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February 12, 2026

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

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 of annual general meeting of shareholders: March 24, 2026

Scheduled date to commence dividend payments: March 25, 2026

Scheduled date to file annual securities report: March 23, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 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	%
Fiscal year ended December 31, 2025	5,570	0.1	2,095	(5.4)	2,146	(3.6)	1,519	(3.7)
December 31, 2024	5,562	14.8	2,216	11.3	2,227	12.0	1,577	14.1

Note: Comprehensive income

For the fiscal year ended December 31, 2025: ¥ 1,548 million [(2.4)%]

For the fiscal year ended December 31, 2024: ¥ 1,586 million [9.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended December 31, 2025	Yen 116.16	Yen -	% 23.1	% 24.4	% 37.6
December 31, 2024	119.35	119.29	26.0	27.4	39.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2025: ¥ (31) million

For the fiscal year ended December 31, 2024: ¥ (42) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	8,808	6,574	74.2	512.71
December 31, 2024	8,753	6,617	75.6	500.22

Reference: Equity

As of December 31, 2025: ¥ 6,535 million

As of December 31, 2024: ¥ 6,617 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2025	1,809	(2,489)	(1,590)	3,802
December 31, 2024	1,540	(564)	(473)	6,060

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended December 31, 2024	Yen -	Yen 0.00	Yen -	Yen 48.00	Yen 48.00	Millions of yen 634	% 40.2	% 10.5
Fiscal year ended December 31, 2025	-	0.00	-	52.00	52.00	662	44.8	10.3
Fiscal year ending December 31, 2026 (Forecast)	-	0.00	-	58.00	58.00		44.5	

Note: Breakdown of the year-end dividend for the fiscal year ended December 31, 2025 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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	%
Six months ending June 30, 2026	3,075	5.0	1,175	9.6	1,190	10.0	830	10.4
Full year	6,150	10.4	2,350	12.1	2,380	10.9	1,660	9.2

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 companies(MarkLines Software Development Co., Ltd.)
Excluded: - companies()

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	13,228,800 shares
As of December 31, 2024	13,228,800 shares
- (ii) Number of treasury shares at the end of the period

As of December 31, 2025	482,280 shares
As of December 31, 2024	478 shares
- (iii) Average number of shares outstanding during the period

Fiscal Year ended December 31, 2025	13,083,078 shares
Fiscal Year ended December 31, 2024	13,221,103 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	5,098	(0.2)	1,855	(5.0)	2,083	(2.5)	1,525	(2.9)
December 31, 2024	5,107	15.0	1,952	12.7	2,136	14.3	1,571	17.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2025	116.60	-
December 31, 2024	118.88	118.82

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of			%	Yen
December 31, 2025	Millions of yen	Millions of yen		
December 31, 2024	8,118	6,177	76.1	484.68
	8,101	6,266	77.3	473.72

Reference: Equity

As of December 31, 2025: ¥ 6,177 million
As of December 31, 2024: ¥ 6,266 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	6,060,545	3,802,363
Accounts receivable - trade	386,217	291,801
Merchandise	89,759	60,248
Work in process	6,472	18,527
Advance payments to suppliers	14,653	8,980
Prepaid expenses	37,349	73,445
Other	67,793	43,939
Allowance for doubtful accounts	(1,422)	(2,628)
Total current assets	6,661,368	4,296,679
Non-current assets		
Property, plant and equipment		
Buildings and structures	773,832	823,309
Accumulated depreciation	(26,340)	(71,540)
Buildings and structures, net	747,492	751,769
Land	369,801	369,801
Other	148,942	159,804
Accumulated depreciation	(66,074)	(86,577)
Other, net	82,867	73,226
Total property, plant and equipment	1,200,161	1,194,796
Intangible assets		
Software	75,031	81,867
Other	12,234	24,409
Total intangible assets	87,265	106,276
Investments and other assets		
Investment securities	567,243	2,806,041
Deferred tax assets	45,059	43,128
Long-term prepaid expenses	885	469
Long-term time deposits	64,890	69,772
Leasehold and guarantee deposits	126,596	291,816
Total investments and other assets	804,674	3,211,228
Total non-current assets	2,092,101	4,512,302
Total assets	8,753,470	8,808,981

(Thousands of yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	113,605	111,664
Accounts payable - other	23,406	76,494
Accrued expenses	60,226	64,005
Income taxes payable	325,338	273,498
Accrued consumption taxes	13,289	108,388
Advances received	1,527,730	1,523,392
Deposits received	30,949	31,450
Provision for bonuses	15,755	16,611
Provision for bonuses for directors (and other officers)	15,000	15,000
Other	35	-
Total current liabilities	<u>2,125,337</u>	<u>2,220,505</u>
Non-current liabilities		
Retirement benefit liability	11,093	13,792
Total non-current liabilities	<u>11,093</u>	<u>13,792</u>
Total liabilities	<u>2,136,431</u>	<u>2,234,298</u>
Net assets		
Shareholders' equity		
Share capital	372,711	372,711
Capital surplus	290,518	290,518
Retained earnings	5,853,939	6,738,689
Treasury shares	(896)	(1,000,724)
Total shareholders' equity	<u>6,516,272</u>	<u>6,401,195</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,822	43,414
Foreign currency translation adjustment	80,943	90,621
Total accumulated other comprehensive income	<u>100,765</u>	<u>134,036</u>
Non-controlling interests	-	39,452
Total net assets	<u>6,617,038</u>	<u>6,574,683</u>
Total liabilities and net assets	<u>8,753,470</u>	<u>8,808,981</u>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	5,562,104	5,570,370
Cost of sales	1,943,136	1,869,049
Gross profit	3,618,968	3,701,320
Selling, general and administrative expenses		
Promotion expenses	17,400	19,488
Sales commission	930	657
Advertising expenses	18,338	18,018
Remuneration for directors (and other officers)	72,577	74,320
Salaries and allowances	670,885	767,516
Provision for bonuses	10,486	11,240
Provision for bonuses for directors (and other officers)	15,000	15,000
Retirement benefit expenses	14,600	16,236
Legal welfare expenses	115,104	127,871
Depreciation	13,492	28,081
Provision of allowance for doubtful accounts	(319)	1,205
Rent expenses	91,898	112,474
Other	362,467	413,634
Total selling, general and administrative expenses	1,402,862	1,605,747
Operating profit	2,216,105	2,095,573
Non-operating income		
Interest income	7,919	40,569
Dividend income	7,920	5,096
Gain on sale of investment securities	21,675	13,166
Foreign exchange gains	9,121	15,323
Other	7,385	11,108
Total non-operating income	54,022	85,264
Non-operating expenses		
Share of loss of entities accounted for using equity method	42,053	31,836
Other	840	2,472
Total non-operating expenses	42,894	34,309
Ordinary profit	2,227,234	2,146,528
Profit before income taxes	2,227,234	2,146,528
Income taxes - current	650,823	633,668
Income taxes - deferred	(1,546)	(2,201)
Total income taxes	649,277	631,467
Profit	1,577,957	1,515,061
Loss attributable to non-controlling interests	-	(4,647)
Profit attributable to owners of parent	1,577,957	1,519,709

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit	1,577,957	1,515,061
Other comprehensive income		
Valuation difference on available-for-sale securities	(23,876)	9,362
Foreign currency translation adjustment	20,229	9,678
Share of other comprehensive income of entities accounted for using equity method	11,767	14,229
Total other comprehensive income	8,119	33,270
Comprehensive income	1,586,076	1,548,331
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,586,076	1,552,979
Comprehensive income attributable to non-controlling interests	-	(4,647)

Consolidated Statement of Changes in Equity
For the fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	371,351	289,158	4,751,713	(784)	5,411,438	31,931	60,714	92,646	-	5,504,084
Changes during period										
Issuance of new shares	1,360	1,360			2,720					2,720
Dividends of surplus			(475,731)		(475,731)					(475,731)
Profit attributable to owners of parent			1,577,957		1,577,957					1,577,957
Purchase of treasury shares				(112)	(112)					(112)
Net changes in items other than shareholders' equity						(12,109)	20,229	8,119	-	8,119
Total changes during period	1,360	1,360	1,102,225	(112)	1,104,833	(12,109)	20,229	8,119	-	1,112,953
Balance at end of period	372,711	290,518	5,853,939	(896)	6,516,272	19,822	80,943	100,765	-	6,617,038

For the fiscal year ended December 31, 2025

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	372,711	290,518	5,853,939	(896)	6,516,272	19,822	80,943	100,765	-	6,617,038
Changes during period										
Issuance of new shares					-					-
Dividends of surplus			(634,959)		(634,959)					(634,959)
Profit attributable to owners of parent			1,519,709		1,519,709					1,519,709
Purchase of treasury shares				(999,827)	(999,827)					(999,827)
Net changes in items other than shareholders' equity						23,592	9,678	33,270	39,452	72,722
Total changes during period	-	-	884,750	(999,827)	(115,077)	23,592	9,678	33,270	39,452	(42,354)
Balance at end of period	372,711	290,518	6,738,689	(1,000,724)	6,401,195	43,414	90,621	134,036	39,452	6,574,683

Consolidated Statement of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,227,234	2,146,528
Depreciation	52,189	99,079
Increase (decrease) in allowance for doubtful accounts	(1,520)	1,205
Increase (decrease) in provision for bonuses	1,121	856
Interest and dividend income	(15,840)	(45,666)
Foreign exchange losses (gains)	(15)	78
Share of loss (profit) of entities accounted for using equity method	42,053	31,836
Decrease (increase) in trade receivables	(149,635)	97,458
Loss (gain) on sale of investment securities	(21,675)	(13,166)
Increase (decrease) in provision for bonuses for directors (and other officers)	2,000	-
Increase (decrease) in accounts payable - other	6,777	21,686
Increase (decrease) in accrued consumption taxes	(84,328)	137,040
Increase (decrease) in advances received	136,226	(12,759)
Other, net	(10,446)	(1,828)
Subtotal	2,184,141	2,462,349
Interest and dividends received	14,477	33,616
Income taxes paid	(657,844)	(686,768)
Net cash provided by (used in) operating activities	1,540,774	1,809,198
Cash flows from investing activities		
Payments into time deposits	-	(69,772)
Proceeds from withdrawal of time deposits	-	66,960
Proceeds from sale of securities	73,383	30,466
Purchase of property, plant and equipment	(584,643)	(36,397)
Purchase of intangible assets	(49,685)	(43,592)
Purchase of investment securities	-	(2,262,710)
Payments of leasehold and guarantee deposits	(4,695)	(174,995)
Proceeds from refund of leasehold and guarantee deposits	1,312	147
Net cash provided by (used in) investing activities	(564,328)	(2,489,893)
Cash flows from financing activities		
Proceeds from issuance of shares	2,720	-
Purchase of treasury shares	(112)	(999,827)
Dividends paid	(475,758)	(634,767)
Proceeds from share issuance to non-controlling shareholders	-	44,100
Net cash provided by (used in) financing activities	(473,150)	(1,590,494)
Effect of exchange rate change on cash and cash equivalents	36,127	13,007
Net increase (decrease) in cash and cash equivalents	539,421	(2,258,182)
Cash and cash equivalents at beginning of period	5,521,123	6,060,545
Cash and cash equivalents at end of period	6,060,545	3,802,363