



**Members**

# Financial Results for 3Q FY2022

Members Co., Ltd. (TSE 2130)

February 2, 2022

# Company Profile



Representative Director and President Tadashi Kenmochi

Members is the internet business partner that aims to create a spiritually rich society through “MEMBERSHIP” by supporting digital business with digital creators.



Corporate name Members Co., Ltd.

Date of establishment June 26, 1995

Mission  
(VISION2030)

**Create a spiritually rich society through “MEMBERSHIP”**

Locations

Headquarters: 37<sup>th</sup> floor of Harumi Island Triton Square Office Tower X, 1-8-10 Harumi, Chuo-ku, Tokyo  
 Web Garden Sendai: 8<sup>th</sup> floor of Daiichi Seimei Tower Bldg., 4-6-1 Ichiban-cho, Aoba-ku, Sendai-shi, Miyagi  
 Web Garden Kitakyushu: 9<sup>th</sup> floor of Meiji Yasuda Seimei Kokura Bldg., 9-1 Konya-machi, Kokurakita-ku, Kitakyushu-shi, Fukuoka  
 Web Garden Kobe: 16<sup>th</sup> floor of Kobe Commerce Industry and Trade Center Bldg., 5-1-14 Hamabedori, Chuo-ku, Kobe-shi, Hyogo  
 Sapporo Office: 5th floor of 11.CONCEPT SPERARE Bldg., 1-1-65 Minami-Jujo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido

Capital 936 million yen (as of December 31, 2021)

Sales revenue 12,087 million yen (fiscal year ended March 31, 2021) (IFRS)

Securities code 2130; First Section of Tokyo Stock Exchange

No. of employees (consolidated) 1,828 (as of December 31, 2021)



# Service Features

## EMC business

(Engagement Marketing Center business)

### Outline

**Digital business operation support service**  
Websites, EC, SNS, apps, marketing automation (MA), digital transformation (DX), etc.

### Features

- **Dedicated teams of digital creators for the client companies**, which deeply understand the management strategies, goals, products, and services of the clients, **drive the digital business.**
- **Methodization of the operation know-how by the dedicated teams**
  - ①Improvement in outcomes ②Enhancement of productivity ③Quality and security
  - ④Promotion of CSV marketing ⑤Team building ⑥Account plan ⑦Shift of cutting-edge technology fields
- Specializing in **large client companies, large-scale transactions, and continuous projects**

### Major clients

Shiseido Co., Ltd., SKY Perfect JSAT Corporation, Daikyo Inc., Trend Micro Inc., Panasonic Corporation, Benesse Corporation, Mizuho Bank, Ltd., Sumitomo Mitsui Card Co., Ltd., etc.

## PGT business (\*)

(Product Growth Team business)

### Outline

**Provision of personnel for supporting the growth of digital products of clients**  
DX producers, UX designers, data scientists, marketing planners, data engineers, website directors, website designers, engineers, and others

### Features

- **Provision of autonomous teams of digital creators**
- **To support growth in the cutting-edge technology fields**  
**To support the growth of digital products of clients by using the skills in the cutting-edge technology field with high added value**
- **Creators first**  
System of appointing creators as executive officers, remote work, and development of a sound working environment

### Major clients

- **Internet-related enterprises** with great growth potential
- **Social innovation ventures** for solving social issues
- **Local medium-sized enterprises**

\* In April 2021, "Digital Personnel business" was renamed "Product Growth Team (PGT) business."

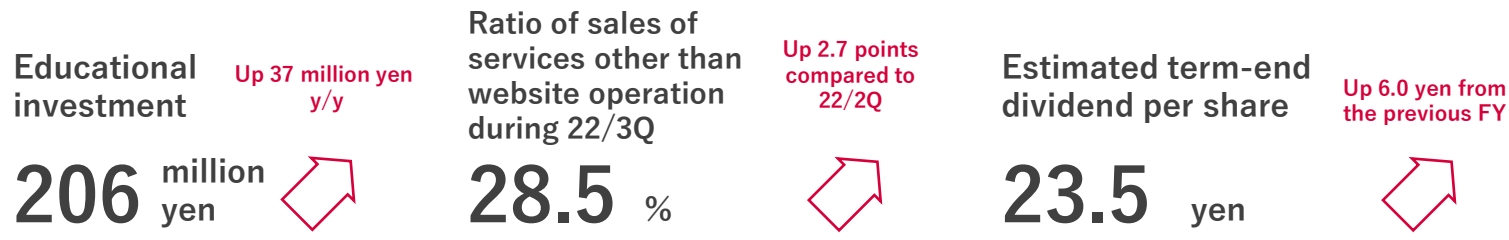
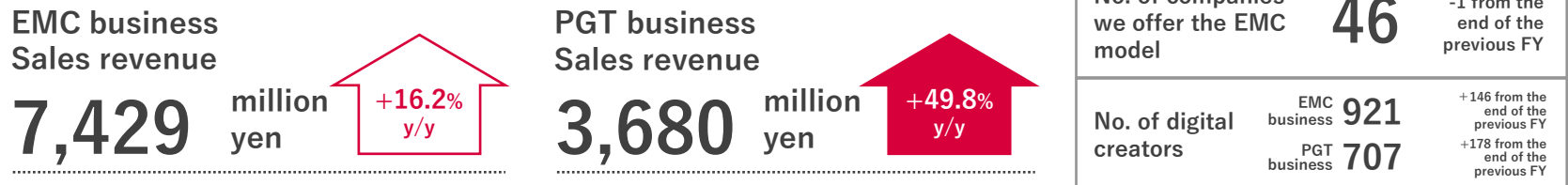
# 3Q FY 2022 Overview

As enterprises actively invested in digital technologies, both sales revenue and operating profit hit a record high in the cumulative third quarter. The service of supporting high value-added specialized domains, including engineering, data, and UX, performed well.

## Consolidated results



## Business situation



# Income Statement Summary

Both sales revenue and operating profit hit a record high for 3Q and cumulative 3Q. As new transactions increased and average unit selling price rose, gross profit margin and operating profit margin increased in 3Q. Unprofitable transactions, which emerged in 2Q, are progressing as planned, and it is expected that there will be no additional costs or the like.

[Unit : million yen]	Results in 3Q			Cumulative results until 3Q		
	FY3/2021	FY3/2022	y/y	FY3/2021	FY3/2022	y/y
Sales revenue	3,025	3,797	+25.5%	8,436	10,592	+25.5%
Added value sales	2,859	3,584	+25.3%	7,843	9,966	+27.1%
Gross profit	968	1,288	+33.0%	2,549	3,178	+24.7%
(Gross profit margin)	32.0%	33.9%	—	30.2%	30.0%	—
SGA	554	663	+19.6%	1,968	2,202	+11.9%
Operating profit	417	626	+49.9%	564	992	+75.8%
(Operating profit margin)	13.8%	16.5%	—	6.7%	9.4%	—
Pretax profit	414	625	+50.8%	557	989	+77.7%
Net profit	288	427	+48.0%	408	687	+68.3%

\* Added value sales = Sales revenue — Outsourcing and procurement costs = Sales from in-house resources

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# Balance Sheet Summary

[unit: thousand yen]	Previous consolidated accounting year (Mar. 31, 2021)	3 <sup>rd</sup> quarter of the current consolidated accounting year (Dec. 31, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,140,847	4,299,482
Trade receivables and other receivables	2,842,456	2,892,082
Inventory assets	31,803	87,945
Other current assets	173,103	233,083
<b>Total current assets</b>	<b>7,188,210</b>	<b>7,512,593</b>
<b>Non-current assets</b>		
Tangible fixed assets	252,811	240,536
Rights to use as assets	491,002	545,750
Goodwill	116,115	116,115
Intangible assets	8,436	10,430
Other financial assets	266,909	264,594
Deferred tax assets	323,802	247,154
Other non-current assets	1,309	130
<b>Total non-current assets</b>	<b>1,460,387</b>	<b>1,424,713</b>
<b>Total assets</b>	<b>8,648,597</b>	<b>8,937,307</b>

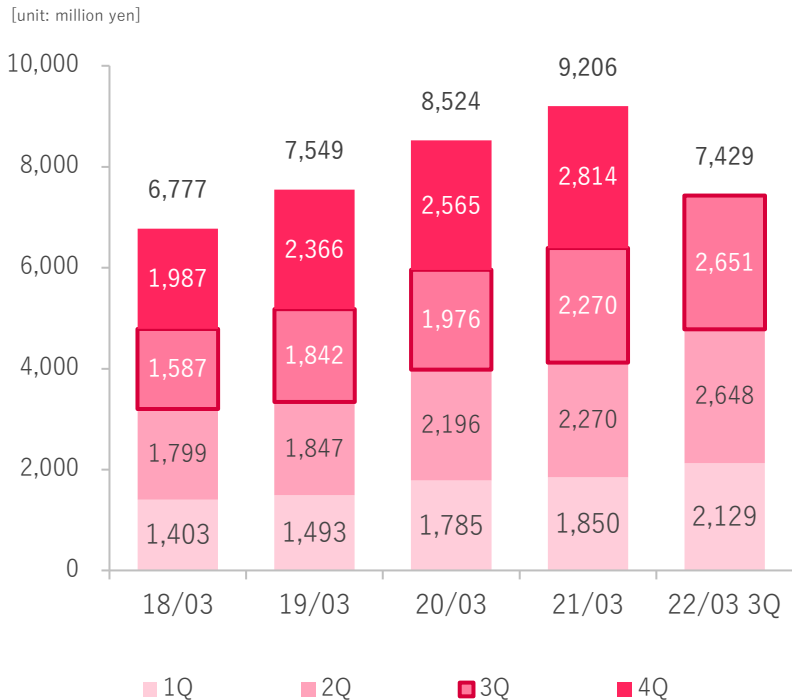
# Balance Sheet Summary

[unit: thousand yen]	Previous consolidated accounting year (Mar. 31, 2021)	3 <sup>rd</sup> quarter of the current consolidated accounting year (Dec. 31, 2021)
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Lease liabilities	234,773	297,322
Trade payables and other payables	974,844	1,068,823
Income taxes payable	356,050	41,639
Contract liabilities	234,351	119,292
Other current liabilities	1,970,892	2,024,459
<b>Total current liabilities</b>	<b>3,770,912</b>	<b>3,551,536</b>
<b>Non-current liabilities</b>		
Lease liabilities	157,327	148,466
Allowance	106,181	106,985
<b>Total non-current liabilities</b>	<b>263,509</b>	<b>255,452</b>
<b>Total liabilities</b>	<b>4,034,422</b>	<b>3,806,988</b>
<b>Shareholders' equity</b>		
Capital stock	910,405	936,484
Capital surplus	228,752	254,831
Treasury shares	(8,240)	(8,477)
Other components of equity	55,622	58,338
Retained earnings	3,427,635	3,889,141
<b>Total equity attributable to owners of the parent</b>	<b>4,614,175</b>	<b>5,130,318</b>
<b>Total shareholders' equity</b>	<b>4,614,175</b>	<b>5,130,318</b>
<b>Total liabilities and equity</b>	<b>8,648,597</b>	<b>8,937,307</b>

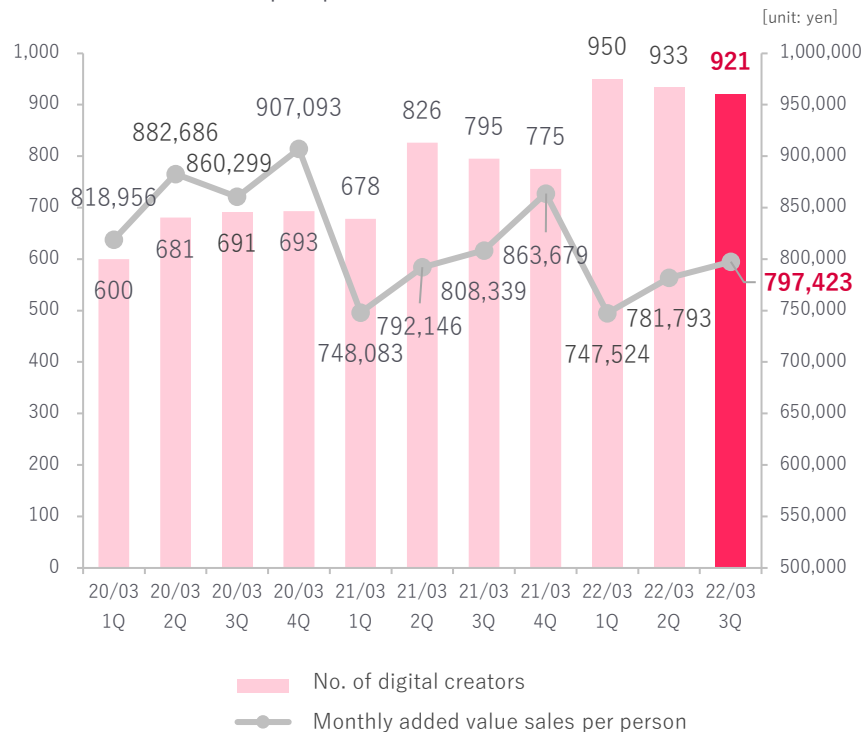
# Sales by Segment-EMC Business

In EMC business, sales revenue(\*1) was **7,429 million yen (+16.2% year on year)** and the number of digital creators (DCs) was **921 (+146 from the end of the previous term)**. The service of supporting existing customers in digital marketing performed well. Added value sales per person declined slightly year on year.

Sales revenue of the EMC business



No. of digital creators and monthly added value sales per person in the EMC business



\*1 Sales revenue was roughly estimated with reference to the IFRS standard (the transactions between the parent company and subsidiaries were not offset).

\*2 No. of digital creators is the figure as of the end of 3Q.

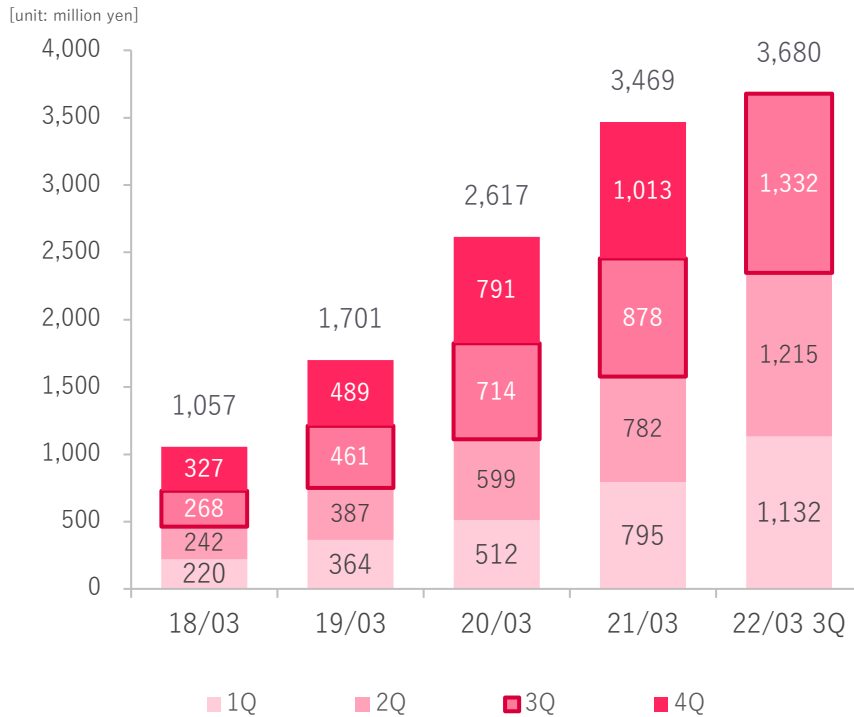
\*3 Monthly added value sales per person = Cumulative quarterly added value sales ÷ Average number of digital creators during the term



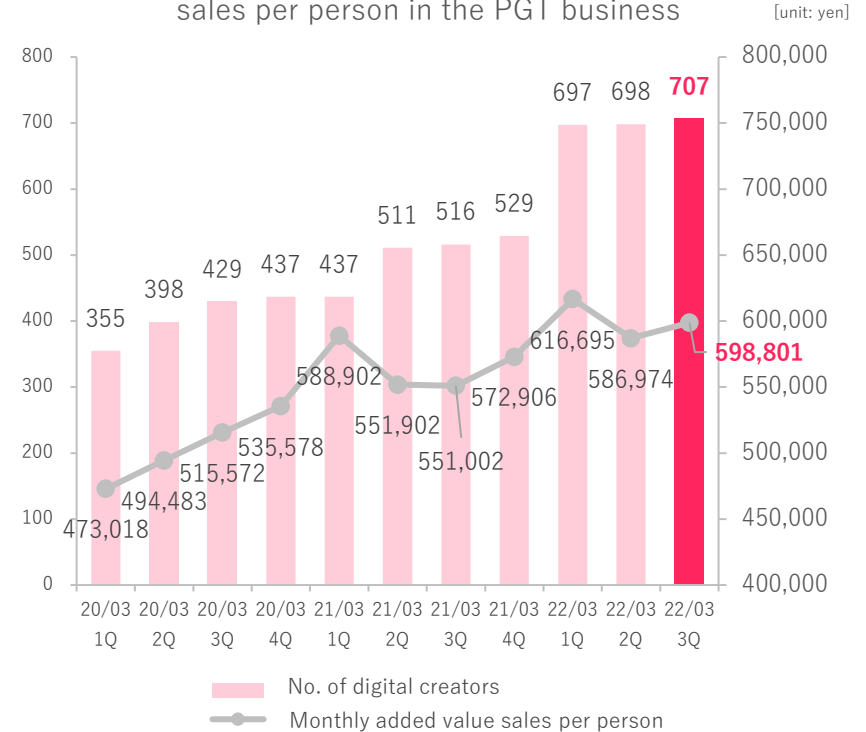
# Sales by Segment-PGT Business(\*1)

In PGT business, sales revenue(\*2) was **3,680 million yen (+49.8%** year on year) and the number of digital creators (DCs) was **707 (+178** from the end of the previous term). The high value-added domains, mainly engineering, expanded steadily, and added value sales per person rose 8.7% year on year.

Sales revenue of the PGT business



No. of digital creators and monthly added value sales per person in the PGT business



\*1 In April 2021, "Digital Personnel business" was renamed "Product Growth Team (PGT) business."

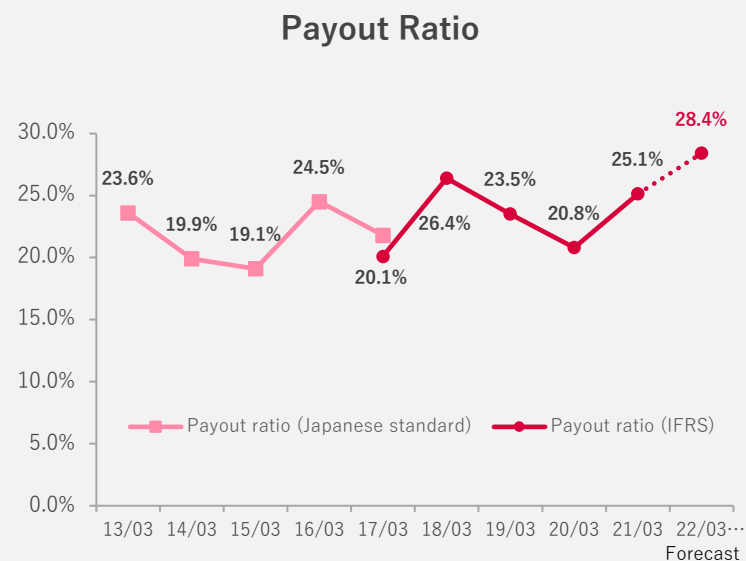
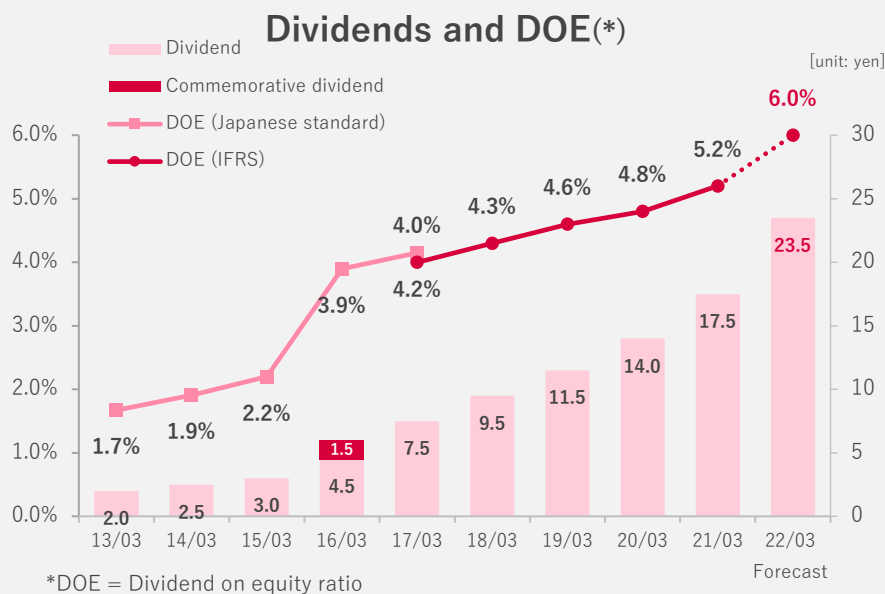
\*2 Sales revenue was roughly estimated with reference to the IFRS standard (the transactions between the parent company and subsidiaries were not offset).

\*3 No. of digital creators is the figure as of the end of 3Q.

\*4 Monthly added value sales per person = Cumulative quarterly added value sales ÷ Average number of digital creators during the term

# Consolidated earnings and dividend forecasts for the term ending March 2022

	Full-year results for FY 2021 (IFRS)		Full-year forecast for FY 2022 (IFRS)	
	Full year	y/y increase/ decrease rate	Full year	y/y increase/ decrease rate
Sales revenue (million yen)	12,087	13.9%	14,800	22.4%
Operating profit (million yen)	1,261	1.0%	1,600	26.8%
Pretax profit (million yen)	1,248	0.6%	1,590	27.4%
Net profit (million yen)	896	2.6%	1,065	18.8%
Profit attributable to owners of parent (million yen)	896	4.0%	1,065	18.8%



# Cautionary Statement

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

**For IR inquiries**

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