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June 5, 2024

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Name of representative: Akihiko Takano, Representative Director and President
(Securities code: 2130; Prime Market of the Tokyo Stock Exchange)
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(Corrections) Partial Corrections of “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under IFRS)” and “Financial Results for FY2024”

1. Reason for corrections

Members Co., Ltd. has corrected errors in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under IFRS)” and “Financial Results for FY2024” announced on May 10, 2024, as follows.

The reason for corrections is that in conjunction with the correction of “Other expenses” and “Finance costs” to the same amount in “Consolidated Statements of Income,” a correction to “Operating profit” occurred. Please note that there is no impact on profits or losses other than “Operating profit.”

Note that corrections are underlined.

2. Details of corrections for “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under IFRS)”

[1] Summary

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results (cumulative)

[Before corrections]

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	20,467	15.9	<u>46</u>	<u>(96.7)</u>	136	(90.2)	126	(87.5)
March 31, 2023	17,662	18.2	1,441	(23.2)	1,399	(26.2)	1,009	(28.2)

[After corrections]

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	20,467	15.9	<u>41</u>	<u>(97.1)</u>	136	(90.2)	126	(87.5)
March 31, 2023	17,662	18.2	1,441	(23.2)	1,399	(26.2)	1,009	(28.2)

[2] Summary**3. Consolidated earnings forecast for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)****[Before corrections]**

(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	%
First half(cumulative)	10,950	13.9	(550)	—	(550)	—	(400)	—
Full year	23,230	13.5	200	<u>326.0</u>	180	31.7	150	18.6

[After corrections]

(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	%
First half(cumulative)	10,950	13.9	(550)	—	(550)	—	(400)	—
Full year	23,230	13.5	200	<u>379.4</u>	180	31.7	150	18.6

[3] Appendix Page 2

1. Overview of Business Results

(1) Overview of Business Results for the Current Fiscal Year

[Before corrections]

<Overview of Consolidated Financial Statements>

For this consolidated fiscal year ended in March 2024, revenue was 20,467 million yen (up 15.9% from the same term of the previous fiscal year), operating profit was 46 million yen (down 96.7% from the same term of the previous fiscal year), profit before income taxes was 136 million yen (down 90.2% from the same term of the previous fiscal year), and profit attributable to the owners of the parent was 126 million yen (down 87.5% from the same term of the previous fiscal year).

Although sales revenue achieved the consolidated performance forecast (announced on October 27, 2023), the added-value sales (*4) ratio declined due to many large-scale system development projects. Although the added-value sales generated by our specialized companies grew significantly by 43.5% year on year, it was not able to compensate for the slowdown in the growth rate of the mainstay web operations division, and we were unable to achieve full growth on added-value sales, which increased by 13.8% year on year to 19,208 million yen, compared to the growth rate of sales revenue. The number of digital creators increased by 23.4% from the previous fiscal year, and due to this large upfront investments in human capital, the operating rate decreased resulting in a 8.4% decrease in the gross profit margin to 21.0%. In addition, we continued to expand investment in service development such as generative AI, and marketing, then selling, general and administrative expenses increased 13.4% year on year. Although operating profit returned to the black for the full year, it was lower than the consolidated forecast.

However, although the issue of low operating rate due to large upfront investments mainly in hiring new graduates continues, operating profit for the fourth quarter consolidated accounting period (January to March) was 616 million yen and operating profit margin was 10.5%. We believe that the basic profitability of our business is maintained, and we will strive to restore profitability by limiting new graduate and mid-career recruitment and focusing on improving the operating rate of existing employees.

[After corrections]

<Overview of Consolidated Financial Statements>

For this consolidated fiscal year ended in March 2024, revenue was 20,467 million yen (up 15.9% from the same term of the previous fiscal year), operating profit was 41 million yen (down 97.1% from the same term of the previous fiscal year), profit before income taxes was 136 million yen (down 90.2% from the same term of the previous fiscal year), and profit attributable to the owners of the parent was 126 million yen (down 87.5% from the same term of the previous fiscal year).

Although sales revenue achieved the consolidated performance forecast (announced on October 27, 2023), the added-value sales (*4) ratio declined due to many large-scale system development projects. Although the added-value sales generated by our specialized companies grew significantly by 43.5% year on year, it was not able to compensate for the slowdown in the growth rate of the mainstay web operations division, and we were unable to achieve full growth on added-value sales, which increased by 13.8% year on year to 19,208 million yen, compared to the growth rate of sales revenue. The number of digital creators increased by 23.4% from the previous fiscal year, and due to this large upfront investments in human capital, the operating rate decreased resulting in a 8.4% decrease in the gross profit margin to 21.0%. In addition, we continued to expand investment in service development such as generative AI, and marketing, then selling, general and administrative expenses increased 13.4% year on year. Although operating profit returned to the black for the full year, it was lower than the consolidated forecast.

However, although the issue of low operating rate due to large upfront investments mainly in hiring new graduates continues, operating profit for the fourth quarter consolidated accounting period (January to March) was 611 million yen and operating profit margin was 10.4%. We believe that the basic profitability of our business is maintained, and we will strive to restore profitability by limiting new graduate and mid-career recruitment and focusing on improving the operating rate of existing employees.

[4] Appendix Page 5

1. Overview of Business Results

(4) Future Outlook

[Before corrections]

Based on the above-mentioned policy, for the term ending March 2025, we are forecasting a consolidated sales revenue of 23,230 million yen (up 13.5% year on year), an operating profit of 200 million yen (up 326.0% year on year), a profit before income tax of 180 million yen (up 31.7% year on year) and a net profit of 150 million yen (up 18.6% year on year).

[After corrections]

Based on the above-mentioned policy, for the term ending March 2025, we are forecasting a consolidated sales revenue of 23,230 million yen (up 13.5% year on year), an operating profit of 200 million yen (up 379.4% year on year), a profit before income tax of 180 million yen (up 31.7% year on year) and a net profit of 150 million yen (up 18.6% year on year).

[5] Appendix Page 7

1. Overview of Business Results

(6) Business Risks

[Before corrections]

	Current fiscal year (April 1 st , 2023 to March 31 st , 2024)	
	Cumulative second quarter	Full fiscal year
Revenue (thousand yen) (Composition ratio)	9,616,516 (47.0%)	20,467,084 (100%)
Operating profit (thousand yen) (Composition ratio)	(551,106) (—)	<u>46,951</u> (100%)
Net profit (thousand yen) (Composition ratio)	(398,640) (—)	126,515 (100%)

[After corrections]

	Current fiscal year (April 1 st , 2023 to March 31 st , 2024)	
	Cumulative second quarter	Full fiscal year
Revenue (thousand yen) (Composition ratio)	9,616,516 (47.0%)	20,467,084 (100%)
Operating profit (thousand yen) (Composition ratio)	(551,106) (—)	<u>41,722</u> (100%)
Net profit (thousand yen) (Composition ratio)	(398,640) (—)	126,515 (100%)

[6] Appendix Page 15

4. Consolidated Financial Statements and Major Notes

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)**[Before corrections]**

[unit: thousand yen]

	FY2023 (Apr. 1, 2022 to Mar. 31, 2023)	FY2024 (Apr. 1, 2023 to Mar. 31, 2024)
Revenue	17,662,288	20,467,084
Cost of sales	12,461,182	16,175,012
Gross profit	5,201,106	4,292,071
Selling, general and administrative expenses	3,758,851	4,263,688
Other income	13,633	29,137
Other expenses	14,117	10,569
Operating profit (loss)	1,441,771	46,951
Finance income	217	109,539
Finance costs	42,536	19,849
Profit (loss) before income taxes	1,399,452	136,641
Income taxes	390,406	10,125
Profit (loss) for the period	1,009,045	126,515
Profit (loss) attributable to		
Owners of parent	1,009,045	126,515
Net profit (loss)	1,009,045	126,515
Earnings per share		
Basic earnings (loss) per share (yen)	76.18	9.71
Diluted earnings (loss) per share (yen)	75.79	9.71

[After corrections]

[unit: thousand yen]

	FY2023 (Apr. 1, 2022 to Mar. 31, 2023)	FY2024 (Apr. 1, 2023 to Mar. 31, 2024)
Revenue	17,662,288	20,467,084
Cost of sales	12,461,182	16,175,012
Gross profit	5,201,106	4,292,071
Selling, general and administrative expenses	3,758,851	4,263,688
Other income	13,633	29,137
Other expenses	14,117	15,798
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Profit (loss) attributable to		
Owners of parent	1,009,045	126,515
Net profit (loss)	1,009,045	126,515
Earnings per share		
Basic earnings (loss) per share (yen)	76.18	9.71
Diluted earnings (loss) per share (yen)	75.79	9.71

3. Details of corrections for “Financial Results for FY2024”

[1] Income Statement Summary Page 3

[Before corrections]

Income Statement Summary

- Although sales revenue achieved the revised full-year plan, the added-value sales rate declined due to many large-scale construction projects. Although the specialized company grew significantly by +43.5% compared to the previous year, it was not able to compensate for the slowdown in the growth rate of our mainstay web operations division; therefore, consolidated added-value sales did not fully grow and remained at +13.8%.
- Due to the number of DCs increasing 23.4% from the previous year as the large upfront investment in human capital, the operating rate decreased, and the gross profit margin decreased by 8.4 points from the previous year. In addition to this recruitment investment, we continued to expand investment in service development such as generation AI, and marketing, then SGA expenses resulted +13.4%.
- Although operating income returned to the black for the full year, the revised full-year plan was not achieved. Net income was almost in line with plan due to financial income and tax incentives to encourage wage increases.

(Unit: million yen)	Full year result			Full year forecast in FY3/2024 (revised in October 2023)	
	FY3/2023	FY3/2024	y/y	Revised Forecast	Variance
Sales revenue	17,662	20,467	+15.9%	20,000	+467
Added- value sales	16,886	19,208	+13.8%	—	—
Gross profit	5,201	4,292	(17.5%)	—	—
(Gross profit margin)	29.4%	21.0%	—	—	—
SGA	3,758	4,263	+13.4%	—	—
(SGA ratio)	21.3%	20.8%	—	—	—
Operating profit	1,441	46	(96.7%)	200	(153)
(Operating profit margin)	8.2%	0.2%	—	1.0%	—
Pretax profit	1,399	136	(90.2%)	190	(53)
Net profit	1,009※	126	(87.5%)	130	(3)

* Due to the application of IAS No. 12 “Corporate Income Tax” (revised in May 2021), net income for the fiscal year ended March 2023 is the figure after retrospective application.

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[After corrections]

Income Statement Summary

- Although sales revenue achieved the revised full-year plan, the added-value sales rate declined due to many large-scale construction projects. Although the specialized company grew significantly by +43.5% compared to the previous year, it was not able to compensate for the slowdown in the growth rate of our mainstay web operations division; therefore, consolidated added-value sales did not fully grow and remained at +13.8%.
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(Unit: million yen)	Full year result			Full year forecast in FY3/2024 (revised in October 2023)	
	FY3/2023	FY3/2024	y/y	Revised Forecast	Variance
Sales revenue	17,662	20,467	+15.9%	20,000	+467
Added- value sales	16,886	19,208	+13.8%	—	—
Gross profit	5,201	4,292	(17.5%)	—	—
(Gross profit margin)	29.4%	21.0%	—	—	—
SGA	3,758	4,263	+13.4%	—	—
(SGA ratio)	21.3%	20.8%	—	—	—
Operating profit	1,441	41	(97.1%)	200	(158)
(Operating profit margin)	8.2%	0.2%	—	1.0%	—
Pretax profit	1,399	136	(90.2%)	190	(53)
Net profit	1,009※	126	(87.5%)	130	(3)

* Due to the application of IAS No. 12 “Corporate Income Tax” (revised in May 2021), net income for the fiscal year ended March 2023 is the figure after retrospective application.

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[2] Consolidated earnings forecast for the fiscal year ending March 2025 Page 6

[Before corrections]

Consolidated earnings forecast for the fiscal year ending March 2025

- Since more than 400 new graduate joined us in April 2024, FY2025 will also be affected by this upfront investment. Therefore, our plan for the cumulative 2Q will be at the same level of deficit as the previous year, but for the full year, we plan to gain a slight increase in profit.
- We will steadily achieve our plan to increase profit by defining this term as a period of transition from the upfront investment phase to the monetization phase. We will solidify our foothold to recover profitability from the next term onward (Operating profit margin target: 5% for FY2026, 10% for FY2027).

(Unit: million yen)	Results for FY 2024 (IFRS)				Forecast for FY2025 (IFRS)			
	1 st half year	y/y increase/decrease rate	Full year	y/y increase/decrease rate	1 st half year	y/y increase/decrease rate	Full year	y/y increase/decrease rate
Sales revenue	9,616	17.1%	20,467	15.9%	10,950	13.9%	23,230	13.5%
Added- value sales	9,033	15.2%	19,208	13.8%	10,380	14.9%	22,140	15.3%
Operating profit	(551)	-	46	(96.7%)	(550)	-	200	326.0%
Operating profit margin	(5.7%)	-	0.2%	-	(5.0%)	-	0.9%	-

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[After corrections]

Consolidated earnings forecast for the fiscal year ending March 2025

- Since more than 400 new graduate joined us in April 2024, FY2025 will also be affected by this upfront investment. Therefore, our plan for the cumulative 2Q will be at the same level of deficit as the previous year, but for the full year, we plan to gain a slight increase in profit.
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(Unit: million yen)	Results for FY 2024 (IFRS)				Forecast for FY2025 (IFRS)			
	1 st half year	y/y increase/decrease rate	Full year	y/y increase/decrease rate	1 st half year	y/y increase/decrease rate	Full year	y/y increase/decrease rate
Sales revenue	9,616	17.1%	20,467	15.9%	10,950	13.9%	23,230	13.5%
Added- value sales	9,033	15.2%	19,208	13.8%	10,380	14.9%	22,140	15.3%
Operating profit	(551)	-	41	(97.1%)	(550)	-	200	379.4%
Operating profit margin	(5.7%)	-	0.2%	-	(5.0%)	-	0.9%	-

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