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June 8, 2022

Summary of Non-consolidated Financial Results for the Three Months Ended April 30, 2022 (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 to file quarterly securities report: June 10, 2022
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for individual investors)

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

1. Non-consolidated financial results for the three months ended April 30, 2022 (from February 1, 2022 to April 30, 2022)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
April 30, 2022	2,232	11.4	378	16.0	379	15.0	263	15.1
April 30, 2021	2,003	6.9	326	21.1	329	21.8	228	22.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
April 30, 2022	24.78		—	
April 30, 2021	21.53		—	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of						
April 30, 2022	5,366		3,627		67.6	
January 31, 2022	5,088		3,582		70.4	

Reference: Equity As of April 30, 2022: ¥ 3,627 million
 As of January 31, 2022: ¥ 3,582 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen				
Fiscal year ended January 31, 2022	—	14.00	—	20.50	34.50
Fiscal year ending January 31, 2023	—				
Fiscal year ending January 31, 2023 (Forecast)		19.00	—	19.00	38.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of non-consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

(Percentages indicate year-on-year changes.)

	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	8,798	8.6	1,147	13.6	1,150	11.4	797	9.4	75.01

Note: Revisions to the forecast of non-consolidated financial results most recently announced: None

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

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
 (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: Yes
 (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 April 30, 2022	10,627,920 shares
As of January 31, 2022	10,627,920 shares

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

As of April 30, 2022	2,376 shares
As of January 31, 2022	2,376 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended April 30, 2022	10,625,544 shares
Three months ended April 30, 2021	10,625,544 shares

* Quarterly financial results reports are exempt from quarterly review 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.

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2022	As of April 30, 2022
Assets		
Current assets		
Cash and deposits	3,554,199	3,585,365
Notes and accounts receivable - trade	1,011,154	1,158,122
Work in process	950	4,707
Raw materials and supplies	3,637	3,740
Other	51,712	75,835
Allowance for doubtful accounts	△6,000	△6,900
Total current assets	4,615,653	4,820,870
Non-current assets		
Property, plant and equipment	82,431	82,248
Intangible assets	37,143	37,436
Investments and other assets		
Leasehold and guarantee deposits	84,959	94,726
Other	268,796	331,039
Total investments and other assets	353,755	425,765
Total non-current assets	473,330	545,450
Total assets	5,088,983	5,366,321
Liabilities		
Current liabilities		
Income taxes payable	232,197	189,008
Provision for bonuses	141,450	311,507
Other	553,556	632,567
Total current liabilities	927,204	1,133,083
Non-current liabilities		
Provision for retirement benefits	579,533	605,683
Total non-current liabilities	579,533	605,683
Total liabilities	1,506,737	1,738,766
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus	168,323	168,323
Retained earnings	3,171,444	3,216,930
Treasury shares	△739	△739
Total shareholders' equity	3,577,312	3,622,798
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,933	4,756
Total valuation and translation adjustments	4,933	4,756
Total net assets	3,582,246	3,627,554
Total liabilities and net assets	5,088,983	5,366,321

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended April 30, 2021	Three months ended April 30, 2022
Net sales	2,003,655	2,232,489
Cost of sales	1,197,218	1,387,242
Gross profit	806,437	845,247
Selling, general and administrative expenses	480,352	467,134
Operating profit	326,084	378,112
Non-operating income		
Interest income	0	0
Dividend income	47	55
Commission income	154	145
Sales income of training materials	550	486
Subsidy income	2,108	—
Gain on forfeiture of unclaimed dividends	689	633
Other	274	131
Total non-operating income	3,826	1,452
Non-operating expenses		
Interest expenses	—	130
Other	404	353
Total non-operating expenses	404	484
Ordinary profit	329,507	379,081
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Total extraordinary losses	0	—
Profit before income taxes	329,507	379,081
Income taxes - current	160,579	178,334
Income taxes - deferred	△59,792	△62,562
Total income taxes	100,786	115,772
Profit	228,720	263,308

Non-consolidated statements of cash flows

(Thousands of yen)

	Three months ended April 30, 2021	Three months ended April 30, 2022
Cash flows from operating activities		
Profit before income taxes	329,507	379,081
Depreciation	6,871	6,197
Increase (decrease) in allowance for doubtful accounts	800	900
Increase (decrease) in provision for bonuses	153,654	170,057
Increase (decrease) in provision for retirement benefits	21,682	26,150
Interest and dividend income	△48	△55
Interest expenses	—	130
Decrease (increase) in accounts receivable - other	△3,459	463
Decrease (increase) in trade receivables	△124,324	△146,968
Decrease (increase) in inventories	△2,083	△3,860
Increase (decrease) in accrued consumption taxes	△3,099	△2,889
Increase (decrease) in accounts payable - other	△66,033	△67,173
Other, net	△30,324	103,541
Subtotal	283,141	465,574
Interest and dividends received	48	55
Interest paid	—	△130
Income taxes paid	△167,599	△215,553
Net cash provided by (used in) operating activities	115,590	249,945
Cash flows from investing activities		
Purchase of property, plant and equipment	△3,909	△1,863
Purchase of intangible assets	△3,566	△4,444
Payments of leasehold and guarantee deposits	△64	△9,826
Proceeds from refund of leasehold and guarantee deposits	—	60
Other, net	△6	△6
Net cash provided by (used in) investing activities	△7,546	△16,080
Cash flows from financing activities		
Dividends paid	△113,319	△202,699
Net cash provided by (used in) financing activities	△113,319	△202,699
Net increase (decrease) in cash and cash equivalents	△5,276	31,165
Cash and cash equivalents at beginning of period	3,019,657	3,554,199
Cash and cash equivalents at end of period	3,014,381	3,585,365