

April 17, 2025

To whom it may concern

Company Name: MarkLines Co., Ltd.

Representative: Makoto Sakai

President and CEO

(Securities Code: 3901 TSE Prime)

Contact: Hideki Kamazawa,

General Manager, Finance & Accounting Dept.

Tel: 03-4241-3901 (main)

### **Update on Disclosure Matter: Notice Regarding the Establishment of a Joint Venture with Huaqin Technology Co., Ltd.**

Regarding the notification issued February 13, 2025, regarding the establishment of a joint venture company with Huaqin Technology Co., Ltd., MarkLines Co., Ltd. announces that the procedures for the establishment of a joint venture company have been completed and the matters that were scheduled or undecided at the time of the notification have been confirmed today, as described below. The updated sections are underlined.

#### Notice

#### 1. Purpose of Establishing a Joint Venture Company

Software-defined vehicles (SDVs), in which vehicle functions are defined by software, are becoming an important element of next-generation mobility. Vehicle control systems are managed and optimized by software, enabling improvement of electric vehicle (EV) performance as well as improvement in energy efficiency.

Intelligent vehicle technology is also an important selling point for EVs, all of which will be controlled and optimized by software.

However, Japan is in a situation where it is needs to strengthen its competitiveness against China, Europe, and the U.S. in these technologies, and Japanese automotive manufacturers and parts suppliers are also being coerced to respond. By combining Huaqin Technology's strengths in the development of hardware and software products for intelligent vehicles with MarkLines's automotive industry network in the Japanese market, the joint venture will be able to provide optimal software development contract services to Japanese automakers and parts suppliers.

The aim is to accelerate technological innovation in the fields of EVs and intelligent vehicles in Japan through contributing to increased competitiveness in the global market.

#### 2. Overview of the Joint Venture Company to be Established

(1)	Name	<u>MarkLines Software Development Co., Ltd.</u>
(2)	Location	Sanno Park Tower 14F, 2-11-1 Nagatacho, Chiyoda-ku, Tokyo
(3)	Title and name of representative	President and CEO: Hiroyuki Kataba
(4)	Business content	Contracted development services for in-vehicle software in the Japanese market
(5)	Capital	<u>JPY 90 million</u>
(6)	Date of establishment	<u>April 2025</u>
(7)	Fiscal year end	December

(8) Capital contribution ratio	MarkLines Co., Ltd.: 51% Huaqin Technology Co., Ltd.: 49%
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### 3. Outline of Joint Venture Partner

(1) Name	Huaqin Technology Co., Ltd.	
(2) Location	Building1, No. 399 Keyuan Road, Pudong New Area, Shanghai, China	
(3) Title and name of representative	Chairman and CEO: Vincent Qiu	
(4) Business content	ODM of electronic devices and software	
(5) Sales revenue	CNY 85.3 billion (2023)	
(6) Capital	CNY 1 billion (as of June 30, 2024)	
(7) Year of establishment	2005	
(8) Major shareholders and shareholding ratio	Shanghai Aqin Information Technology Co., Ltd. 31.63% (as of September 30, 2024)	
(9) Relationship between the listed company and the relevant company	Capital relationship	No relevant items
	Personal relationships	No relevant items
	Business relationship	No relevant items
	Relevant circumstances of the concerned parties	No relevant items

### 4. Date

(1) Date of resolution by the Board of Directors	February 13, 2025
(2) Joint venture contract signing date	<u>April 2025</u>
(3) Date of establishment of joint venture	<u>April 2025</u>
(4) Business start date	<u>April 2025</u>

### 5. Future outlook

We consider this matter to contribute to the improvement of our company's performance and corporate value in the medium to long term. However, we will closely examine the impact on our business performance, and if any matters arise that require disclosure, we will promptly disclose them.

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