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## Consolidated Financial Results for the Three Months Ended March 31, 2022 [Japanese GAAP]

May 06, 2022

Company name: MarkLines Co., Ltd.

Stock exchange listing: Tokyo

Code number: 3901

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

Representative: Makoto Sakai

President, CEO

Contact: Kenichi Sakai

Director, General Manager, Administration Dept.

Phone: 03-4241-3901

Scheduled date of filing quarterly securities report: May 12, 2022

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, 2022 (January 01, 2022 to March 31, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2022	1,194	21.9	443	35.3	443	33.4	309	41.9
March 31, 2021	979	37.0	327	29.0	332	29.9	218	92.5

(Note) Comprehensive income: Three months ended March 31, 2022: ¥ 319 million [ 18.5%]  
Three months ended March 31, 2021: ¥ 269 million [ 108.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	23.42	23.40
March 31, 2021	16.53	16.49

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of March 31, 2022	5,031	3,609	71.7
December 31, 2021	4,992	3,593	72.0

(Reference) Equity: As of March 31, 2022: ¥ 3,609 million  
As of December 31, 2021: ¥ 3,593 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, 2021	-	0.00	-	23.00	23.00
Fiscal year ending December 31, 2022	-				
Fiscal year ending December 31, 2022 (Forecast)		0.00	-	28.00	28.00

(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, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2022(January 01, 2022 to December 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended June 30, 2022	2,095	23.5	730	26.8	720	23.6	505	28.4	38.23
Full year	4,270	22.0	1,538	20.0	1,525	20.0	1,062	20.0	80.39

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

### \* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2022

(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: Yes

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, 2022: 13,211,200 shares

December 31, 2021: 13,209,200 shares

2) Total number of treasury shares at the end of the period:

March 31, 2022: 442 shares

December 31, 2021: 442 shares

3) Average number of shares during the period:

Three months ended March 31, 2022: 13,210,669 shares

Three months ended March 31, 2021: 13,190,769 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31,2021	As of March 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,951,623	3,876,941
Accounts receivable - trade	227,985	407,737
Merchandise	11,717	3,792
Work in process	644	-
Advance payments to suppliers	62,802	24,135
Prepaid expenses	28,834	22,618
Other	6,150	6,876
Allowance for doubtful accounts	(2,190)	(3,885)
Total current assets	4,287,569	4,338,216
Non-current assets		
Property, plant and equipment		
Buildings and structures	28,407	26,857
Accumulated depreciation	(7,866)	(6,280)
Buildings and structures, net	20,541	20,576
Other	47,072	48,560
Accumulated depreciation	(34,099)	(36,262)
Other, net	12,972	12,297
Total property, plant and equipment	33,514	32,874
Intangible assets		
Software	35,490	31,485
Total intangible assets	35,490	31,485
Investments and other assets		
Investment securities	446,032	429,373
Distressed receivables	240	716
Long-term prepaid expenses	2,306	1,952
Long-term time deposits	54,150	57,720
Leasehold deposits	98,355	98,647
Deferred tax assets	34,936	41,713
Allowance for doubtful accounts	(240)	(716)
Total investments and other assets	635,780	629,407
Total non-current assets	704,784	693,767
Total assets	4,992,354	5,031,983

(Thousand yen)

	As of December 31,2021	As of March 31,2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	54,996	109,797
Accounts payable - other	9,298	15,991
Accrued expenses	41,066	36,179
Income taxes payable	228,126	139,876
Accrued consumption taxes	64,073	58,602
Advances received	954,648	990,465
Provision for bonuses for directors (and other officers)	8,700	-
Deposits received	21,327	15,622
Provision for bonuses	11,502	48,592
Other	-	528
Total current liabilities	1,393,738	1,415,655
Non-current liabilities		
Retirement benefit liability	4,852	6,963
Total non-current liabilities	4,852	6,963
Total liabilities	1,398,591	1,422,619
Net assets		
Shareholders' equity		
Share capital	370,751	370,951
Capital surplus	288,558	288,758
Retained earnings	2,915,576	2,921,223
Treasury shares	(784)	(784)
Total shareholders' equity	3,574,101	3,580,149
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,997	60
Foreign currency translation adjustment	11,663	29,154
Total accumulated other comprehensive income	19,661	29,215
Total net assets	3,593,762	3,609,364
Total liabilities and net assets	4,992,354	5,031,983

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

(Thousand yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Net sales	979,444	1,194,355
Cost of sales	415,881	491,490
Gross profit	563,562	702,864
Selling, general and administrative expenses		
Promotion expenses	5,695	7,008
Sales commission	346	144
Advertising expenses	2,768	3,957
Remuneration for directors (and other officers)	14,339	14,184
Salaries and allowances	87,028	102,877
Provision for bonuses	19,558	21,965
Retirement benefit expenses	2,225	2,355
Legal welfare expenses	17,094	19,558
Depreciation	3,166	1,654
Provision of allowance for doubtful accounts	2,667	2,171
Rent expenses	16,641	17,467
Other	64,451	66,376
Total selling, general and administrative expenses	235,984	259,721
Operating profit	327,578	443,142
Non-operating income		
Interest income	873	1,221
Dividend income	1,223	2,163
Foreign exchange gains	2,286	1,730
Other	417	595
Total non-operating income	4,800	5,711
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	5,219
Other	-	221
Total non-operating expenses	-	5,440
Ordinary profit	332,378	443,413
Extraordinary losses		
Loss on valuation of investment securities	30,598	-
Total extraordinary losses	30,598	-
Profit before income taxes	301,779	443,413
Income taxes - current	97,650	137,238
Income taxes - deferred	(12,614)	(3,274)
Total income taxes	85,036	133,964
Profit	216,743	309,448
Loss attributable to non-controlling interests	(1,339)	-
Profit attributable to owners of parent	218,083	309,448

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

(Thousand yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Profit	216,743	309,448
Other comprehensive income		
Valuation difference on available-for-sale securities	42,140	(7,936)
Foreign currency translation adjustment	10,353	17,490
Total other comprehensive income	52,493	9,554
Comprehensive income	269,237	319,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	270,577	319,003
Comprehensive income attributable to non-controlling interests	(1,339)	-