

## Summary of Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2020 (Under Japanese GAAP)

Company name: Artner Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 2163  
 URL: <https://www.artner.co.jp/>  
 Representative: SEKIGUCHI Sozo, President and CEO  
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 Scheduled date of annual general meeting of shareholders: April 23, 2020  
 Scheduled date to commence dividend payments: April 24, 2020  
 Scheduled date to file annual securities report: April 23, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Non-consolidated financial results for the fiscal year ended January 31, 2020 (from February 1, 2019 to January 31, 2020)

#### (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2020	7,002	10.6	886	12.8	893	12.5	613	13.4
January 31, 2019	6,331	9.8	785	15.3	794	15.0	540	12.5

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
January 31, 2020	57.73	—	24.2	25.3	12.7
January 31, 2019	50.91	—	25.2	26.3	12.4

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

For the fiscal year ended January 31, 2020: ¥ — million

For the fiscal year ended January 31, 2019: ¥ — million

Note: The Company conducted a 2-for-1 stock split of common share on April 1, 2018. "Earnings per share" is calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2020	3,801	2,728	71.8	256.77
January 31, 2019	3,264	2,333	71.5	219.59

Reference: Equity As of January 31, 2020: ¥ 2,728 million

As of January 31, 2019: ¥ 2,333 million

#### (3) Non-consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2020	591	△42	△215	2,383
January 31, 2019	612	△75	△169	2,050

## 2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio	Dividend on equity
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended January 31, 2019	—	7.50	—	10.50	18.00	191	35.4	8.9
Fiscal year ended January 31, 2020	—	10.00	—	10.50	20.50	217	35.5	8.6
Fiscal year ending January 31, 2021 (Forecast)	—	11.50	—	11.50	23.00		36.1	

Notes: Breakdown of year-end dividends for the fiscal year ended January 31, 2019

Ordinary dividends: ¥ 8.00

Commemorative dividends: ¥ 2.50

## 3. Forecast of non-consolidated financial results for the year ending January 31, 2021 (from February 1, 2020 to January 31, 2021)

### \* Notes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,832	11.9	975	10.1	979	9.6	677	10.4	63.74

Note: Only the full-year forecast is shown because ARTNER manages performance on a fiscal year basis.

- (1) 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

(2) Number of issued shares (common shares)

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

As of January 31, 2020	10,627,920 shares
As of January 31, 2019	10,627,920 shares

- (ii) Number of treasury shares at the end of the period

As of January 31, 2020	2,329 shares
As of January 31, 2019	2,329 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended January 31, 2020	10,625,591 shares
Fiscal year ended January 31, 2019	10,625,591 shares

Note: The Company conducted a 2-for-1 stock split of common share on April 1, 2018. Average number of shares outstanding during the period is calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

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

\* Proper use of earnings forecasts, and other special matters  
(Caution regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

## Non-consolidated financial statements

### Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2019	As of January 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	2,050,932	2,383,441
Accounts receivable - trade	764,636	932,112
Work in process	1,786	2,370
Raw materials and supplies	3,036	2,374
Prepaid expenses	23,043	24,010
Accounts receivable - other	562	989
Other	18,026	17,237
Allowance for doubtful accounts	△4,500	△5,500
<b>Total current assets</b>	<b>2,857,524</b>	<b>3,357,036</b>
Non-current assets		
Property, plant and equipment		
Buildings	86,466	90,606
Accumulated depreciation	△65,993	△68,467
<b>Buildings, net</b>	<b>20,472</b>	<b>22,139</b>
Structures	1,677	1,677
Accumulated depreciation	△1,669	△1,672
<b>Structures, net</b>	<b>7</b>	<b>5</b>
Tools, furniture and fixtures	37,187	41,255
Accumulated depreciation	△22,101	△26,627
<b>Tools, furniture and fixtures, net</b>	<b>15,085</b>	<b>14,628</b>
Land	59,159	59,159
<b>Total property, plant and equipment</b>	<b>94,726</b>	<b>95,932</b>
Intangible assets		
Software	63,448	57,487
Telephone subscription right	1,654	1,654
<b>Total intangible assets</b>	<b>65,102</b>	<b>59,141</b>
Investments and other assets		
Investment securities	7,615	7,133
Investments in capital	1,250	1,250
Long-term prepaid expenses	418	1,256
Deferred tax assets	166,573	195,361
Leasehold and guarantee deposits	69,897	82,920
Other	1,080	1,106
<b>Total investments and other assets</b>	<b>246,835</b>	<b>289,028</b>
<b>Total non-current assets</b>	<b>406,664</b>	<b>444,102</b>
<b>Total assets</b>	<b>3,264,188</b>	<b>3,801,139</b>

(Thousands of yen)

	As of January 31, 2019	As of January 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	131,285	91,785
Accrued expenses	60,561	66,539
Income taxes payable	174,875	180,764
Accrued consumption taxes	104,909	171,819
Deposits received	12,744	13,950
Unearned revenue	96	84
Provision for bonuses	112,921	132,420
Other	2,862	4,179
<b>Total current liabilities</b>	<b>600,255</b>	<b>661,544</b>
Non-current liabilities		
Provision for retirement benefits	330,626	411,214
<b>Total non-current liabilities</b>	<b>330,626</b>	<b>411,214</b>
<b>Total liabilities</b>	<b>930,881</b>	<b>1,072,759</b>
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus		
Legal capital surplus	168,323	168,323
<b>Total capital surplus</b>	<b>168,323</b>	<b>168,323</b>
Retained earnings		
Legal retained earnings	10,460	10,460
Other retained earnings	40,000	40,000
General reserve		
Retained earnings brought forward	1,872,798	2,268,351
<b>Total retained earnings</b>	<b>1,923,258</b>	<b>2,318,811</b>
Treasury shares	△ 698	△ 698
<b>Total shareholders' equity</b>	<b>2,329,167</b>	<b>2,724,720</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,139	3,659
<b>Total valuation and translation adjustments</b>	<b>4,139</b>	<b>3,659</b>
<b>Total net assets</b>	<b>2,333,306</b>	<b>2,728,380</b>
<b>Total liabilities and net assets</b>	<b>3,264,188</b>	<b>3,801,139</b>

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020
Net sales	6,331,692	7,002,175
Cost of sales	4,033,065	4,461,849
Gross profit	2,298,627	2,540,326
Selling, general and administrative expenses	1,513,026	1,654,318
Operating profit	785,600	886,007
Non-operating income		
Interest income	6	6
Dividend income	206	230
Commission income	505	556
Sales income of training materials	851	857
Rental income from land and buildings	1,069	949
Dividend income of insurance	4,573	4,445
Subsidy income	891	1,762
Other	589	602
Total non-operating income	8,693	9,410
Non-operating expenses		
Interest expenses	36	—
Cancellation penalty	58	1,761
Other	100	0
Total non-operating expenses	194	1,761
Ordinary profit	794,098	893,656
Extraordinary losses		
Loss on retirement of non-current assets	1,742	—
Total extraordinary losses	1,742	—
Profit before income taxes	792,356	893,656
Income taxes - current	284,098	308,856
Income taxes - deferred	△32,716	△28,576
Total income taxes	251,382	280,279
Profit	540,973	613,377

**Non-consolidated statements of changes in equity**  
**Fiscal year ended January 31, 2019**

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward		
Balance at beginning of period	238,284	168,323	168,323	10,460	40,000	1,501,835	1,552,295
Changes during period							
Dividends of surplus						△170,010	△170,010
Profit						540,973	540,973
Acquisition of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	370,962	370,962
Balance at end of period	238,284	168,323	168,323	10,460	40,000	1,872,798	1,923,258

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△503	1,958,400	5,326	5,326	1,963,726
Changes during period					
Dividends of surplus		△170,010			△170,010
Profit		540,973			540,973
Acquisition of treasury shares	△195	△195			△195
Net changes in items other than shareholders' equity			△1,187	△1,187	△1,187
Total changes during period	△195	370,767	△1,187	△1,187	369,580
Balance at end of period	△698	2,329,167	4,139	4,139	2,333,306

Fiscal year ended January 31, 2020

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	238,284	168,323	168,323	10,460	40,000	1,872,798	1,923,258
Changes during period							
Dividends of surplus						△217,824	△217,824
Profit						613,377	613,377
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	395,552	395,552
Balance at end of period	238,284	168,323	168,323	10,460	40,000	2,268,351	2,318,811

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	△698	2,329,167	4,139	4,139	2,333,306
Changes during period					
Dividends of surplus		△217,824			△217,824
Profit		613,377			613,377
Net changes in items other than shareholders' equity			△479	△479	△479
Total changes during period	—	395,552	△479	△479	395,073
Balance at end of period	△698	2,724,720	3,659	3,659	2,728,380



## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	792,356	893,656
Depreciation	16,971	26,923
Increase (decrease) in allowance for doubtful accounts	300	1,000
Increase (decrease) in provision for bonuses	10,792	19,499
Increase (decrease) in provision for retirement benefits	77,364	80,588
Interest and dividend income	△212	△236
Interest expenses	36	—
Decrease (increase) in accounts receivable – other	6,321	△427
Decrease (increase) in trade receivables	△64,084	△167,476
Decrease (increase) in inventories	△3,226	77
Increase (decrease) in accrued consumption taxes	119	66,910
Increase (decrease) in accounts payable – other	29,352	△32,201
Other, net	3,889	6,959
Subtotal	869,980	895,272
Interest and dividends received	212	236
Interest paid	△36	—
Income taxes paid	△257,618	△304,355
Net cash provided by (used in) operating activities	612,537	591,153
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△12,397	△15,507
Purchase of intangible assets	△43,297	△13,958
Payments of leasehold and guarantee deposits	△20,321	△13,401
Proceeds from refund of leasehold and guarantee deposits	500	379
Payments for the acquisition of investment securities	—	△208
Other, net	△26	△26
Net cash provided by (used in) investing activities	△75,542	△42,723
<b>Cash flows from financing activities</b>		
Payments for the acquisition of treasury shares	△195	—
Dividends paid	△169,242	△215,920
Net cash provided by (used in) financing activities	△169,438	△215,920
Net increase (decrease) in cash and cash equivalents	367,557	332,508
Cash and cash equivalents at beginning of period	1,683,375	2,050,932
Cash and cash equivalents at end of period	2,050,932	2,383,441