

Engineer Support Company

Make Value!



FY2021

Online Briefing on Financial Results

March 24, 2021



— Create the Future —

ARTNER



ARTNER CO., LTD.

1 **Company Overview** **p. 3**

2 **Financial summary for FY2021** **p. 19**

3 **Medium-Term Business Plan (fiscal year ending January 31, 2021 to fiscal year ending January 31, 2023)** **p. 32**

4 **Forecast of financial results and dividend for FY2022** **p. 39**

5 **Reference** **p. 43**

1	Company Overview	p. 3
2	Financial summary for FY2021	p. 19
3	Medium-Term Business Plan (fiscal year ending January 31, 2021 to fiscal year ending January 31, 2023)	p. 32
4	Forecast of financial results and dividend for FY2022	p. 39
5	Reference	p. 43

■ Company Motto

Pursuit of **Mindset**

Pursuit of **Wisdom**

Pursuit of **Creativity**

■ Management Philosophy

“Engineer Support Company”

—We support our engineers’ dreams—

We aim for the happiness of all the employees and reflection within the company by developing talents, fostering technologies, and contributing to society through our engineers.

■ Origin of the Company Name

ART
Art: Pursuing
superior quality

+

ARTNER

+

PARTNER
Partner: Responding to
customer trust

History (at the time of founding in 1953)

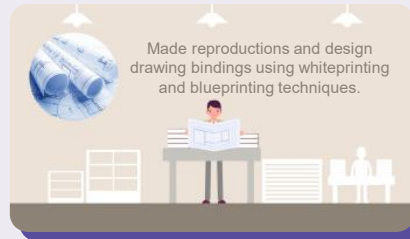
1953 -

- Originally founded as Sekiguchi Kogyo Co., Ltd. in Amagasaki, Hyogo in 1953.

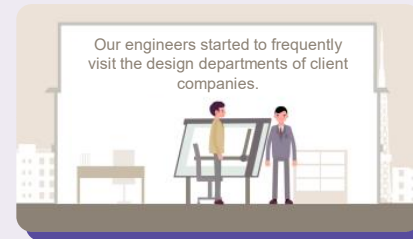


Founded

- Reproduces and binds design drawings received from client companies, using whiteprinting and blueprinting techniques.



- Our engineers visit frequently the design departments of client companies.



- Manufactures and sells gloves for use in heavy industries in the Hanshin Industrial Region.



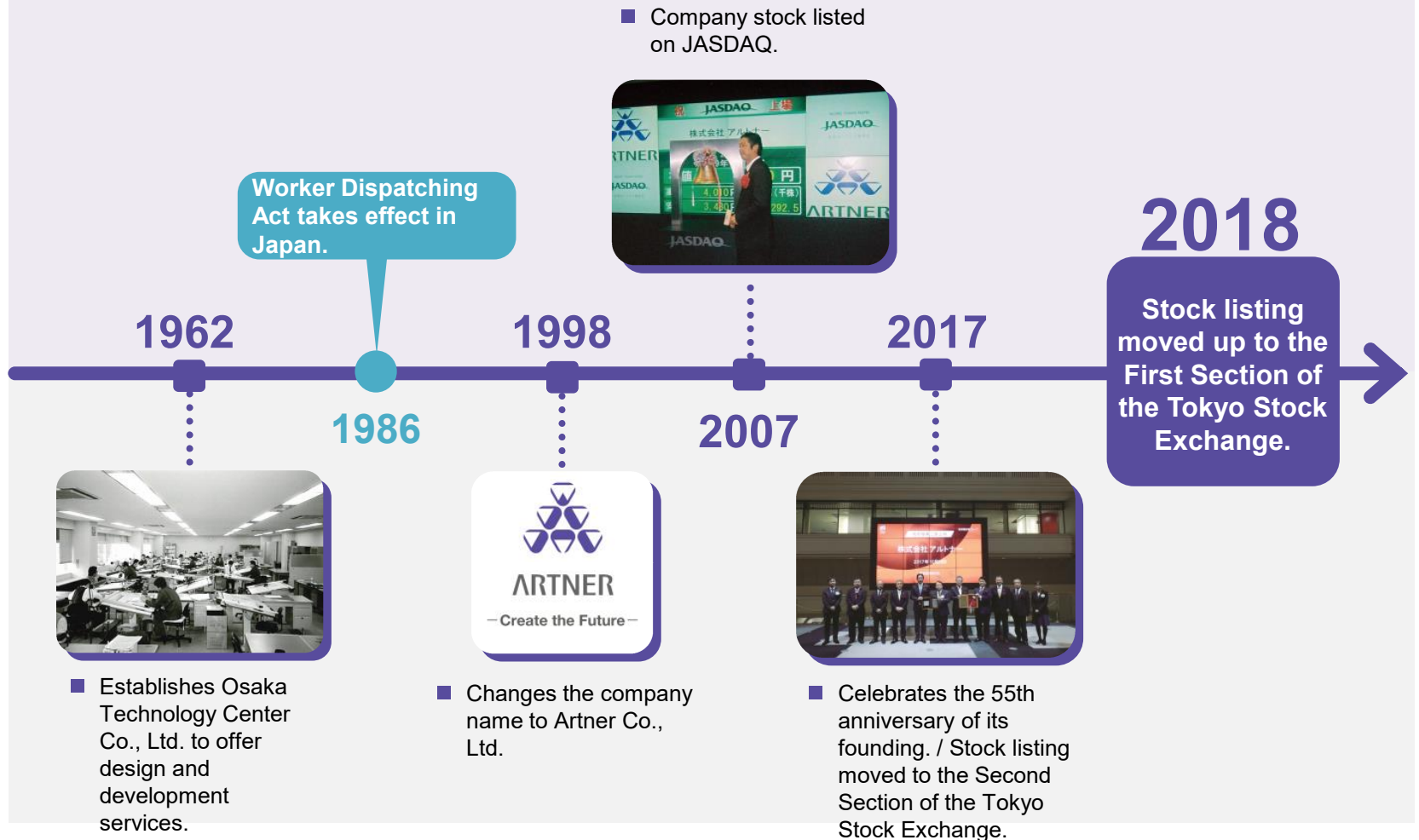
- Starts hiring employees with STEM degrees and offering a tracing service for design drawings.



- Demand increases from clients for tracing and other designing and development services.

History (1962 to present)

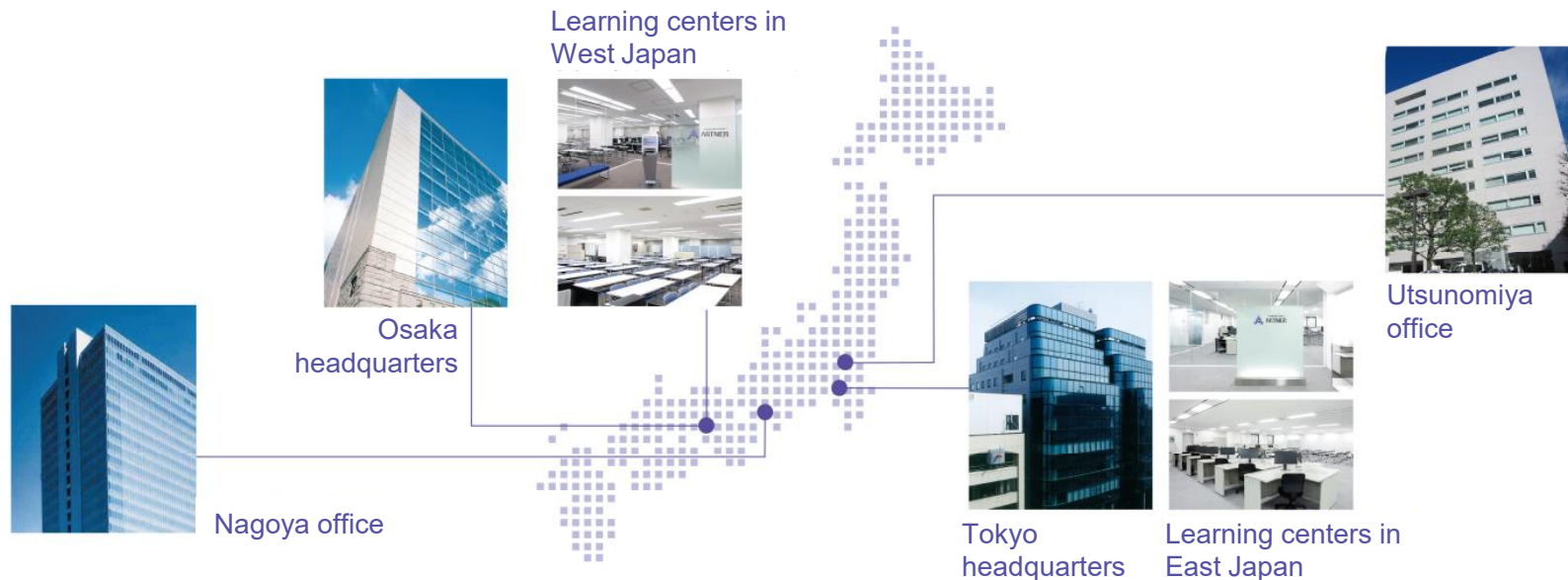
1962 -



<https://www.artner.co.jp/>

Business locations

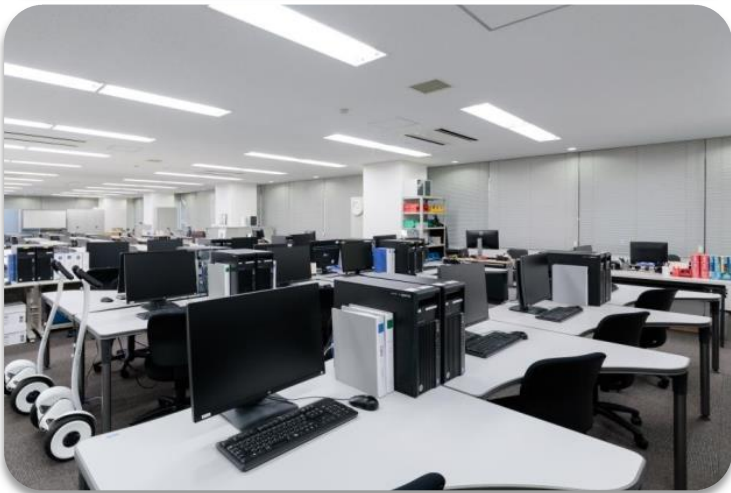
Headquarters	Tokyo, Osaka
Business bases	Yokohama, Utsunomiya, Osaka, Nagoya
Learning centers	East Japan, West Japan



West Japan LC

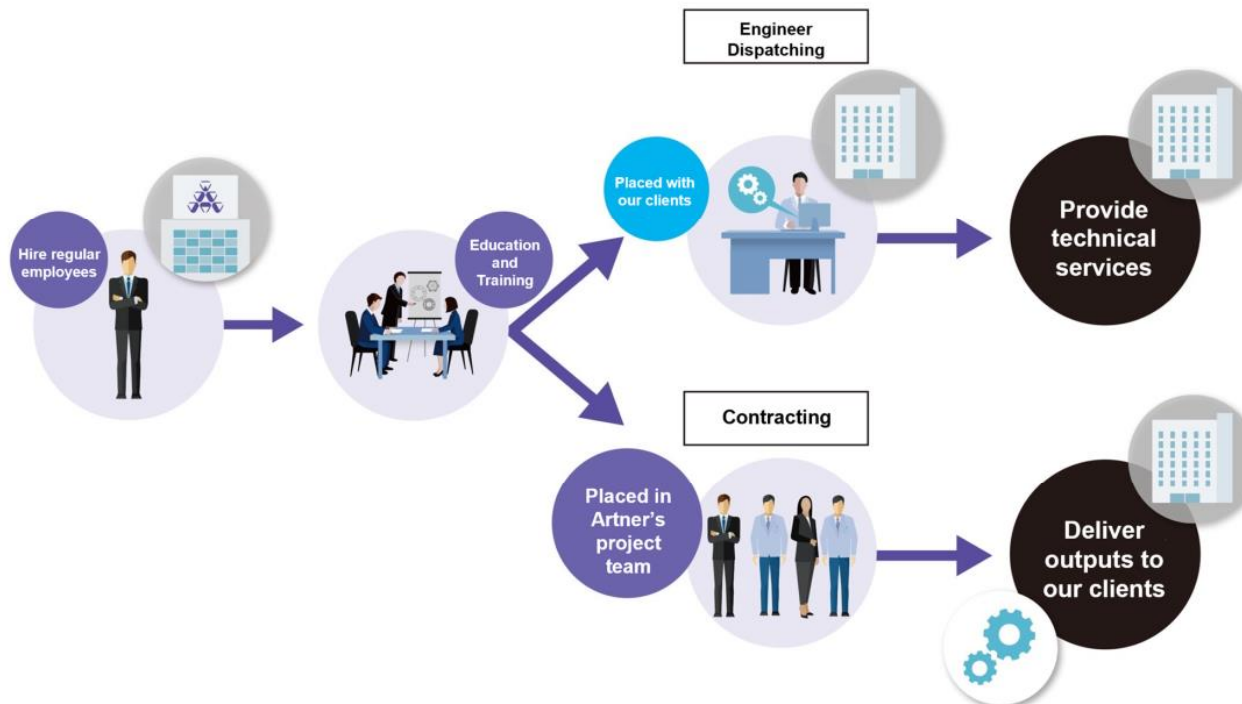


East Japan LC



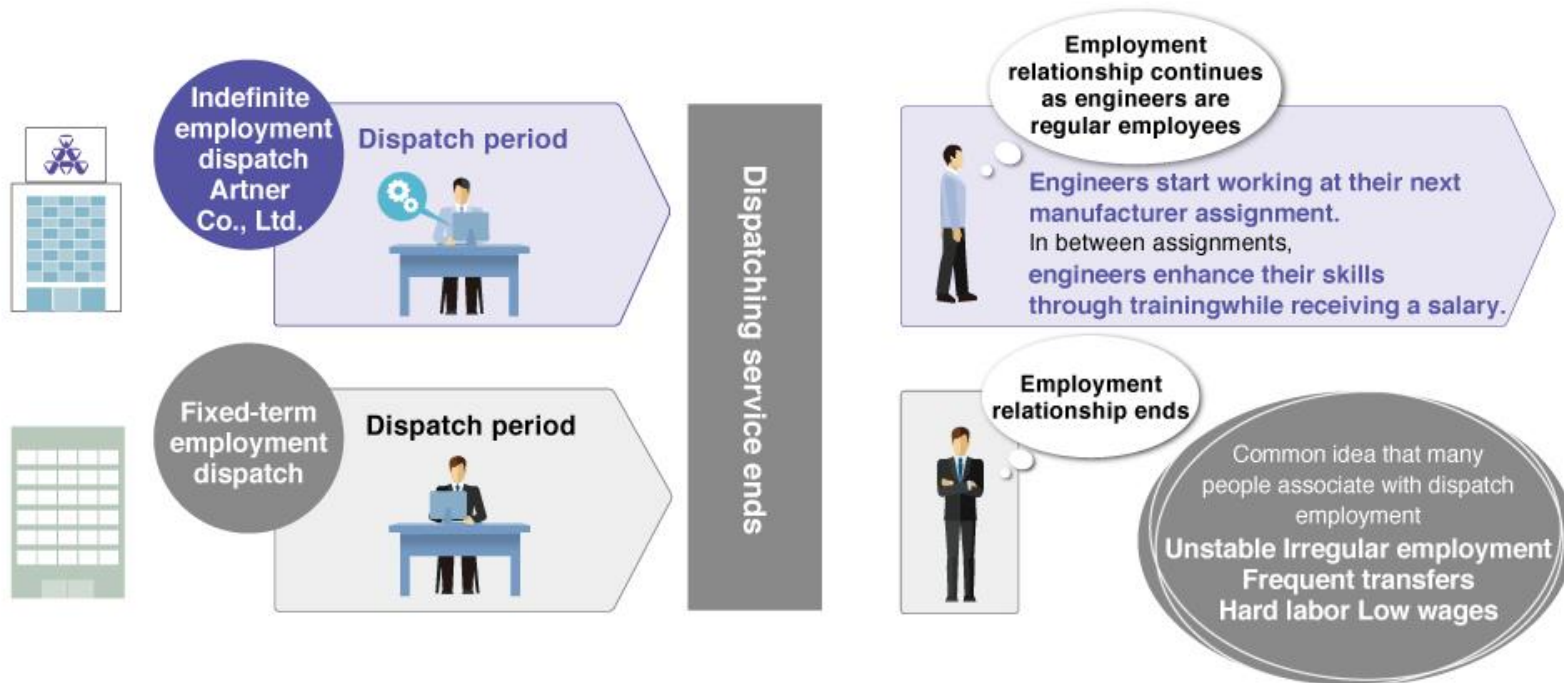
Business Model

- Hire undergraduate, graduate, technical, and professional students in the sciences (engineering, science and engineering, science, information engineering) as regular employees. After receiving education and training, they are placed with our clients or the Company's teams
- Our training staff are engineers with extensive experience
- Our clients include transportation equipment, electrical equipment, and precision equipment manufacturer



Employment status at Artner

- Artner’s engineers with an “indefinite employment dispatch” status are hired as regular employees, meaning that the employment relationship continues even after a dispatching service ends.



Education and training flow

- After entering the Company, employees undergo a process of “general training,” “outside on-the-job training,” “basic training,” and “customized training (practical training)” before their assignment to a manufacturer’s project. After being assigned, employees take the “career support courses” to develop their ability to provide services tailored to our clients.



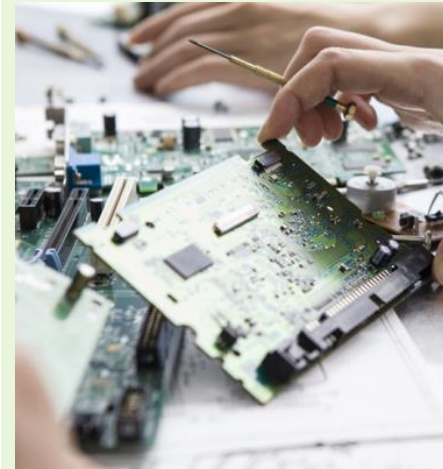


Machinery

Compatible fields

Equipment and Devices / Mechanisms / Resin and Sheet Metal / Analysis

Mechanical engineers design the mechanisms of machines with moving parts using 2D/3D CAD tools.



Electronics

Compatible fields

Electrical Equipment / Electronic Circuits / Semiconductors

Electronic engineers design the circuit boards that form the heart of equipment and devices and they perform reliability assessment work for electronics.



Software

Compatible fields

Control Software

Software engineers develop software for operating electrical equipment with CPUs, including vehicles with increasingly advanced technologies and IoT devices.



Software

Compatible fields

Data Processing

Software engineers develop systems and apps, web and open systems, and package software.

Our clients (by industry, in alphabetical order, standard company name used)

■ Business with client companies in a wide range of industries for stable business

**Transportation
equipment**

Honda R&D, Nissan, Subaru, Toyota, etc.

**Electrical
equipment**

Daikin Rexam Electronics, Omron, Panasonic, etc.

**Precision
equipment**

Nikon, Shimadzu, Terumo, etc.

Machinery

JTEKT, Komatsu, Zuiko, etc.

**Information and
communications**

Hitachi Solutions Technology, etc.

**Companies listed on the first and second sections of their respective stock exchange,
as well as blue-chip, mid-sized companies
Transaction history with roughly 400 companies**

Products and systems related to design and development (1)

Automobile



Machinery

- Design and development of car bodies
- Reliability test

Electronics

- Planning and design of ECU
- Cable harness power circuit

Software

- Development of control software for automobile meters, in-car navigation systems, and dashboard cameras

Eco cars



Machinery

- Development of eco car chargers
- Development of lithium-ion batteries
- Development of drive motors

Electronics

- R&D of next-generation fuel cells
- Hybrid system design
- Safety evaluation of automotive batteries

Software

- Development and evaluation of brake control system

Advanced safety vehicle (ASV)



Electronics

- Development of parking assist system (e.g., automatic braking, accelerator control)
- Development of lane keeping

Software

- R&D of Driving Safety Support Systems
- Advance development of automatic perimeter

Motorcycle



Machinery

- Design and development of frames
- Design and development of exterior parts
- Design and development of electric motorbikes

Electronics

- Design of harnesses for electrical wiring

Software

- Development of test software
- Development of software for digital meters

Products and systems related to design and development (2)

Home electronics



Machinery

- Design and development of home appliances (enclosure design, structural design)
- Development of in-car navigation system

Electronics

- Prototyping, evaluation, and analysis of smartphone circuit boards
- Circuit design for AV equipment

Software

- Development of energy system
- Development of iPhone applications

Medical devices



Machinery

- Development of PET system
- Improvement of blood transfusion and infusion sets, design of next set

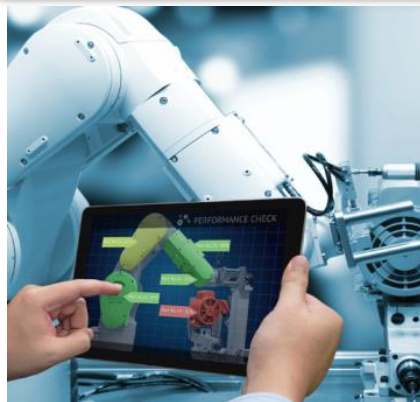
Electronics

- Design and development of control board for X-ray imaging system
- Evaluation of visceral fat measuring device

Software

- R&D of walking assist devices
- R&D of pulse measuring equipment

Industrial equipment



Machinery

- Design and development of industrial robots
- Design of production line for health products
- Design and development of machine tools

Electronics

- Development of semiconductor lithography equipment
- Design and development of production facilities

Software

- Development of applications for semiconductor manufacturing equipment
- Development and validation of software for automatic ticket gate

Aerospace machinery



Machinery

- Design and development of aircraft test jigs
- Development of passenger aircraft AV equipment
- Design and development of aircraft

Electronics

- Development of satellite inspection equipment

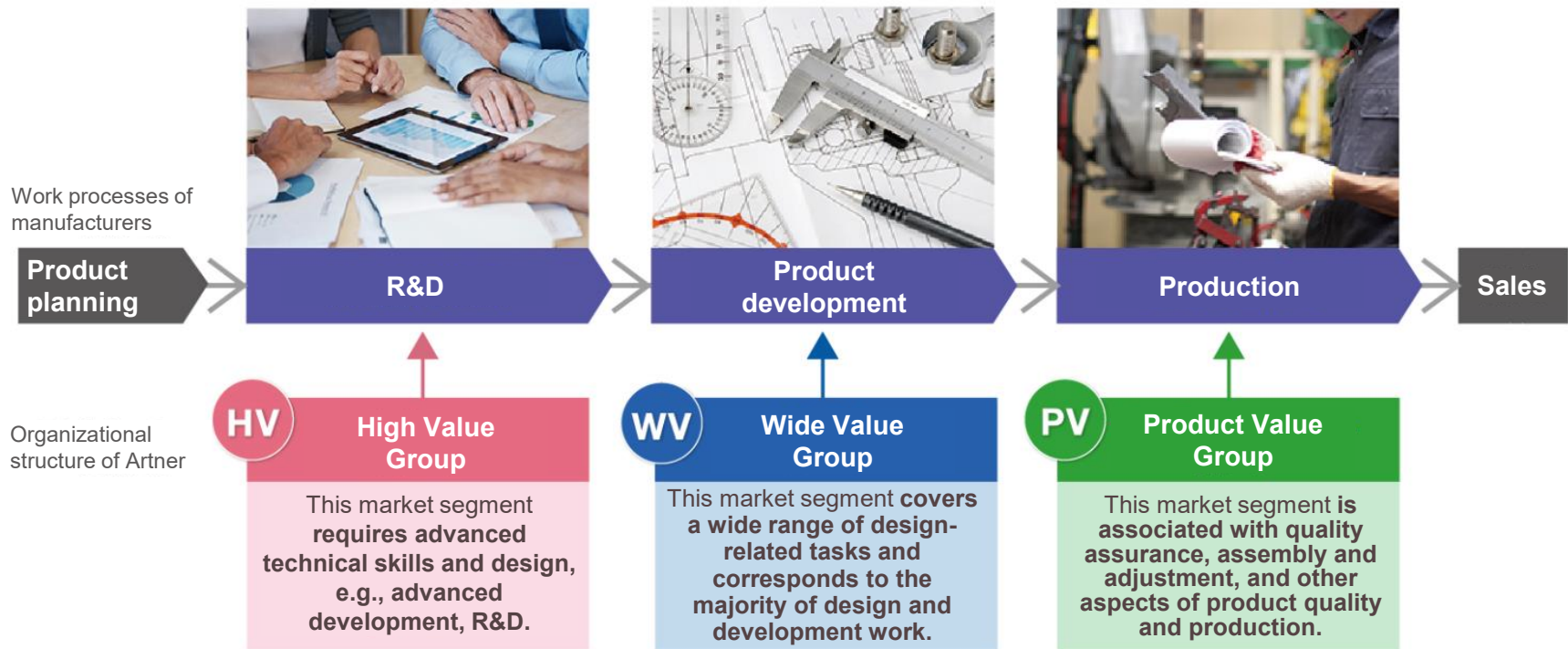
Software

- R&D of next satellites
- Development and evaluation of simulators for satellite radio communication equipment










<https://www.artner.co.jp/>

The Company's Groups corresponding to the work processes of manufacturers

- Upstream processes are markets less affected by economic conditions
- Emphasis on assignment to design and development projects (especially automobile manufacturers)
- Placement in upstream processes results in higher unit prices of engineers

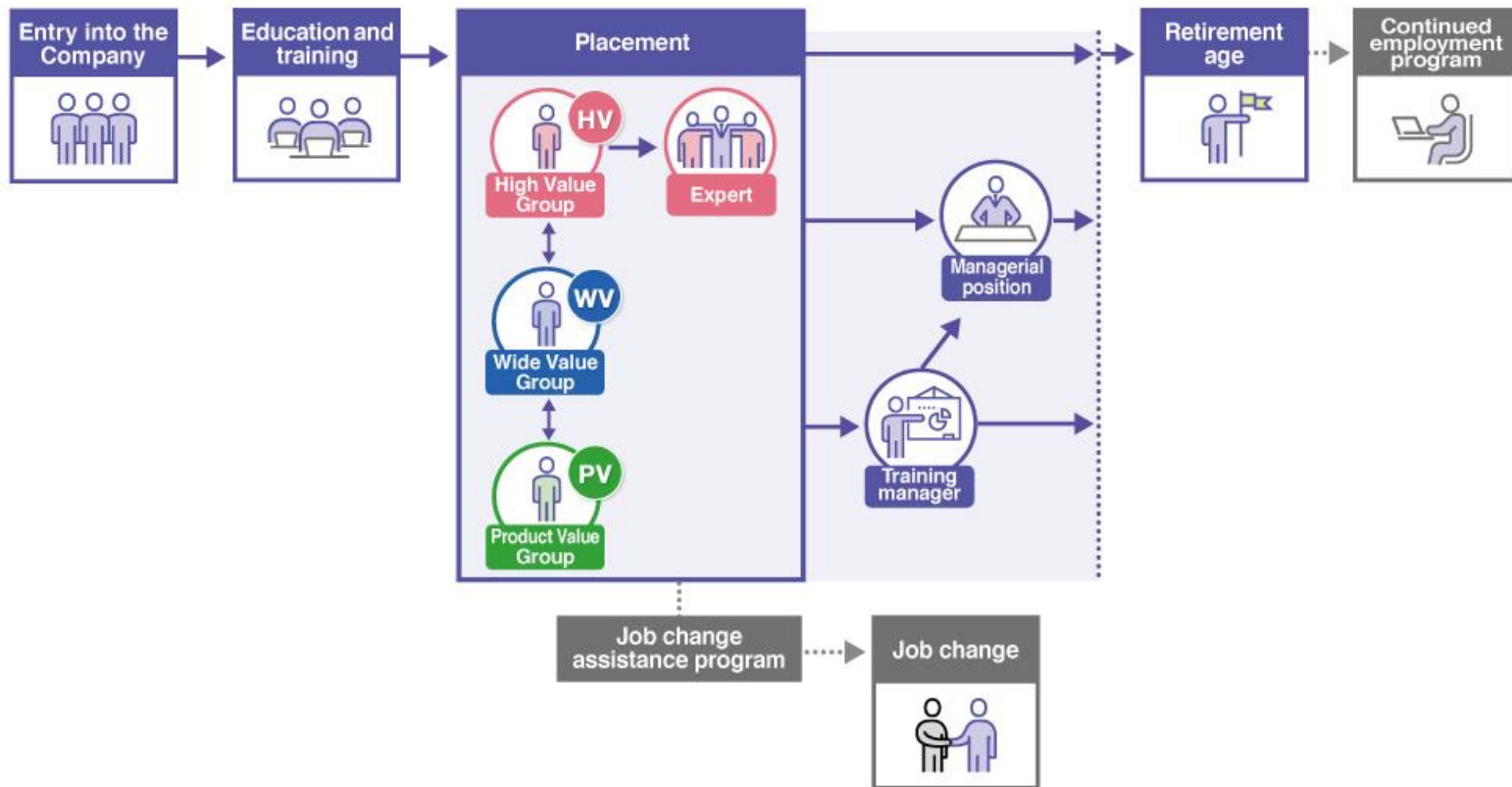


Internal programs that can be chosen by engineers

Performance-based salary system		The HV Group is responsible for the top-secret, high-level design and development projects of different manufacturers under a performance-based, generous salary system.
Limited area system	 	Engineers with three years of work experience (from the fourth year of their career) can limit their area of work to either the Kanto, Chubu, or Kansai region.
Internal recruitment program	  	Engineers may switch their affiliation between the HV Group and the WV Group, or between the WV Group and the PV Group.
Job change assistance program	  	If the engineer wishes to change jobs and the client/manufacturer to which the engineer is placed wishes to officially hire the engineer, we support their career change. We also provide support for engineers who wish to return to their hometowns to work.

Career paths of engineers

- We offer various career paths for engineers, such as “to hone their skills in a high-level environment and earn high compensation,” “to work in a particular region,” “to eventually return to work in their hometowns,” and “to shift to employment with a manufacturer.”



1 Company Overview p. 3

2 Financial summary for FY2021 p. 19

3 Medium-Term Business Plan (fiscal year ending January 31, 2021 to fiscal year ending January 31, 2023) p. 32

4 Forecast of financial results and dividend for FY2022 p. 39

5 Reference p. 43

Market environment

- The market environment remains challenging due to the impact of COVID-19.
- Advanced development is in demand, but uncertainty surrounds the size of investment budgets.



(Automobile industry) Gasoline-free cars (electric vehicle, fuel cell vehicle, etc.) in alignment with Connected, Autonomous, Shared, and Electric (CASE) vehicles and the Japanese government's decarbonization policy
(Semiconductor industry) Semiconductors (including manufacturing equipment) needed by electrical equipment, etc. for vehicle electrification, IoT, telework, and more

State of engineer dispatching business

- The unit price of engineers stayed at around the same level as the previous period's.
- The number of operative personnel was higher than that for the previous period. (The utilization rate fell below the previous period's due to contract expirations at the end of June, September, and December. However, the number of engineers increased.)
- Total work person-hours were less than those for the previous period.

Profit

- The operating margin was around the same level as the previous period's.
(Increase in expenses) The assignment of newly graduated and career engineers who entered the Company in 2020 progressed slower than usual years. As a result, the assignment percentage was around 50%. The labor costs of unassigned engineers were recorded in SG&A expenses.
(Decrease in expenses) Promoting telework by all company staff resulted in decreased expenses, such as travel, transportation and conference fees. Recruitment, advertising, and other expenses also decreased.

Financial results highlights for FY2021

Net sales up **2.5%**, operating profit up **0.1%**,
ordinary profit up **1.9%**, profit up **2.5%**. Operating margin **12.4%**.

	FY2020		FY2021		Change from the previous year (million yen)	Change from the previous year (%)
	Result (million yen)	Percentage (%)	Result (million yen)	Percentage (%)		
Net sales	7,002	100.0	7,174	100.0	172	2.5
Cost of sales	4,461	63.7	4,442	61.9	(19)	(0.4)
Gross profit	2,540	36.3	2,731	38.1	191	7.5
SG&A expenses	1,654	23.6	1,844	25.7	190	11.5
Operating profit	886	12.7	887	12.4	1	0.1
Ordinary profit	893	12.8	910	12.7	17	1.9
Profit	613	8.8	628	8.8	15	2.5

The number of operative personnel increased.
The unit price of engineers was the same level as the previous period's.

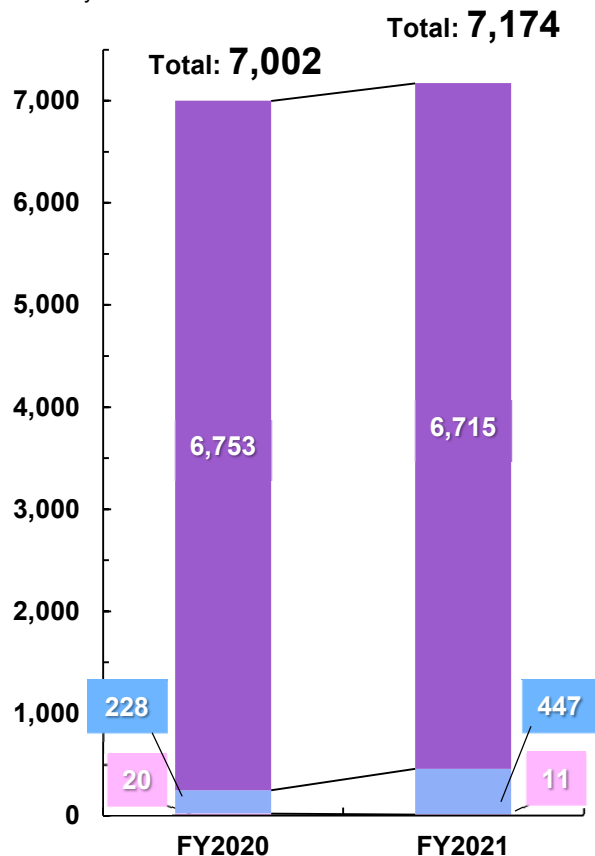
The performance-linked bonus for engineers decreased due to a slowdown.

Labor costs of newly graduated and career engineers who joined in 2020 and were unassigned.

Net sales by business for FY2021

■ Engineer dispatching down 0.6% ■ Contracting up 96.1%

Unit: million yen

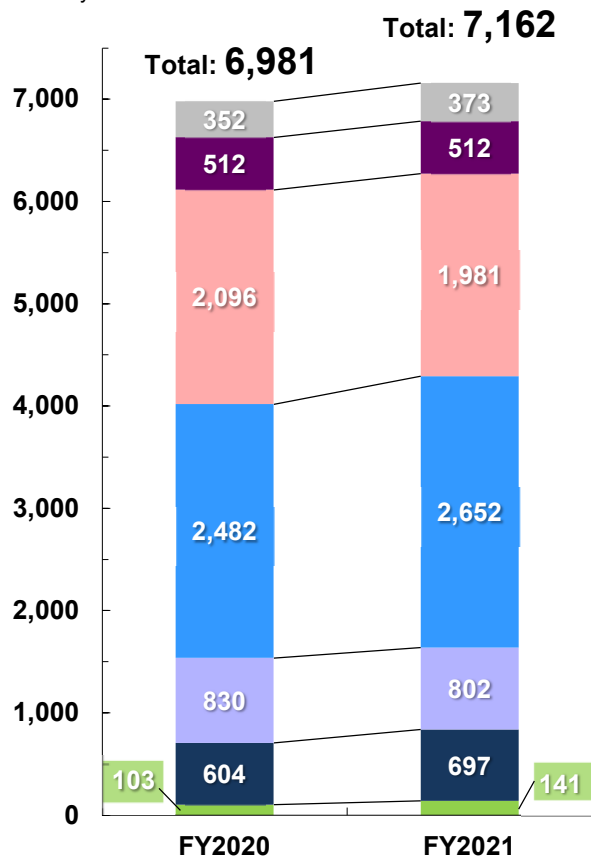


	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Engineer dispatching services	6,753	96.5	6,715	93.6	(0.6)	(2.9)
Contracting	228	3.3	447	6.2	96.1	3.0
Subtotal	6,981	99.7	7,162	99.8	2.6	0.1
Other	20	0.3	11	0.2	(41.0)	(0.1)
Total	7,002	100.0	7,174	100.0	2.5	—

Net sales by industry field for FY2021

- Electrical equipment down 5.5%
- Transportation equipment up 6.8%
- Information and communications up 15.5%

Unit: million yen



	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Steel, nonferrous materials and metals	352	5.0	373	5.2	6.1	0.2
Machinery	512	7.3	512	7.2	0.1	(0.2)
Electrical equipment	2,096	30.0	1,981	27.7	(5.5)	(2.4)
Transportation equipment	2,482	35.6	2,652	37.0	6.8	1.5
Precision equipment	830	11.9	802	11.2	(3.3)	(0.7)
Information and communications	604	8.7	697	9.7	15.5	1.1
Miscellaneous	103	1.5	141	2.0	36.9	0.5
Total	6,981	100.0	7,162	100.0	2.6	—

*Excludes sales from "Other" businesses.

Top ten client companies by net sales in FY2021

Top ten by net sales (Standard company name used)

	FY2020		FY2021	
	Our clients	Segment	Our clients	Segment
1	Honda R&D Co., Ltd.	Transportation equipment	Honda R&D Co., Ltd.	Transportation equipment
2	Nikon Corporation	Precision equipment	Honda Motor Co., Ltd.	Transportation equipment
3	Sumitomo Electric Industries, Ltd.	Steel, nonferrous materials and metals	Nikon Corporation	Precision equipment
4	Terumo Corporation	Precision equipment	Sumitomo Electric Industries, Ltd.	Steel, nonferrous materials and metals
5	Panasonic Corporation	Electrical equipment	Terumo Corporation	Precision equipment
6	Tokyo Electron Technology Solutions Limited	Electrical equipment	DENSO TEN Limited	Electrical equipment
7	DENSO TEN Limited	Electrical equipment	Panasonic Corporation	Electrical equipment
8	JTEKT Corporation	Machinery	Tokyo Electron Technology Solutions Limited	Electrical equipment
9	Daikin Rexxam Electronics Co., Ltd.	Electrical equipment	JTEKT Corporation	Machinery
10	Keihin Corporation (now Hitachi Astemo, Ltd.)	Transportation equipment	Daikin Rexxam Electronics Co., Ltd.	Electrical equipment

Net sales per 10 companies

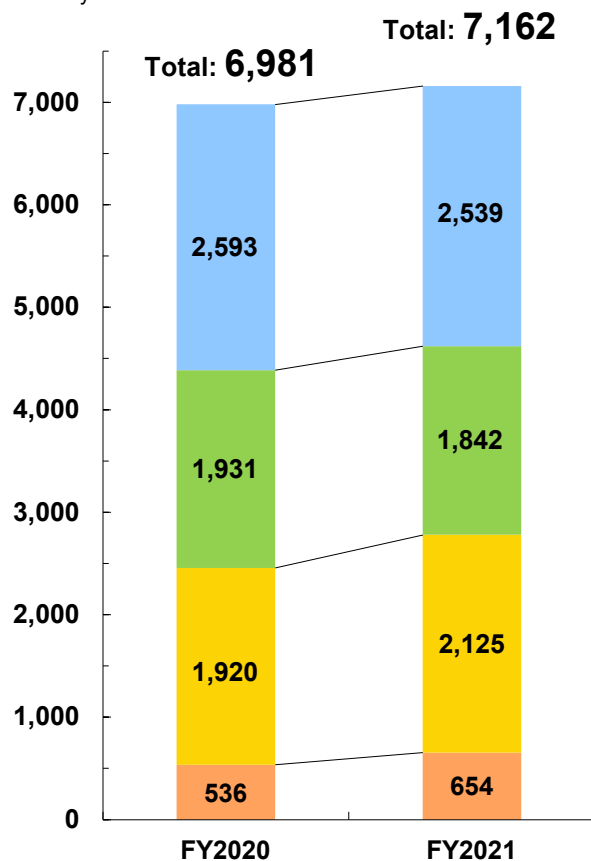
	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Top 10 Total	3,332	47.7	3,394	47.4	1.9	(0.3)
Top 11 to 20 Total	890	12.8	977	13.6	9.7	0.9
Top 21 to 30 Total	583	8.4	655	9.2	12.4	0.8
Other than the above Total	2,175	31.2	2,134	29.8	(1.9)	(1.4)
Total	6,981	100.0	7,162	100.0	2.6	—

*Excludes sales from “Other” businesses.

Net sales by business field for FY2021

- Machinery down 2.1% ■ Control software up 10.7%
- Data processing up 22.1%

Unit: million yen



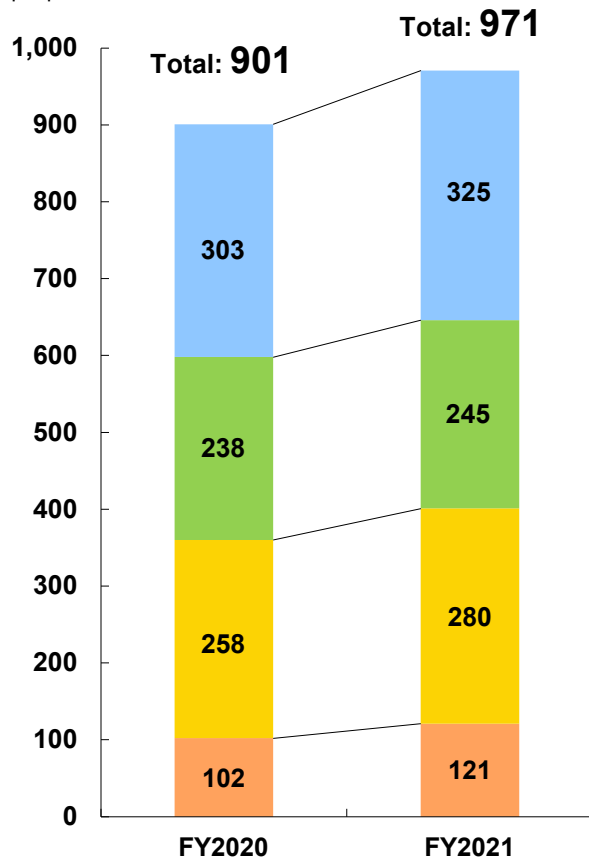
	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Machinery	2,593	37.2	2,539	35.5	(2.1)	(1.7)
Electronics	1,931	27.7	1,842	25.7	(4.6)	(1.9)
Control software	1,920	27.5	2,125	29.7	10.7	2.2
Data processing	536	7.7	654	9.1	22.1	1.5
Total	6,981	100.0	7,162	100.0	2.6	—

*Excludes sales from "Other" businesses.

Term-end engineer count by business field for FY2021

- Machinery up 7.3% ■ Control software up 8.5%
- Data processing up 18.6%

Unit: people

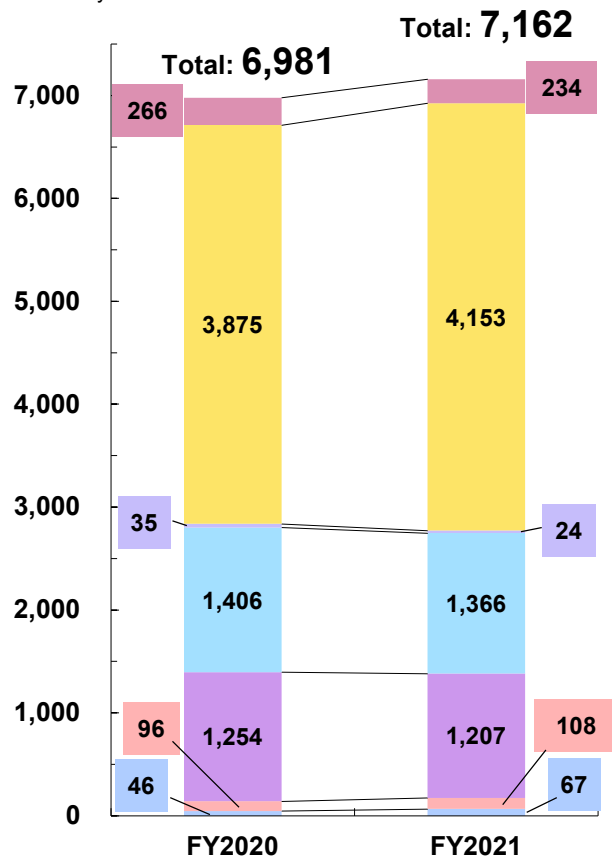


	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (people)	Ratio (%)	Result (people)	Ratio (%)		
Machinery	303	33.6	325	33.5	7.3	(0.2)
Electronics	238	26.4	245	25.2	2.9	(1.2)
Control software	258	28.6	280	28.8	8.5	0.2
Data processing	102	11.3	121	12.5	18.6	1.1
Total	901	100.0	971	100.0	7.8	—

Net sales by region for FY2021

■ Kanto up 7.2%
 ■ Tokai down 2.8%
 ■ Kinki down 3.7%

Unit: million yen

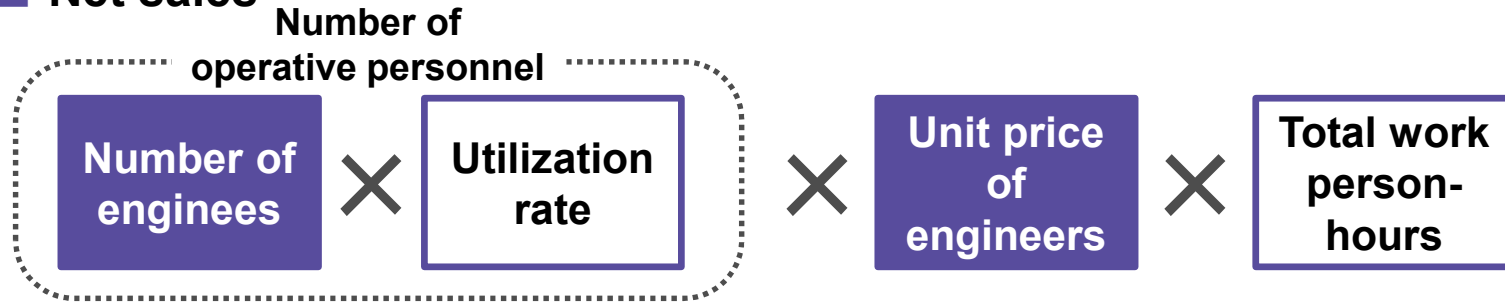


	FY2020		FY2021		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Tohoku	266	3.8	234	3.3	(12.0)	(0.5)
Kanto	3,875	55.5	4,153	58.0	7.2	2.5
Hokuriku	35	0.5	24	0.3	(32.3)	(0.2)
Tokai	1,406	20.1	1,366	19.1	(2.8)	(1.1)
Kinki	1,254	18.0	1,207	16.9	(3.7)	(1.1)
Chugoku	96	1.4	108	1.5	12.8	0.1
Kyushu	46	0.7	67	0.9	45.7	0.3
Total	6,981	100.0	7,162	100.0	2.6	—

*Excludes sales from "Other" businesses.

Stance on engineer dispatching business net sales, expenses, and improving margin percentages

■ Net sales



■ **Cost of sales** Labor costs, etc. of engineers assigned to client companies

■ **SG&A expenses**

- (Standby) labor costs incurred during internal education and training, labor costs of administrative staff positions
- Hiring activity expenses

Two key points to improving margin percentages

[Improving gross margin]

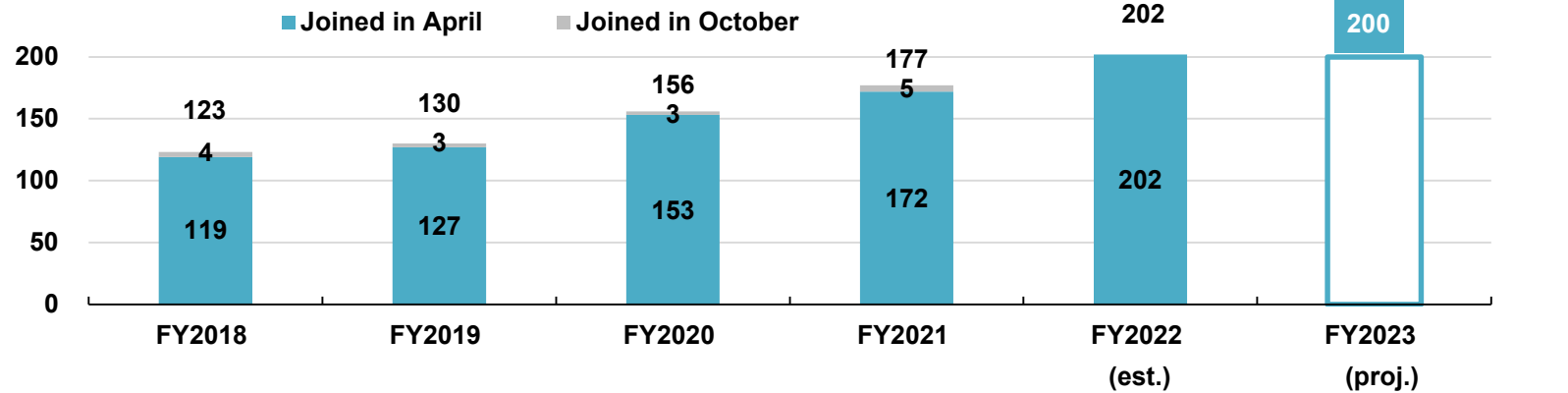
Increase average unit price of engineers.

[Improving operating margin]

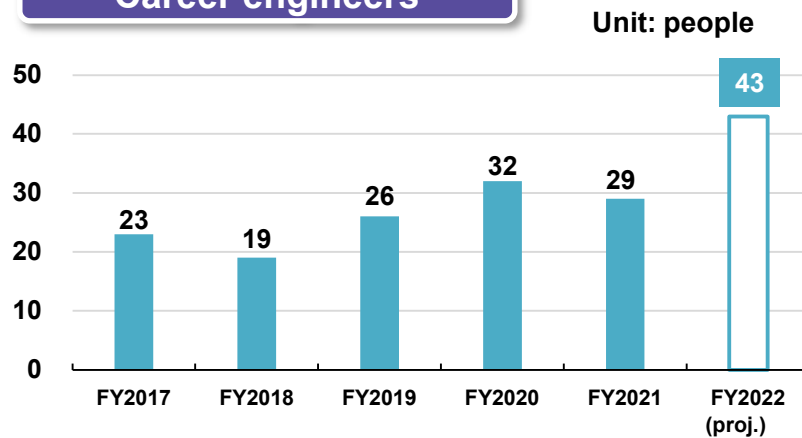
Minimize addition of administrative staff entailed by the increase in engineers through improved administrative efficiency, and thereby suppress increase in the SG&A expense ratio.

Engineer hires for FY2021 / turnover rate

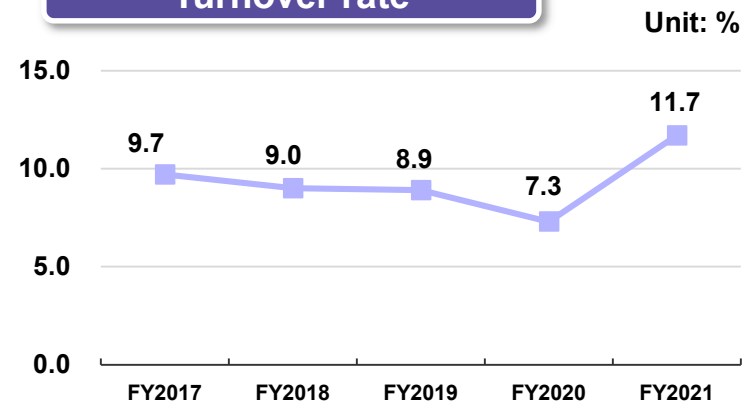
Newly graduated engineers



Career engineers

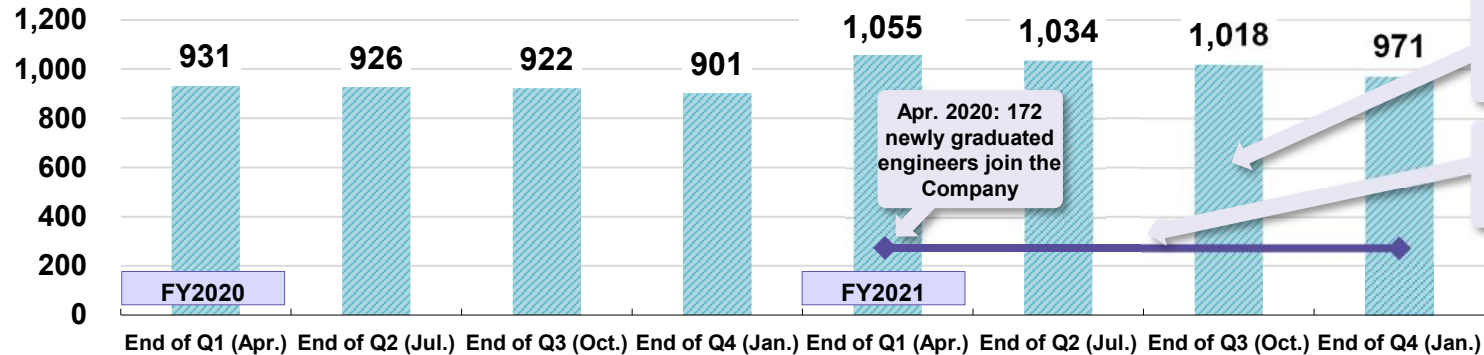


Turnover rate

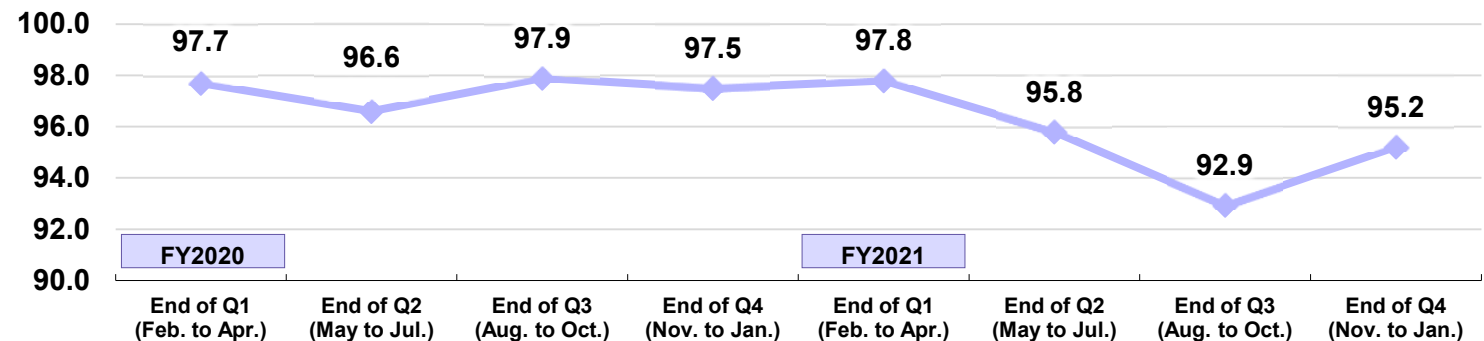


Term-end engineer count / utilization rate for FY2021

Term-end engineer count	FY2020 (average)	FY2021 (average)	Change from the previous year (people)	Change from the previous year (%)
Unit: people	898	1,001	103	11.5



Utilization rate	FY2020 (average)	FY2021 (average)	Change from the previous year (pt)
Unit: % *Based on the number of dispatched engineers	97.4	95.4	(2.0)



*New employees and others who joined the Company mid-year are not included in the utilization rate until after they are dispatched to their assignments.

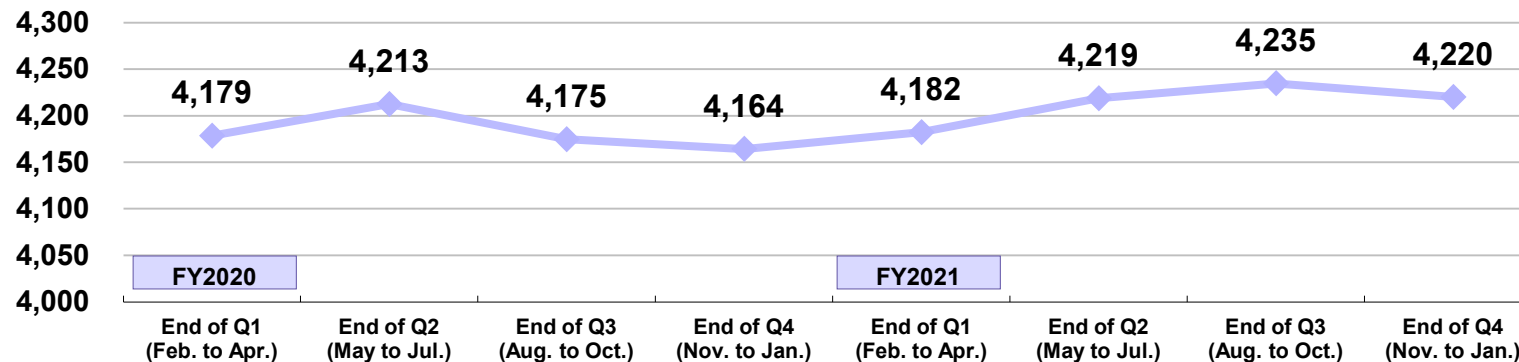
Unit price of engineers / total work person-hours for FY2021

Unit price of engineers

FY2020 (average)	FY2021 (average)	Change from the previous year (yen)	Change from the previous year (%)
4,183	4,213	30	0.7

*Figures for dispatched engineers *Per person

Unit: yen / hour

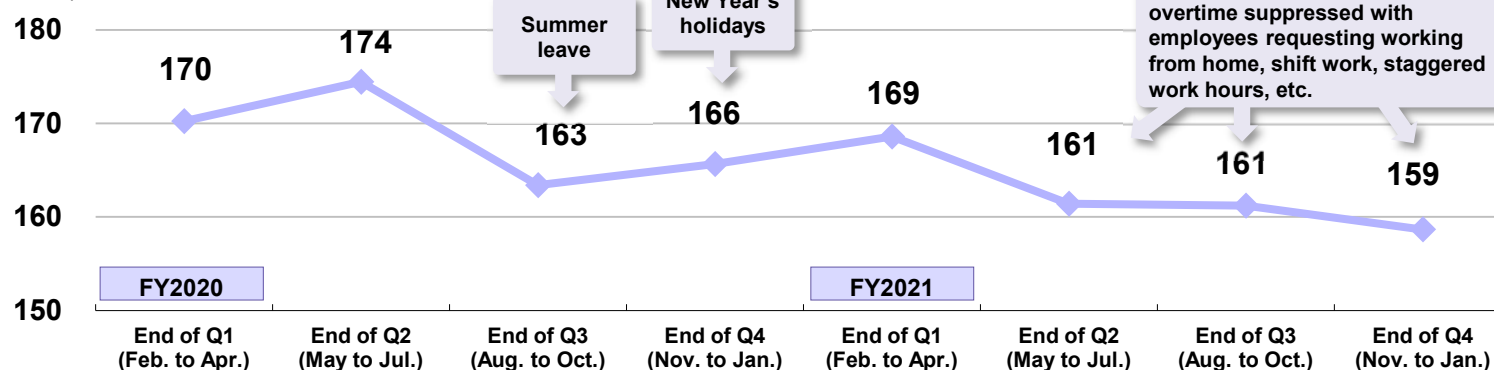


Total work person-hours

FY2020 (average)	FY2021 (average)	Change from the previous year (h)	Change from the previous year (%)
168	163	(5)	(3.4)

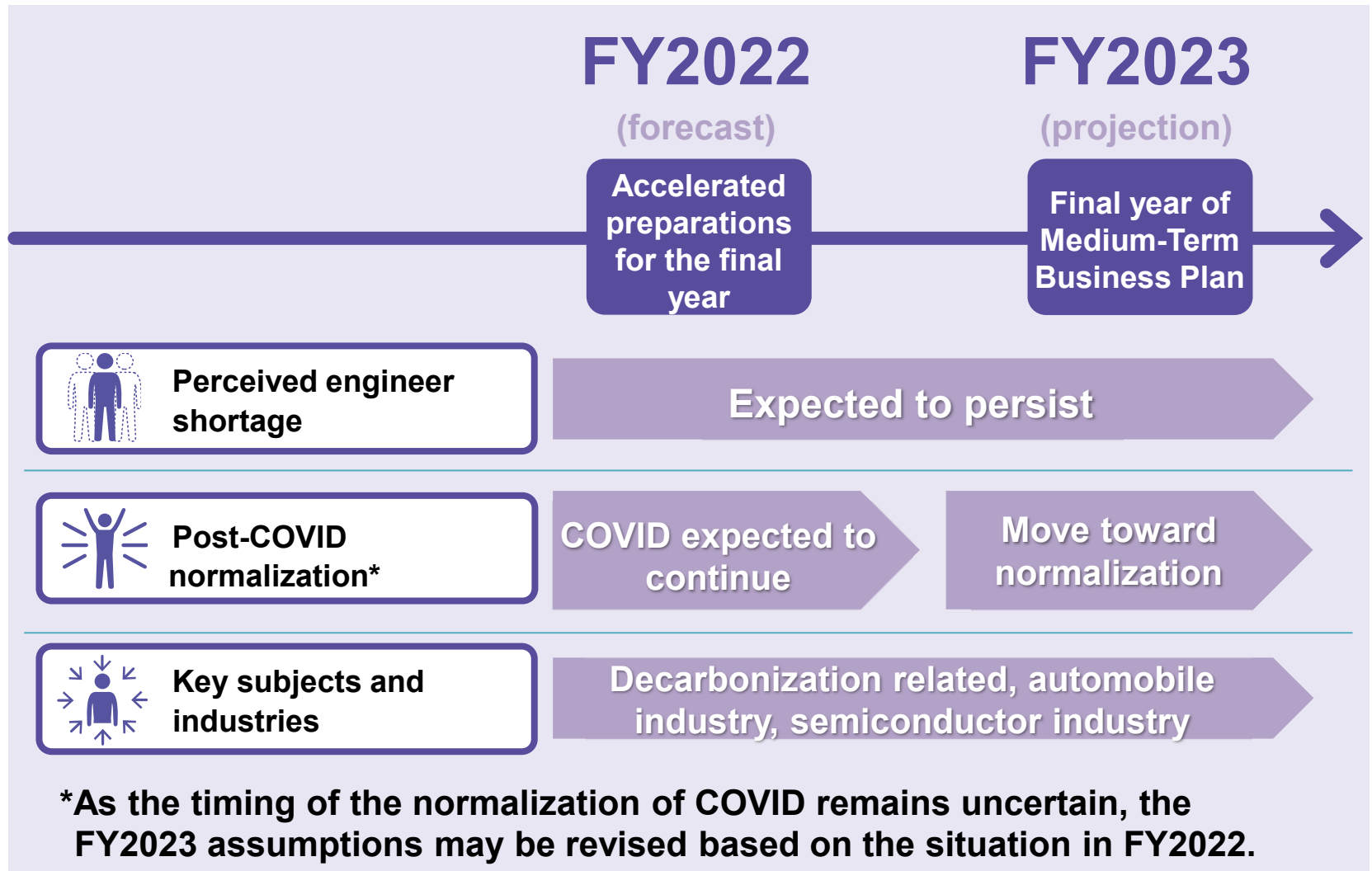
*Figures for dispatched engineers *Per person

Unit: hour / month



1	Company Overview	p. 3
2	Financial summary for FY2021	p. 19
3	Medium-Term Business Plan (fiscal year ending January 31, 2021 to fiscal year ending January 31, 2023)	p. 32
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5	Reference	p. 43

Business environment forecast



Basic policy

“Build a foundation for sustainable and next-generation growth”
“Make Value! For the Next 2020-2022”

Basic Measures

1

Promote strategies by segment

- Develop strategies for each segment (recruitment - education - assignment - system).
- Establish approaches to markets by segment
- Explore and seek new specialist fields of technology

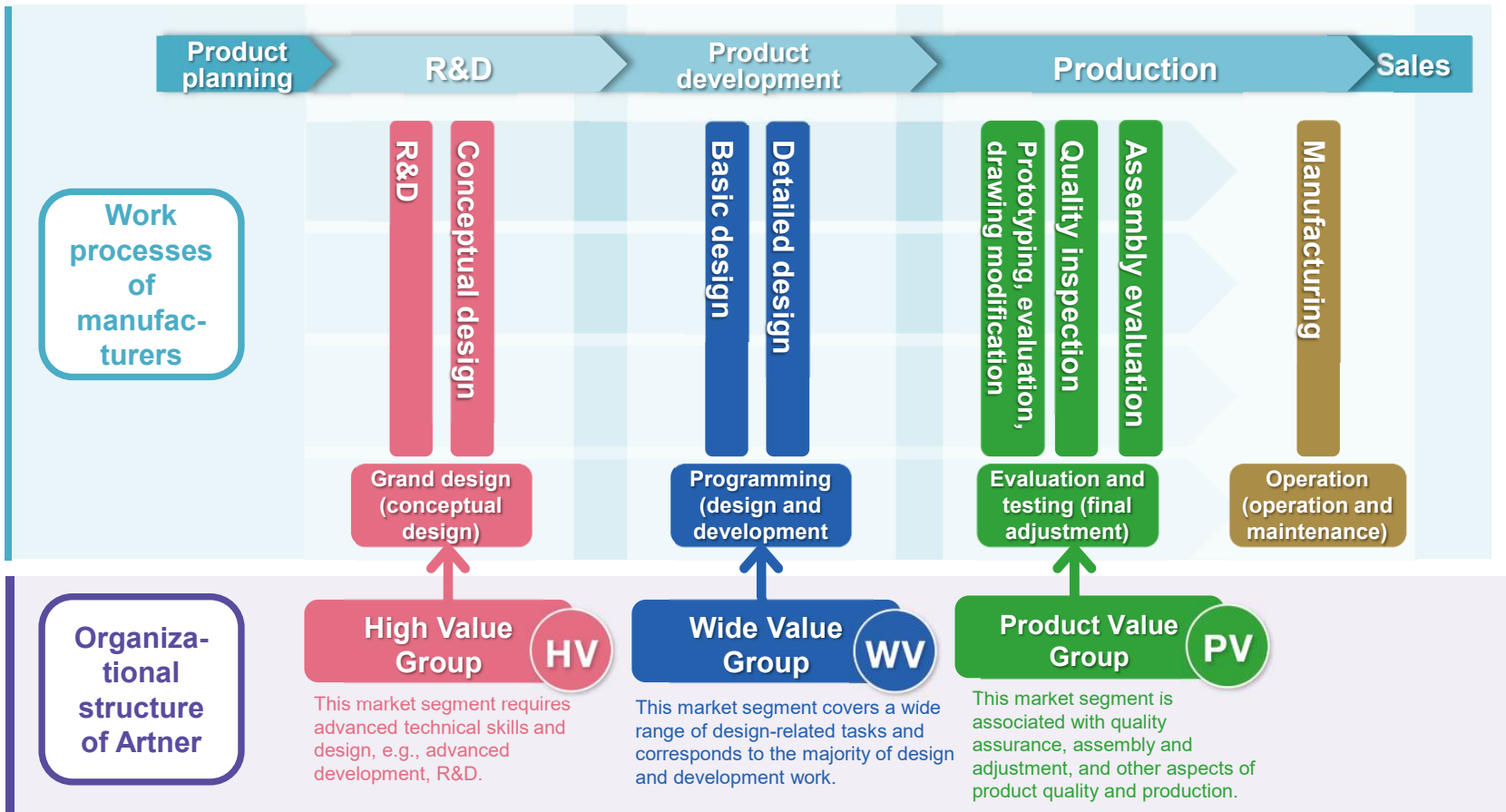
2

Promote diversity and inclusion in talent management

- Utilize workers of retirement age, women, and foreign workers (overseas students) as personnel
- Utilize and organize partner companies (set up a contracting system)

Approaches to markets by segment

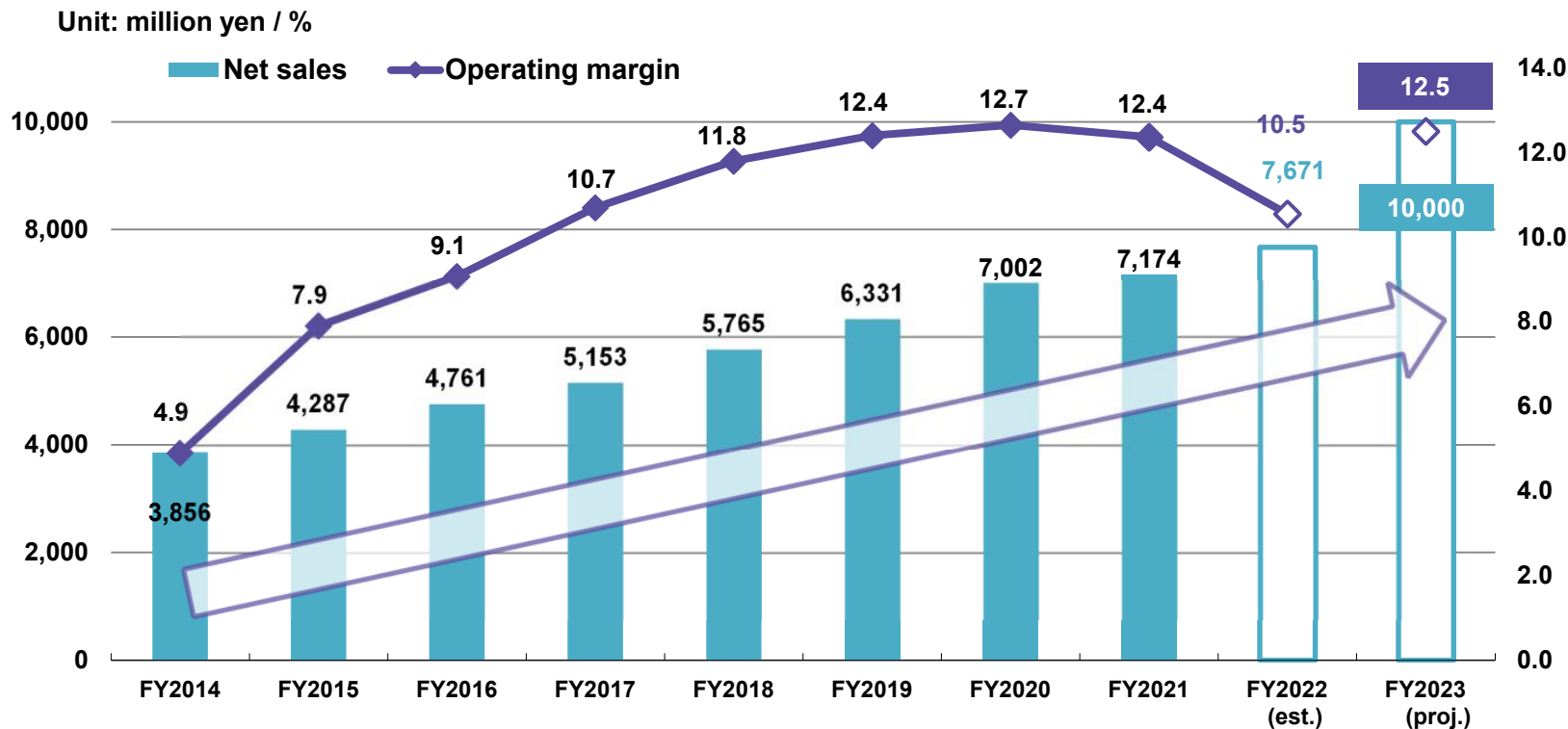
- In order to meet the needs of our clients and cater to increasingly diverse business areas in manufacturing processes, we implement strategies stratified into three segments to realize a high match rate between our engineers and clients.



Numerical business targets <FY2023 (final year) earnings and sales targets>

Net sales 10.0 billion yen

Operating margin 12.5%

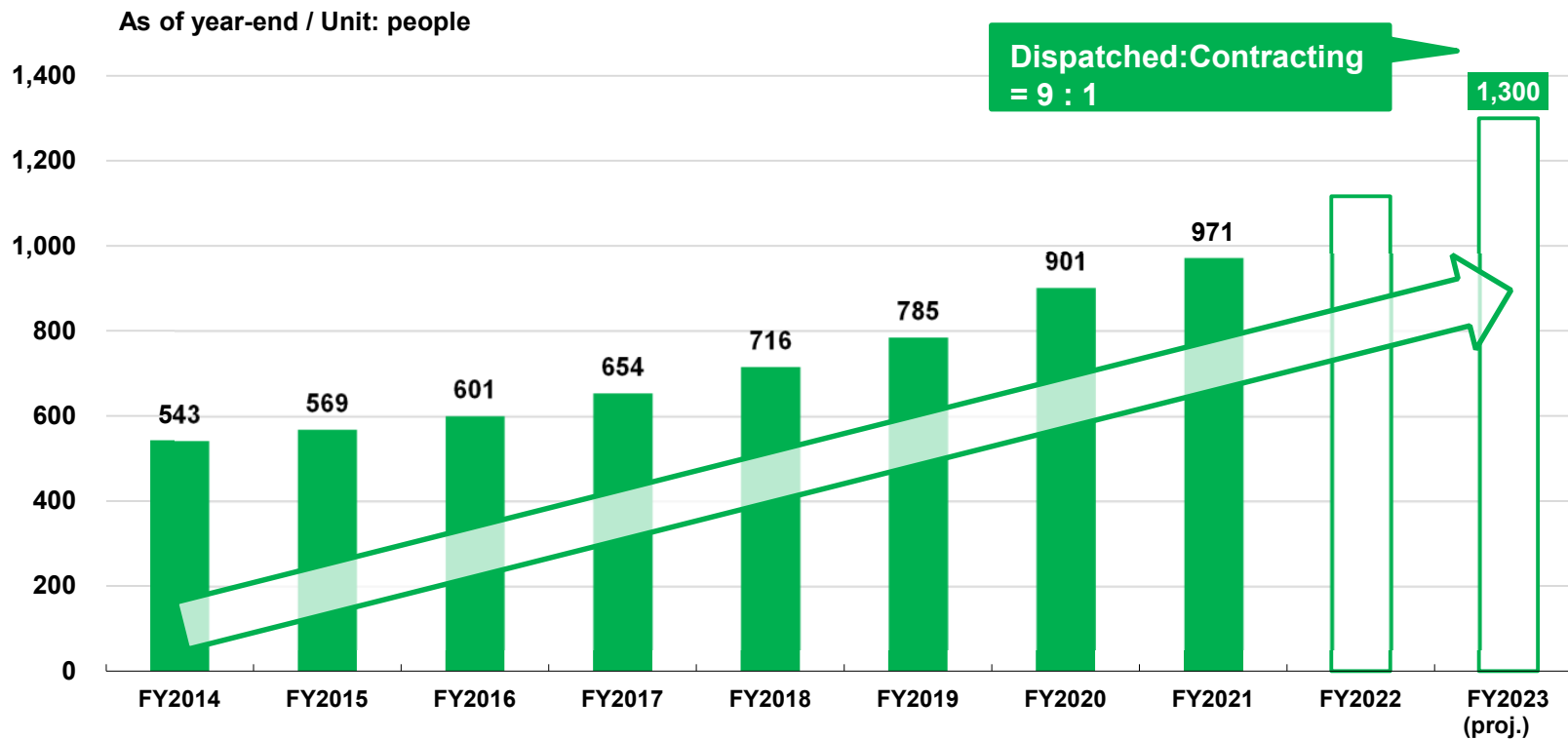


As the timing of the normalization of COVID remains uncertain, the FY2023 assumptions may be revised based on the situation in FY2022. If revisions must be made, they will be disclosed as soon as possible.

Numerical business targets <FY2023 (final year) key indicators>

**Number of
engineers**

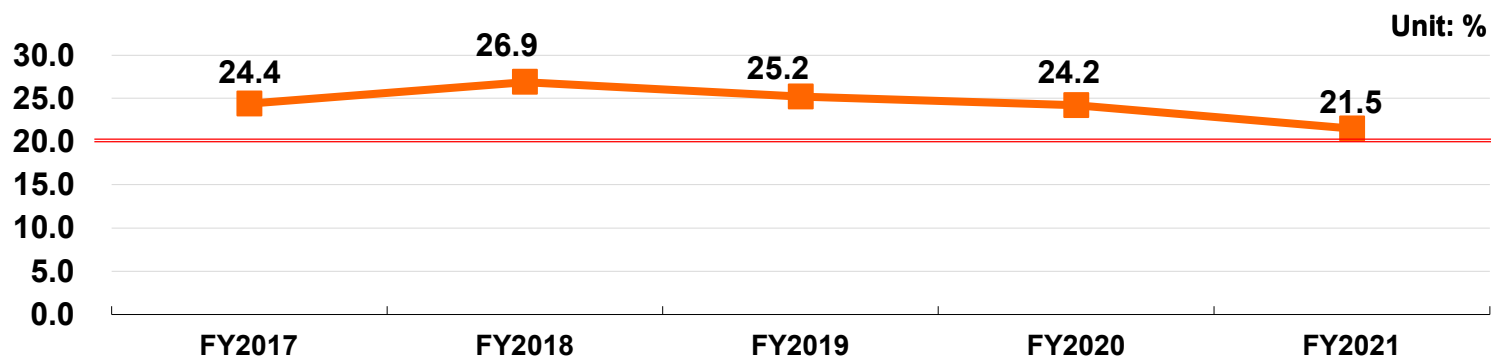
1,300



Numerical business targets <FY2023 (final year) key indicators>

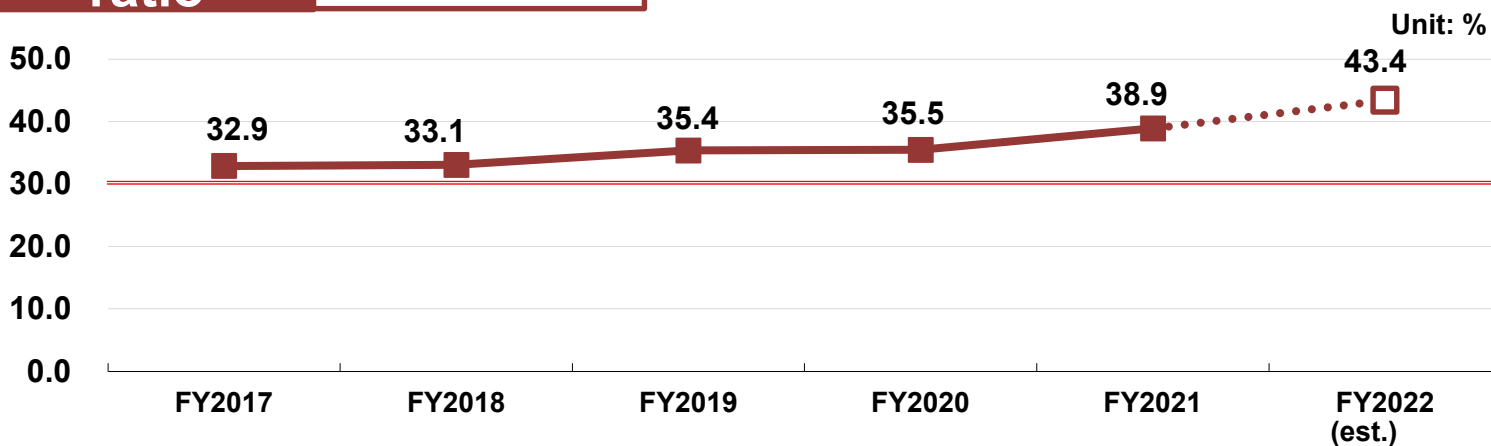
ROE

20% or more



Payout ratio

30% or more



1	Company Overview	p. 3
2	Financial summary for FY2021	p. 19
3	Medium-Term Business Plan (fiscal year ending January 31, 2021 to fiscal year ending January 31, 2023)	p. 32
4	Forecast of financial results and dividend for FY2022	p. 39
5	Reference	p. 43

Forecast of financial results for FY2022 / prerequisites

- Assumes that the pandemic continues throughout the year
[Forecast of financial results]

	FY2021		FY2022		Change from the previous year (million yen)	Change from the previous year (%)
	Result (million yen)	Percentage (%)	Forecast (million yen)	Percentage (%)		
Net sales	7,174	100.0	7,671	100.0	497	6.9
Operating profit	887	12.4	809	10.5	(78)	(8.8)
Ordinary profit	910	12.7	812	10.6	(98)	(10.7)
Profit	628	8.8	563	7.3	(65)	(10.3)

[Prerequisites]

Newly graduated engineers (April, October) (people)	177	202	25	14.1
Career engineers (people)	29	43	14	48.3
Turnover rate (%)	11.7	FY2020 level		
Utilization rate (%)	95.4	Same level as preceding year		
Unit price of engineers (yen)	4,213	Slightly increased		
Total work person-hours (h)	163	Same level as preceding year		

[Expected time of assignment completion]

Newly graduated and career engineers who joined in 2020 and have not been assigned	First half
Newly graduated engineers joining in April 2021	Q4

The above assumptions will vary significantly depending on when COVID-19 will normalize and our clients' demand for engineers.

FY2021/ FY2022 Dividend per share

- FY2021...Year-end **11.50** yen. Combined with the interim dividend of **11.50** yen, the total is **23.00** yen.
- FY2022...Expected annual dividend **23.00** yen (interim **11.50** yen, year-end **11.50** yen).

	Annual dividends per share (yen)			Dividend yield (%)	Payout ratio (%)	Dividend on equity ratio (DOE) (%)
	Second quarter-end	Fiscal year-end	Total			
FY2020	10.00	10.50	20.50	2.26	35.5	8.6
FY2021	11.50	11.50	23.00	2.85	38.9	8.4
FY2022 (est.)	11.50	11.50	23.00	2.61	43.4	

*Dividend yield (%) = individual dividend per share (total) ÷ stock price (beginning of the fiscal year, closing price) × 100

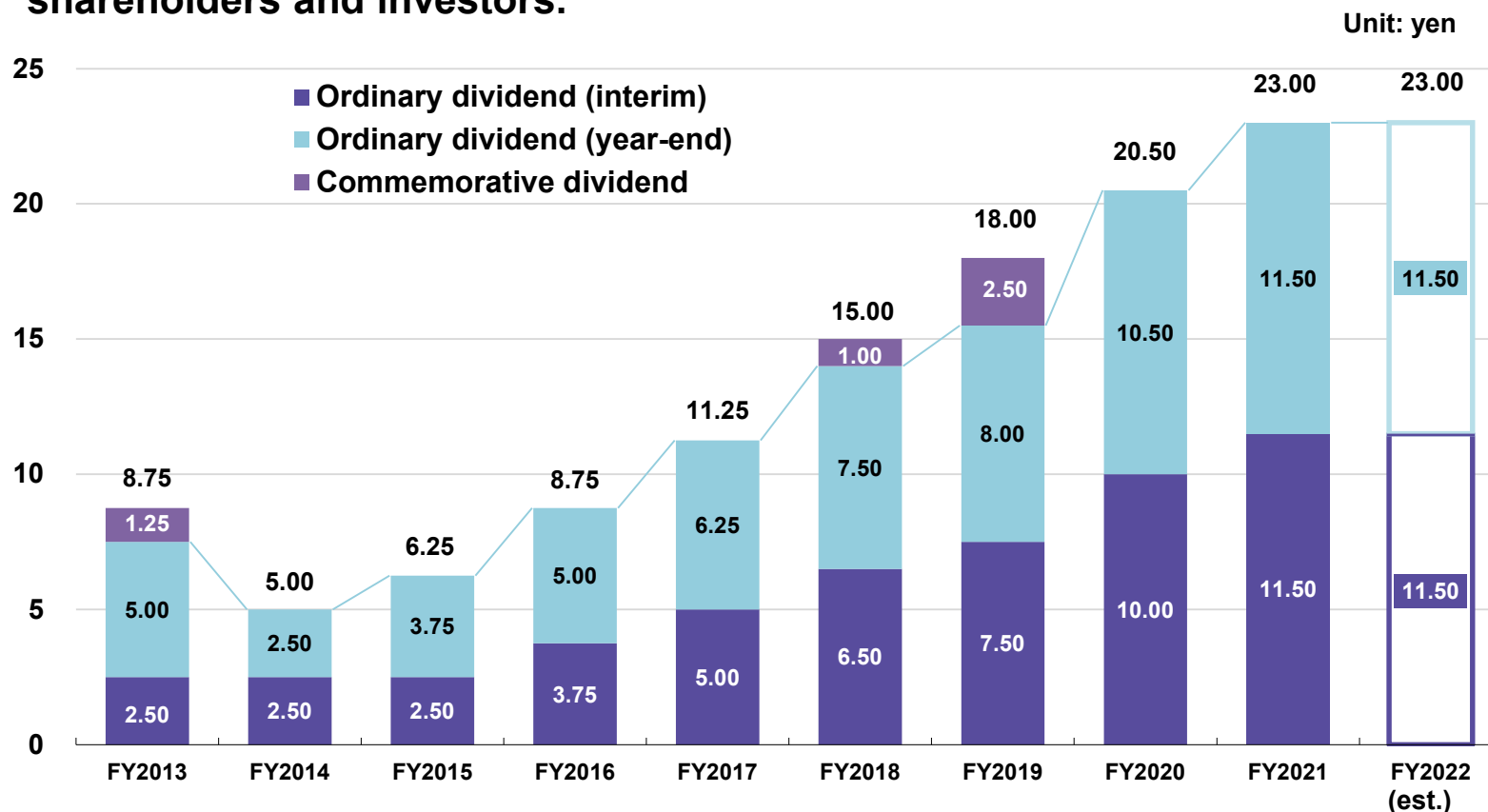
Closing value at beginning of FY2020 (February 1, 2019) 906 yen

Closing value at beginning of FY2021 (February 3, 2020) 807 yen

Closing value at beginning of FY2022 (February 1, 2021) 881 yen

Dividend per share

■ The Company considers it its top priority in business to pay stable dividends to shareholders and investors.



Dividends per share were retroactively revised to factor in the impact of stock splits conducted as follows.
 •February 1, 2017 (2-for-1 stock split) •April 1, 2018 (2-for-1 stock split)

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Basic Policy

Ensure the safety of our clients, employees, their families, partners, and other stakeholders.

Ensure business continuity while preventing the spread of COVID-19.

Recruitment



To achieve our recruitment target, we are conducting company information sessions, interviews, and other recruitment activities online.

Sales



To renew existing engineer contracts and assign newly graduated engineers, we are negotiating with clients using online conferencing tools. We are also following-up with engineers working from home.

Education



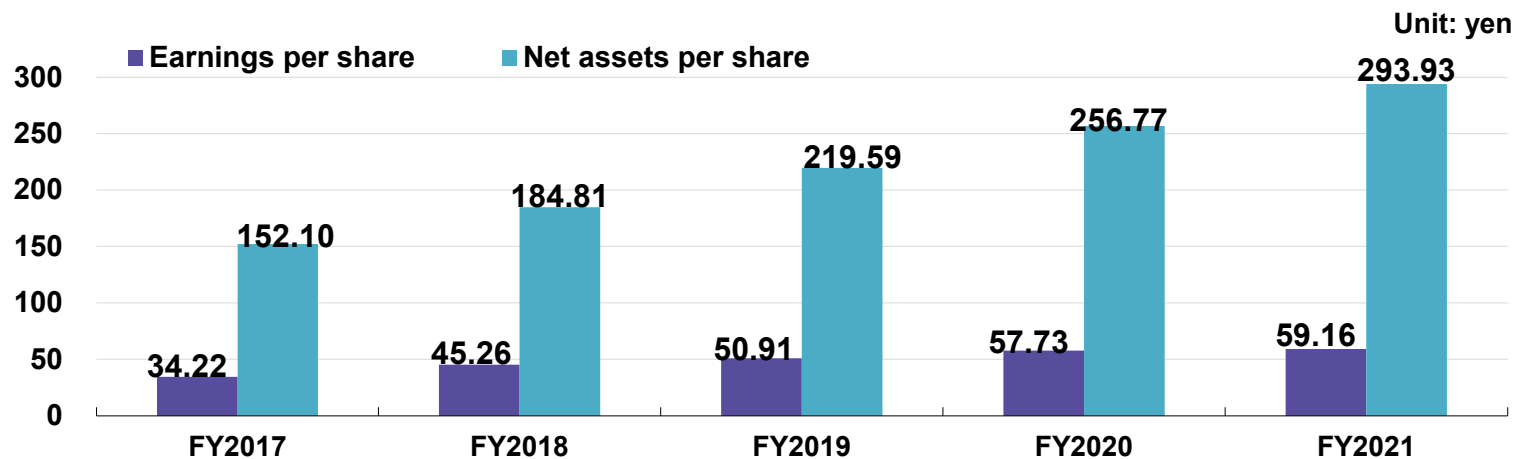
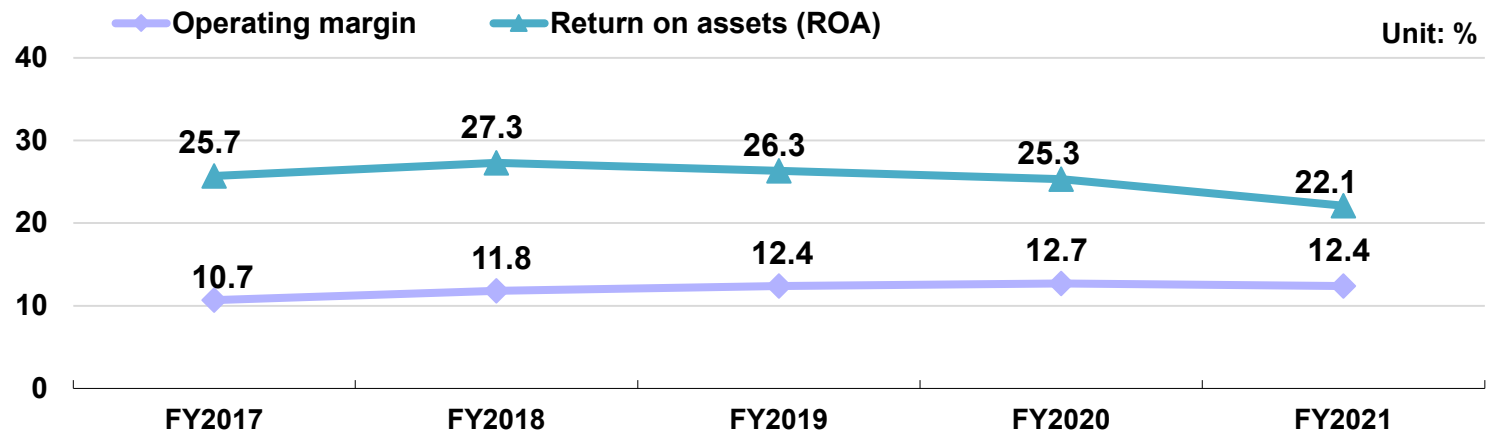
Newly graduated engineers come to the office in shifts. They enhance their knowledge through home-based training and demonstrate it through assignments performed at the office. They are given basic and practical training which give weight to employee autonomy.

Administration



We are offering various options, including telework (working from home), shift work, and staggered work hours. We are also working to improve work efficiency.

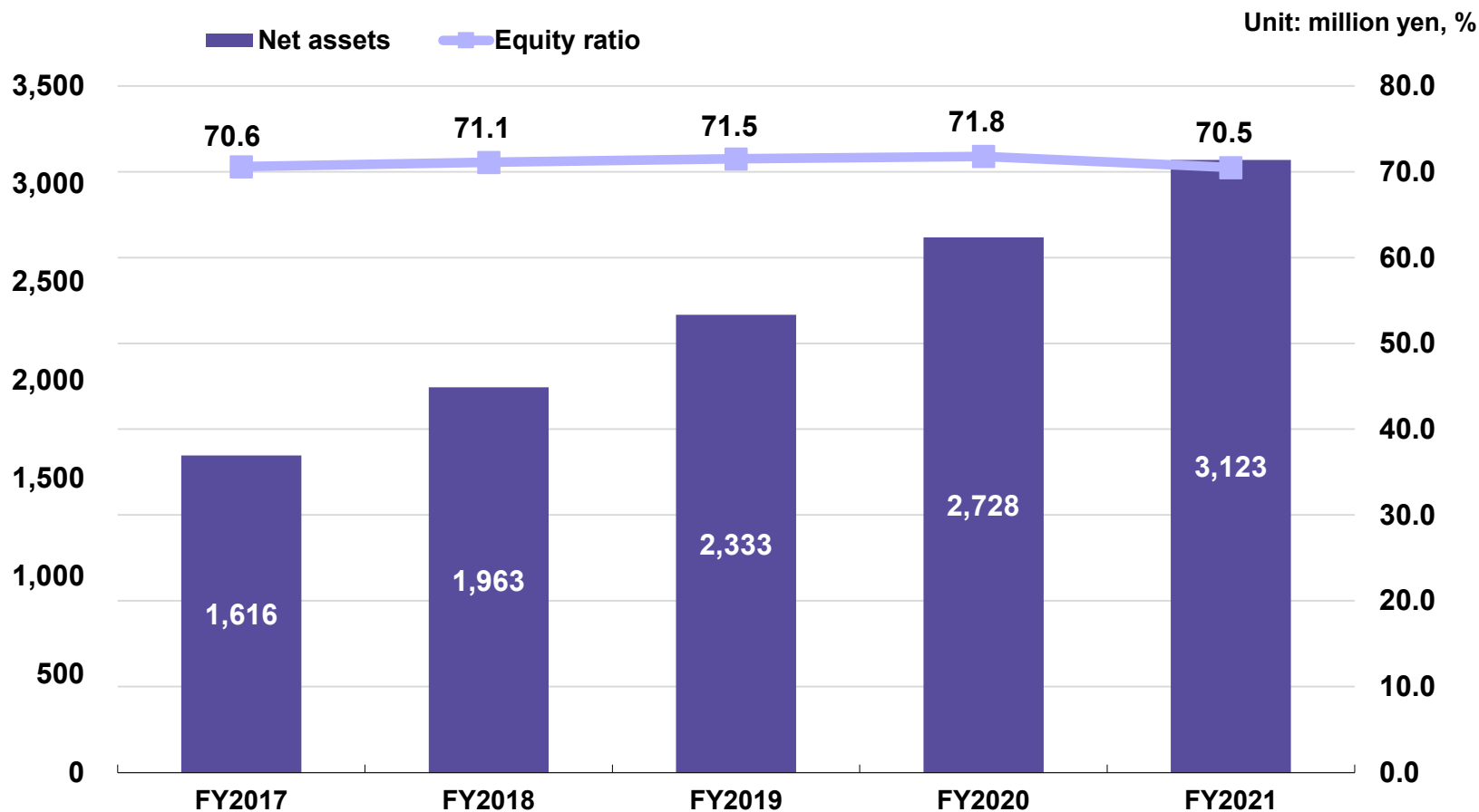
Operating margin / ROA / earnings per share and net assets per share



*Earnings per share and net assets per share were retroactively revised to factor in the impact of stock splits conducted as follows.

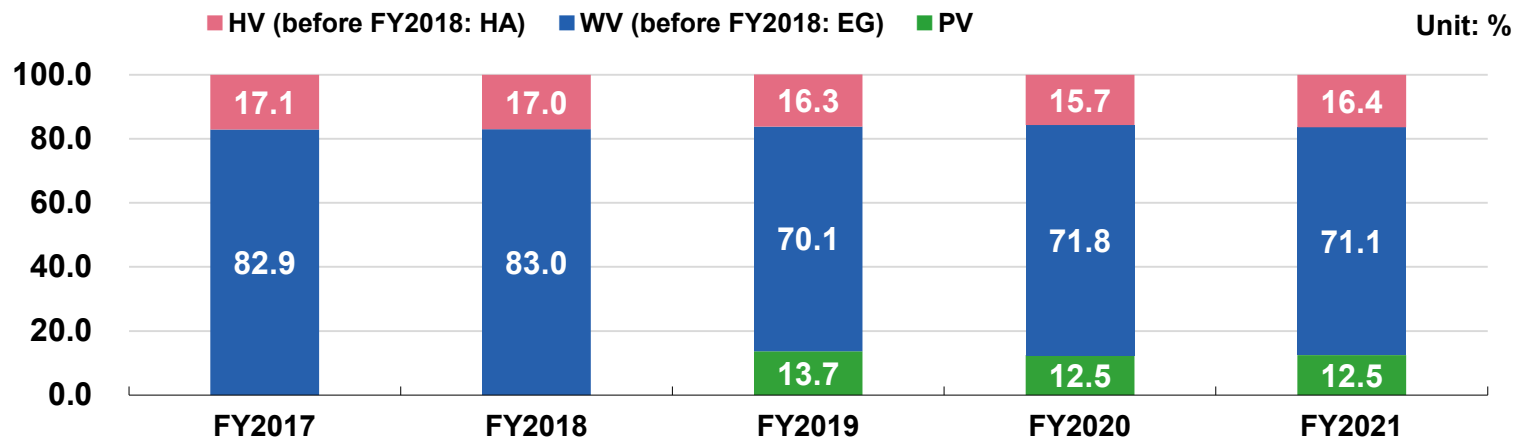
•February 1, 2017 (2-for-1 stock split) •April 1, 2018 (2-for-1 stock split)

Net assets / equity ratio

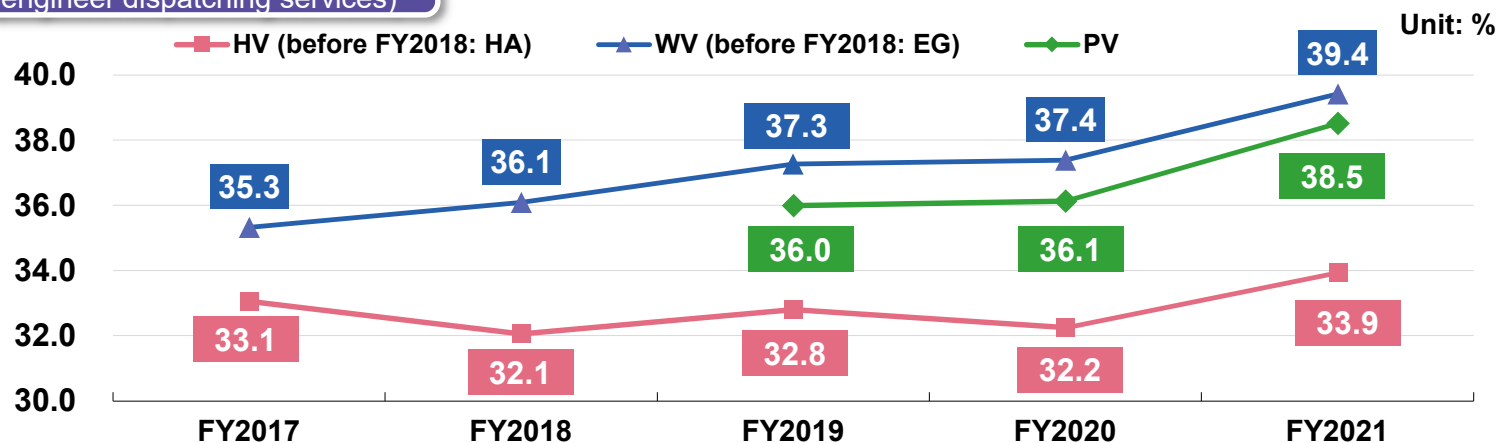


Engineer breakdown / gross margin by HV (former HA), WV (former EG), and PV groups

Engineer breakdown



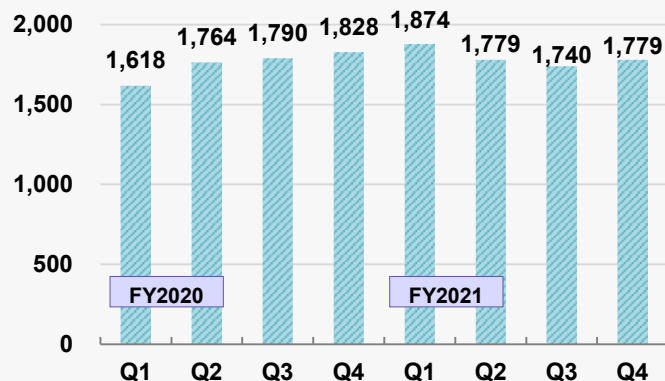
Gross margin (engineer dispatching services)



Quarterly (accounting period) financial results

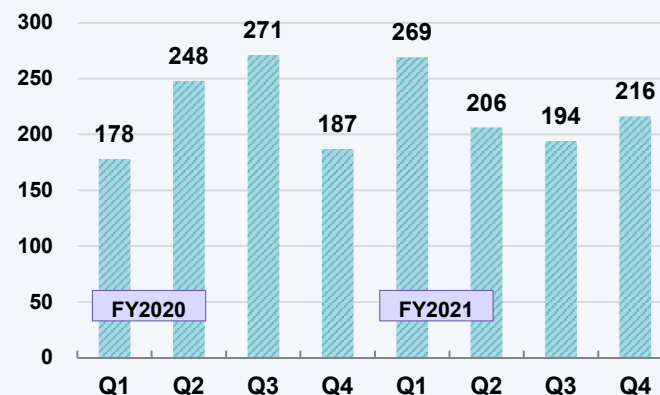
Net sales

Unit: million yen



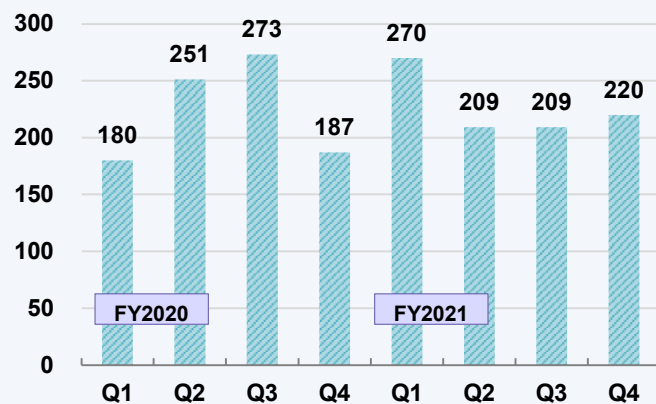
Operating profit

Unit: million yen



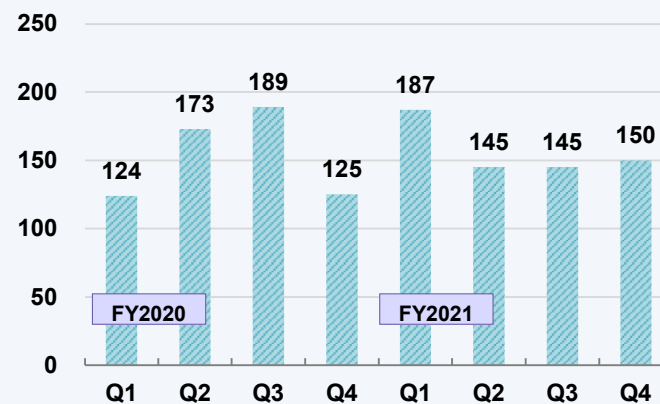
Ordinary profit

Unit: million yen



Profit

Unit: million yen



Quarterly (accounting period) financial results, numerical data

FY2021

	Q1				Q2				Q3				Q4			
	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)
Net sales	1,874	100.0	15.8	26.1	1,779	100.0	0.9	24.8	1,740	100.0	(2.8)	24.3	1,779	100.0	(2.7)	24.8
Cost of sales	1,147	61.2	14.1	25.8	1,099	61.8	1.9	24.7	1,060	60.9	(7.7)	23.9	1,136	63.8	(7.6)	25.6
Gross profit	727	38.8	18.7	26.6	680	38.2	(0.7)	24.9	680	39.1	5.9	24.9	643	36.2	7.3	23.6
SG&A expenses	458	24.5	5.6	24.9	474	26.6	8.6	25.7	485	27.9	30.9	26.3	426	24.0	3.4	23.1
Operating profit	269	14.4	50.5	30.4	206	11.6	(17.0)	23.3	194	11.2	(28.3)	21.9	216	12.2	15.8	24.4
Ordinary profit	270	14.4	49.9	29.7	209	11.8	(16.7)	23.1	209	12.0	(23.4)	23.0	220	12.4	17.4	24.2
Profit	187	10.0	50.3	29.8	145	8.2	(16.5)	23.1	145	8.3	(23.3)	23.1	150	8.5	20.2	24.0

*(1) Quarterly composition of full-year financial results

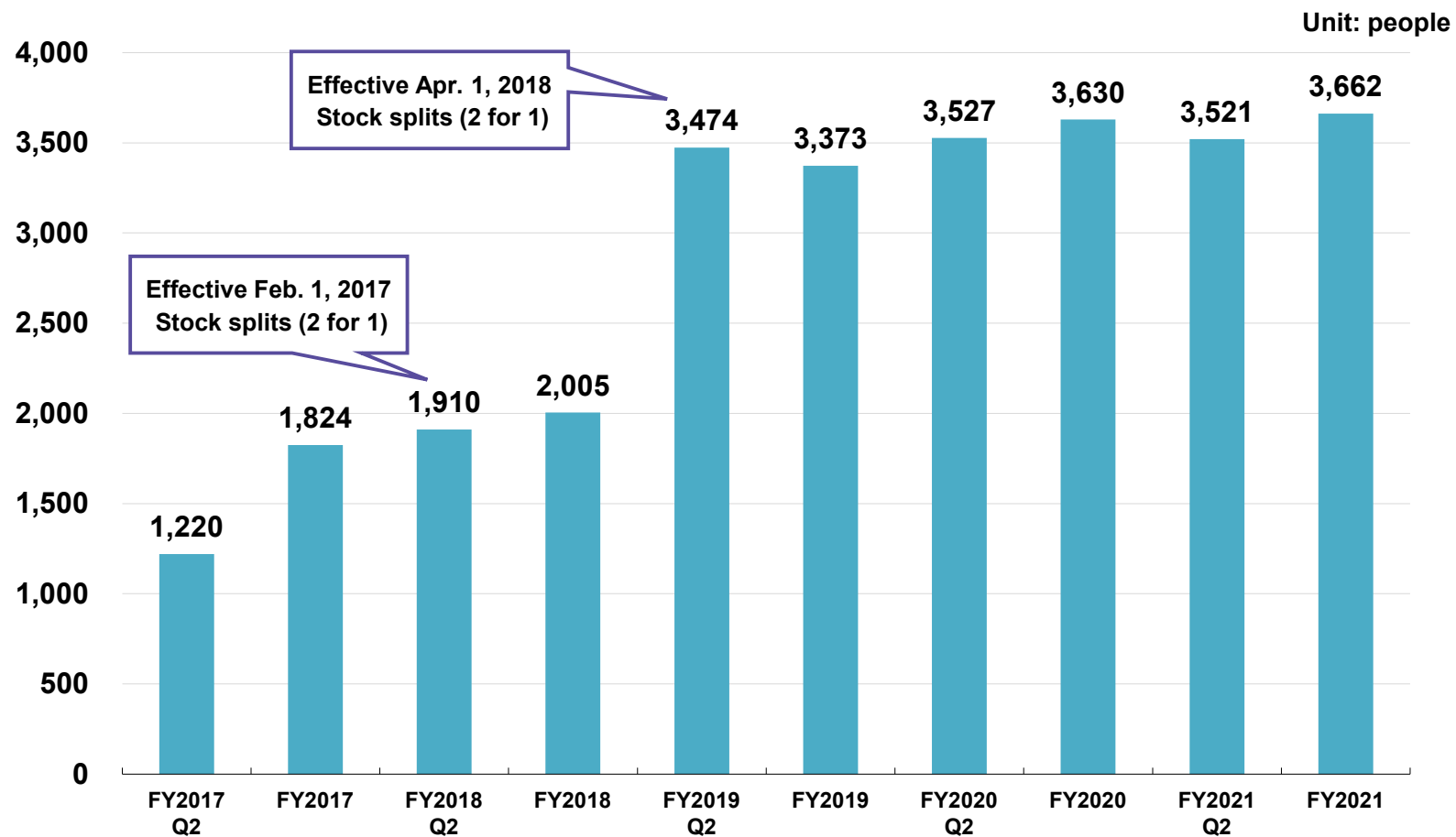
FY2020

	Q1				Q2				Q3				Q4			
	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)
Net sales	1,618	100.0	7.9	23.1	1,764	100.0	11.3	25.2	1,790	100.0	9.3	25.6	1,828	100.0	13.7	26.1
Cost of sales	1,005	62.1	8.8	22.5	1,078	61.2	9.8	24.2	1,148	64.1	6.6	25.7	1,229	67.2	17.1	27.5
Gross profit	613	37.9	6.6	24.1	685	38.8	13.7	27.0	642	35.9	14.3	25.3	599	32.8	7.3	23.6
SG&A expenses	434	26.8	17.4	26.2	436	24.7	5.6	26.4	371	20.7	5.5	22.4	412	22.6	9.1	24.9
Operating profit	178	11.1	(12.9)	20.2	248	14.1	31.4	28.1	271	15.1	29.0	30.6	187	10.2	3.7	21.1
Ordinary profit	180	11.2	(12.8)	20.2	251	14.3	29.6	28.2	273	15.3	29.2	30.6	187	10.3	3.7	21.0
Profit	124	7.7	(12.5)	20.3	173	9.9	30.4	28.3	189	10.6	30.3	30.9	125	6.9	4.8	20.5

*(2) Quarterly composition of full-year financial results

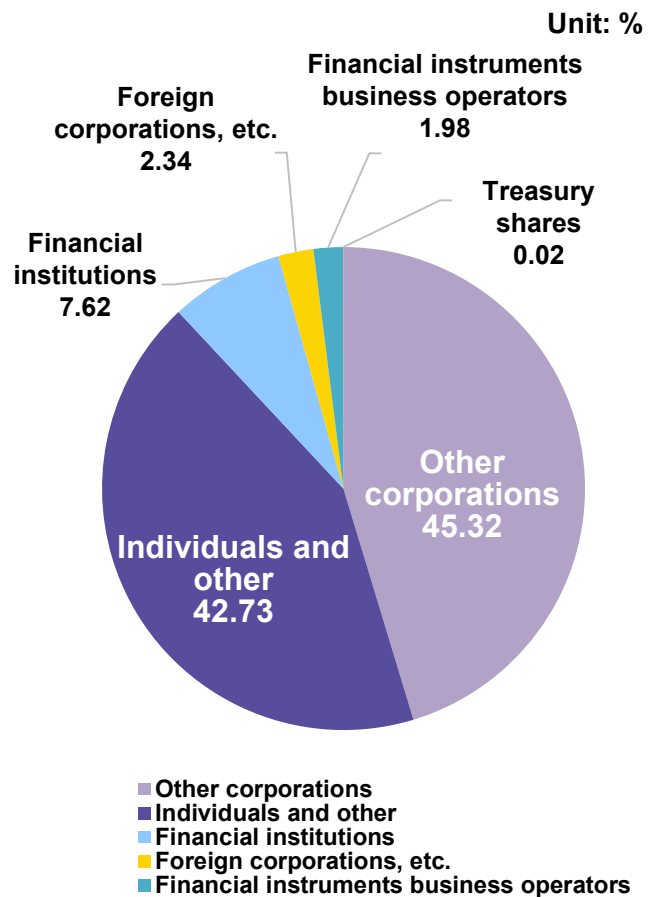
<https://www.artner.co.jp/>

Term-end shareholder numbers

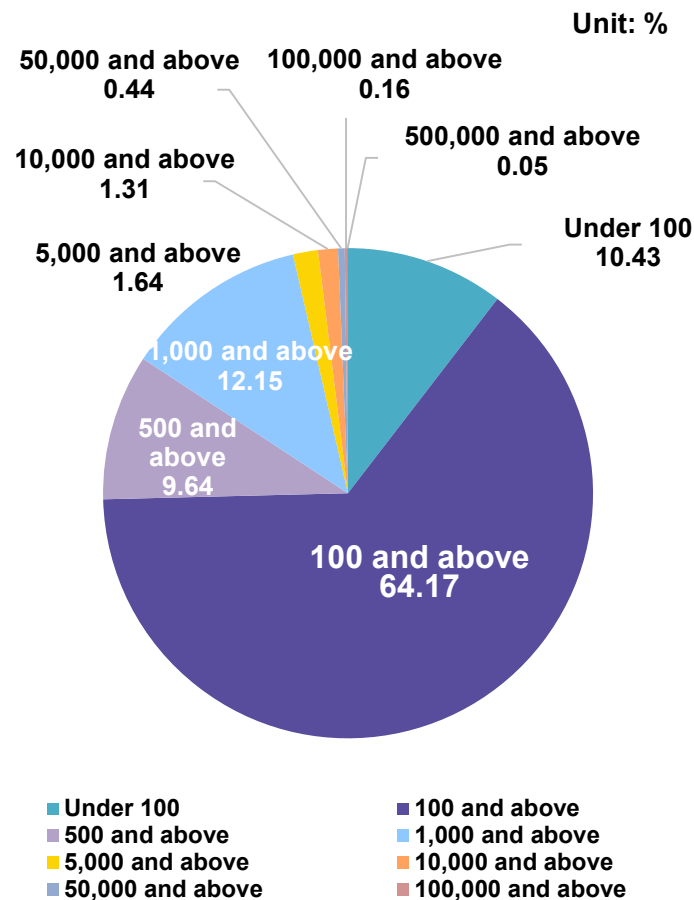


Data by owner category (As of January 31, 2021)

Share Distribution by Owner Category

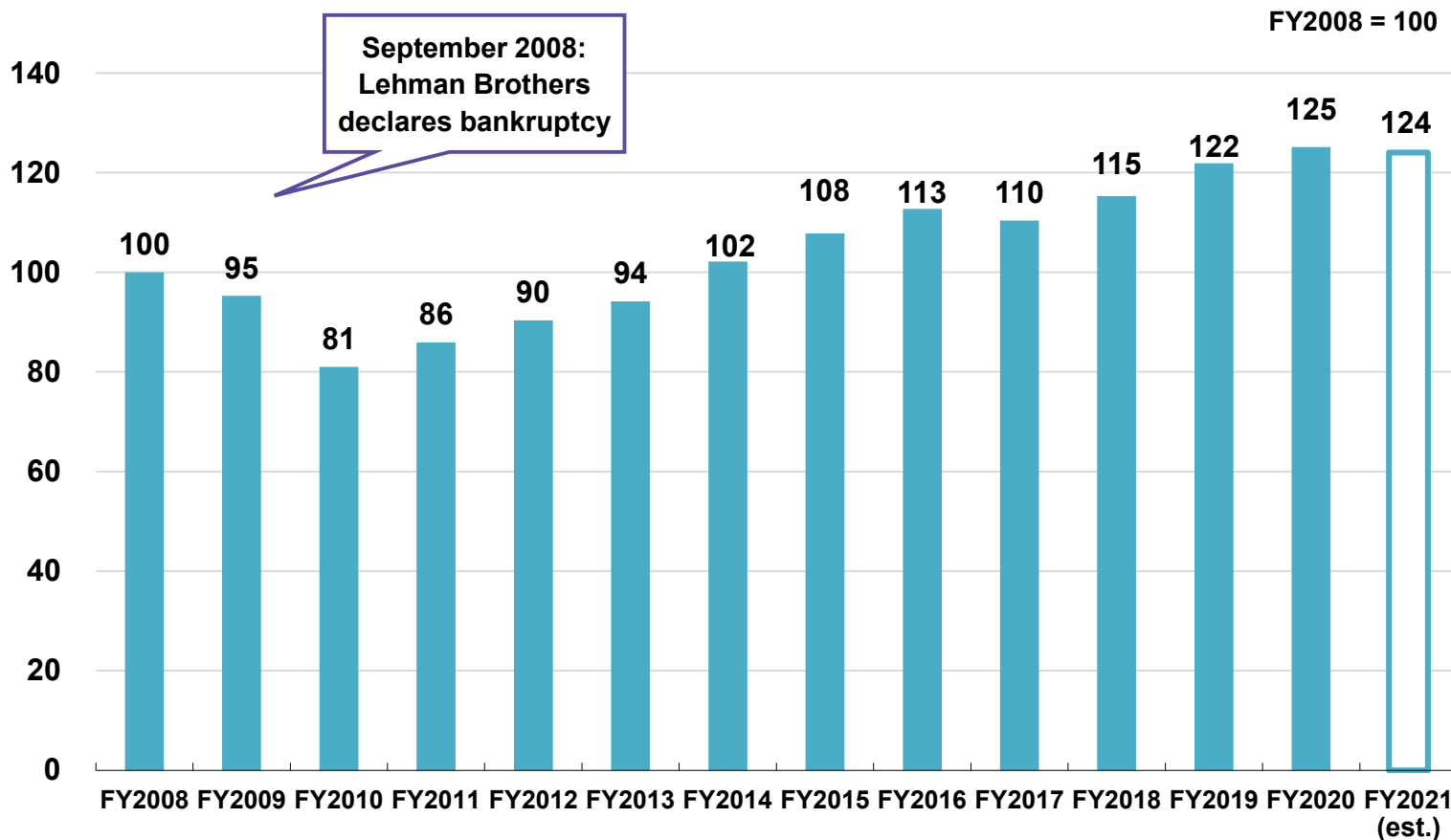


Shareholder Distribution by Number of Shares Held



Our clients' R&D costs

■ The R&D costs of our client manufacturers have remained steady



*Calculations were made by using the data of FY2008 as 100 (baseline).

*The costs of our listed clients whose fiscal year ends on March 31 were totaled.

Company Information

Name	Artner Co., Ltd.
Founded	September 18, 1962
Representative	President and CEO SEKIGUCHI Sozo
Share listing	First Section of the Tokyo Stock Exchange (Securities code: 2163)
General Meeting of Shareholders	Held in Osaka
Capital	238,284,320 yen (As of January 31, 2021)
Headquarters	Tokyo, Osaka
Business bases	Yokohama, Utsunomiya, Osaka, Nagoya
Learning centers	East Japan, West Japan
Business fields	1) Machinery 2) Electronics 3) Software <small>Basic research, design, and development in the fields on the left, as well as tasks relating to them</small>
Number of employees	1,079 (As of January 31, 2021)
License number	Worker Dispatching Business (派27-020513) Paid Employment Agency Business (27-工-020355)

Handling of this document

This document is intended to provide information to help you deepen your understanding of the Company, and is not intended to solicit investment in securities issued by the Company.

Although this document has been created carefully to ensure its accuracy, its completeness is not guaranteed.

The Company shall not be held liable for any failure or damage caused by the use of forecast data or information contained in this document.

(Forward-looking statements)

The opinions, forecasts, and other information contained in this document are based on our assessment at the time this document was prepared, and they may include potential risks and uncertainties.

Therefore, actual results may differ from the forward-looking statements in this document due to various factors, such as changes in the business environment.

(Processing of numbers)

As the amounts in the text and figures of this document are rounded down to the nearest unit, the total of breakdowns may not coincide with the official total numbers. In addition, as ratios (%) are rounded to the first decimal place, the total of their breakdown may not add up to 100.0%.