

## Part I Company Information

### I. Overview of the Company

#### 1 Key Financial Data

##### State of the Reporting Company

Fiscal Year		FY2020	FY2021	FY2022	FY2023	FY2024
Year end		January 2020	January 2021	January 2022	January 2023	January 2024
Net sales	(thousands of yen)	7,002,175	7,174,725	8,102,991	9,242,360	10,110,524
Ordinary profit	(thousands of yen)	893,656	910,457	1,032,341	1,203,054	1,532,616
Profit	(thousands of yen)	613,377	628,561	728,785	895,148	1,051,817
Share of profit of entities accounted for using equity method	(thousands of yen)	—	—	—	—	—
Capital	(thousands of yen)	238,284	238,284	238,284	238,284	238,284
Total number of shares issued	(shares)	10,627,920	10,627,920	10,627,920	10,627,920	10,627,920
Net assets	(thousands of yen)	2,728,380	3,123,182	3,582,246	4,047,958	4,271,153
Total assets	(thousands of yen)	3,801,139	4,432,313	5,088,983	5,673,188	6,114,087
Net assets per share	(yen)	256.77	293.93	337.14	380.96	401.97
Dividend amount per share	(yen)	20.50	23.00	34.50	60.00	75.00
(Interim dividend per share included therein)	(yen)	10.00	11.50	14.00	20.00	37.50
Earnings per share	(yen)	57.73	59.16	68.59	84.24	98.99
Diluted earnings per share	(yen)	—	—	—	—	—
Equity ratio	(%)	71.8	70.5	70.4	71.4	69.9
Return on equity	(%)	24.2	21.5	21.7	23.5	25.3
Price Earnings Ratio	(times)	14.3	14.6	12.7	11.8	22.3
Payout ratio	(%)	35.5	38.9	50.3	71.2	75.8
Net cash provided by (used in) operating activities	(thousands of yen)	591,153	899,285	770,935	872,598	1,126,248
Net cash provided by (used in) investing activities	(thousands of yen)	(42,723)	(30,979)	33,643	(24,085)	(5,975)
Net cash provided by (used in) financing activities	(thousands of yen)	(215,920)	(232,089)	(270,037)	(426,831)	(818,544)
Cash and cash equivalents at end of period	(thousands of yen)	2,383,441	3,019,657	3,554,199	3,975,881	4,277,610
Number of employees	(people)	1,002	1,079	1,180	1,276	1,321
Total Shareholder Return	(%)	91.8	98.3	102.7	123.1	262.9
(Comparison index: TOPIX total return index)	(%)	110.2	121.2	129.7	138.8	183.9
Highest stock price	(yen)	1,075	1,116	939	1,084	2,441
Lowest stock price	(yen)	665	490	773	814	989

- Notes: 1. Since we do not create consolidated financial statements, key financial data pertaining to the consolidated fiscal year are not included.
2. Shares of profit of entities accounted for using equity method are not shown because we do not have an affiliate.
3. Diluted earnings per share are not shown because we have no dilutive shares.
4. The highest and lowest stock prices refer to those that were quoted in the Prime Market of the Tokyo Stock Exchange on or after April 4, 2022. Prices posted any time earlier were in the First Section of the Tokyo Stock Exchange.
5. The dividend amount per share for FY2023 includes the commemorative dividend of JPY 17 for the Company's 60th anniversary of establishment and the 15th anniversary of listing on JASDAQ (now Prime Market).
6. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2023, and thus it is reflected in the figures for the key financial data for FY2023 and thereafter.

## 2 History

In August 1953, Sekiguchi Kogyo Co., Ltd. was established as a manufacturer of gloves for industrial use, and as a blueprint printing business. In the late 1950s, as Japan began to enjoy the economic boom, the company decided to switch to design creation and tracing services for design drawings. Sekiguchi Kogyo and the family of SEKIGUCHI Sozo, current President and CEO, made investments as capital, and in September 1962, Osaka Technology Center Co., Ltd., which is currently Artner, was established. The timeline below shows how the business of Osaka Technology Center Co., Ltd. has developed.

Month and Year	Event
September 1962	Sekiguchi Kogyo Co., Ltd. and the family of current President and CEO SEKIGUCHI Sozo invest 300,000 yen as capital to establish Osaka Technology Center Co., Ltd. to start the main business of design creation and design drawing services.
June 1964	Headquarters (current Osaka headquarters) move to Fukushima Ward, Osaka City.
March 1980	Headquarters move to Kita Ward, Osaka City.
November 1986	The Company launches its specified worker dispatching business as the Worker Dispatching Business Act was enforced.
April 1998	The Company changes its trade name from Osaka Technology Center Co., Ltd. to Artner Co., Ltd.
December 2003	The Company obtains its license for general worker dispatching business.
February 2004	The Company obtains its license for the paid employment agency business.
	The Company establishes two headquarters in Osaka and Tokyo. The Tokyo headquarters opens in Minato Ward, Tokyo.
October 2007	Company stock listed on JASDAQ.
February 2010	The Tokyo headquarters move to Kohoku Ward, Yokohama City.
April 2010	With the merger between the JASDAQ Securities Exchange and the Osaka Securities Exchange (OSE), the Company lists its stock on the OSE JASDAQ.
	The learning centers open in Suita, Osaka, for centralized management of education and training for newly graduated engineers.
February 2011	The Company goes through reorganization to open business offices (in Utsunomiya, Yokohama, Nagoya, and Osaka) under the Engineer Business Division.
	The Human Resources Business Department and the Hyper Artner Business Department are established under the Human Resources Business Division.
February 2012	The Hyper Artner Business Department is renamed the Hyper Artner Business Division.
February 2013	The Engineer Agency Business Division is established.
July 2013	With the integration of the Tokyo Stock Exchange (TSE) and the OSE, the Company lists its stock on the TSE JASDAQ (Standard).
February 2016	The Company integrates its business divisions to reorganize them into the Engineer Business Division and Human Resources Business Division.
	The Engineer Business Division and the Hyper Artner Business Department are established under the Engineer Business Division.
	The Technology Development Department and Engineer Agency Business Department are established under the Human Resources Business Division.
October 2017	Stock listing moved to the Second Section of the Tokyo Stock Exchange.
February 2018	The Engineer Business Division and the Hyper Artner Business Department under the Engineer Business Division are disbanded.
	The High Value Group, the Wide Value Group, the Product Value Group, and the Contracting Group are established under the Engineer Business Division.
July 2018	Stock listing moved up to the First Section of the Tokyo Stock Exchange.
January 2019	The recruitment, education, and sales departments are integrated into learning centers (current learning centers in West Japan) and relocated to a different part of Suita.

March 2020	The learning centers in East Japan open in Kohoku Ward, Yokohama City.
February 2022	The Human Resources Business Division is disbanded to divide its organizational functions into the Engineer Agency Business Division and the Technology Development Division. The Staffing Service Group, the Career Hire Group, and the New Hire Recruitment Group are established under the Engineer Agency Business Division.
April 2022	With the reorganization of the TSE Sections, the Company's listed stock moves to the Prime Market of the Tokyo Stock Exchange.

### 3 Business Fields

#### (1) Engineer dispatching and contracting businesses

Currently, Artner offers a design engineer dispatching services as its primary business. We have offices in Utsunomiya, Yokohama, Nagoya, and Osaka.

In the engineer dispatching business, our design engineers provide technical services in the fields of software (e.g., development of software embedded in IoT devices and of application software for a network system), electronics (e.g., design of a circuit board at the heart of a device or instrument; reliability assessment), and machinery (design of how a machine works using 2D/3D CAD), among others, thereby assisting our clients' design and development teams.

We also operate a contracting business that offers design and development services outsourced by our clients.

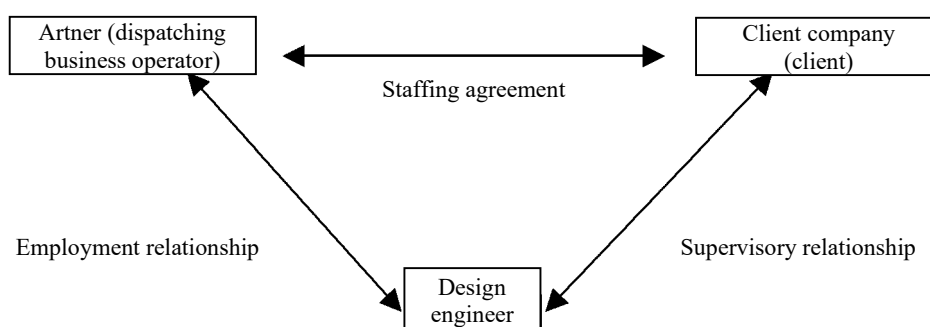
#### (2) Types of contracts with our clients

We execute staffing agreements and service agreements with our clients to conduct our business. While our business is based mostly on staffing agreements executed with our clients, we also sign service agreements with some of our clients.

##### (i) Staffing agreement

A staffing agreement is signed between Artner (dispatching business operator) as the employer of a design engineer and a client company (client) as the user of the engineer's services. The design engineer engages in work at the client company under the supervision of the client in accordance with the agreement.

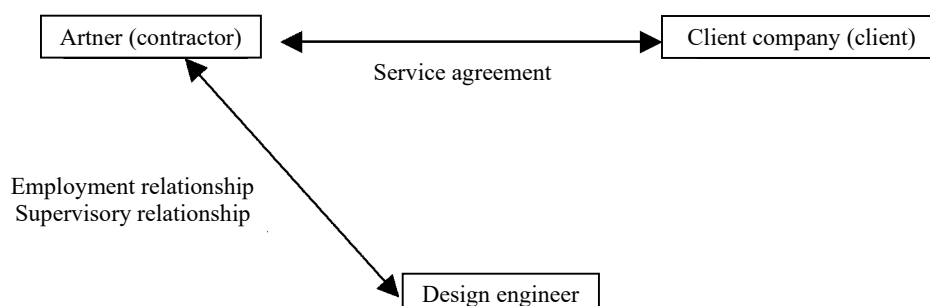
The figure below is a graphic representation of the relationships between Artner (dispatching business operator), a client company (client), and a design engineer (dispatched worker).



##### (ii) Service agreement

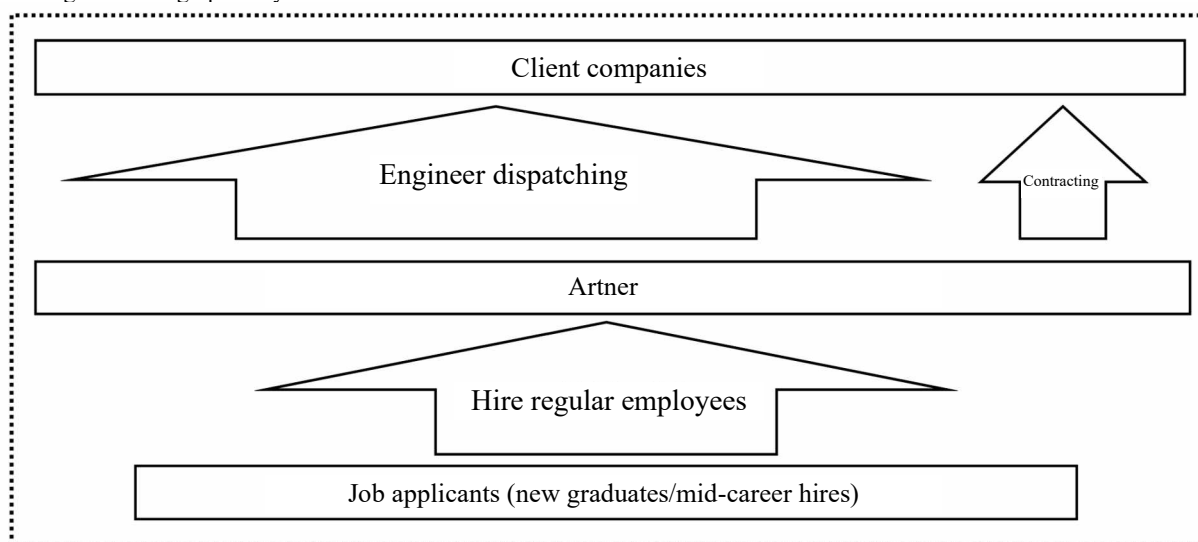
Under a service agreement, a client company outsources work to Artner, who takes full responsibility for giving instructions on the work and managing the design engineer's labor, among other tasks, in order to deliver completed work to the client.

The figure below is a graphic representation of the relationships between Artner (contractor), a client company (client), and a design engineer.



[Systematic diagram of Artner's business]

The figure below graphically shows how the business stated above is structured.



#### 4 Information about the Affiliates

Not applicable.

#### 5 Employees

##### (1) State of the reporting company

As of January 31, 2024

Number of employees (people)	Average age (years old)	Average years of service (years)	Average annual wage (yen)
1,321	30.4	6.6	4,625,682

Notes: 1. The number of employees is that of staff members working at Artner. It does not include registered employees.

2. The average annual wage includes bonuses and nonstandard wages.

3. Since we have only one reportable segment, figures sorted by segment have been omitted.

##### (2) Labor union

Artner's labor union is named Artner Workers' Union, which has 1,192 members as of January 31, 2024. The superior body it belongs to is UA ZENSEN.

We have stable labor-management relations.

##### (3) Share of female workers in middle managerial positions, usage rate of childcare leave by male workers, and wage differences between male and female workers

FY2024 (February 1, 2023 to January 31, 2024)				
Share of female workers in middle managerial positions (%) Note 1.	Usage rate of childcare leave by male workers (%) Note 2.	Wage differences between male and female workers (%) Note 3.		
		All workers	Workers in regular employment	Workers in irregular employment
3.1	50.0	89.2	97.2	54.9

Notes: 1. The percentage has been calculated pursuant to provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The usage rate of childcare leave as provided in Article 71-4, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) has been calculated pursuant to provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. The wage differences between male and female workers presented are the ratios of wages for women to wages for men. Workers are categorized into three types, namely all workers, workers in regular employment, and workers in irregular employment (employees re-hired after retirement, permanent contract employees, and non-permanent contract employees). There is no gender-based difference in wages in our wage plan and system. The differences shown above come from the ratio of women in middle managerial positions and differences in job categories.