

# Financial Results

## Briefing Materials

First quarter (Q1) of 2025

May 14, 2025

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The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. It is possible that these statements or assumptions are objectively incorrect or may not be realized in the future.

In addition, the information in this document concerning companies other than our group companies is quoted from publicly available information, etc., and we do not guarantee the accuracy and appropriateness of such information.

MarkLines Co., Ltd.

- I. Financial Summary**
- II. Profit and Loss by Segment**
- III. Reference Information**

# I. FINANCIAL SUMMARY

# Summary of Consolidated Financial Results

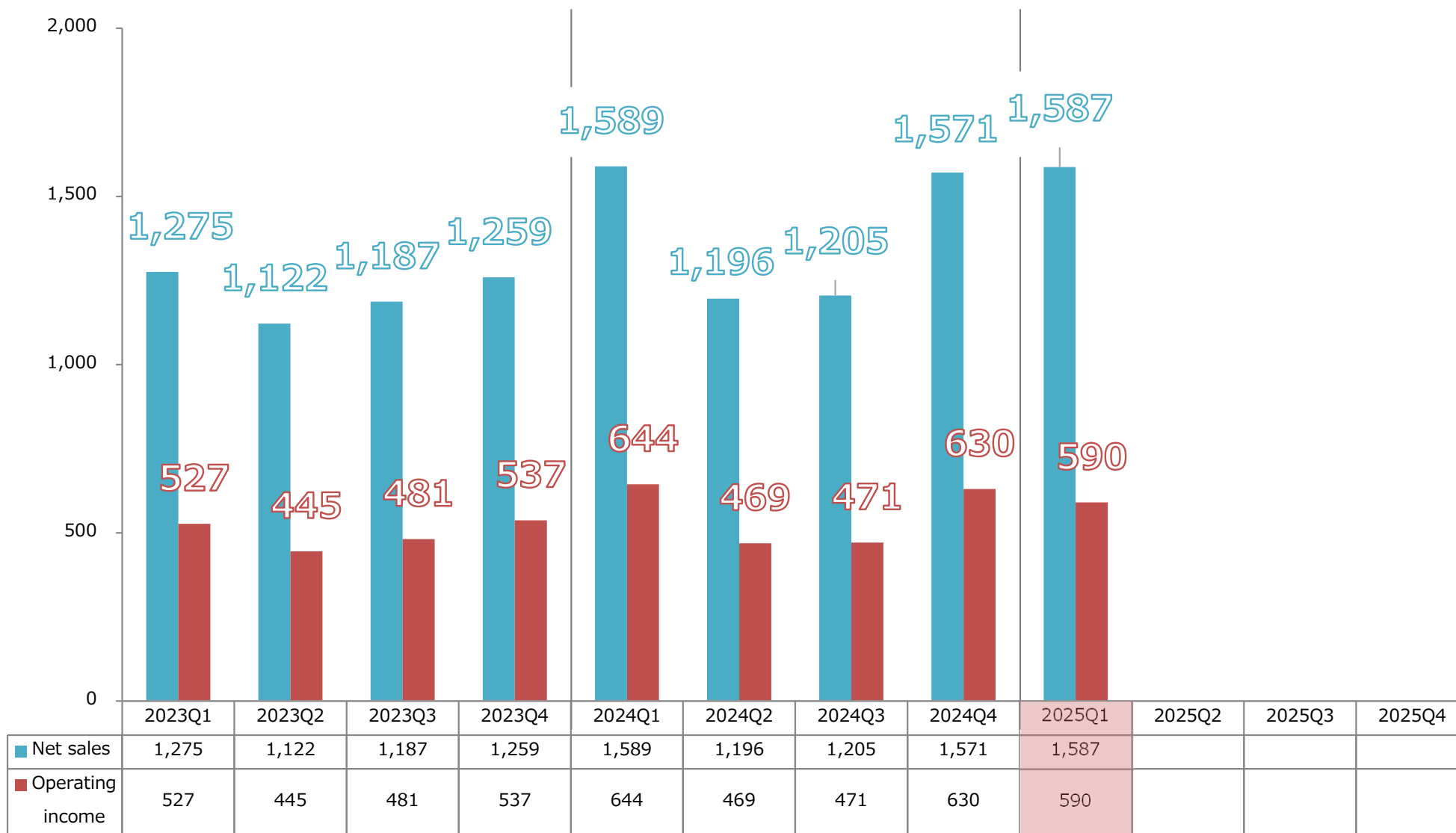
(Unit: JPY millions)

	2024Q1	2025Q1	y/y change (%)	Primary factors
Consolidated net sales	<b>1,589</b>	<b>1,587</b>	<b>△0.1</b>	Information Platform business increased 10.1% year-over-year (y/y). For other businesses, results declined 12.2% y/y, due to a particularly strong performance in the same period of the previous year, which included one-time sales in the vehicle disassembly and measurement business. Overall, sales decreased 0.1% y/y.
Consolidated operating income	<b>644</b>	<b>590</b>	<b>△8.4</b>	In addition to sales remaining almost flat, the company's sales declined 8.4% y/y due to the impact of higher fixed costs, such as those incurred due to the establishment of our benchmark center in H2 of FY2024.
Consolidated ordinary income	<b>646</b>	<b>594</b>	<b>△8.1</b>	Consolidated ordinary income was down 8.1% y/y, due to an 8.4% decrease in operating income y/y.
Net income attributable to shareholders of the parent	<b>456</b>	<b>427</b>	<b>△6.5</b>	Net income attributable to shareholders of the parent was down 6.5% y/y, due to an 8.1% decrease in ordinary income y/y.

# Summary of Consolidated Financial Results

## Consolidated financial results

JPY millions

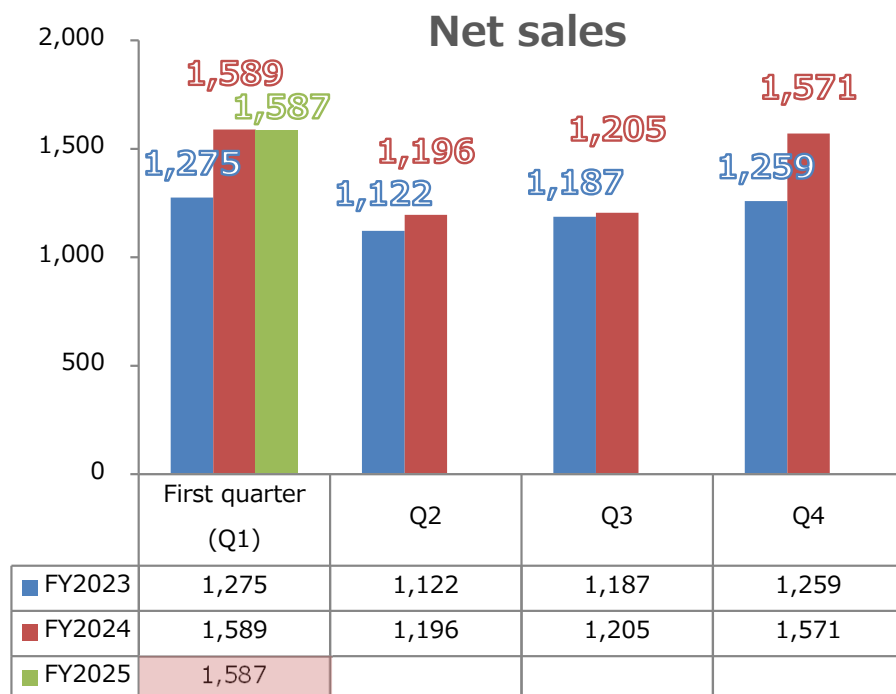


# Summary of Consolidated Financial Results

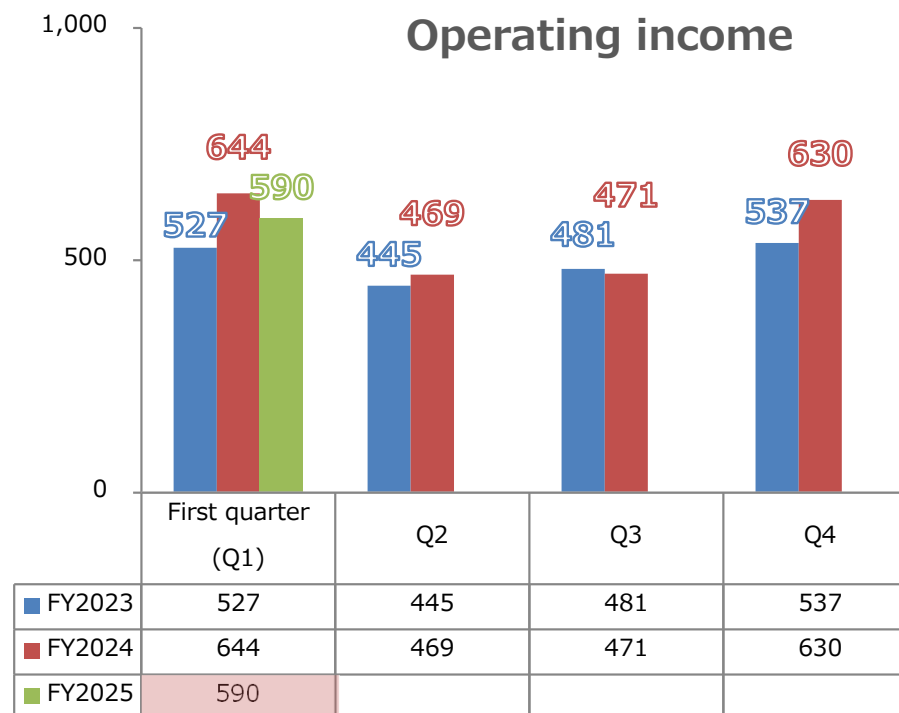
## Comparison of quarterly consolidated results

- Although sales tend to be highest in Q1 every year, in Q1 of FY2025 sales fell short of the previous fiscal year's results because of strong performance in Q1 of FY2024, including the recording of one-time sales in the vehicle disassembly and measurement business, the time it took to establish systems at the Shenzhen subsidiary and the Fukuoka call center, and the rise of emerging automakers such as BYD led to a deterioration in the performance of some automobile and parts manufacturers, which affected order trends for our services.
- Operating income declined y/y, due in part to higher fixed costs associated with the Benchmark Center, the Shenzhen subsidiary, and the Fukuoka Call Center, which were established in H2 of 2024.

JPY millions



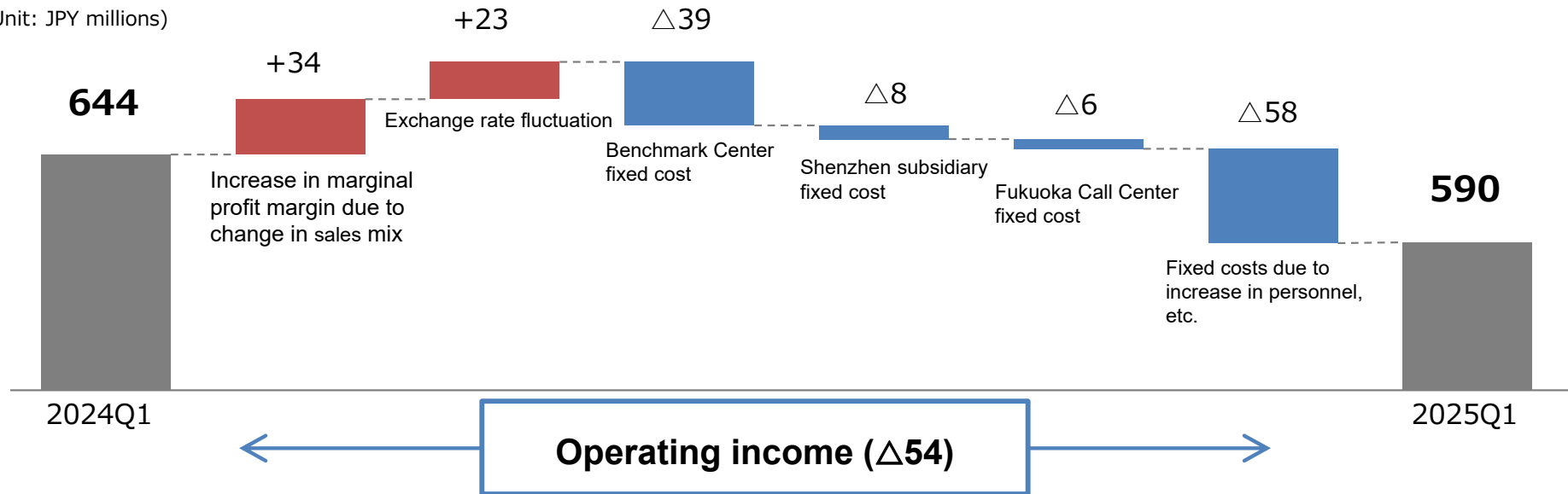
JPY millions



# Summary of Consolidated Financial Results

## Factors of Increase/Decrease in Consolidated Operating Income

(Unit: JPY millions)



- Fixed costs, including personnel expenses, increased approximately JPY 39 million with the startup of the Benchmark Center.
- The number of employees across the group, including at the Benchmark Center, increased by 25 compared to Q1 2024, resulting in an increase in personnel expenses.
- Most of the increase due to foreign exchange rate (E/R) fluctuations was related to the Information Platform business.

Conversion rate for Information Platform business	2024Q1	2025Q1	Sales conversion method
USD (weighted average of conversion rates for each contract)	141	151	Converted at the spot rate at the time of deposit for each contract
EUR (weighted average of conversion rates for each contract)	152	163	Same as above
CNY (spot rate at end of period)	21.2	20.7	Cumulative CNY sales converted at the spot rate at the end of each quarter



## II. PROFIT AND LOSS BY SEGMENT

# Business segment profit and loss

(Unit: JPY millions)

Business		2024 Q1 actuals	2025 Q1 actuals	y/y change (%)	
Information Platform business	Net sales	861	948	+86	+10.1%
	Segment profit	423	451	+28	+6.6%
Consulting business	Net sales	271	231	△39	△ 14.5%
	Segment profit	88	34	△53	△60.5%
Teardown Survey data sales business	Net sales	82	76	△5	△6.5%
	Segment profit	32	33	+1	+3.6%
Promotional Advertising business	Net sales	29	29	+0	+1.1%
	Segment profit	23	24	+0	+3.2%
Vehicle and Parts Procurement business	Net sales	154	162	+8	+5.5%
	Segment profit	23	22	△0	△1.8%
Market Forecast Information sales business	Net sales	63	68	+4	+7.5%
	Segment profit	18	21	+3	+17.2%
Automotive Fund business	Net sales	9	9	△0	△0.8%
	Segment profit	1	4	+3	+271.4%
Vehicle Teardown and Measurement business	Net sales	93	37	△56	△60.4%
	Segment profit	32	0	△32	△99.7%
Recruiting Solutions business	Net sales	23	22	△1	△ 5.4%
	Segment profit	△0	△4	△3	—
Consolidated net sales		1,589	1,587	△2	△0.1%
Consolidated operating income		644	590	△53	△8.4%

# Business segment profit and loss (Information Platform business)

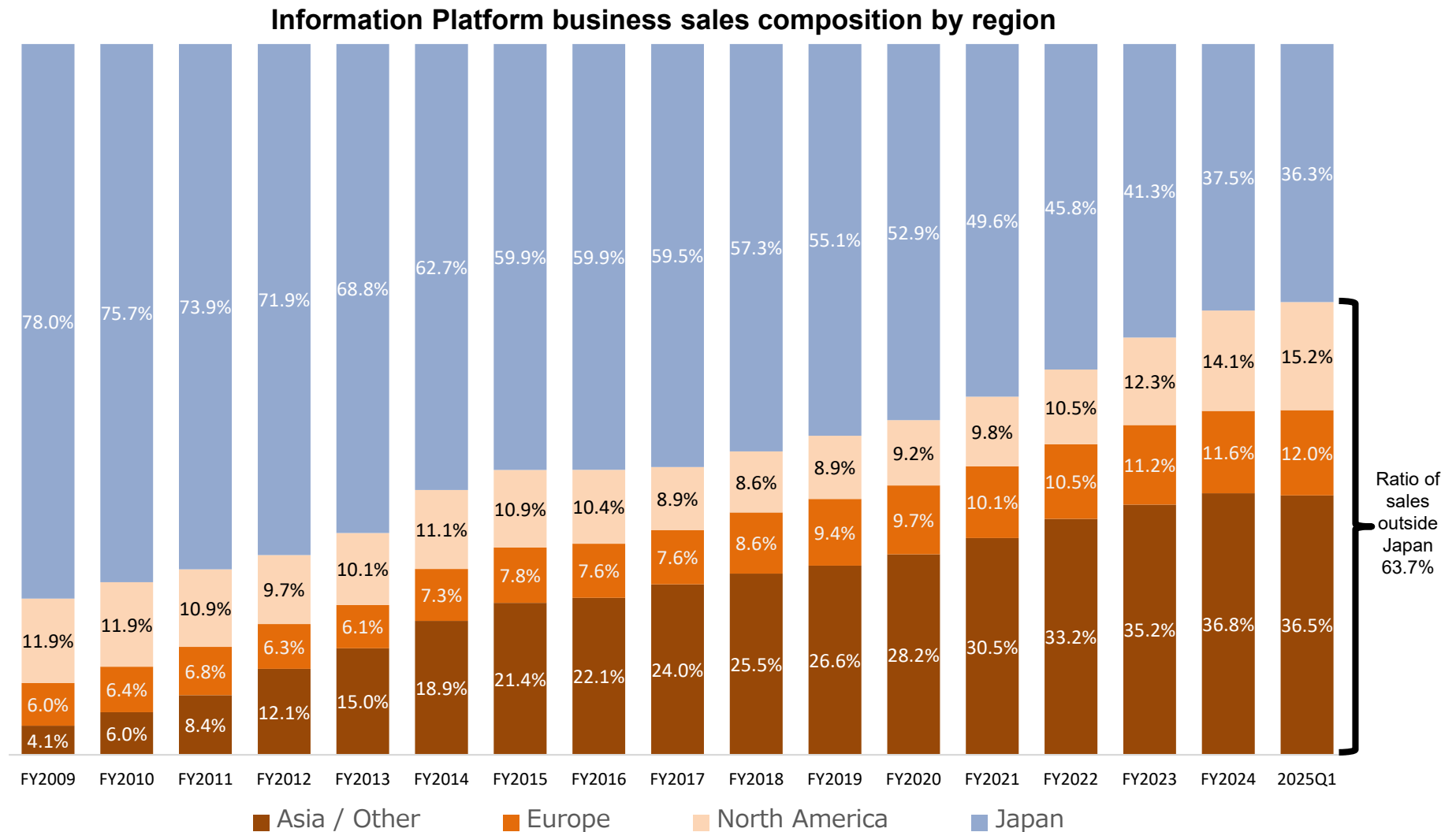
## ① Sales by region

(Unit: JPY millions)

Information Platform business sales by region				
	2024 First quarter (Q1)	2025 First quarter (Q1)	Same quarter y/y (%)	Factors of increase/decrease
Japan	334	344	+2.9	The effect of the increase in the number of contract wins in the previous term continued, and sales also increased.
China	153	159	+3.7	Sales growth slowed due to the weak performance of Japanese, European, and U.S. automakers, which affected contract wins and cancellations, and the depreciation of the CNY compared to the end of the same period of the previous year.
Asia	152	179	+17.2	Sales increased due to the success of acquiring new contracts in India in the previous fiscal year and the effect of the weak JPY.
North America	115	143	+25.1	In addition to continued strong contract acquisition, sales increased by more than 20% due in part to the effect of the weak JPY.
Europe	98	113	+15.6	Sales also increased due to the continued effect of an increase in the number of contracted companies from the previous period and the weak JPY.
Other	7	7	+7.9	—
Total	861	948	+10.1	—

# Business segment profit and loss (Information Platform business)

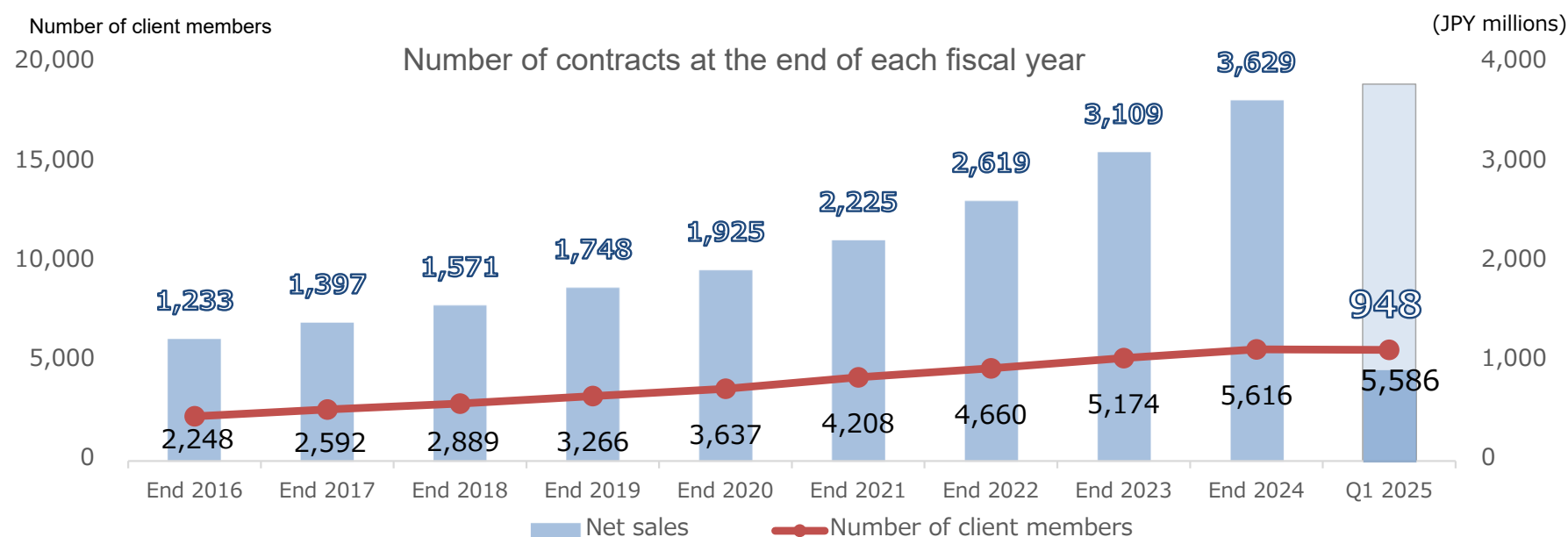
## ② Sales composition by region



# Business segment profit and loss (Information Platform business)

## ③ Net sales and number of contracts

- Poor performance by Japanese, European, and U.S. manufacturers affected the acquisition and cancellation of contracts.
- Due to the depreciation of the Japanese yen (JPY) since 2021, the increase in sales has been more noticeable than the increase in the number of contracts. In addition to the above, there were also cases during this period where multiple affiliated companies consolidated their individual contracts with MarkLines into one contract, resulting in a decrease in the number of contracts. These factors have led to an increase in the average contract price from 2021 onwards.



[Average contract unit price calculated from net sales] ・ ・ ・ including exchange rate effects

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Q1
Avg. unit price (JPY)	588,920	577,336	573,507	568,121	557,788	567,359	590,785	632,372	672,818	677,469

## Business segment profit and loss (Information Platform business)

### ④ Average contract price by major currency ・ ・ ・ excluding exchange rate effects

- For all currencies, the average contract unit price is kept low because the contracts are mainly for use by up to two persons. Since January 2025, efforts have been made to raise contract amounts, but the effect has been limited at present.
- In terms of new contracts acquired, the average unit price of JPY-denominated contracts increased due to the acquisition of unrestricted contracts and global contracts.
- Starting from the current fiscal year, the company has shifted its policy to focus on sales per client rather than the number of contracts. We will continue emphasizing activities to increase the average contract unit price without relying on favorable foreign exchange fluctuations.

【Average contract price by major currency for existing customers at the end of each quarter】

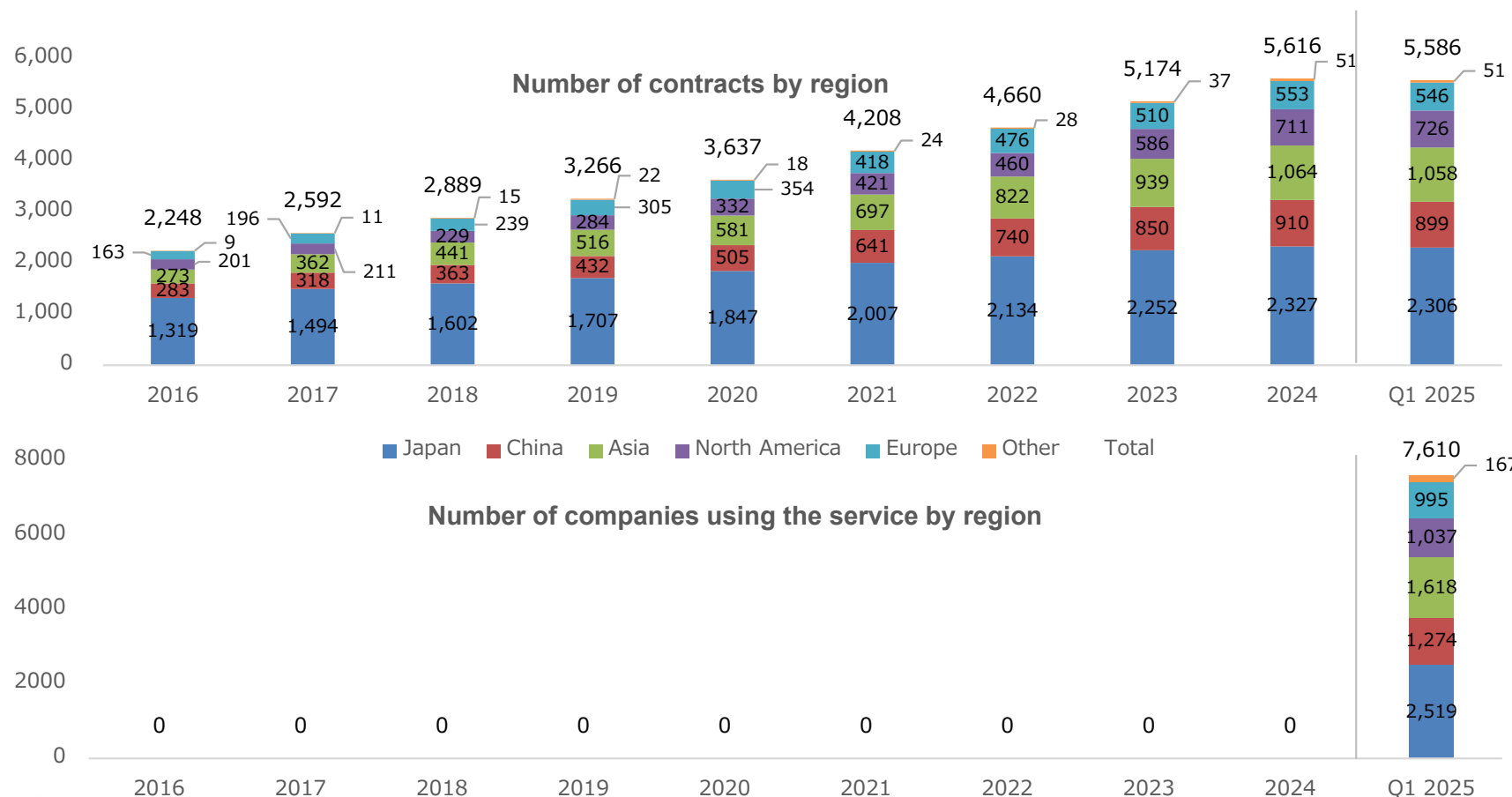
Currency	Q4 2024	Q1 2025	Change %
JPY	585,378	592,586	+1.2%
USD	5,177	5,187	+0.2%
CNY	36,780	36,863	+0.2%
EUR	5,095	5,124	+0.6%

# Business segment profit and loss (Information Platform business)

## ⑤ Number of contracted companies and number of companies using the service

Starting this fiscal year, MarkLines will disclose the number of contracts and the number of companies using the service.

- In some cases, one contract will be signed with only one company using the service, but in cases where a company operates globally, there may be a contract that allows multiple affiliated companies to use the service collectively. As a result, the number of companies using the service will be greater than the number of contracting companies.
- From 2025, we will manage two indicators: "Number of contracts" and "Number of companies using the service."

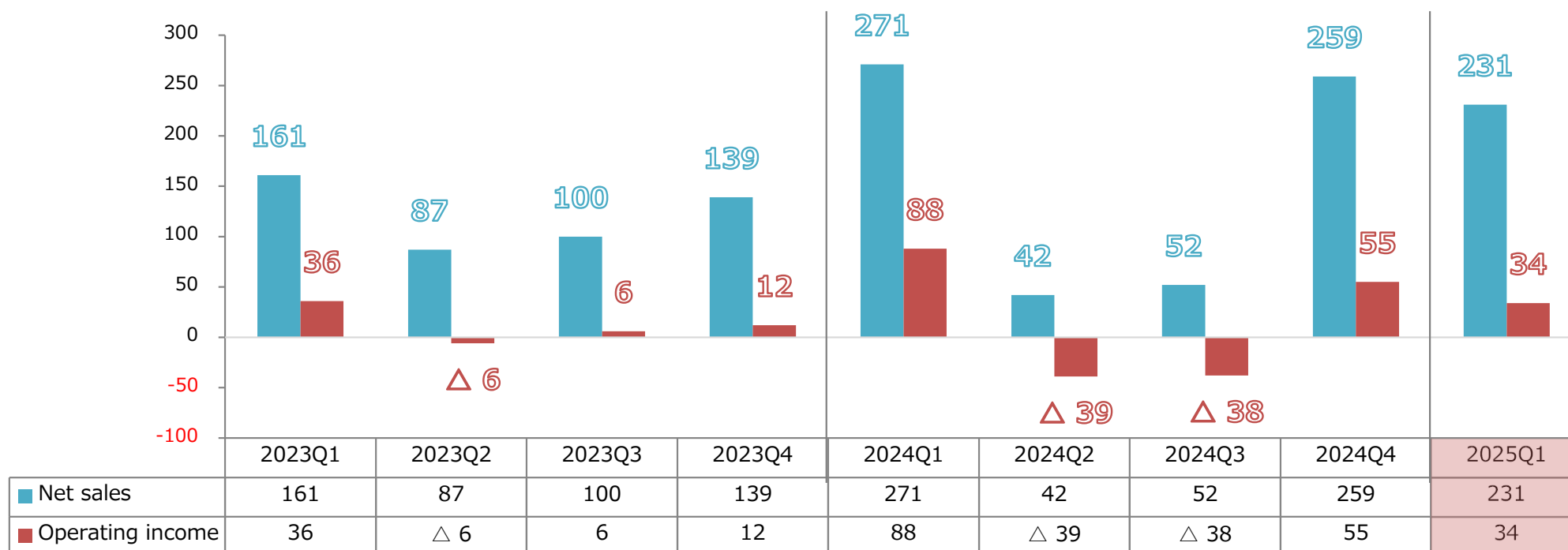


# Business segment profit and loss (Consulting business)

In the Consulting business, cost comparison analysis, test evaluation, and technical research performed relatively well, and higher average order unit prices also contributed to the results. However, sales declined y/y because the number of orders received in the current quarter was 42, falling short of the 60 orders received in the same quarter of the previous year, when orders were particularly strong. In addition, segment profit decreased significantly due to the impact of the fixed costs related to the Benchmark Center, which began operations in August 2024.

(Unit: JPY millions)

## Quarterly financial results





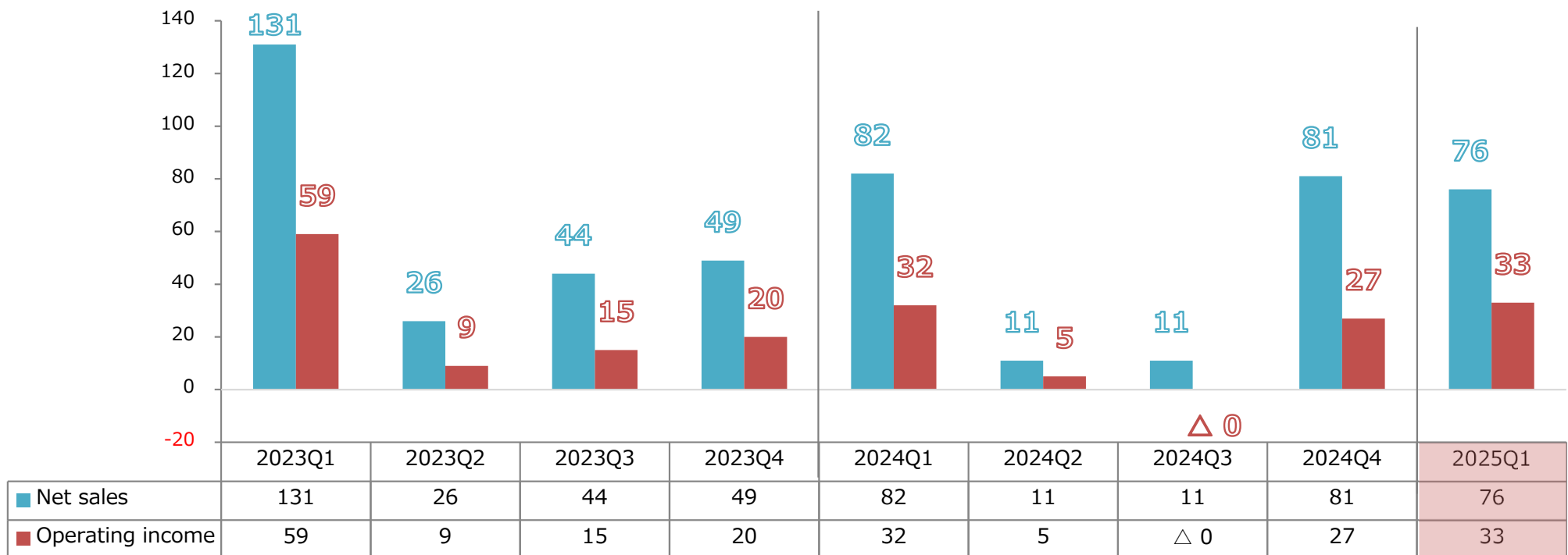
# Business segment profit and loss

## (Teardown Survey data sales business)

The Teardown Survey data sales business saw an increase in the number of reports sold. However, the poor sales performance of the Tesla Cybertruck teardown survey report, which was expected to sell well, pushed down the average selling price and resulted in decreased business segment sales. Segment profit increased y/y due to strong sales of our high-margin in-house reports, such as the latest in HMI technologies.

### Quarterly financial results

(Unit: JPY millions)



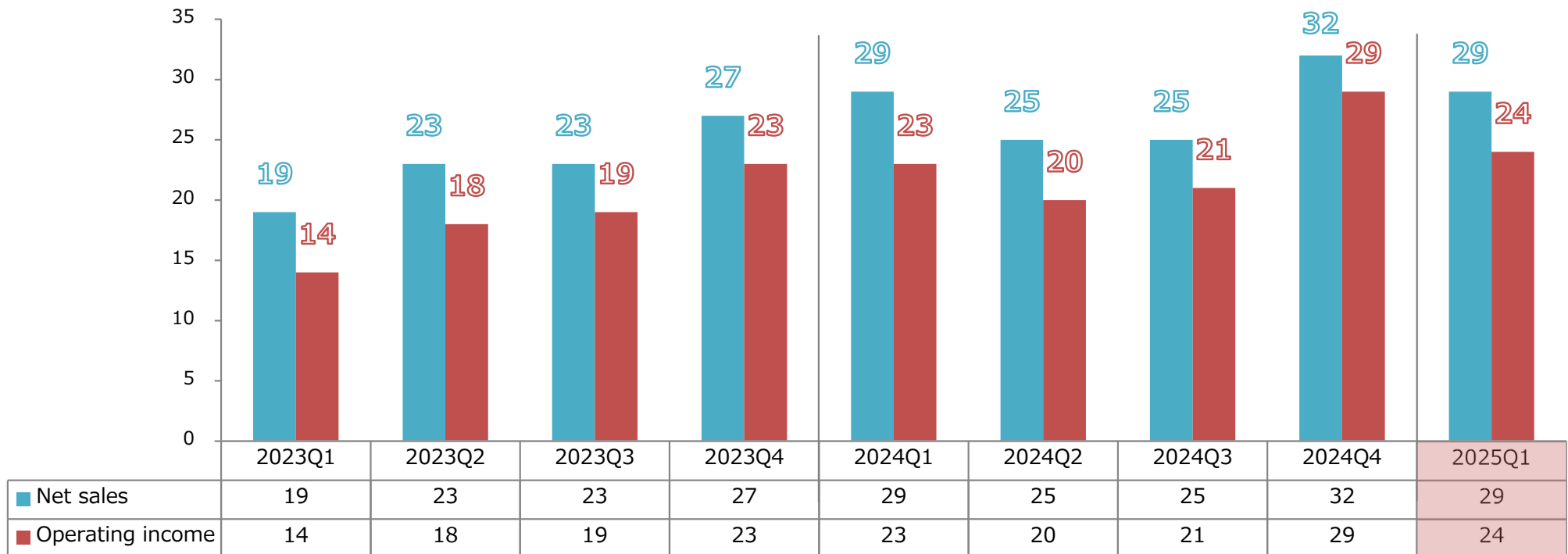
# Business segment profit and loss

## (Promotional Advertising business *LINES*)

The Promotional Advertising business has maintained sales and segment profit at the same level in the same period y/y due to stable orders from repeat clients and an upward trend in order value per project.

### Quarterly financial results

(Unit: JPY millions)

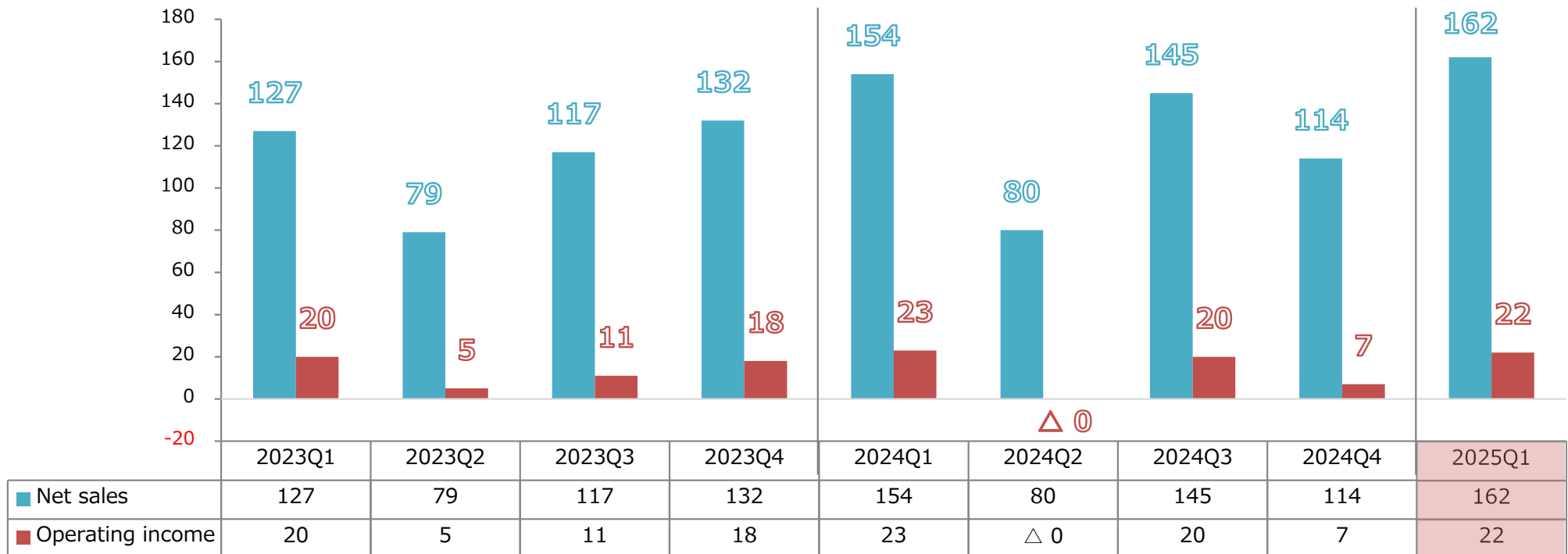


# Business segment profit and loss (Vehicle and Parts Procurement business)

In the vehicle and parts procurement business, while unit prices for vehicles and other items were high, sales increased y/y due to an increase in procurement projects with high unit prices but low profit margins, and segment profit remained flat y/y.

## Quarterly financial results

(Unit: JPY millions)



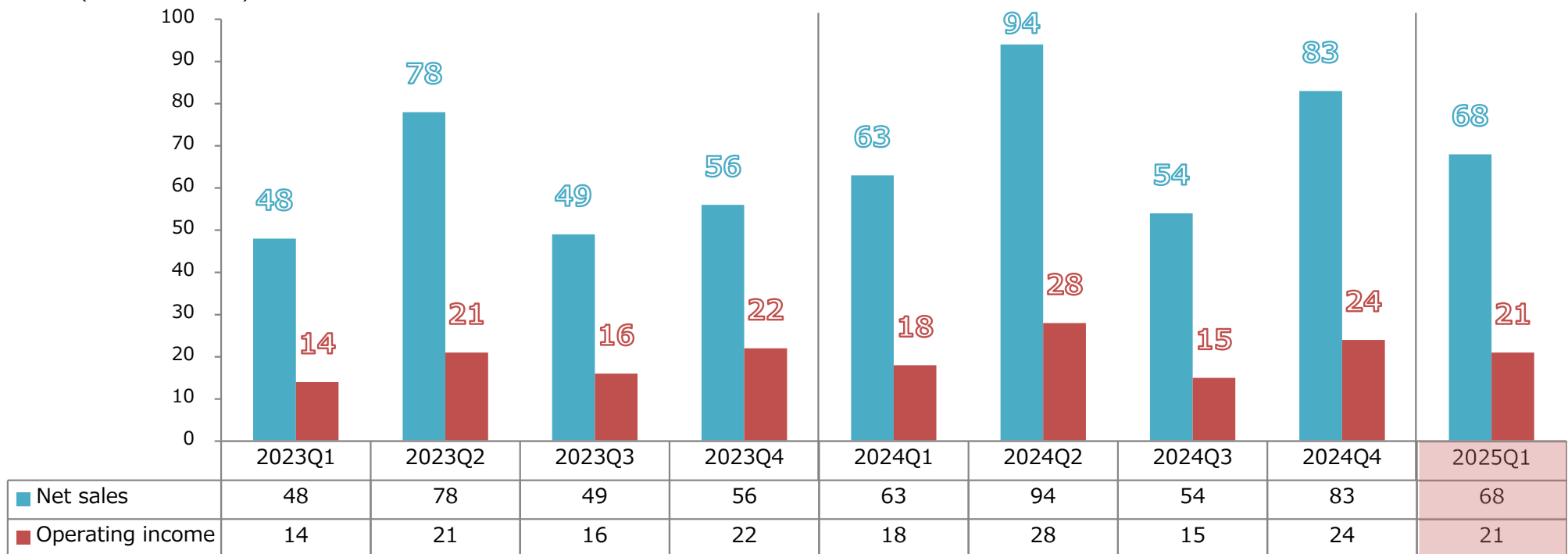
# Business segment profit and loss

## (Market Forecast Information sales business)

The Market Forecast Information sales business is facing a high demand for unit volume forecast information as the automotive industry is undergoing major changes, with Chinese manufacturers such as BYD rising to prominence while Japanese, European, and U.S. manufacturers are struggling. In addition, U.S. President Trump's increase in tariffs has further increased uncertainty in the industry. Against this backdrop, demand for high-priced products remained strong, and the average selling price rose because of unit price increases, resulting in an increase in both sales and segment profits y/y.

### Quarterly financial results

(Unit: JPY millions)



# Business segment profit and loss (Automotive Fund business)

Sales in the Automotive Fund business remained almost flat because management fees received from the "Automotive Industry Support Fund 2021 Investment Limited Liability Partnership," an affiliate, are recorded as a fixed amount each fiscal year. Segment profit increased due to a temporary decrease in fixed costs. During the first quarter of this consolidated fiscal year, the company made one new investment in Japan, bringing the total number of companies it has invested into to six.

## Quarterly financial results

(Unit: JPY millions)

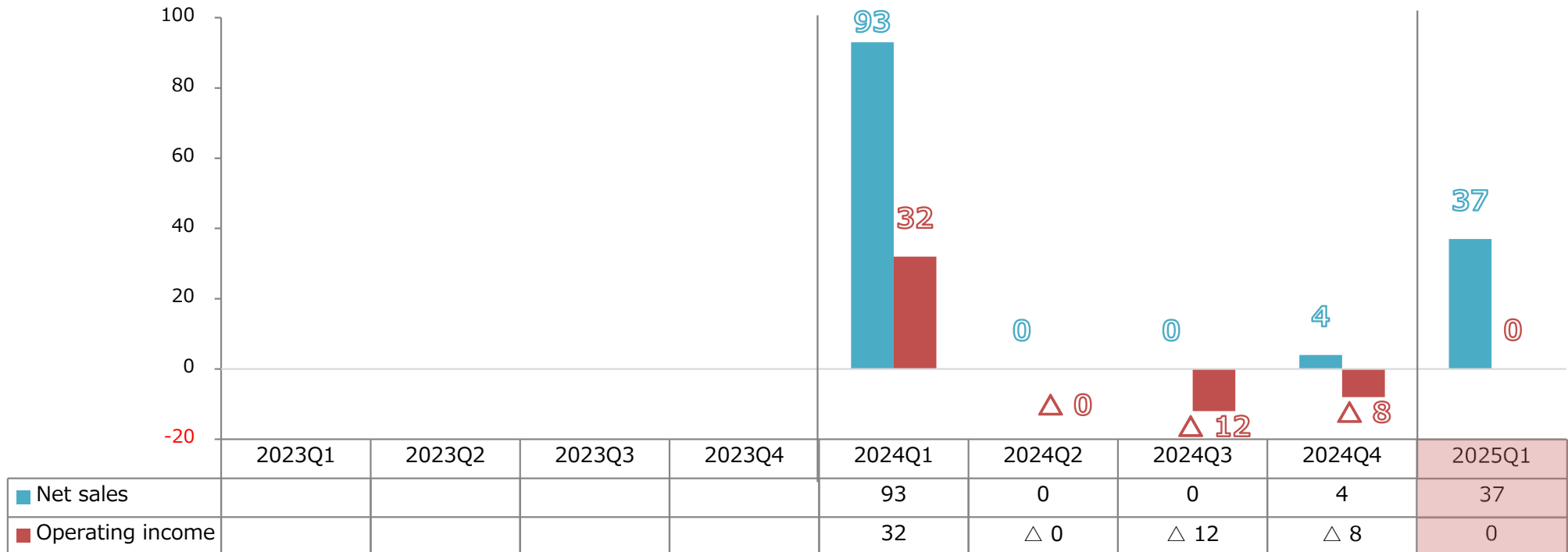


# Business segment profit and loss (Vehicle Teardown and Measurement business)

Since the Benchmark Center began operations in August of 2024, the Vehicle Teardown and Measurement business has actively promoted awareness of the facility, with many companies having toured the facility. These activities have proved successful, with inquiries for a wide variety of projects being received, and the number of projects recorded in Q1 of FY2025 increased from one in the same period last year to 30. However, compared to the same period last year, both sales and segment profits decreased significantly due to the large number of acceptance inspections, amounting to approximately JPY 100 million.

## Quarterly financial results

(Unit: JPY millions)



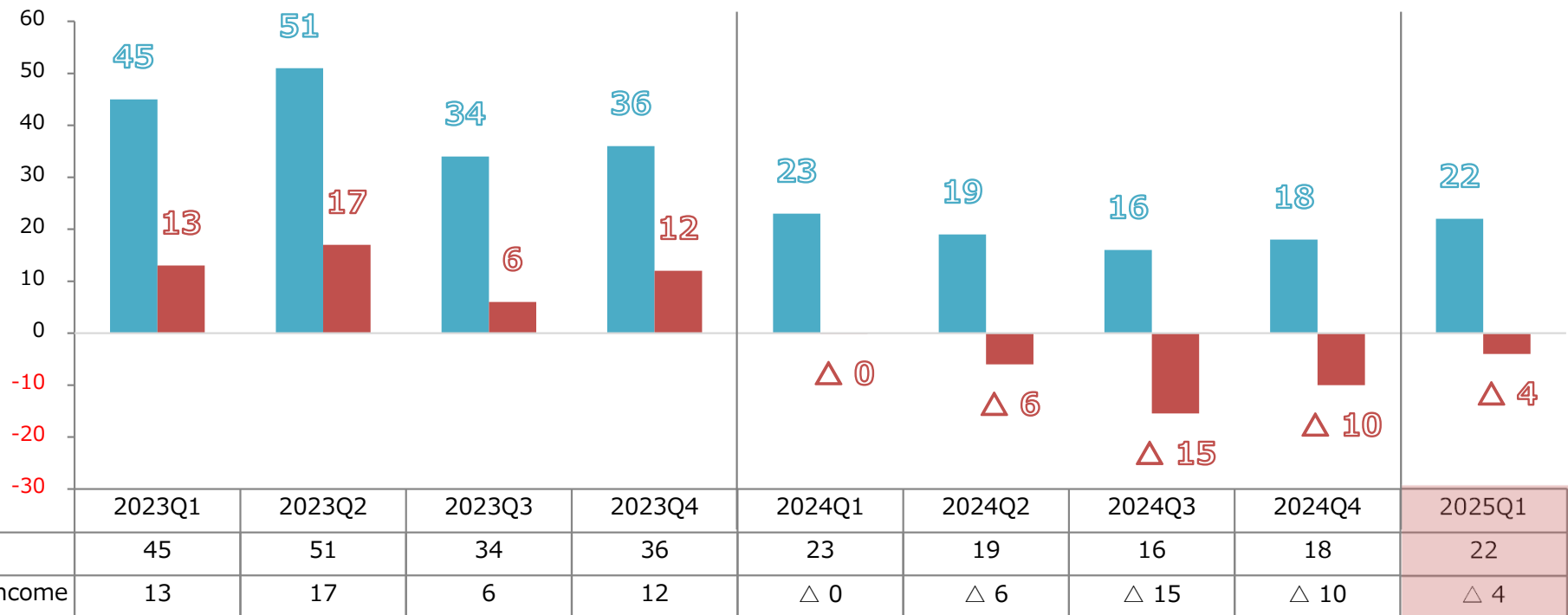
# Business segment profit and loss (Recruiting Solutions business)

In the Recruiting Solutions business, the number of contracts signed was 10, compared to 12 in the same period last year.

Although business performance remains sluggish, the company believes it hit bottom during the previous fiscal year and will work to strengthen the system further to improve performance.

## Quarterly financial results

(Unit: JPY millions)



# III. REFERENCE INFORMATION



## ■ SEGMENT PROFIT AND LOSS BY BUSINESS LINE 1/4

Concerning "Segment Profit and Loss by Business Line," from the third quarter of 2024, we allocated all corporate expenses, such as executive compensation, indirect personnel expenses, and office rent, which were recorded as "adjustments" until Q2 of 2024, to each business line in proportion to the number of employees in each. As a result, from the same quarter, the segment profit and loss of each business line appears to have worsened on the surface. This was done to accurately calculate the profit/loss of each business line and does not affect the company's overall final profit and loss. Below is a summary of segment profit and loss by quarter using both the previous and current calculation methods.

### Information Platform business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	861,923	910,808	890,856	966,265	3,629,853	948,626	0	0	0	948,626
Segment profit or loss (Calculation method through 2024Q2)	518,581	555,549	582,152	607,307	2,263,591	579,888	0	0	0	579,888
Allocation of common exp	-94,636	-93,209	-102,070	-104,506	-394,423	-127,897	0	0	0	-127,897
Segment profit or loss (Calculation method from 2024Q3 onwards)	423,945	462,339	480,081	502,801	1,869,167	451,990	0	0	0	451,990

### Promotional Advertising business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	29,313	25,964	25,056	32,852	113,187	29,634	0	0	0	29,634
Segment profit or loss (Calculation method through 2024Q2)	26,198	22,780	23,453	31,581	104,014	27,126	0	0	0	27,126
Allocation of common exp	-2,259	-2,198	-1,588	-1,623	-7,670	-2,410	0	0	0	-2,410
Segment profit or loss (Calculation method from 2024Q3 onwards)	23,939	20,581	21,865	29,957	96,343	24,715	0	0	0	24,715

※ Segment profit or loss (Calculation method through 2024Q2): Precious calculation method

Segment profit or loss (Calculation method from 2024Q3 onwards): Current calculation method

Allocation of common expenses: Adjusted values up to Q2 (company-wide expenses)

## ■ SEGMENT PROFIT AND LOSS BY BUSINESS LINE 2/4

### Consulting business

(Unit: JPY)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY20
Net sales	271,240	42,900	52,160	259,620	625,920	231,918	0	0	0	231
Segment profit or loss (Calculation method through 2024Q2)	103,556	-18,363	-10,826	81,807	156,173	64,930	0	0	0	64
Allocation of common expenses	-15,131	-21,061	-27,804	-26,450	-90,446	-30,003	0	0	0	-30
Segment profit or loss (Calculation method from 2024Q3 onwards)	88,425	-39,424	-38,630	55,357	65,727	34,927	0	0	0	34

### Market Forecast Information sales business

(Unit: JPY)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY20
Net sales	63,578	94,372	54,344	83,361	295,657	68,356	0	0	0	68
Segment profit or loss (Calculation method through 2024Q2)	19,760	30,077	18,424	27,267	95,530	24,658	0	0	0	24
Allocation of common expenses	-1,129	-1,777	-2,470	-2,423	-7,801	-2,826	0	0	0	-2
Segment profit or loss (Calculation method from 2024Q3 onwards)	18,631	28,300	15,953	24,844	87,729	21,832	0	0	0	21

### Recruiting Solutions business

(Unit: JPY)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY20
Net sales	23,748	19,747	16,612	18,668	78,776	22,473	0	0	0	22
Segment profit or loss (Calculation method through 2024Q2)	5,005	318	-6,808	-2,137	-3,621	4,562	0	0	0	4
Allocation of common expenses	-5,648	-7,274	-8,646	-8,483	-30,052	-8,988	0	0	0	-8
Segment profit or loss (Calculation method from 2024Q3 onwards)	-642	-6,955	-15,454	-10,621	-33,673	-4,425	0	0	0	-4

※ Segment profit or loss (Calculation method through 2024Q2): Previous calculation method

Segment profit or loss (Calculation method from 2024Q3 onwards): Current calculation method

Allocation of common expenses: Adjusted values up to Q2 (company-wide expenses)

## ■ SEGMENT PROFIT AND LOSS BY BUSINESS LINE 3/4

### Vehicle and Parts Procurement business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	154,232	80,595	145,188	114,741	494,756	162,775	0	0	0	162,775
Segment profit or loss (Calculation method through 2024Q2)	28,748	6,076	30,355	17,545	82,725	31,774	0	0	0	31,774
Allocation of common exp	-5,688	-6,533	-10,234	-10,082	-32,539	-9,124	0	0	0	-9,124
Segment profit or loss (Calculation method from 2024Q3 onwards)	23,060	-457	20,120	7,462	50,186	22,649	0	0	0	22,649

### Teardown Survey data sales business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	82,107	11,912	11,405	81,166	186,591	76,797	0	0	0	76,797
Segment profit or loss (Calculation method through 2024Q2)	33,523	6,875	2,684	30,350	73,433	36,328	0	0	0	36,328
Allocation of common exp	-1,079	-1,241	-3,327	-3,338	-8,987	-2,729	0	0	0	-2,729
Segment profit or loss (Calculation method from 2024Q3 onwards)	32,443	5,633	-642	27,012	64,446	33,599	0	0	0	33,599

### Vehicle Teardown and Measurement business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	93,600	0	0	4,560	98,160	37,020	0	0	0	37,020
Segment profit or loss (Calculation method through 2024Q2)	36,341	-2	-7,208	-1,107	28,023	10,513	0	0	0	10,513
Allocation of common exp	-3,388	0	-5,771	-7,889	-17,049	-10,401	0	0	0	-10,401
Segment profit or loss (Calculation method from 2024Q3 onwards)	32,952	-2	-12,979	-8,996	10,974	112	0	0	0	112

※ Segment profit or loss (Calculation method through 2024Q2): Previous calculation method

Segment profit or loss (Calculation method from 2024Q3 onwards): Current calculation method

Allocation of common expenses: Adjusted values up to Q2 (company-wide expenses)

## ■ SEGMENT PROFIT AND LOSS BY BUSINESS LINE 4/4

### Automotive Fund business

(Unit: JPY 000s)

	2024Q1	2024Q2	2024Q3	2024Q4	FY2024	2025Q1	2025Q2	2025Q3	2025Q4	FY2025
Net sales	9,746	9,746	9,853	9,853	39,200	9,665	0	0	0	0
Segment profit or loss (Calculation method through 2024Q2)	1,315	-384	1,448	2,824	5,203	4,884	0	0	0	0
Allocation of common expen	0	0	0	0	0	0	0	0	0	0
Segment profit or loss (Calculation method from 2024Q3 onwards)	1,315	-384	1,448	2,824	5,203	4,884	0	0	0	0

※ Segment profit or loss (Calculation method through 2024Q2): Previous calculation method

Segment profit or loss (Calculation method from 2024Q3 onwards): Current calculation method

Allocation of common expenses: Adjusted values up to Q2 (company-wide expenses)