



Consolidated Financial Results Summary [Japanese Accounting Standards]
for the Six Months Ended June 30, 2015(Q2 FY2015)

August 3, 2015

Company name MarkLines Co., Ltd. Listed on The Tokyo Stock Exchanges
(JASDAQ Standard)
Code Number 3901 URL <http://www.marklines.com>
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Filing date of quarterly report: August 7, 2015 Scheduled date of commencement of dividend payment: -
Supplementary documents for quarterly results : Yes (Japanese only)
Quarterly results briefing : Yes (For institutional investors and analysts)

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

1. Consolidated financial results for the six months ended June 30, 2015(January 1, 2015 – June 30, 2015)

(1) Consolidated results of operation (Accumulated total)

(Percentage figures compare current results with those of the same period of the previous year)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
June 30, 2015	598	-	186	-	193	-	127	-
June 30, 2014	-	-	-	-	-	-	-	-

(Note) Comprehensive income: 135million yen(- %) for the six months ended June 30, 2015
- million yen(- %) for the six months ended June 30, 2014

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
June 30, 2015	40.62	38.76
June 30, 2014	-	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of June 30, 2015	1,612	1,019	63.2
As of December 31, 2014	1,492	971	65.1

(Reference) Shareholder's Equity: As of June 30, 2015 1,019Million yen As of December31,2014 971 Million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2014	-	0.00	-	28.00	28.00
Year ending December 31, 2015	-				
Year ending December 31, 2015 (forecast)		0.00	-	34.00	34.00

(Note) Revisions to the latest dividend forecasts :None

3. Consolidated forecasts for the fiscal year ending December 31, 2015 (January 1,2015-December 31,2015)

(Percentage figures compare current results with those of the same period of the previous year)

	Net Sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending December 31,2015	1,263	19.9	410	23.0	415	20.5	270	22.7	86.13

(Note) Revisions to the latest financial forecasts :None

* Note

(1) Change of material subsidiaries during the period : None

(2) Application of accounting treatments specific to quarterly financial statements : None

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

(a) Changes in accounting policies in accordance with changes in accounting standards, etc. : None

(b) Voluntary changes in accounting policies : None

(c) Changes in accounting estimates : None

(d) Restatement : None

(4) Number of issued shares (common stock)

(a) Number of issued shares at period-end (including treasury shares):

As of June 30, 2015	3,138,800 shares	As of December 31, 2014	3,136,800 shares
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(b) Number of treasury shares at Period-end:

As of June 30, 2015	- shares	As of December 31, 2014	- shares
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(c) Average outstanding shares (accumulated period):

Six months ended June 30, 2015	3,138,424 shares	Six months ended June 30, 2014	- shares
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* Implementation status of quarterly review procedure

This report is outside the scope of audit procedures based on the Financial Instruments and Exchange Act, and review procedure for quarterly consolidated financial statements has not been completed as of the date of disclosure of this report.

* Explanation regarding the appropriate use of forecasts, and other special note

The earnings forecasts are based on certain assumptions that Marklines Co., Ltd. deemed reasonable by the information currently available. Actual results may differ significantly due to a wide range of factors.

This report is an English translation of a statement written initially in Japanese for reference purpose only.

In the event of any discrepancy between English version and the Japanese original, the original shall prevail.

1 【Quarterly consolidated financial statements】

(1) 【Quarterly consolidated balance sheet】

(Unit : thousand yen)

	FY2014 As of Dec.31, 2014	FY2015 As of June.30, 2015
Assets		
Current asset		
Cash and deposits	1,250,263	1,213,791
Accounts receivable-trade	21,223	25,545
Prepaid expenses	9,492	9,792
Deferred tax assets	8,749	6,986
Other	1,890	2,406
Allowance for doubtful accounts	(684)	(409)
Total current assets	1,290,935	1,258,113
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	40,856	40,839
Accumulated depreciation	(9,015)	(10,117)
Buildings and structures, net	31,841	30,722
Land	5,634	5,634
Other	20,284	21,104
Accumulated depreciation	(15,184)	(16,325)
Other, net	5,099	4,778
Total property, plant and equipment	42,575	41,136
Intangible assets		
Software	13,148	8,708
Total intangible asset	13,148	8,708
Investments and other assets		
Investment securities	113,065	271,546
Lease deposits	32,565	33,131
Other	1,159	1,193
Allowance for doubtful accounts	(703)	(915)
Investments and other assets total	146,086	304,956
Total noncurrent assets	201,810	354,801
Total assets	1,492,745	1,612,914

(Unit : thousand yen)

	FY2014 As of Dec.31, 2014	FY2015 As of June.30, 2015
Liabilities		
Current liabilities		
Accounts payable-other	28,875	14,340
Accrued expenses	20,345	19,204
Income taxes payable	79,436	61,181
Accrued consumption taxes	14,129	15,579
Advances received	355,405	455,545
Deposits received	6,646	8,565
Provision for bonuses	6,108	7,013
Accounts payable-facilities	4,337	298
Other	-	4,255
Total current liabilities	515,286	585,984
Noncurrent liabilities		
Deferred tax liabilities	6,240	7,066
Total noncurrent liabilities	6,240	7,066
Total liabilities	521,526	593,051
Net assets		
Shareholders' equity		
Capital stock	314,301	314,551
Capital surplus	232,108	232,358
Retained earnings	402,530	442,196
Total shareholders' equity	948,940	989,106
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,428	15,406
Foreign currency translation adjustment	13,849	15,350
Total accumulated other comprehensive income	22,278	30,757
Total net assets	971,219	1,019,863
Total liabilities and net assets	1,492,745	1,612,914

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

【 Quarterly consolidated statement of income 】

Six months ended June 30

	(Unit : thousand yen)
	FY2015
	Six months ended
	June 30, 2015
Net sales	598,588
Cost of sales	169,292
Gross profit	429,296
Selling, general and administrative expenses	
Promotion expenses	6,075
Sales commission	10,031
Advertising expenses	5,288
Directors' compensations	20,285
Salaries and allowances	107,960
Provision for bonuses	4,079
Retirement benefit expenses	1,457
Legal welfare expenses	19,357
Depreciation	2,458
Rent expenses	19,980
Other	45,858
Total selling, general and administrative expenses	242,834
Operating income	186,462
Non-operating income	
Interest income	787
Dividend income	3,915
Foreign exchange gains	2,270
Reversal of allowance for doubtful accounts	63
Other	487
Total non-operating income	7,524
Ordinary income	193,986
Income before income taxes	193,986
Income taxes - current	66,571
Income taxes - deferred	80
Total income taxes	66,490
Income before minority interests	127,495
Net income	127,495

【Quarterly consolidated statement of comprehensive income】

Six months ended June 30

	(Unit : thousand yen)
	FY2015 Six months ended June 30, 2015
Income before minority interests	127,495
Other comprehensive income	
Valuation difference on available-for-sale securities	6,977
Foreign currency translation adjustment	1,501
Total other comprehensive income	8,479
Total comprehensive income	135,974
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	135,974
Comprehensive income attributable to minority interests	-

(3) Quarterly consolidated statement of cash flows
【 Quarterly consolidated statement of cash flows 】
 Six months ended June 30

	(Unit : thousand yen)
	FY2015 Six months ended June 30, 2015
Cash flows from operating activities	
Income before income taxes	193,986
Depreciation	6,605
Increase (decrease) in allowance for doubtful accounts	(63)
Interest and dividend income	(4,703)
Foreign exchange losses (gains)	74
Decrease (increase) in notes and accounts receivable - trade	(4,763)
Increase (decrease) in provision for bonuses	904
Increase (decrease) in accounts payable - other	(15,024)
Increase (decrease) in accrued consumption taxes	826
Increase (decrease) in advances received	99,125
Other, net	6,043
Subtotal	<u>283,011</u>
Interest and dividend income received	3,200
Income taxes paid	(84,320)
Net cash provided by (used in) operating activities	<u>201,892</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(4,761)
Purchase of long-term investment securities	(148,833)
Payments into time deposits	(100,000)
Proceeds from withdrawal of time deposits	100,000
Payments for lease deposits	(1,098)
Collection of lease deposits	68
Net cash provided by (used in) investing activities	<u>(154,625)</u>
Cash flows from financing activities	
Proceeds from issuance of common shares	500
Cash dividends paid	(87,399)
Net cash provided by (used in) financing activities	<u>(86,899)</u>
Effect of exchange rate change on cash and cash equivalents	<u>3,160</u>
Net increase (decrease) in cash and cash equivalents	<u>(36,472)</u>
Cash and cash equivalents at the beginning of the year	<u>1,250,263</u>
Cash and cash equivalents at the end of the year	<u>1,213,791</u>