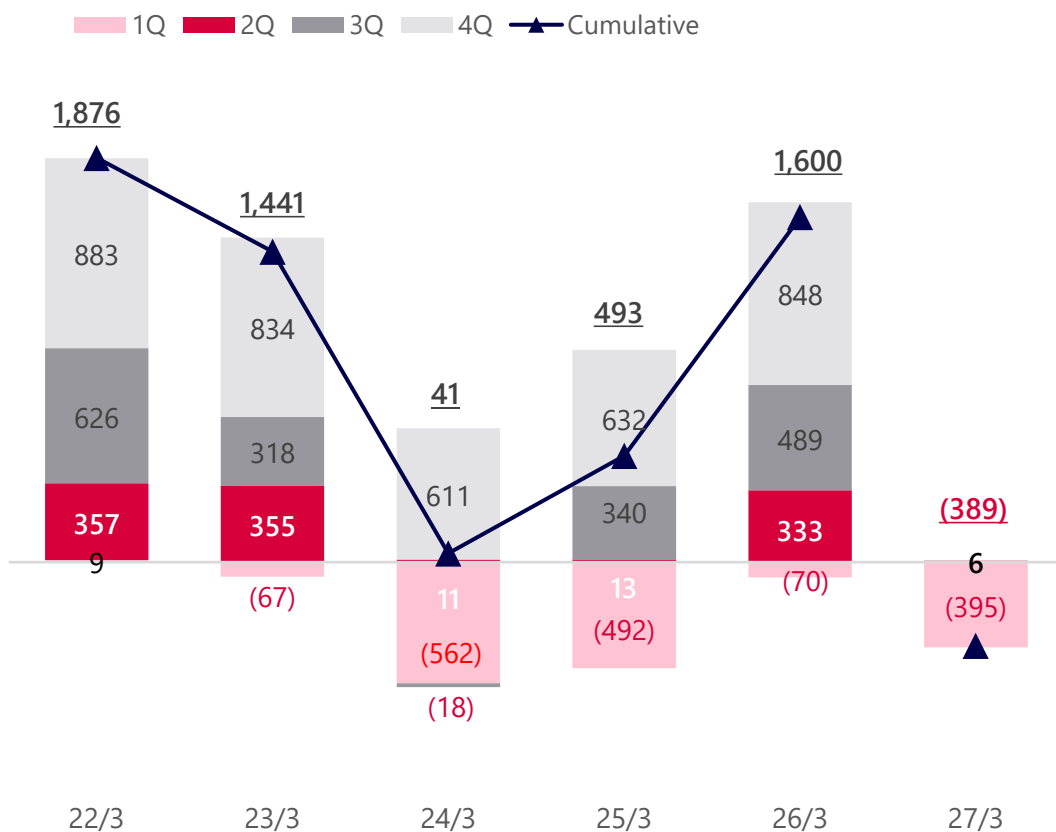
(2) 1H results of sales components

	Result	YoY
Number of DCs (at the end of 2Q)	2,592 people	+58 people
Overall utilization rate (1H)	74.6%	-2.7pt
Average billing rate per DC (1H) *Excluding the impact of 1st year new graduates	990 thousand yen	+7.2%

Consolidated Operating Profit/SG&A Expenses/Ratio/Gross Profit Margin

- The Group posted an operating loss of 389 million yen, down 652 million yen YoY. In 2Q alone, the Group posted an operating profit of 6 million yen.
- The 2Q standalone gross profit margin decreased by 4.5pt YoY. The SG&A expense ratio rose by 1.0pt YoY due to the increase in new graduate hires and the impact of M&A, in addition to strengthened investment in recruitment/training and sales/marketing.

Operating profit (Non-consolidated for FY2025 3Q–FY2026 3Q) (million yen)

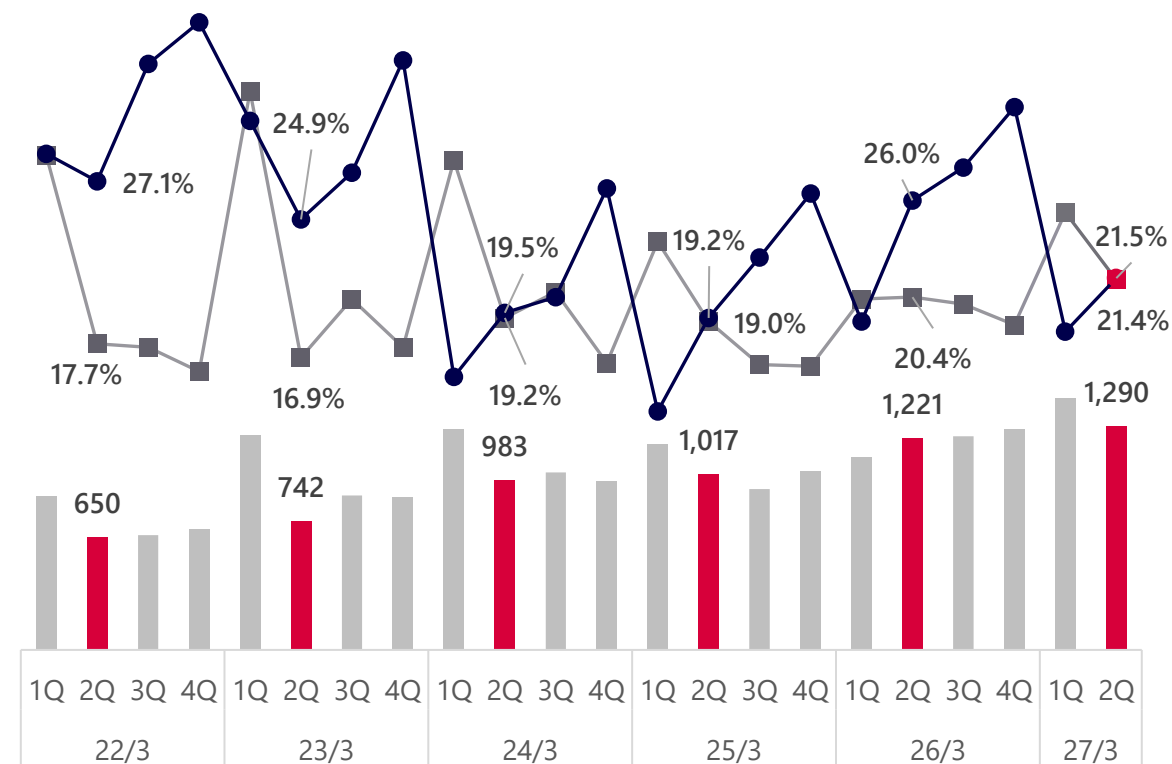


SG&A Expenses/Ratio/Gross Profit Margin

(Non-consolidated for FY2025 3Q–FY2026 3Q)

(million yen)

SG&A Expenses SG&A Expense Ratio Gross Profit Margin



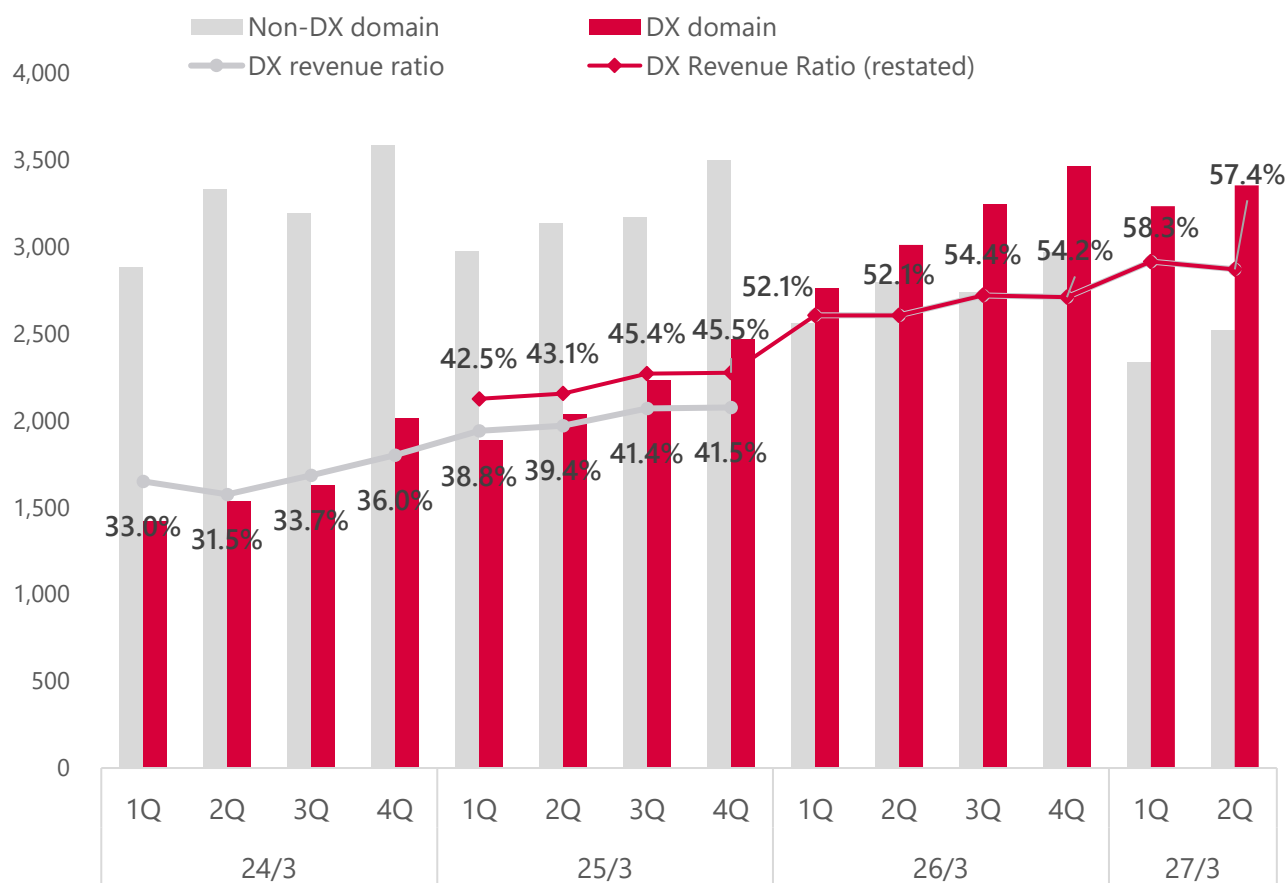
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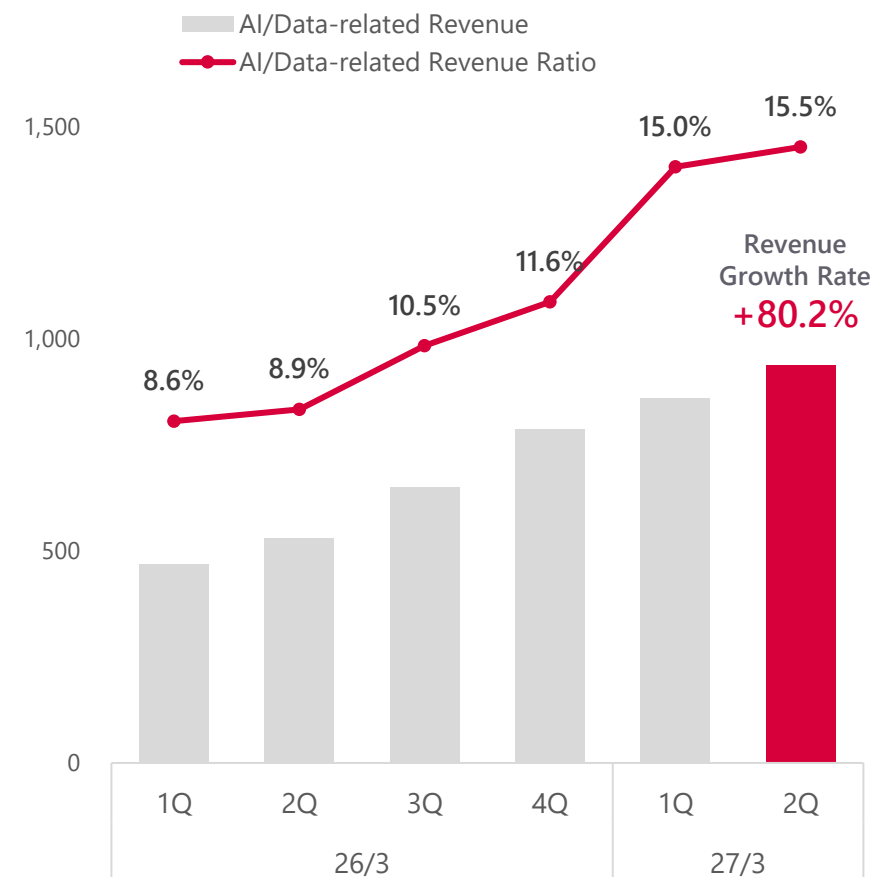
DX Revenue Ratio / AI/Data-related Revenue

- The 1H DX revenue ratio was 57.8% (+5.7pt YoY). Growth slowed to 14.2%.
- 1H AI/data-related revenue increased **80.2%** YoY, and its ratio to consolidated revenue also steadily expanded to **15.5%** in 2Q alone (+6.6pt YoY). The Group is intensively strengthening AX services company-wide toward the transformation to the AX business, aiming to increase the growth rate.

DX Revenue Ratio / Value-added Revenue (by Domain) (million yen)



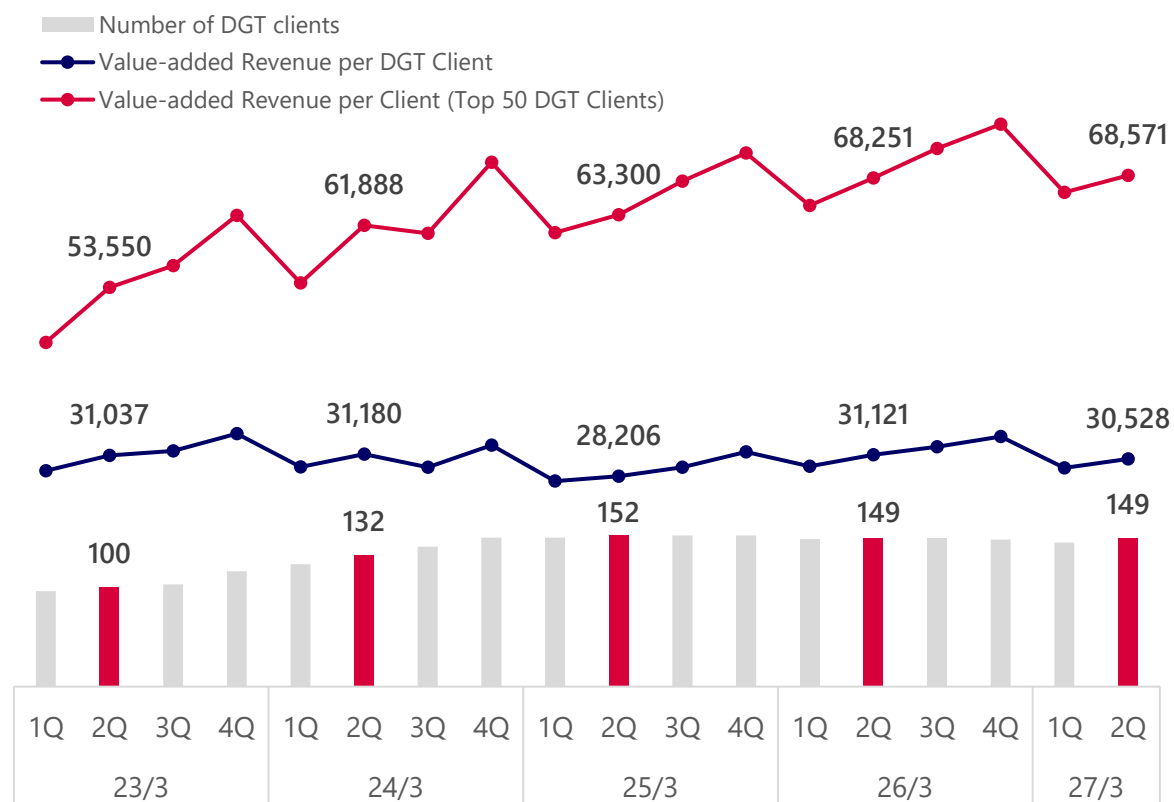
AI/Data-related Revenue / Ratio to Consolidated Revenue (million yen)



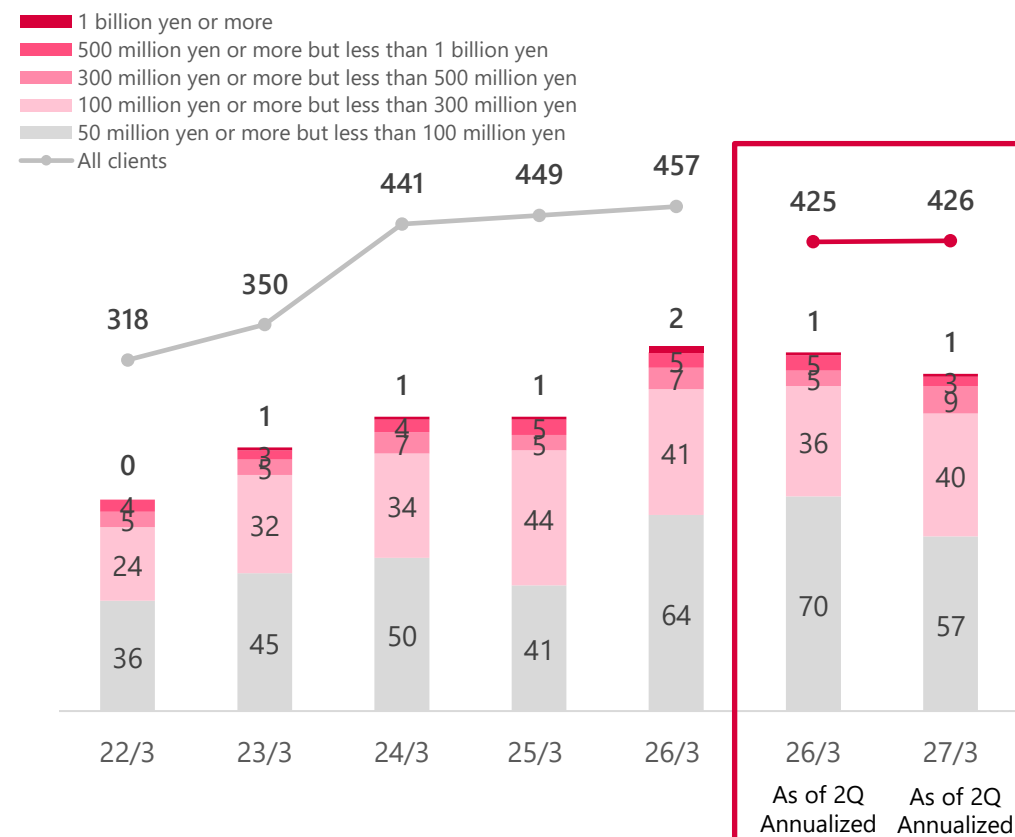
Number of DGT Clients / Value-added Revenue per Client / Number of Clients by Revenue Size

- Due to strengthened cross-selling, the number of clients with transactions of 300 million yen or more increased by 2 YoY, and those with 100 million yen or more increased by 6. Value-added Revenue per client for the top 50 DGT clients remained flat YoY at +0.5%.
- The Group will focus on ABM*1-style account management, significantly increasing the number of priority accounts to deepen its knowledge of clients' business domains, while strategically expanding targets beyond its conventional core client industries and departments.

No. of DGT clients*2 / Value-added Revenue per client (clients / thousand yen)



Number of Clients by Revenue Size (clients)



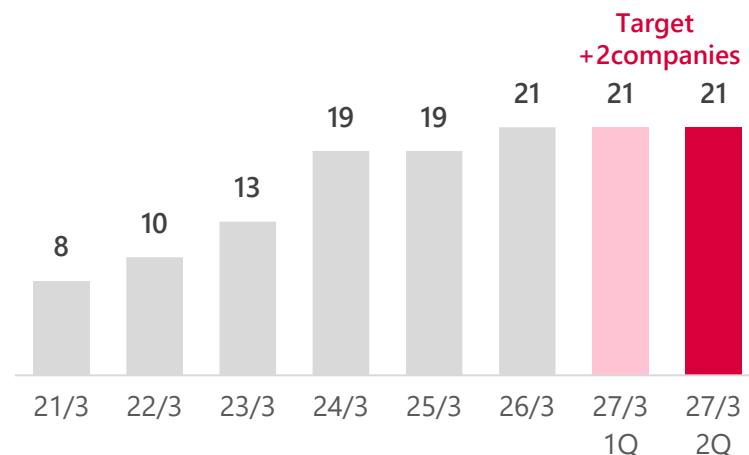
*1 ABM (Account Based Marketing): A marketing and sales approach that aims to improve customer satisfaction and deepen business relationships by conducting strategic, individualized approaches to specific target companies (accounts).

*2 The number of DGT clients is the number of clients served by a dedicated team of three or more DCs pursuing results for the client.

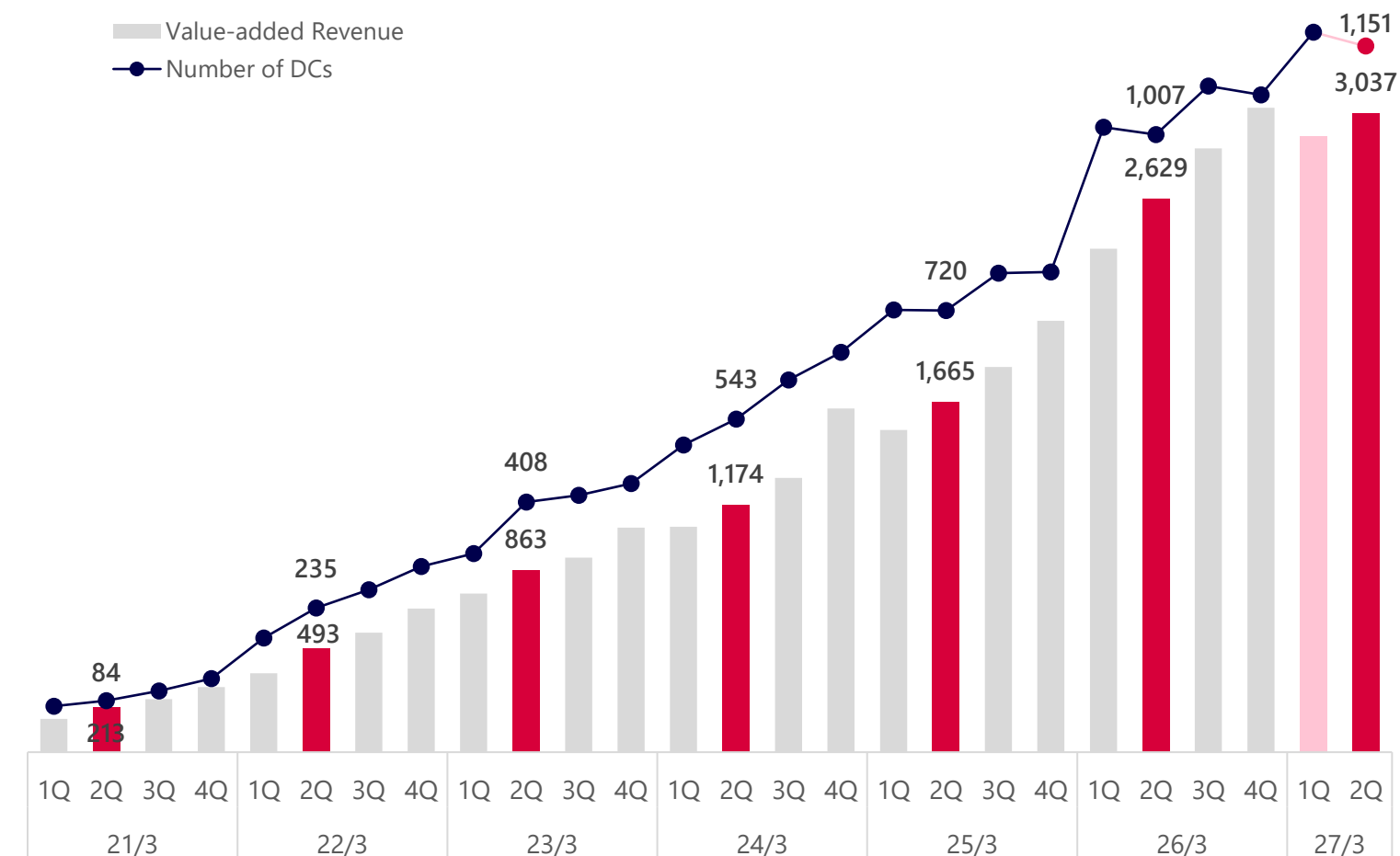
Number of Specialized Companies / Value-added Revenue / DX Talent Ratio

- Cumulative Value-added Revenue for all specialized companies in the first half was 5,965 million yen, up 18.7% YoY.
- The DX talent ratio is **83.5%**, progressing steadily toward the year-end target of 90%. The Group will continue to strengthen the development of DX talent together with AX talent.

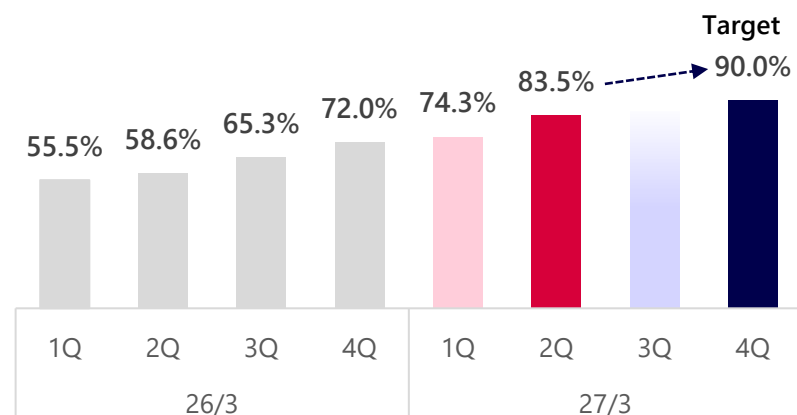
No. of Specialized Companies (companies)



Specialized Company Value-added Revenue / Number of DCs (million yen / people)



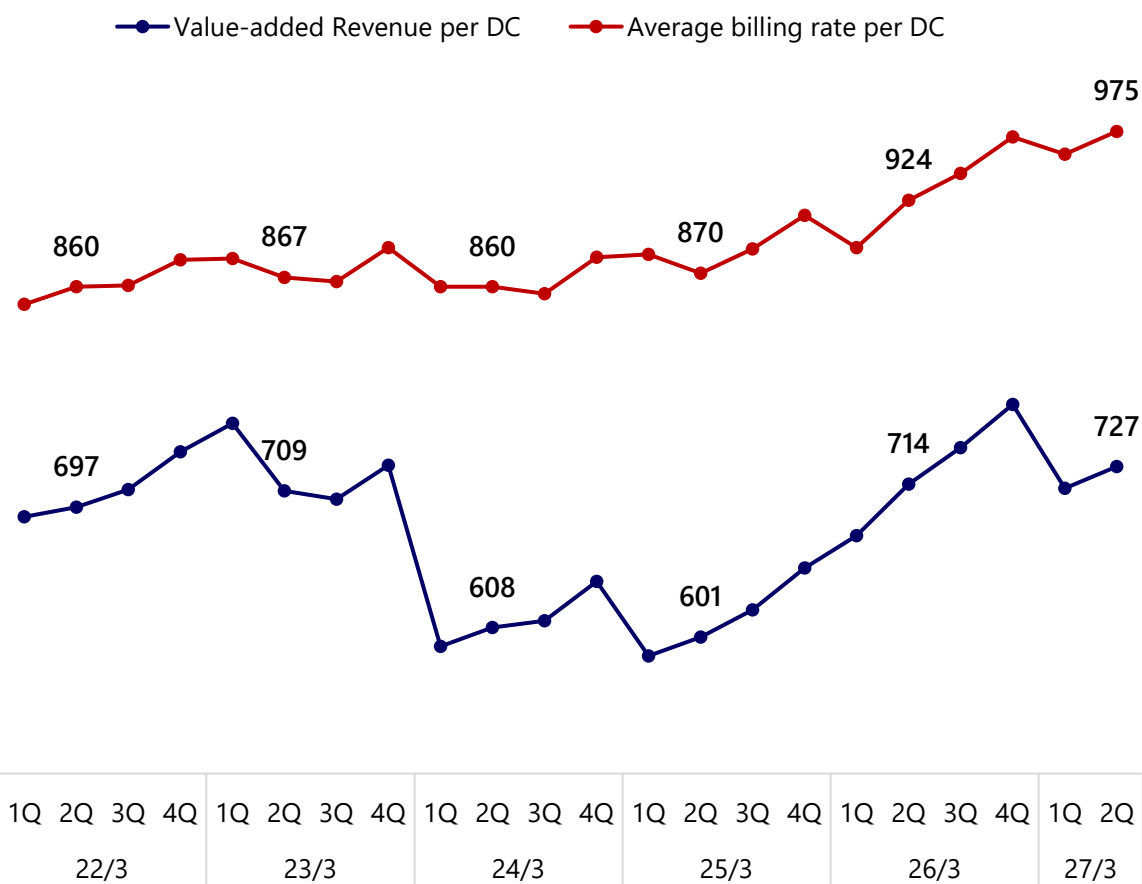
DX talent ratio



Average Billing Rate per DC / Utilization Rate

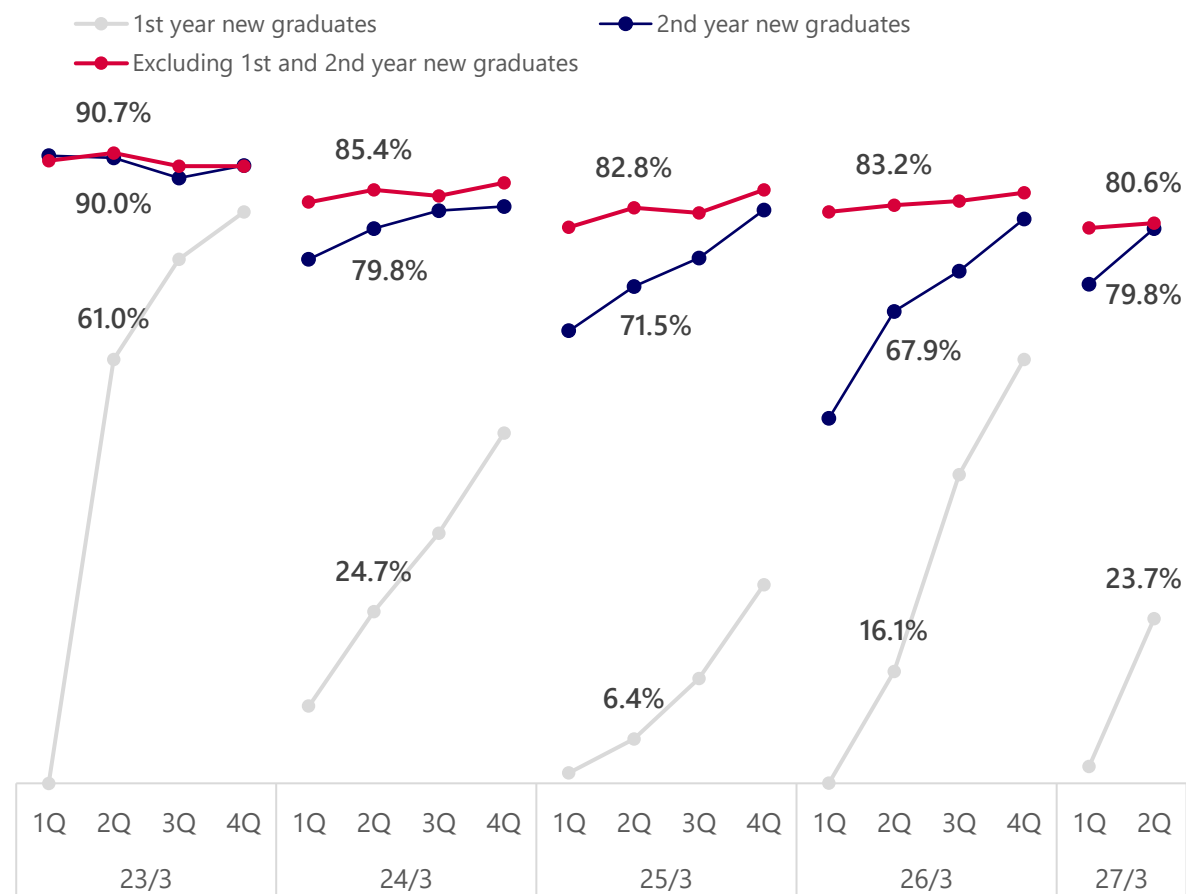
- The average billing rate per DC was 975 thousand yen (YoY +5.5%). **Excluding the impact of 1st year new graduates, it improved steadily by 7.2%.**
- The utilization rate excluding 1st and 2nd year new graduates was 80.6%, down 2.6pt YoY. The utilization rate for 2nd year new graduates showed a significant improvement trend, up 11.9pt YoY. The overall utilization rate (1H cumulative) was 74.6%, down 2.7pt YoY.

Billing Rate / Value-added Revenue per DC (Cumulative) (thousand yen)



Utilization rate

(Excluding 1st and 2nd year new graduates / 2nd year new graduates / 1st year new graduates)

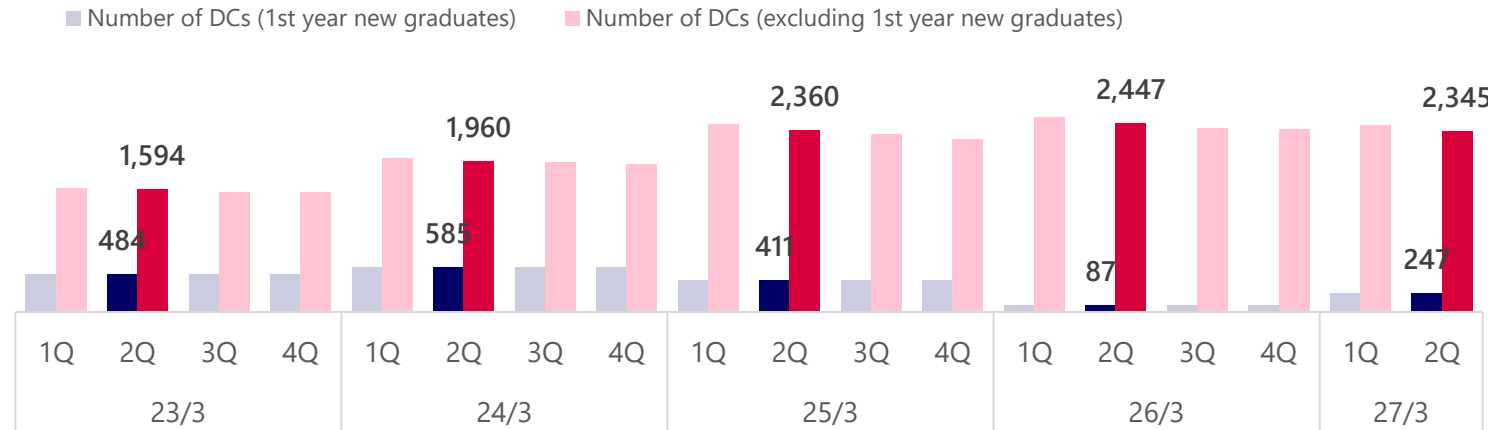


Number of DCs / New Graduate and Mid-career Hires / Turnover Rate

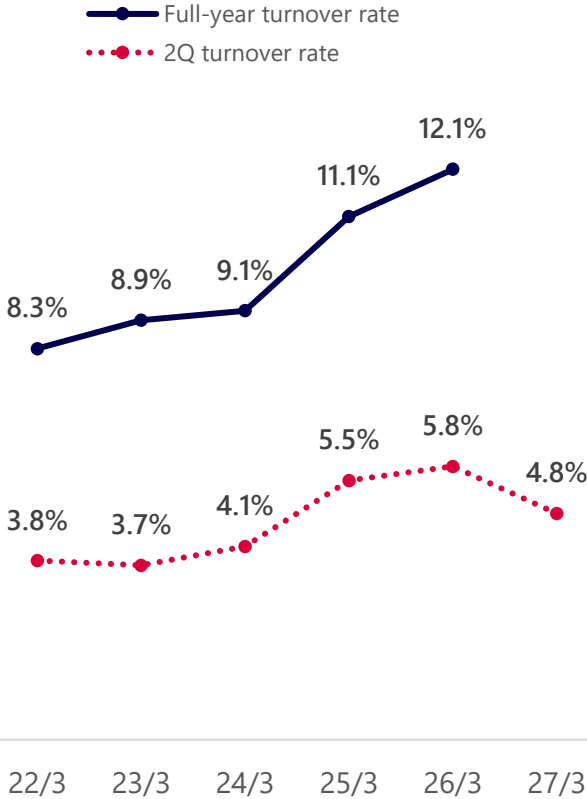
- The number of DCs at the end of 2Q was **2,592**, an increase of 136 from the end of the previous fiscal year. Due to reduced new graduate hiring in the previous fiscal year, the number of DCs in their second year or more is 2,345 (a decrease of 24 from the end of the previous fiscal year), showing a downward trend. **The Group prioritizes improving Value-added Revenue per DC over growth that relies on increasing the number of DCs.**
- 247 new graduate hires joined the Group in April 2026. The Group will continue to review new graduate hiring in line with its growth rate. Mid-career hiring will focus solely on AX-specialized professionals.
- The 1H turnover rate improved by 1.0pt YoY to **4.8%**. The Group continues to regard this as a key issue and aims to improve the full-year turnover rate by 1.0pt.

Trends in the number of DCs

(people)

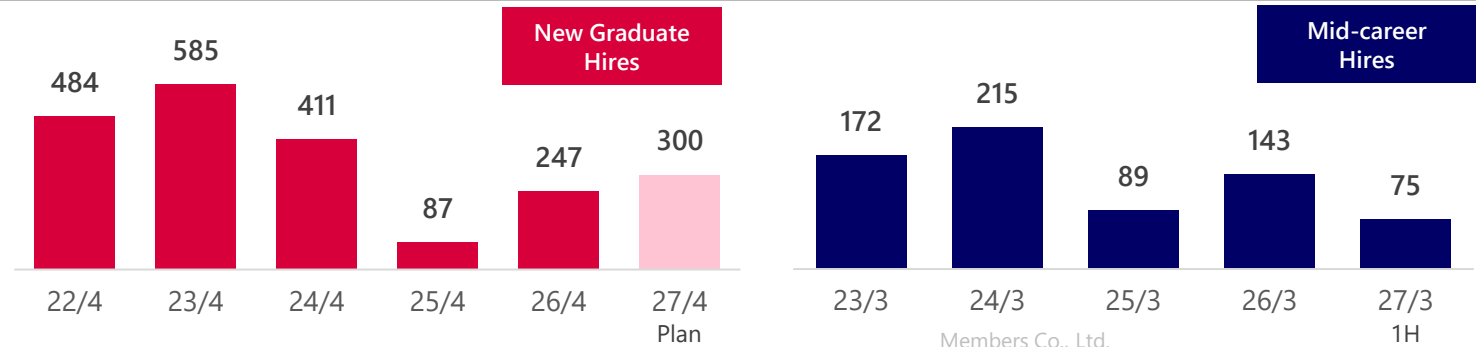


Turnover rate



Number of Hires

(people)



Reasons for Revision of Earnings Forecasts and Future Initiatives

- The Company revised its first-half and full-year earnings forecasts on September 30, 2026. The root cause was overconfidence in the high growth of the DX domain through the previous fiscal year, which delayed the response to market changes.
- This fiscal year, the Group will prioritize the transformation to the AX business over securing short-term profit and build a foundation for strong growth in the AI era.
- The Group will further strengthen governance and management systems to ensure the revised plan is achieved.

What was misread

Decline in demand due to generative AI

Demand for routine processes declined faster than anticipated

Reduced client investment

Investment restraint due to the situation in the Middle East and other factors lasted longer than anticipated

Slow ramp-up of AX services

Lead time from business opportunities to revenue recognition was longer than anticipated

Why the response was delayed

Delay in business transformation

Development of AI-powered services fell short of plan

Overconfidence in growth

Overconfidence in the previous fiscal year's high growth led to underestimating signs of market change

Delay in forecast judgment

The forecast was left unchanged at 1Q, and warning signs were not communicated early

Impact on first-half revenue

vs. initial plan

External
environment
factors

Approx. **-550** million yen

Decline in
utilization rate

Approx. **-250** million yen

Revision of earnings forecasts

Disclosed on September 30, 2026

Full-year operating profit forecast

Before revision → After revision

2,500 → **200** million yen
(-2,300 million yen)

Future initiatives

Transform the entire company into AI-era businesses and services

Strengthen AX services

Develop at least 30 services

AX transformation of existing businesses

Dramatically raise productivity and shift to new revenue models

Develop AX talent

Produce 230 AX consultants and engineers

Revamp the sales structure

Generate 1,000 AX-related business opportunities

Consolidate marketing and new business sales in the AX Division

Review of management and disclosure

Shift to a system that communicates warning signs early

Revise planning to incorporate multiple scenario assumptions

Strengthen monthly budget-versus-actual management

Assumptions and Sensitivity of the Revised Plan

- The revised full-year operating profit plan of 200 million yen is a conservative plan that assumes a utilization rate of 75% and an 8% increase in the average billing rate in the second half, without incorporating any increase in AX-related orders or utilization.
- The impact of a 1pt change in the utilization rate and a 1% change in the average billing rate on full-year operating profit is approximately 150 million yen and 125 million yen, respectively.

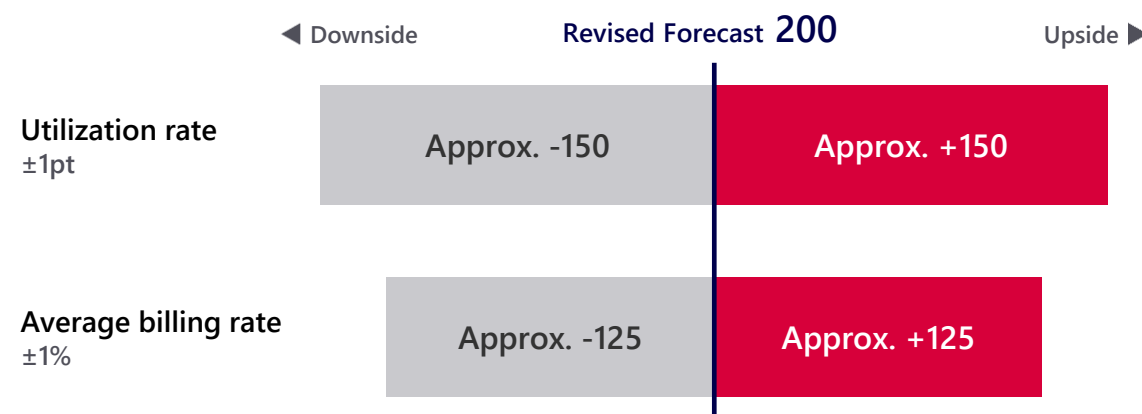
Assumptions for the Revised Forecast (Second Half)

Overall Utilization Rate Approx. 75%	1H result 74.6% (76.9% in September) Monthly improvement since bottoming out in May Previous fiscal year: 1H 77.3% → 2H 82.0%
Average Billing Rate per DC +8%	YoY. Cumulative through September: +7.2% Composition improvement and billing rate revisions each contributed about half Benefits of billing rate revisions expected to become more apparent in the second half
Increases in AX-related orders and utilization Not incorporated	Investment costs for startup are already incorporated Profit growth expected if AX-related orders and utilization increase

To achieve the full-year plan
Required 2H Operating Profit **589 million yen** Slightly over 40% of the 1,337 million yen posted in 2H of the previous fiscal year

Sensitivity (Impact on Full-Year Operating Profit)

(million yen)



Assumptions for Calculation

Calculated the impact of fluctuations on second-half Value-added Revenue in terms of operating profit, assuming no additional personnel costs. The utilization rate applies to all DCs, and the billing rate applies to DCs in their second year and beyond.



* The sensitivity figures are estimates by the Company. They are not incorporated into the earnings forecast and do not guarantee future performance.

Members Co., Ltd.

Company Profile

Company Profile

Mission

Create a spiritually rich society
through “MEMBERSHIP”

FUTURE VISION

Digital for Hope.

Unleashing the creativity of digital creators; transforming
climate change into green growth and population decline into
individual prosperity.

Date of establishment
June 26

1995

No. of employees
As of the end of September 2026

3,005 people

Consolidated revenue
FY2026 (IFRS)

24,424 million yen

Domestic locations
Headquarters (Tokyo) and others

Total **11** locations

Company name	Members Co., Ltd.
Headquarters	Harumi Island Triton Square Office Tower X 37F, 1-8-10 Harumi, Chuo-ku, Tokyo (Reception on 35F)
Other locations	Kanda Office, Musashikosugi Office, Sapporo Office, Web Garden Sendai, Nagoya Office, Sabae Office, Osaka Office, Web Garden Kobe, Web Garden Kitakyushu, Fukuoka Office
Share capital	1,059 million yen (as of September 30, 2026) (IFRS)
Securities code	2130; Prime Market, Tokyo Stock Exchange
Business description	DX embedded support business driven by digital talent

External evaluations and certifications



Joined Japan Climate
Leaders' Partnership (JCLP)



Continuation of 100%
renewable energy from
FY2020 onward



Selected as “Nadeshiko Brand” in 2025
as the enterprise for the outstanding
efforts in encouraging women's
success by METI and TSE



Sales/Revenue and Number of Employees

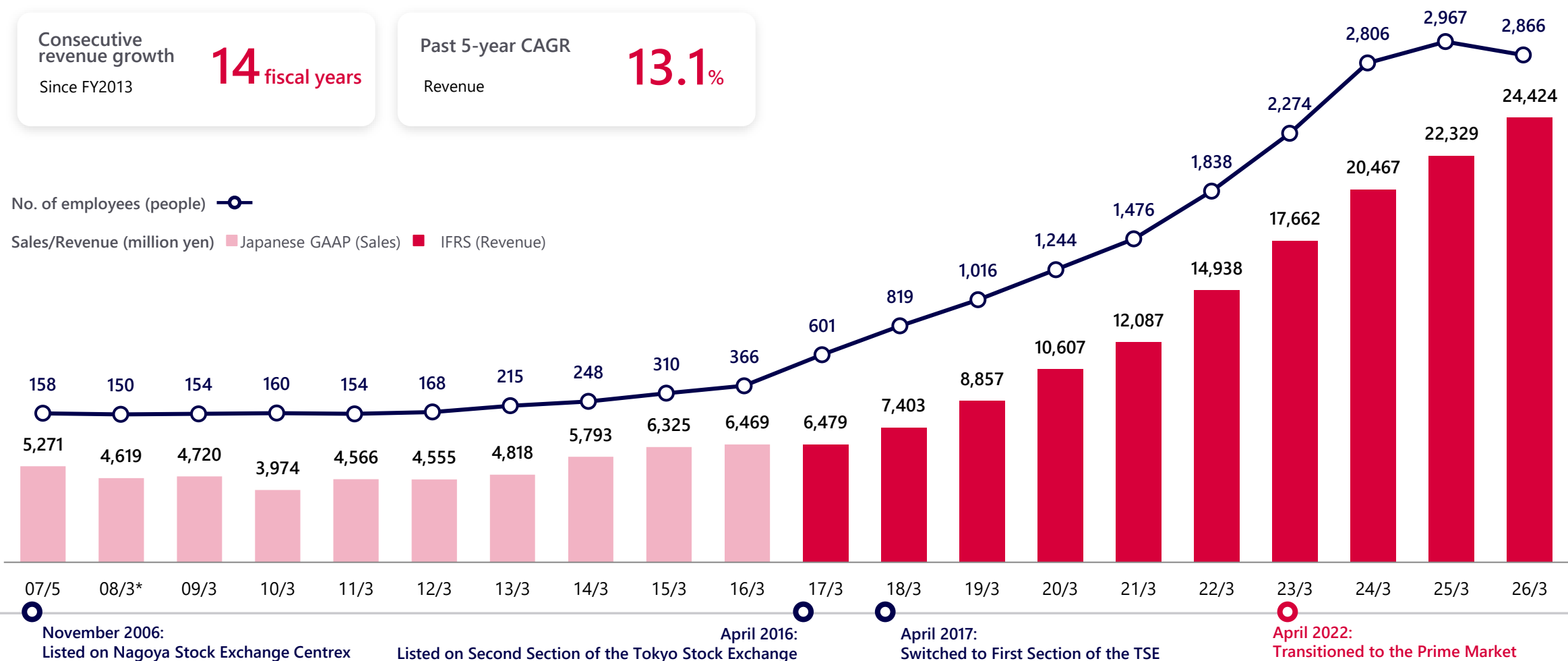
- Since going public in 2006, sales have grown along with the number of employees.

Consecutive
revenue growth
Since FY2013

14 fiscal years

Past 5-year CAGR
Revenue

13.1%



FY2008 covers only the 10-month period from June 1, 2007 to March 31, 2008 due to a change in the fiscal year-end. Consolidated financial statements have been prepared in accordance with IFRS since FY2018. Figures up to FY2016 are based on Japanese GAAP; figures for FY2017 have been restated under IFRS, and subsequent figures are also based on IFRS.

Disclaimer

Forward-looking statements such as business plans and earnings forecasts contained in this document are based on information available to us at this time that we believe to be reasonable. These forward-looking statements are subject to various uncertainties, including market conditions and political and economic conditions, and may differ from actual results.

This material is not intended as a solicitation to buy or sell our stock or otherwise invest in our company. Investors are advised to make their own decisions and to do so at their own risk.

Cautionary Statement

This document is an English translation of portions of the Japanese original, prepared solely for reference. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

For IR inquiries

Members Co., Ltd.

Group Corporate Planning Office

<https://www.members.co.jp/contact/>



Driving societal transformation together with clients as a digital implementation partner

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