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December 8, 2022

Summary of Non-consolidated Financial Results for the Nine Months Ended October 31, 2022 (Under Japanese GAAP)

Company name: Artner Co., Ltd. Listing: Tokyo Stock Exchange

Securities code:

Nine months ended

October 31, 2022

October 31, 2021

URL: https://www.artner.co.jp/

Representative: SEKIGUCHI Sozo, President and CEO

Inquiries: HARIGAE Tomonori, Director; Head of the Management Division

Telephone: +81-6-6445-7551

Scheduled date to file quarterly securities report: December 12, 2022

%

14.9

11.2

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.)

21.9

841

1. Non-consolidated financial results for the nine months ended October 31, 2022 (from February 1, 2022 to October 31, 2022)

Millions of yen

Operating profit

933

824

%

13.2

23.0

(1) Non-consolidated operating results (cumulative) Net sales

6,891

5,996

Millions of yen

Profit Ordinary profit % Millions of yen % Millions of yen 942 653 12.0 8.7

(Percentages indicate year-on-year changes.)

601

25.8

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
October 31, 2022	61.48	_
October 31, 2021	56.56	_

(2) Non-consolidated financial position

١	2) I ton consondated in	nanciai position		
		Total assets	Net assets	Equity ratio
	As of	Millions of yen	Millions of yen	%
	October 31, 2022	5,563	3,805	68.4
	January 31, 2022	5,088	3,582	70.4

Reference: As of October 31, 2022: ¥ 3,805 million Equity 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	Yen	Yen	Yen	Yen	
Fiscal year ended January 31, 2022	_	14.00	_	20.50	34.50	
Fiscal year ending January 31, 2023	_	20.00	_			
Fiscal year ending January 31, 2023 (Forecast)				19.00	39.00	

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.)

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	Net sale	S	Operating p	rofit	Ordinary p	rofit	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

* 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)

(1)	Total number of issued shares at the end of the period (including t	reasury snares)	
	As of October 31, 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 October 31, 2022		2,376 shares
	As of January 31, 2022		2,376 shares
(iii)	Average number of shares outstanding during the period (cumulat	ive from the beginning of the fiscal year)	
	Nine months ended October 31, 2022		10,625,544 shares
	Nine months ended October 31, 2021		10,625,544 shares

^{*} Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

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.

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

Quarterly non-consolidated financial statements Non-consolidated balance sheets

(Thousands of yen)

Notes and accounts receivable - trade 1,011,154 1,27		As of January 31, 2022	As of October 31, 2022
Cash and deposits 3,554,199 3,66 Notes and accounts receivable - trade 1,011,154 1,27 Work in process 950 950 Raw materials and supplies 3,637 3 Other 51,712 4 Allowance for doubtful accounts ∆6,000 ∆ Total current assets 4,615,653 4,98 Non-current assets 37,143 3 Intangible assets 37,143 3 Intangible assets 37,143 3 Leaschold and guarantee deposits 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total non-current assets 473,330 58 Total sasets 5,088,983 5,56 Liabilities 232,197 22 Current liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 579,533 65	Assets		
Notes and accounts receivable - trade 1,011,154 1,27 Work in process 950 Raw materials and supplies 3,637 Other 51,712 4 Allowance for doubtful accounts △6,000 △ Total current assets 4,615,653 4,98 Non-current assets 82,431 8 Property, plant and equipment 82,431 3 Intangible assets 37,143 3 Investments and other assets 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total non-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total liabilities 579,533 65 Total liabilities	Current assets		
Work in process 950 Raw materials and supplies 3,637 Other 51,712 4 Allowance for doubtful accounts Δ6,000 Δ Total current assets 4,615,653 4,98 Non-current assets *** Property, plant and equipment 82,431 8 Intangible assets 37,143 3 Investments and other assets *** 4,615,653 4,98 Investments and other assets 37,143 3 3 Investments and other assets 268,796 37 7 46 568,796 37 46 7 7 7 7 7 7 7 7 14 investments and other assets 353,755 46 46 473,330 58 46 7 7 7 7 7 7 7 7 7 14 330 58 46 7 7 7 7 14 40 32 1,20 1 7 1,20 1,20 <td< td=""><td>Cash and deposits</td><td>3,554,199</td><td>3,665,086</td></td<>	Cash and deposits	3,554,199	3,665,086
Raw materials and supplies 3,637 Other 51,712 4 Allowance for doubtful accounts ∆6,000 ∆ Total current assets 4,615,653 4,98 Non-current assets − − Property, plant and equipment 82,431 8 Intangible assets 37,143 3 Investments and other assets − − Leasehold and guarantee deposits 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total sests 5,088,983 5,56 Liabilities − − Current liabilities − − Income taxes payable 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total inon-current liabilities 579,533 65 Total liabilities	Notes and accounts receivable - trade	1,011,154	1,271,704
Other 51,712 4 Allowance for doubtful accounts ∆6,000 ∆ Total current assets 4,615,653 4,98 Non-current assets 8 Property, plant and equipment 82,431 8 Intangible assets 37,143 3 Investments and other assets 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total on-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities 232,197 22 Current liabilities 232,197 22 Provision for bonuses 141,450 37 Other 53,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total labilities 579,533 65 Total non-current liabilities 579,533 65 Total sk	Work in process	950	5,835
Allowance for doubtful accounts Δ6,000 Δ Total current assets 4,615,653 4,988 Non-current assets 82,431 8 Property, plant and equipment 82,431 3 Intangible assets 37,143 3 Investments and other assets 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total non-current assets 5,088,983 5,56 Liabilities 232,197 22 Current liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 <td>Raw materials and supplies</td> <td>3,637</td> <td>3,443</td>	Raw materials and supplies	3,637	3,443
Total current assets	Other	51,712	41,743
Non-current assets 82,431 8 Property, plant and equipment 82,431 3 Intangible assets 37,143 3 Investments and other assets 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total non-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ	Allowance for doubtful accounts	△6,000	△7,600
Property, plant and equipment 82,431 8 Intangible assets 37,143 3 Investments and other assets 84,959 9 Other 268,796 37 Total investments and other assets 353,755 46 Total non-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total iabilities 579,533 65 Total sasets 579,533 65 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares A739 2 <td< td=""><td>Total current assets</td><td>4,615,653</td><td>4,980,214</td></td<>	Total current assets	4,615,653	4,980,214
Intangible assets 37,143 3 3 1 1 1 1 1 1 1	Non-current assets		
Investments and other assets Easehold and guarantee deposits 84,959 99 99 99 99 99 99 99	Property, plant and equipment	82,431	82,765
Leasehold and guarantee deposits 84,959 9.90 Other 268,796 37.37 Total investments and other assets 353,755 46.35 Total non-current assets 473,330 58.35 Total assets 5,088,983 5,56.35 Liabilities 232,197 22.32 Provision for bonuses 141,450 37.37 Other 553,556 49.37 Total current liabilities 927,204 1,09.37 Non-current liabilities 579,533 65.37 Total non-current liabilities 579,533 65.35 Total liabilities 579,533 65.35 Total liabilities 579,533 65.35 Total liabilities 1,506,737 1,75 Net assets Share capital 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2.2 Total shareholders' equity <t< td=""><td>Intangible assets</td><td>37,143</td><td>31,640</td></t<>	Intangible assets	37,143	31,640
Other 268,796 37. Total investments and other assets 353,755 46. Total non-current assets 473,330 58. Total assets 5,088,983 5,56. Liabilities Current liabilities Income taxes payable 232,197 22 Provision for bonuses 141,450 37. Other 553,556 49. Total current liabilities 927,204 1,09. Non-current liabilities 579,533 65. Total non-current liabilities 579,533 65. Total liabilities 579,533 65. Total liabilities 579,533 65. Total liabilities 579,533 65. Shareholders' equity 579,533 65. Share capital 238,284 23. Capital surplus 168,323 16. Retained earnings 3,171,444 3,39. Treasury shares \(\triangle \) \(\triang	Investments and other assets		
Total investments and other assets 353,755 46 Total non-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities Current liabilities Income taxes payable 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 7 Total shareholders' equity 3,577,312 3,80	Leasehold and guarantee deposits	84,959	94,935
Total non-current assets 473,330 58 Total assets 5,088,983 5,56 Liabilities Current liabilities Income taxes payable 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 7 Total shareholders' equity 3,577,312 3,80	Other	268,796	373,832
Total assets 5,088,983 5,56 Liabilities Current liabilities Income taxes payable 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 7 Total shareholders' equity 3,577,312 3,80	Total investments and other assets	353,755	468,767
Liabilities Current liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 70 1,09 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 7 Total shareholders' equity 3,577,312 3,80	Total non-current assets	473,330	583,172
Current liabilities 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 7 Total shareholders' equity 3,577,312 3,80	Total assets	5,088,983	5,563,387
Income taxes payable 232,197 22 Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 Δ739 Total shareholders' equity 3,577,312 3,80	Liabilities		
Provision for bonuses 141,450 37 Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2 Total shareholders' equity 3,577,312 3,80	Current liabilities		
Other 553,556 49 Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2 Total shareholders' equity 3,577,312 3,80	Income taxes payable	232,197	221,649
Total current liabilities 927,204 1,09 Non-current liabilities 579,533 65 Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2 Total shareholders' equity 3,577,312 3,80	Provision for bonuses	141,450	378,473
Non-current liabilities Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2 Total shareholders' equity 3,577,312 3,80	Other	553,556	499,554
Provision for retirement benefits 579,533 65 Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 Δ739 Total shareholders' equity 3,577,312 3,80	Total current liabilities	927,204	1,099,676
Total non-current liabilities 579,533 65 Total liabilities 1,506,737 1,75 Net assets Shareholders' equity 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 √739 Total shareholders' equity 3,577,312 3,80	Non-current liabilities		
Total liabilities 1,506,737 1,75 Net assets Shareholders' equity Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares Δ739 2 Total shareholders' equity 3,577,312 3,80	Provision for retirement benefits	579,533	657,983
Net assets Shareholders' equity Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 2 Total shareholders' equity 3,577,312 3,80	Total non-current liabilities	579,533	657,983
Net assets Shareholders' equity Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 √739 Total shareholders' equity 3,577,312 3,80	Total liabilities	1,506,737	1,757,660
Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 √739 Total shareholders' equity 3,577,312 3,80	Net assets		
Share capital 238,284 23 Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 √739 Total shareholders' equity 3,577,312 3,80	Shareholders' equity		
Capital surplus 168,323 16 Retained earnings 3,171,444 3,39 Treasury shares △739 2 Total shareholders' equity 3,577,312 3,80		238,284	238,284
Retained earnings $3,171,444$ $3,394$ Treasury shares $\triangle 739$ Total shareholders' equity $3,577,312$ $3,804$	•		168,323
Treasury shares $\triangle 739$ Total shareholders' equity $3,577,312$ $3,800$		3,171,444	3,394,372
			△739
• • • • • • • • • • • • • • • • • • • •	Total shareholders' equity	3,577,312	3,800,240
Valuation and translation adjustments			, ,
Valuation difference on available-for-sale	-		
securities 4,933		4,933	5,486
		4.933	5,486
			3,805,726
			5,563,387

Non-consolidated statements of income (cumulative)

(Thousands of yen)

		(Inousands of yen)
	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Net sales	5,996,665	6,891,658
Cost of sales	3,822,373	4,556,951
Gross profit	2,174,292	2,334,706
Selling, general and administrative expenses	1,350,111	1,401,513
Operating profit	824,181	933,193
Non-operating income		
Interest income	1	1
Dividend income	236	231
Commission income	450	432
Sales income of training materials	609	568
Dividend income of insurance	6,048	6,870
Subsidy income	10,022	594
Other	1,727	1,431
Total non-operating income	19,095	10,130
Non-operating expenses		
Interest expenses	98	130
Cancellation penalty	1,596	1,177
Other	227	0
Total non-operating expenses	1,922	1,308
Ordinary profit	841,354	942,014
Extraordinary income		
Gain on sale of non-current assets	25,523	_
Total extraordinary income	25,523	_
Extraordinary losses		
Loss on retirement of non-current assets	78	0
Total extraordinary losses	78	0
Profit before income taxes	866,798	942,014
Income taxes - current	343,622	393,657
Income taxes - deferred	△77,848	△104,905
Total income taxes	265,773	288,752
Profit	601,025	653,262
		,

		(Inousands of yer
	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	866,798	942,014
Depreciation	21,340	19,311
Increase (decrease) in allowance for doubtful accounts	1,200	1,600
Increase (decrease) in provision for bonuses	169,803	237,023
Increase (decrease) in provision for retirement benefits	53,807	78,450
Interest and dividend income	△237	△232
Interest expenses	98	130
Gain on sale of non-current assets	△25,523	_
Decrease (increase) in accounts receivable - other	△379	1,102
Decrease (increase) in trade receivables	△191,760	△260,55
Decrease (increase) in inventories	△2,543	△4,69
Increase (decrease) in accrued consumption taxes	△12,050	△9,93
Increase (decrease) in accounts payable - other	△26,085	△141,15
Other, net	53,465	94,78
Subtotal	907,934	957,84
Interest and dividends received	237	23.
Interest paid	△98	△13
Income taxes paid	△320,814	△399,94
Net cash provided by (used in) operating activities	587,259	558,00
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,015	△7,04
Proceeds from sale of property, plant and equipment	43,779	-
Purchase of intangible assets	△3,566	△7,09
Payments of leasehold and guarantee deposits	△64	△10,15
Proceeds from refund of leasehold and guarantee	122	17
deposits	133	17
Other, net	△19	Δ1
Net cash provided by (used in) investing activities	36,248	Δ24,13
Cash flows from financing activities		
Dividends paid	△265,792	△422,979
Net cash provided by (used in) financing activities	△265,792	△422,97
Net increase (decrease) in cash and cash equivalents	357,715	110,88
Cash and cash equivalents at beginning of period	3,019,657	3,554,19
Cash and cash equivalents at end of period	3,377,373	3,665,086