



Members

Financial Results for FY2022

Members Co., Ltd. (TSE 2130)

May 10, 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: 37th floor (Reception on the 35th floor) of Harumi Island Triton Square Office Tower X, 1-8-10 Harumi, Chuo-ku, Tokyo
Web Garden Sendai: 8th floor of Daiichi Seimei Tower Bldg., 4-6-1 Ichiban-cho, Aoba-ku, Sendai-shi, Miyagi
Web Garden Kitakyushu: 9th floor of Meiji Yasuda Seimei Kokura Bldg., 9-1 Konya-machi, Kokurakita-ku, Kitakyushu-shi, Fukuoka
Web Garden Kobe: 16th 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 963 million yen (as of March 31, 2022)

Sales revenue 14,938 million yen (fiscal year ended March 31, 2022) (IFRS)

Securities code 2130; Prime Section of Tokyo Stock Exchange

No. of employees 1,838 (as of March 31, 2022)
(consolidated)



Management Policy and Service Features

Members is a platform on which **digital creators (DCs)**, who play a leading role in value creation in the rapidly expanding digital economy, can grow and play an active role.

We develop and provide optimal digital business operation services that meet social needs in order to realize a prosperous society.

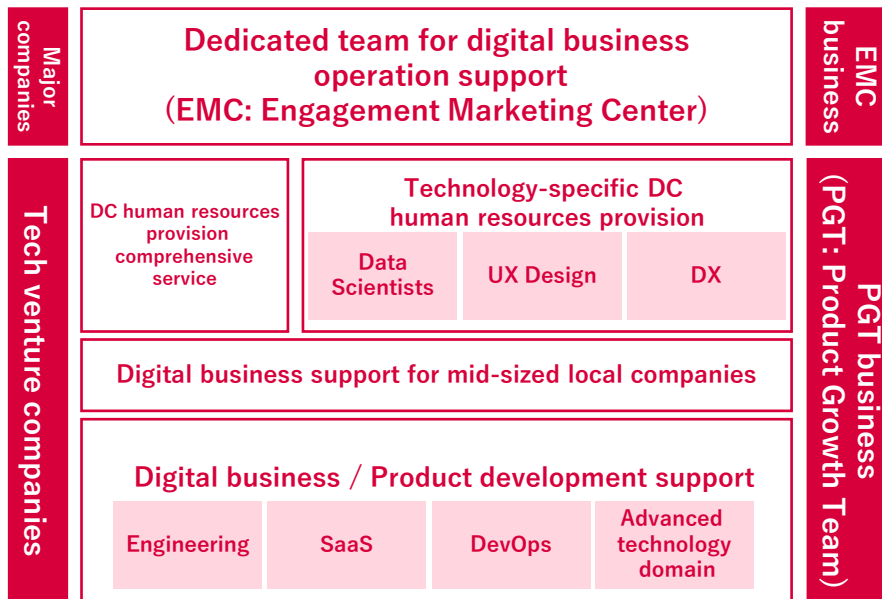


A concept of 10,000 digital creators

A group of creators who embody the core values of "contribution, challenge, sincerity, and teamwork" and continue to improve their skills to maximize the results of client companies.

Marketing transformation
Promoting CSV (*) management and corporate value marketing

Support to create social problem-solving business
Supporting the development of digital products and services



Pursuing happiness of digital creators

Creating social value

Optimizing the services provided

* CSV (Creating Shared Value: A management method that simultaneously realizes economic and social value)

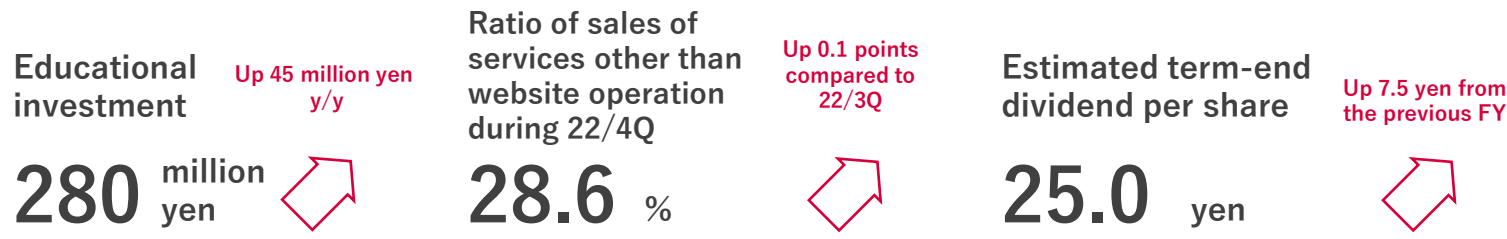
FY 2022 Overview

Both sales and operating income reached record highs for the ninth consecutive term. As a result of companies conducting vigorous digital investments, the service of supporting high-value-added specialized domains continues to perform well, especially in domains such as engineering, data, and UX. The number of new customers acquired has also increased significantly.

Consolidated results



Business situation



Income Statement Summary

Both sales and operating income have increased for the ninth consecutive term. Although there were some unprofitable projects in the second quarter, the performance was as planned, and it will not impact the next term. The recruitment of mid-career workers got behind the initial forecast, reducing expenses and securing a significant profit.

	Results in 4Q			Cumulative results until 4Q		
[Unit : million yen]	FY3/2021	FY3/2022	y/y	FY3/2021	FY3/2022	y/y
Sales revenue	3,650	4,346	+19.1%	12,087	14,938	+23.6%
Added value sales	3,396	3,995	+17.6%	11,240	13,961	+24.2%
Gross profit	1,306	1,578	+20.8%	3,855	4,756	+23.4%
(Gross profit margin)	35.8%	36.3%	—	31.9%	31.8%	—
SGA	589	698	+18.6%	2,557	2,901	+13.4%
Operating profit	697	883	+26.7%	1,261	1,876	+48.7%
(Operating profit margin)	19.1%	20.3%	—	10.4%	12.6%	—
Pretax profit	691	907	+31.2%	1,248	1,896	+52.0%
Net profit	488	717	+47.0%	896	1,404	+56.7%

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

Balance Sheet Summary

[unit: thousand yen]	Previous consolidated accounting year (Mar. 31, 2021)	Current consolidated accounting year (Mar. 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	4,140,847	5,226,706
Trade receivables and other receivables	2,842,456	3,075,859
Inventory assets	31,803	48,632
Other current assets	173,103	224,303
Total current assets	7,188,210	8,575,502
Non-current assets		
Tangible fixed assets	252,811	237,803
Rights to use as assets	491,002	713,578
Goodwill	116,115	116,115
Intangible assets	8,436	12,425
Other financial assets	266,909	373,657
Deferred tax assets	323,802	375,346
Other non-current assets	1,309	0
Total non-current assets	1,460,387	1,828,927
Total assets	8,648,597	10,404,429

Balance Sheet Summary

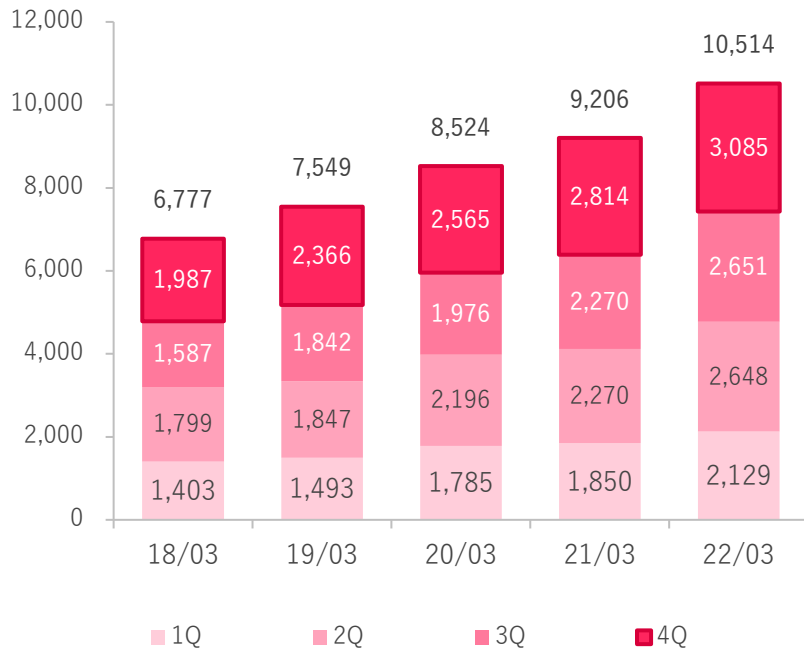
[unit: thousand yen]	Previous consolidated accounting year (Mar. 31, 2021)	Current consolidated accounting year (Mar. 31, 2022)
Liabilities and shareholders' equity		
Liabilities		
Current liabilities		
Lease liabilities	234,773	400,434
Trade payables and other payables	974,844	1,068,471
Income taxes payable	356,050	370,219
Contract liabilities	234,351	30,200
Other current liabilities	1,970,892	2,326,547
Total current liabilities	3,770,912	4,195,872
Non-current liabilities		
Lease liabilities	157,327	197,817
Allowance	106,181	115,362
Total non-current liabilities	263,509	313,180
Total liabilities	4,034,422	4,509,052
Shareholders' equity		
Capital stock	910,405	963,358
Capital surplus	228,752	281,704
Treasury shares	(8,240)	(8,477)
Other components of equity	55,622	52,190
Retained earnings	3,427,635	4,606,602
Total equity attributable to owners of the parent	4,614,175	5,895,377
Total shareholders' equity	4,614,175	5,895,377
Total liabilities and equity	8,648,597	10,404,429

Sales by Segment-EMC Business

In EMC business, sales revenue(*1) was **10,514 million yen (+14.2% year on year)** and the number of digital creators (DCs) was **900 (+125 from the end of the previous term)**. The service of supporting existing customers in digital marketing performed well. Value-added sales per person decreased year on year because the acquisition of new customers was delayed longer than expected while the number of DCs increased.

Sales revenue of the EMC business

[unit: million yen]

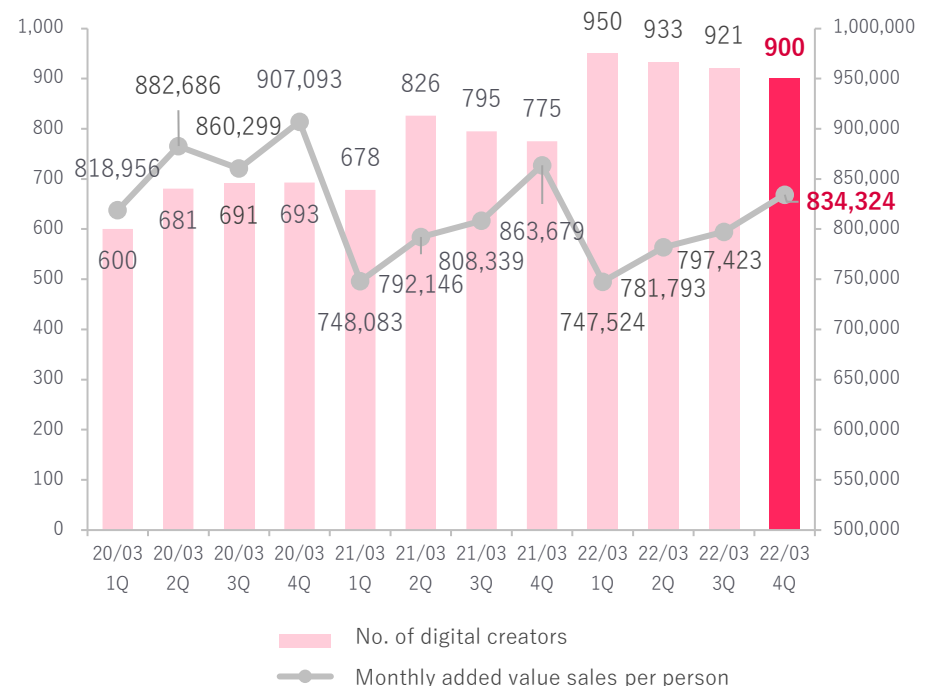


No. of digital creators and monthly added value sales per person in the EMC business

[unit: person]

sales per person in the EMC business

[unit: yen]



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

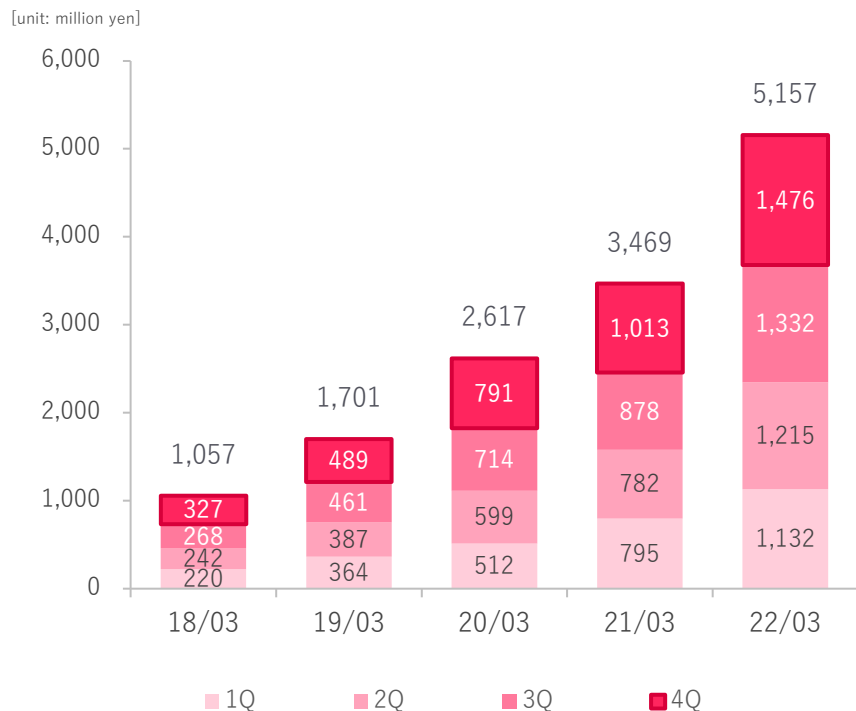
*2 No. of digital creators is the figure as of the end of 4Q.

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

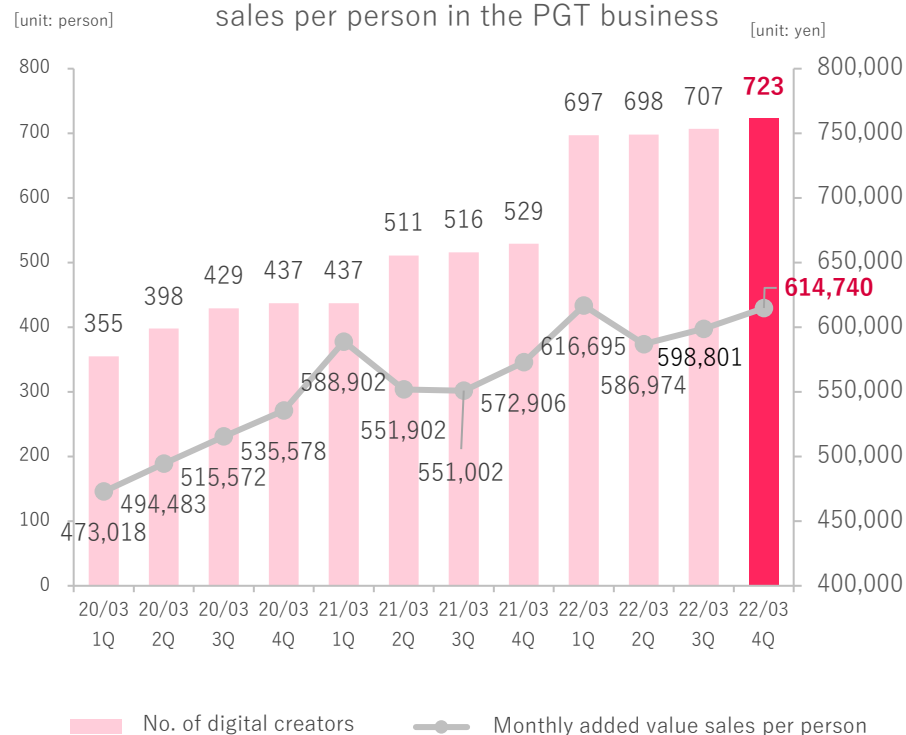
Sales by Segment-PGT Business(*1)

In PGT business, sales revenue(*2) was **5,157 million yen (+48.6%** year on year) and the number of digital creators (DCs) was **723 (+194** from the end of the previous term). The high value-added domains, mainly engineering, expanded steadily, and added value sales per person rose **7.3%** 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).

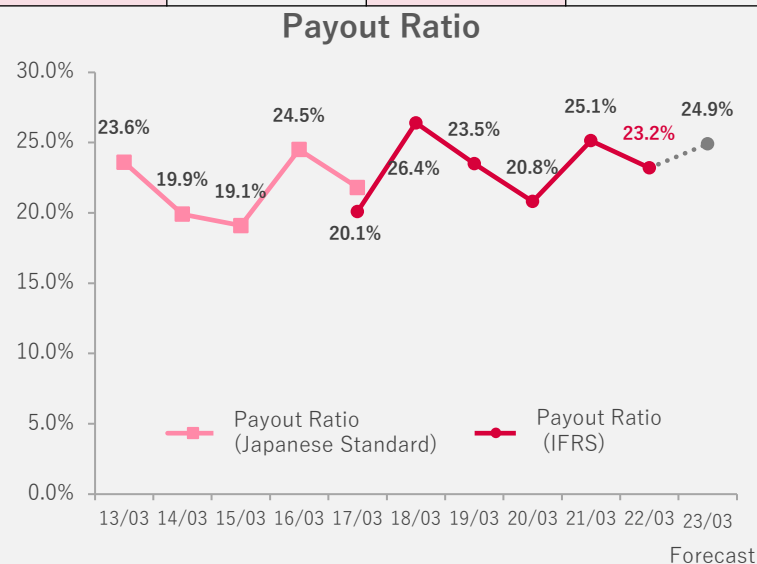
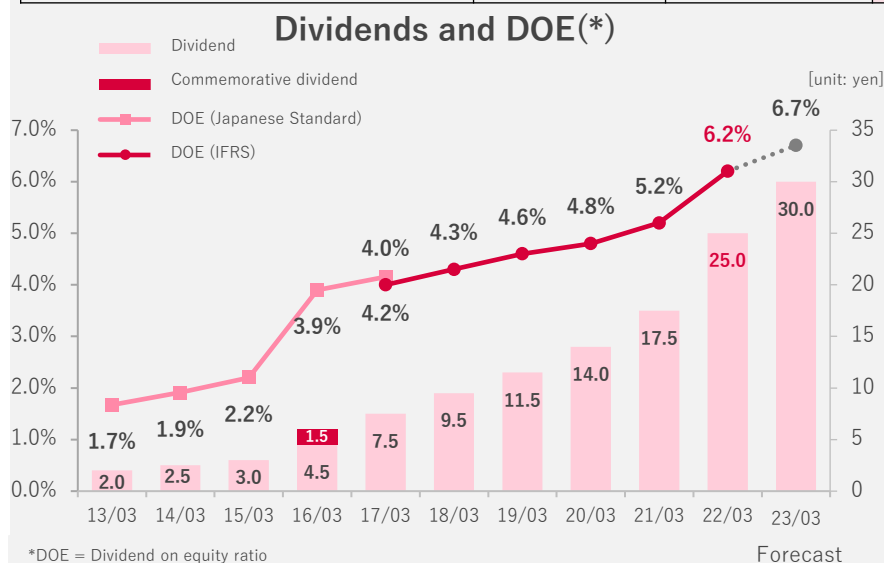
*3 No. of digital creators is the figure as of the end of 4Q.

*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 2023

By supporting client companies in digitization and forming a digital organization in house, we aim to keep increasing sales by over 20%. For further accelerating growth, we will actively invest in the recruitment of mid-career workers, personnel training, and sales and marketing in this term, and aim to continue increasing sales and profit.

	Full-year results for FY 2022 (IFRS)		Forecast for FY2023(IFRS)			
	Full year	y/y increase/decrease rate	First half year	y/y increase/decrease rate	Full year	y/y increase/decrease rate
Sales revenue (million yen)	14,938	23.6%	8,280	21.9%	18,200	21.8%
Operating profit (million yen)	1,876	48.7%	450	22.8%	2,200	17.3%
Pretax profit (million yen)	1,896	52.0%	445	22.2%	2,185	15.2%
Net profit (million yen)	1,404	56.7%	320	23.2%	1,573	12.0%
Profit attributable to owners of parent (million yen)	1,404	56.7%	320	23.2%	1,573	12.0%



Cautionary Statement

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

For IR inquiries

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