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## Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]

May 8, 2024

Company name: MarkLines Co., Ltd.

Stock exchange listing: Tokyo

Code number: 3901

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

Representative: Makoto Sakai

President, CEO

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Scheduled date of filing quarterly securities report: May 10, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	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, 2024	1,589	24.6	644	22.0	646	22.9	456	22.1
March 31, 2023	1,275	6.8	527	19.1	525	18.6	374	20.9

(Note) Comprehensive income: Three months ended March 31, 2024: ¥ 522 million [ 32.8%]  
Three months ended March 31, 2023: ¥ 393 million [ 23.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	34.58	34.55
March 31, 2023	28.32	28.29

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	7,627	5,550	72.8
December 31, 2023	7,484	5,504	73.5

(Reference) Equity: As of March 31, 2024: ¥ 5,550 million  
As of December 31, 2023: ¥ 5,504 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, 2023	-	0.00	-	36.00	36.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		0.00	-	42.00	42.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending December 31, 2024 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(% indicates changes from the previous corresponding period.)

	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, 2024	2,750	14.7	1,110	14.1	1,110	14.1	770	14.6	58.27
Full year	5,700	17.6	2,300	15.5	2,300	15.7	1,600	15.7	121.07

(Note) Revision to the financial results forecast announced most recently: No

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2024

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )

Exclusion: - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

March 31, 2024: 13,215,200 shares

December 31, 2023: 13,215,200 shares

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

March 31, 2024: 442 shares

December 31, 2023: 442 shares

3) Average number of shares outstanding during the period:

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

Three months ended March 31, 2023: 13,214,758 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,521,123	5,004,059
Accounts receivable - trade	234,811	600,700
Merchandise	26,650	14,387
Work in process	12,446	-
Advance payments to suppliers	23,258	48,447
Prepaid expenses	33,177	32,815
Other	23,513	27,227
Allowance for doubtful accounts	(2,403)	(1,389)
Total current assets	5,872,578	5,726,249
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,635	41,168
Accumulated depreciation	(10,937)	(11,695)
Buildings and structures, net	27,698	29,472
Land	367,207	369,801
Construction in progress	235,994	468,908
Other	69,218	72,483
Accumulated depreciation	(49,219)	(50,480)
Other, net	19,998	22,002
Total property, plant and equipment	650,899	890,184
Intangible assets		
Software	45,022	47,419
Other	10,183	18,469
Total intangible assets	55,206	65,888
Investments and other assets		
Investment securities	683,995	731,884
Distressed receivables	539	-
Long-term prepaid expenses	262	227
Leasehold and guarantee deposits	128,611	128,850
Long-term time deposits	59,760	63,600
Deferred tax assets	32,975	20,484
Allowance for doubtful accounts	(539)	-
Total investments and other assets	905,605	945,045
Total non-current assets	1,611,710	1,901,119
Total assets	7,484,288	7,627,369

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	90,714	177,842
Accounts payable - other	16,792	35,856
Accrued expenses	51,982	41,761
Income taxes payable	327,994	187,017
Accrued consumption taxes	56,150	71,969
Advances received	1,372,452	1,456,871
Provision for bonuses for directors (and other officers)	13,000	4,000
Deposits received	26,758	25,735
Provision for bonuses	14,633	63,942
Other	-	1,696
Total current liabilities	1,970,478	2,066,692
Non-current liabilities		
Retirement benefit liability	9,725	10,186
Total non-current liabilities	9,725	10,186
<b>Total liabilities</b>	<b>1,980,203</b>	<b>2,076,879</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	371,351	371,351
Capital surplus	289,158	289,158
Retained earnings	4,751,713	4,732,931
Treasury shares	(784)	(784)
Total shareholders' equity	5,411,438	5,392,656
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,931	71,227
Foreign currency translation adjustment	60,714	86,606
Total accumulated other comprehensive income	92,646	157,833
<b>Total net assets</b>	<b>5,504,084</b>	<b>5,550,489</b>
<b>Total liabilities and net assets</b>	<b>7,484,288</b>	<b>7,627,369</b>

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, 2023	For the three months ended March 31, 2024
Net sales	1,275,404	1,589,490
Cost of sales	468,073	612,387
Gross profit	807,330	977,103
Selling, general and administrative expenses		
Promotion expenses	6,646	7,022
Advertising expenses	3,411	4,212
Remuneration for directors (and other officers)	13,435	16,610
Salaries and allowances	115,781	135,072
Provision for bonuses	25,014	29,517
Retirement benefit expenses	2,861	3,439
Legal welfare expenses	23,027	26,979
Depreciation	2,295	2,081
Provision of allowance for doubtful accounts	1,446	(1,553)
Rent expenses	17,495	21,098
Other	68,037	88,552
Total selling, general and administrative expenses	279,452	333,033
Operating profit	527,878	644,069
Non-operating income		
Interest income	1,531	1,779
Dividend income	2,426	3,574
Foreign exchange gains	-	1,284
Other	1,012	1,227
Total non-operating income	4,970	7,865
Non-operating expenses		
Share of loss of entities accounted for using equity method	5,722	5,260
Foreign exchange losses	1,183	-
Other	0	80
Total non-operating expenses	6,906	5,340
Ordinary profit	525,941	646,594
Profit before income taxes	525,941	646,594
Income taxes - current	153,329	191,007
Income taxes - deferred	(1,625)	(1,361)
Total income taxes	151,703	189,645
Profit	374,238	456,949
Profit attributable to owners of parent	374,238	456,949

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

(Thousands of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Profit	374,238	456,949
Other comprehensive income		
Valuation difference on available-for-sale securities	12,937	31,388
Foreign currency translation adjustment	5,967	25,891
Share of other comprehensive income of entities accounted for using equity method	-	7,906
Total other comprehensive income	18,904	65,187
Comprehensive income	393,143	522,136
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	393,143	522,136