

Summary of Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2023 (Under Japanese GAAP)

Company name: Artner Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2163
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 Scheduled date of annual general meeting of shareholders: April 27, 2023
 Scheduled date to commence dividend payments: April 28, 2023
 Scheduled date to file annual securities report: April 27, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts; for individual investors)

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

1. Non-consolidated financial results for the fiscal year ended January 31, 2023 (from February 1, 2022 to January 31, 2023)

(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, 2023	9,242	14.1	1,194	18.2	1,203	16.5	895	22.8
January 31, 2022	8,102	12.9	1,010	13.9	1,032	13.4	728	15.9

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
	Yen	Yen	%	%	%
January 31, 2023	84.24	—	23.5	22.4	12.9
January 31, 2022	68.59	—	21.7	21.7	12.5

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

For the fiscal year ended January 31, 2023: ¥ — million

For the fiscal year ended January 31, 2022: ¥ — million

(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, 2023	5,673	4,047	71.4	380.96
January 31, 2022	5,088	3,582	70.4	337.14

Reference: Equity As of January 31, 2023: ¥ 4,047 million

As of January 31, 2022: ¥ 3,582 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, 2023	872	△24	△426	3,975
January 31, 2022	770	33	△270	3,554

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, 2022	—	14.00	—	20.50	34.50	366	50.3	10.9
Fiscal year ended January 31, 2023	—	20.00	—	40.00	60.00	637	71.2	16.7
Fiscal year ending January 31, 2024 (Forecast)	—	32.00	—	32.00	64.00		73.9	

Notes: Breakdown of year-end dividends for the fiscal year ended January 31, 2023

Ordinary dividends: ¥ 23.00

Commemorative dividends: ¥ 17.00

3. Forecast of non-consolidated financial results for the year ending January 31, 2024 (from February 1, 2023 to January 31, 2024)

	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	9,797	6.0	1,325	11.0	1,328	10.4	920	2.8	86.65

*** Notes**

- (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: Yes
 - (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, 2023	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 January 31, 2023	2,376 shares
As of January 31, 2022	2,376 shares

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

Fiscal year ended January 31, 2023	10,625,544 shares
Fiscal year ended January 31, 2022	10,625,544 shares

* 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, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and deposits	3,554,199	3,975,881
Accounts receivable - trade	1,011,154	1,129,522
Work in process	950	4,099
Raw materials and supplies	3,637	3,689
Prepaid expenses	31,293	30,788
Accounts receivable - other	1,336	365
Other	19,081	23,610
Allowance for doubtful accounts	△6,000	△6,700
Total current assets	4,615,653	5,161,256
Non-current assets		
Property, plant and equipment		
Buildings	108,238	109,981
Accumulated depreciation	△68,732	△72,934
Buildings, net	39,505	37,046
Structures	1,172	1,172
Accumulated depreciation	△1,172	△1,172
Structures, net	0	0
Tools, furniture and fixtures	47,567	51,188
Accumulated depreciation	△30,326	△33,494
Tools, furniture and fixtures, net	17,240	17,693
Land	25,685	25,685
Total property, plant and equipment	82,431	80,424
Intangible assets		
Software	35,489	25,715
Telephone subscription right	1,654	1,654
Total intangible assets	37,143	27,370
Investments and other assets		
Investment securities	8,805	10,099
Investments in capital	1,250	1,250
Long-term prepaid expenses	1,150	563
Deferred tax assets	256,431	296,162
Leasehold and guarantee deposits	84,959	94,876
Other	1,159	1,185
Total investments and other assets	353,755	404,137
Total non-current assets	473,330	511,932
Total assets	5,088,983	5,673,188

(Thousands of yen)

	As of January 31, 2022	As of January 31, 2023
Liabilities		
Current liabilities		
Accounts payable - other	255,536	279,675
Accrued expenses	74,585	82,074
Income taxes payable	232,197	179,813
Accrued consumption taxes	203,266	221,798
Deposits received	15,255	17,700
Unearned revenue	37	37
Provision for bonuses	141,450	165,195
Other	4,875	7,290
Total current liabilities	927,204	953,585
Non-current liabilities		
Provision for retirement benefits	579,533	671,645
Total non-current liabilities	579,533	671,645
Total liabilities	1,506,737	1,625,230
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus		
Legal capital surplus	168,323	168,323
Total capital surplus	168,323	168,323
Retained earnings		
Legal retained earnings	10,460	10,460
Other retained earnings		
General reserve	40,000	40,000
Retained earnings brought forward	3,120,984	3,585,798
Total retained earnings	3,171,444	3,636,258
Treasury shares	△739	△739
Total shareholders' equity	3,577,312	4,042,126
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,933	5,832
Total valuation and translation adjustments	4,933	5,832
Total net assets	3,582,246	4,047,958
Total liabilities and net assets	5,088,983	5,673,188

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Net sales	8,102,991	9,242,360
Cost of sales	5,302,936	6,168,503
Gross profit	2,800,055	3,073,856
Selling, general and administrative expenses	1,789,646	1,879,747
Operating profit	1,010,409	1,194,108
Non-operating income		
Interest income	1	1
Dividend income	281	284
Commission income	593	574
Sales income of training materials	625	593
Rental income from land and buildings	650	408
Dividend income of insurance	6,048	6,870
Subsidy income	14,794	594
Other	1,287	1,130
Total non-operating income	24,283	10,457
Non-operating expenses		
Interest expenses	98	130
Cancellation penalty	2,025	1,330
Other	227	49
Total non-operating expenses	2,351	1,511
Ordinary profit	1,032,341	1,203,054
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	1,057,786	1,203,054
Income taxes - current	368,774	348,034
Income taxes - deferred	△39,773	△40,127
Total income taxes	329,000	307,906
Profit	728,785	895,148

Non-consolidated statements of changes in equity
Fiscal year ended January 31, 2022

(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	2,663,150	2,713,610
Changes during period							
Dividends of surplus						△270,951	△270,951
Profit						728,785	728,785
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	457,834	457,834
Balance at end of period	238,284	168,323	168,323	10,460	40,000	3,120,984	3,171,444

	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	△739	3,119,478	3,704	3,704	3,123,182
Changes during period					
Dividends of surplus		△270,951			△270,951
Profit		728,785			728,785
Net changes in items other than shareholders' equity			1,229	1,229	1,229
Total changes during period	—	457,834	1,229	1,229	459,063
Balance at end of period	△739	3,577,312	4,933	4,933	3,582,246

Fiscal year ended January 31, 2023

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			Total retained earnings
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		
				General reserve	Retained earnings brought forward		
Balance at beginning of period	238,284	168,323	168,323	10,460	40,000	3,120,984	3,171,444
Changes during period							
Dividends of surplus						△430,334	△430,334
Profit						895,148	895,148
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	464,813	464,813
Balance at end of period	238,284	168,323	168,323	10,460	40,000	3,585,798	3,636,258

	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	△739	3,577,312	4,933	4,933	3,582,246
Changes during period					
Dividends of surplus		△430,334			△430,334
Profit		895,148			895,148
Net changes in items other than shareholders' equity			898	898	898
Total changes during period	—	464,813	898	898	465,711
Balance at end of period	△739	4,042,126	5,832	5,832	4,047,958

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2022	Fiscal year ended January 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,057,786	1,203,054
Depreciation	28,675	25,922
Increase (decrease) in allowance for doubtful accounts	700	700
Increase (decrease) in provision for bonuses	24,663	23,745
Increase (decrease) in provision for retirement benefits	75,490	92,111
Interest and dividend income	△282	△285
Interest expenses	98	130
Gain on sale of non-current assets	△25,523	—
Loss on retirement of non-current assets	78	0
Decrease (increase) in accounts receivable – other	△76	970
Decrease (increase) in trade receivables	△115,227	△118,368
Decrease (increase) in inventories	787	△3,200
Increase (decrease) in accrued consumption taxes	19,695	18,531
Increase (decrease) in accounts payable – other	90,675	24,139
Other, net	△65,967	4,945
Subtotal	1,091,572	1,272,396
Interest and dividends received	282	285
Interest paid	△98	△130
Income taxes paid	△320,821	△399,953
Net cash provided by (used in) operating activities	770,935	872,598
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,015	△7,042
Proceeds from sale of property, plant and equipment	43,779	—
Purchase of intangible assets	△6,248	△7,099
Payments of leasehold and guarantee deposits	△144	△10,154
Proceeds from refund of leasehold and guarantee deposits	298	238
Other, net	△26	△26
Net cash provided by (used in) investing activities	33,643	△24,085
Cash flows from financing activities		
Dividends paid	△270,037	△426,831
Net cash provided by (used in) financing activities	△270,037	△426,831
Net increase (decrease) in cash and cash equivalents	534,541	421,681
Cash and cash equivalents at beginning of period	3,019,657	3,554,199
Cash and cash equivalents at end of period	3,554,199	3,975,881