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Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: MarkLines Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3901

URL: <https://www.marklines.com>

Representative: Makoto Sakai

President, CEO

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2025	1,587	(0.1)	590	(8.4)	594	(8.1)	427	(6.5)
March 31, 2024	1,589	24.6	644	22.0	646	22.9	456	22.1

(Note) Comprehensive income: Three months ended March 31, 2025: ¥ 391 million [(25.0)%]
Three months ended March 31, 2024: ¥ 522 million [32.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	32.31	-
March 31, 2024	34.58	34.55

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	8,532	6,373	74.7
December 31, 2024	8,753	6,617	75.6

(Reference) Equity: As of March 31, 2025: ¥ 6,373 million
As of December 31, 2024: ¥ 6,617 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	48.00	48.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00	-	52.00	52.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending December 31, 2025 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025(January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2025	3,250	16.7	1,220	9.5	1,220	9.0	850	7.8	64.26
Full year	6,500	16.9	2,450	10.6	2,450	10.0	1,710	8.4	129.27

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included:	-	(Company name:)
Excluded:	-	(Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2025:	13,228,800 shares
December 31, 2024:	13,228,800 shares

2) Number of treasury shares at the end of the period:

March 31, 2025:	478 shares
December 31, 2024:	478 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2025:	13,228,322 shares
Three months ended March 31, 2024:	13,214,758 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,060,545	5,614,989
Accounts receivable - trade	386,217	447,214
Merchandise	89,759	44,034
Work in process	6,472	1,913
Advance payments to suppliers	14,653	8,579
Prepaid expenses	37,349	30,864
Other	67,793	69,895
Allowance for doubtful accounts	(1,422)	(1,315)
Total current assets	6,661,368	6,216,176
Non-current assets		
Property, plant and equipment		
Buildings and structures	773,832	774,172
Accumulated depreciation	(26,340)	(34,815)
Buildings and structures, net	747,492	739,356
Land	369,801	369,801
Other	148,942	150,120
Accumulated depreciation	(66,074)	(71,788)
Other, net	82,867	78,331
Total property, plant and equipment	1,200,161	1,187,489
Intangible assets		
Software	75,031	87,549
Other	12,234	1,455
Total intangible assets	87,265	89,005
Investments and other assets		
Investment securities	567,243	797,472
Long-term prepaid expenses	885	646
Leasehold and guarantee deposits	126,596	125,446
Long-term time deposits	64,890	62,040
Deferred tax assets	45,059	53,789
Total investments and other assets	804,674	1,039,394
Total non-current assets	2,092,101	2,315,889
Total assets	8,753,470	8,532,066

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	113,605	175,785
Accounts payable - other	23,406	43,224
Accrued expenses	60,226	43,711
Income taxes payable	325,338	171,746
Accrued consumption taxes	13,289	57,202
Advances received	1,527,730	1,554,851
Provision for bonuses for directors (and other officers)	15,000	4,500
Deposits received	30,949	22,883
Provision for bonuses	15,755	70,790
Other	35	73
Total current liabilities	2,125,337	2,144,769
Non-current liabilities		
Retirement benefit liability	11,093	13,464
Total non-current liabilities	11,093	13,464
Total liabilities	2,136,431	2,158,233
Net assets		
Shareholders' equity		
Share capital	372,711	372,711
Capital surplus	290,518	290,518
Retained earnings	5,853,939	5,646,330
Treasury shares	(896)	(896)
Total shareholders' equity	6,516,272	6,308,663
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,822	8,042
Foreign currency translation adjustment	80,943	57,126
Total accumulated other comprehensive income	100,765	65,169
Total net assets	6,617,038	6,373,832
Total liabilities and net assets	8,753,470	8,532,066

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	1,589,490	1,587,268
Cost of sales	612,387	595,433
Gross profit	977,103	991,835
Selling, general and administrative expenses		
Promotion expenses	7,022	8,936
Advertising expenses	4,212	4,998
Remuneration for directors (and other officers)	16,610	18,655
Salaries and allowances	135,072	156,640
Provision for bonuses	29,517	32,491
Retirement benefit expenses	3,439	3,762
Legal welfare expenses	26,979	29,318
Depreciation	2,081	4,211
Provision of allowance for doubtful accounts	(1,553)	(106)
Rent expenses	21,098	26,320
Other	88,552	116,321
Total selling, general and administrative expenses	333,033	401,548
Operating profit	644,069	590,286
Non-operating income		
Interest income	1,779	3,066
Dividend income	3,574	2,460
Foreign exchange gains	1,284	1,635
Other	1,227	1,819
Total non-operating income	7,865	8,981
Non-operating expenses		
Share of loss of entities accounted for using equity method	5,260	5,170
Other	80	0
Total non-operating expenses	5,340	5,170
Ordinary profit	646,594	594,097
Profit before income taxes	646,594	594,097
Income taxes - current	191,007	172,656
Income taxes - deferred	(1,361)	(5,909)
Total income taxes	189,645	166,746
Profit	456,949	427,350
Profit attributable to owners of parent	456,949	427,350

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	456,949	427,350
Other comprehensive income		
Valuation difference on available-for-sale securities	31,388	(6,390)
Foreign currency translation adjustment	25,891	(23,817)
Share of other comprehensive income of entities accounted for using equity method	7,906	(5,389)
Total other comprehensive income	65,187	(35,596)
Comprehensive income	522,136	391,753
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	522,136	391,753