

## V. Financial Information

### 1. Approach for Preparing Financial Statements

Artner prepares its financial statements in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963).

### 2. Audit Certification

Artner had its financial statements for the fiscal year (from February 1, 2023 to January 31, 2024) audited by KPMG AZSA LLC in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

### 3. Consolidated Financial Statements

Since it has no subsidiary, Artner does not prepare consolidated financial statements.

### 4. Special Efforts to Ensure the Appropriateness of Financial Statements

Artner makes special efforts to ensure the appropriateness of its financial statements. More specifically, we have joined the Financial Accounting Standards Foundation to keep ourselves updated in order to maintain a correct understanding of accounting standards and other rules, thereby preparing to take the right actions when any changes are made to these standards and rules.

1 【Non-consolidated Financial Statements, etc.】

(1) 【Non-consolidated financial statements】

(i) 【Non-consolidated balance sheets】

(Thousands of yen)		
	As of January 31, 2023	As of January 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,975,881	4,277,610
Accounts receivable - trade	1,129,522	1,240,516
Work in process	4,099	5,357
Raw materials and supplies	3,689	3,455
Prepaid expenses	30,788	45,848
Accounts receivable - other	365	573
Other	23,610	34,292
Allowance for doubtful accounts	(6,700)	(7,400)
Total current assets	5,161,256	5,600,255
Non-current assets		
Property, plant and equipment		
Buildings	109,981	92,265
Accumulated depreciation	(72,934)	(59,506)
Buildings, net	37,046	32,758
Structures	1,172	—
Accumulated depreciation	(1,172)	—
Structures, net	0	—
Tools, furniture and fixtures	51,188	48,178
Accumulated depreciation	(33,494)	(36,818)
Tools, furniture and fixtures, net	17,693	11,360
Land	25,685	25,685
Total property, plant and equipment	80,424	69,803
Intangible assets		
Software	25,715	23,324
Telephone subscription right	1,654	1,654
Total intangible assets	27,370	24,979
Investments and other assets		
Investment securities	10,099	1,570
Investments in capital	1,250	1,200
Long-term prepaid expenses	563	671
Deferred tax assets	296,162	319,608
Leasehold and guarantee deposits	94,876	94,786
Other	1,185	1,211
Total investments and other assets	404,137	419,048
Total non-current assets	511,932	513,831
Total assets	5,673,188	6,114,087

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	279,675	272,523
Accrued expenses	82,074	95,003
Income taxes payable	179,813	343,469
Accrued consumption taxes	221,798	210,039
Deposits received	17,700	20,245
Unearned revenue	37	—
Provision for bonuses	165,195	188,499
Other	7,290	21,491
Total current liabilities	953,585	1,151,271
Non-current liabilities		
Provision for retirement benefits	671,645	691,661
Total non-current liabilities	671,645	691,661
Total liabilities	1,625,230	1,842,933
<b>Net assets</b>		
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	3,585,798	3,814,139
Total retained earnings	3,636,258	3,864,599
Treasury shares	(739)	(869)
Total shareholders' equity	4,042,126	4,270,337
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,832	815
Total valuation and translation adjustments	5,832	815
Total net assets	4,047,958	4,271,153
Total liabilities and net assets	5,673,188	6,114,087

## (ii) 【Non-consolidated statements of income】

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net sales	9,242,360	10,110,524
Cost of sales	6,168,503	6,571,185
Gross profit	3,073,856	3,539,339
Selling, general and administrative expenses	1,879,747	2,016,489
Operating profit	1,194,108	1,522,849
Non-operating income		
Interest income	1	1
Dividend income	284	179
Commission income	574	574
Sales income of training materials	593	518
Rental income from land and buildings	408	302
Dividend income of insurance	6,870	7,297
Subsidy income	594	783
Other	1,130	1,263
Total non-operating income	10,457	10,920
Non-operating expenses		
Interest expenses	130	98
Cancellation penalty	1,330	1,020
Other	49	35
Total non-operating expenses	1,511	1,153
Ordinary profit	1,203,054	1,532,616
Extraordinary income		
Gain on sale of investment securities	—	7,938
Total extraordinary income	—	7,938
Extraordinary losses		
Loss on retirement of non-current assets	0	13,197
Total extraordinary losses	0	13,197
Profit before income taxes	1,203,054	1,527,357
Income taxes - current	348,034	496,775
Income taxes - deferred	(40,127)	(21,235)
Total income taxes	307,906	475,540
Profit	895,148	1,051,817

[Cost of Sales Statement]

		FY2023 (Fiscal year ended January 31, 2023)		FY204 (Fiscal year ended January 31, 2024)	
Classification	Note number	Amount (thousands of yen)	Ratio (%)	Amount (thousands of yen)	Ratio (%)
I. Labor cost	*2	5,981,094	96.9	6,341,944	96.5
II. Expenses		190,557	3.1	230,499	3.5
Total manufacturing cost for the period		6,171,652	100.0	6,572,443	100.0
Beginning inventory of work in process		950		4,099	
Total		6,172,602		6,576,543	
Ending inventory of work in process		4,099		5,357	
Cost of sales for the period		6,168,503		6,571,185	

FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2024)
1. Cost accounting method Job costing based on actual costs *2 Details are as shown below: Travel and transportation      JPY 81,585 thousand Rent                                      JPY 19,138 thousand	1. Cost accounting method Job costing based on actual costs *2 Details are as shown below: Travel and transportation      JPY 86,294 thousand Rent                                      JPY 17,417 thousand

(iii) Non-consolidated statements of changes in equity

**Fiscal year ended January 31, 2023**

(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	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

**Fiscal year ended January 31, 2024**

(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	3,585,798	3,636,258
Changes during period							
Dividends of surplus						(823,476)	(823,476)
Profit						1,051,817	(1,051,817)
Acquisition of Treasury Shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	228,341	228,341
Balance at end of period	238,284	168,323	168,323	10,460	40,000	3,814,139	3,864,599

	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)	4,042,126	5,832	5,832	4,047,958
Changes during period					
Dividends of surplus		(823,476)			(823,476)
Profit		1,051,817			1,051,817
Acquisition of Treasury Shares	(129)	(129)			(129)
Net changes in items other than shareholders' equity			(5,016)	(5,016)	(5,016)
Total changes during period	(129)	228,211	(5,016)	(5,016)	223,195
Balance at end of period	(869)	4,270,337	815	815	4,271,153

## (iv) 【Non-consolidated statements of cash flows】

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,203,054	1,527,357
Depreciation	25,922	24,717
Increase (decrease) in allowance for doubtful accounts	700	700
Increase (decrease) in provision for bonuses	23,745	23,304
Increase (decrease) in provision for retirement benefits	92,111	20,016
Interest and dividend income	(285)	(181)
Interest expenses	130	98
Loss on retirement of non-current assets	0	13,197
Loss (gain) on sale of investment securities	—	(7,938)
Decrease (increase) in accounts receivable - other	970	(207)
Decrease (increase) in trade receivables	(118,368)	(110,993)
Decrease (increase) in inventories	(3,200)	(1,025)
Increase (decrease) in accrued consumption taxes	18,531	(11,759)
Increase (decrease) in accounts payable - other	24,139	(8,116)
Other, net	4,945	(5,343)
Subtotal	1,272,396	1,463,826
Interest and dividends received	285	181
Interest paid	(130)	(98)
Income taxes paid	(399,953)	(337,660)
Net cash provided by (used in) operating activities	872,598	1,126,248
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,042)	(2,398)
Purchase of intangible assets	(7,099)	(12,922)
Payments of leasehold and guarantee deposits	(10,154)	(54)
Proceeds from refund of leasehold and guarantee deposits	238	144
Proceeds from sale of investment securities	—	9,231
Other, net	(26)	23
Net cash provided by (used in) investing activities	(24,085)	(5,975)
Cash flows from financing activities		
Purchase of treasury shares	—	(129)
Dividends paid	(426,831)	(818,414)
Net cash provided by (used in) financing activities	(426,831)	(818,544)
Net increase (decrease) in cash and cash equivalents	421,681	301,729
Cash and cash equivalents at beginning of period	3,554,199	3,975,881
Cash and cash equivalents at end of period	3,975,881	4,277,610



[Notes]

(Significant Accounting Policies)

1. Basis and method for valuation of securities

Available-for-sale securities

Securities other than shares that do not have a market value

Fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method)

2. Basis and method for valuation of inventories

(1) Work in process

Job costing method (with the amount shown on balance sheet written down as profitability declines)

(2) Supplies

Job costing method (with the amount shown on balance sheet written down as profitability declines)

3. Depreciation method for non-current assets

(1) Property, plant and equipment

Declining balance method (note: straight-line method for buildings (excluding facilities attached to the buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016)

Service life of the assets is mostly as shown below:

Buildings: 8 - 26 years

Tools, furniture and fixtures: 4 - 15 years

(2) Intangible assets

Straight-line method is applied to software for internal use. The calculation is based on usable life within the Company (5 years).

4. Recognition criteria for provisions

(1) Allowance for doubtful accounts

To make allowances for the non-payment of receivables, the historical default rate is used for general receivables; and receivables designated as potentially irrecoverable is determined by reviewing actual collectability on an individual claim basis to record the estimated amount that is deemed irrecoverable.

(2) Provision for bonuses

To make allowances for the payment of bonuses to employees, the amount that should be paid in the fiscal year under review is recorded, out of the estimated payment in the following fiscal year.

(3) Provision for retirement benefits

To make allowances for the payment of retirement benefits to employees, this is recorded based on the estimate for retirement benefit liabilities as of the end of the fiscal year under review.

(i) Method for attributing estimated retirement benefit payments to the period

When calculating retirement benefit liabilities, the method for attributing estimated benefit payments to the period that lasts until the end of the fiscal year under review is as per the benefit formula basis.

(ii) Method for processing actuarial gains and losses as expenses

Actuarial gains and losses are treated as expenses in the fiscal year following the fiscal year in which they arise. The amount is proportionally divided using the straight-line method over a certain number of years (five years) that is within the average number of employees' remaining service years at the time the differences emerge each fiscal year.

5. Recognition criteria for revenue and expenses

(ア) Engineer dispatching services

Artner assigns its engineers to client companies based on staffing agreements to offer services over the terms of the agreements. We judge that our obligation is fulfilled with the passing of engineers' hours of operation, and thus we recognize revenue based on engineers' records of operation during the term.

(イ) Contracting

Artner receives contracts from client companies for design and development, along with other relevant work. We ensure that completed work is delivered or operations are performed according to our instructions pursuant to each agreement with a client. We recognize revenue upon completion of the client's inspection or of operations performed, as we judge that our obligation is fulfilled then.

6. Cash included in the statement of cash flows

The cash included in the statement of cash flows consists of cash on hand, savings available for withdrawal at any time, and short-term investments that can easily be converted into cash, have only a limited risk of price fluctuations, and are redeemed within three months from the date of acquisition.

(Regarding Non-consolidated Balance Sheet)

1. Artner has entered into overdraft agreements with its six banks in order to ensure efficient financing for working capital.

The table below shows the balances of borrowings available for withdrawal according to the agreements.

	FY2023 (As of January 31, 2023)	FY2024 (As of January 31, 2024)
Overdraft limit	JPY 1,450,000 thousand	JPY 1,450,000 thousand
Outstanding borrowing	—	—
Balance	1,450,000	1,450,000

(Regarding Non-consolidated Statement of Income)

\*1 Selling expenses accounted for approximately 7% in FY2023, and 7% in FY2024, and general and administrative expenses 93% in FY2023, and 93% in FY2024.

The table below shows the main item of selling, general and administrative expenses, and the amounts thereof.

	FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2024)
Salaries and allowances	JPY 668,997 thousand	JPY 670,160 thousand
Travel and transportation	75,885	103,230
Rent	168,516	172,051
Provision for bonuses	23,799	27,489
Retirement benefit expenses	28,826	18,476
Commission paid	175,562	220,184
Depreciation	25,626	24,383
Provision of allowance for doubtful accounts	700	700

(Regarding Non-consolidated Statement of Changes in Equity)  
FY2023 (Fiscal year ended January 31, 2023)

1. Matters concerning the type and total number of shares issued, and the type and total number of treasury shares

	Number of shares at beginning of FY2023 (shares)	Increase in shares during FY2023 (shares)	Decrease in shares during FY2023 (shares)	Number of shares at end of FY2023 (shares)
Shares issued				
Common shares	10,627,920	—	—	10,627,920
Total	10,627,920	—	—	10,627,920
Treasury shares				
Common shares	2,376	—	—	2,376
Total	2,376	—	—	2,376

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 21, 2022	Common shares	217,823	20.50	January 31, 2022	April 22, 2022
Board of Directors Meeting on September 8, 2022	Common shares	212,510	20.00	July 31, 2022	October 7, 2022

(2) Dividends with a record date in the fiscal year under review and an effective date in the following fiscal year

Resolution	Type of shares	Total amount of dividends (thousands of yen)	Source of funds for dividends	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 27, 2023	Common shares	425,021	Retained earnings	40.00	January 31, 2023	April 28, 2023

FY2024 (February 1, 2023 to January 31, 2024)

1. Matters concerning the type and total number of shares issued, and the type and total number of treasury shares

	Number of shares at beginning of FY2024 (shares)	Increase in shares during FY2024 (shares)	Decrease in shares during FY2024 (shares)	Number of shares at end of FY2024 (shares)
Shares issued				
Common shares	10,627,920	—	—	10,627,920
Total	10,627,920	—	—	10,627,920
Treasury shares				
Common shares	2,376	93	—	2,469
Total	2,376	93	—	2,469

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 27, 2023	Common shares	425,021	40.00	January 31, 2023	April 28, 2023
Board of Directors Meeting on September 8, 2023	Common shares	398,454	37.50	July 31, 2023	October 6, 2023

(2) Dividends with a record date in the fiscal year under review and an effective date in the following fiscal year

Resolution	Type of shares	Total amount of dividends (thousands of yen)	Source of funds for dividends	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 25, 2024	Common shares	398,454	Retained earnings	37.50	January 31, 2024	April 26, 2024

(Regarding Non-consolidated Statement of Cash Flows)

\*1 Relationship between cash and cash equivalents at the end of the period and the amount for the account title shown in the balance sheet

	FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2023)
Cash and deposit account	JPY3,975,881thousand	JPY 4,277,610thousand
Cash and cash equivalents	3,975,881	4,277,610

(Regarding Lease Transactions)

Notes on this matter have been omitted because they are of little importance.

Regarding Financial Instruments)

1. Matters concerning financial instruments

(1) Policy on financial instruments

Artner limits its fund management to short-term deposits or any equivalents, and it has the policy that it raises funds mostly by borrowing from banks.

(2) Description of financial instruments, risks involved therein, and risk management framework

Accounts receivable are exposed to clients' credit risk. We mitigate this risk in line with our credit management policy.

(3) Supplementary explanations about matters concerning the fair values of financial instruments

Variable factors are taken into account when the fair value of a financial instrument is calculated. Hence, the value may fluctuate when different prerequisites are used.

2. Matters concerning the fair values of financial instruments

Notes on cash, deposits, and accounts receivable have been omitted because they are in cash, and because their fair value approximates carrying amounts as they are paid/made in a short term.

Note: Planned redemption amounts after the closing date for monetary claims

FY2023 (As of January 31, 2023)

	Within 1 year (thousands of yen)	More than 1 year, within 5 years (thousands of yen)	More than 5 years, within 10 years (thousands of yen)	More than 10 years (thousands of yen)
Cash and deposits Accounts receivable - trade	3,975,707 1,129,522	— —	— —	— —
Total	5,105,230	—	—	—

FY2024 (As of January 31, 2024)

	Within 1 year (thousands of yen)	More than 1 year, within 5 years (thousands of yen)	More than 5 years, within 10 years (thousands of yen)	More than 10 years (thousands of yen)
Cash and deposits Accounts receivable - trade	4,277,451 1,240,516	— —	— —	— —
Total	5,517,967	—	—	—

3. Matters concerning the breakdown of financial instruments by each fair value level Notes on the matters have been omitted because they are of little importance.

(Regarding Investment Securities)

1. Available-for-sale securities

FY2023 (As of January 31, 2023)

	Type	Amount recorded on balance sheet (thousands of yen)	Acquisition cost (thousands of yen)	Difference (thousands of yen)
Securities recorded on balance sheet at amount that exceeds acquisition cost	Stock	10,099	1,697	8,401
	Subtotal	10,099	1,697	8,401
Securities recorded on balance sheet at amount that does not exceed acquisition cost	Stock	—	—	—
	Subtotal	—	—	—
Total		10,099	1,697	8,401

FY2024 (As of January 31, 2024)

	Type	Amount recorded on balance sheet (thousands of yen)	Acquisition cost (thousands of yen)	Difference (thousands of yen)
Securities recorded on balance sheet at amount that exceeds acquisition cost	Stock	1,570	395	1,175
	Subtotal	1,570	395	1,175
Securities recorded on balance sheet at amount that does not exceed acquisition cost	Stock	—	—	—
	Subtotal	—	—	—
Total		1,570	395	1,175

2. Available-for-sale securities sold

FY2023 (As of January 31, 2023)

Not applicable.

FY2024 (As of January 31, 2024)

Type	Sold at (thousands of yen)	Total gain on sale (thousands of yen)	Total loss on sale (thousands of yen)
Stock	9,332	7,938	—

(Regarding Derivatives)

Not applicable, as Artner does not trade derivatives.

(Regarding Retirement Benefits)

1. Summary of the retirement benefit plan used

Artner uses the defined benefit retirement lump sum payment plan and the define contribution pension plan to pay retirement benefits to its employees.

2. Defined benefit plan

(1) Reconciliation of the beginning and ending balances of retirement benefit liabilities

	FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2024)
Balance of retirement benefit liabilities at beginning of period	JPY653,266 thousand	JPY 529,360 thousand
Service expenses	69,665	51,748
Interest expenses	5,467	9,142
Actuarial gains and losses incurred	(186,550)	(18,718)
Retirement benefit payments	(12,489)	(22,878)
Balance of retirement benefit liabilities at end of period	529,360	548,654

(2) Reconciliation of the ending balance of retirement benefit liabilities and the provision for retirement benefits recorded on the balance sheet

	FY2023 (As of January 31, 2023)	FY2024 (As of January 31, 2024)
Retirement benefit liabilities in non-savings-type plan	JPY529,360 thousand	JPY 548,654 thousand
Retirement benefit liabilities unfunded	529,360	548,654
Unrecognized actuarial gains and losses	142,284	143,007
Net liabilities and assets recorded on balance sheet	671,645	691,661
Provision for retirement benefits	671,645	691,661
Net liabilities and assets recorded on balance sheet	671,645	691,661

(3) Itemized retirement benefit expenses

	FY2023 (As of January 31, 2023)	FY2024 (As of January 31, 2024)
Service expenses	JPY 69,665 thousand	JPY 51,748 thousand
Interest expenses	5,467	9,142
Actuarial gains and losses processed as expenses	29,468	(17,995)
Retirement benefit expenses for defined benefit plan	104,600	42,894

(4) Matters concerning the basis for actuarial calculations

Basis for key actuarial calculations

	FY2023 (As of January 31, 2023)	FY2024 (As of January 31, 2024)
Discount rate	1.7%	1.7%

To project the rates of increase in salary, we use pay raise indexes by age calculated with September 1 of the fiscal year being the base date.

3. Defined contribution plan

Artner's required contributions to the defined contribution plan were JPY 60,975 thousand for the previous fiscal year and JPY 64,319 thousand for the fiscal year under review.

(Regarding Stock Options)

Not applicable.

(Regarding Tax Effect Accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by main cause

	FY2023 (As of January 31, 2023)	FY2024 (As of January 31, 2024)
Deferred tax assets		
Enterprise tax payable	JPY 13,287 thousand	JPY 16,825 thousand
Accrued expenses	12,848	14,517
Provision for bonuses	50,516	57,642
Provision for retirement benefits	205,389	211,510
Allowance for doubtful accounts	2,048	2,262
Impairment loss	4,642	4,642
Other	9,999	12,566
Total deferred tax assets	298,731	319,967
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(2,569)	(359)
Total deferred tax liabilities	(2,569)	(359)
Net deferred tax assets	296,162	319,608

2. Statutory effective tax rate and main causes of the difference from the income tax burden rate after the application of tax effect

	FY2023 (As of January 31, 2023)	FY2023 (As of January 31, 2024)
Statutory effective tax rate	30.6%	
(Adjustments)		Notes have been omitted because the difference between the statutory effective tax rate and the income tax burden rate after the application of tax effect accounting is five-hundredths or less of the statutory effective tax rate.
Items that are permanently excluded from deductible expenses such as entertainment expenses	0.1	
Inhabitant tax on per capita basis	0.2	
Tax credit through taxation as an incentive to hire human resources and for other purposes	(5.0)	
Other	(0.3)	
Income tax burden rate after the application of tax effect accounting	25.6	

(Equity in Earnings)

Not applicable.

(Regarding Business Combination)

Not applicable.

(Regarding Asset Retirement Obligations)

Notes on this matter have been omitted because they are of little importance.

(Regarding Investment and Rental Property)

Notes on this matter have been omitted because the total amount of investment and rental property is of little importance.

(Regarding Revenue Recognition)

1. Disaggregation of revenue generated from contracts with clients

	FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2024)
Engineer dispatching services	JPY 8,413,395 thousand	JPY 9,116,361 thousand
Contracting	794,627	943,575
Other	34,337	50,587
Revenue generated from contracts with clients	9,242,360	10,110,524
Other revenue	—	—
Net sales to external clients	9,242,360	10,110,524

2. Basic information for understanding revenue generated from contracts with clients  
Basic information for understanding revenue is as stated in “(Significant Accounting Policies) 5. Recognition criteria for revenue and expenses.”
3. Information for understanding the revenue amounts in the fiscal year under review and subsequent fiscal years  
Balance of receivables arisen from contracts with clients

	FY2023	FY2024
Receivables arisen from contracts with clients		
Accounts receivable - trade (beginning balance)	JPY 1,011,154 thousand	JPY 1,129,522 thousand
Accounts receivable - trade (ending balance)	1,129,522	1,240,516

(Segment Data)

[Segment data]

Since we have only one reportable segment, notes on this matter have been omitted.

[Related information]

FY2023 (Fiscal year ended January 31, 2023)

1. Information by product and service  
Since our business is in a single segment, notes on this matter have been omitted.
2. Information by region
  - (1) Net sales  
Not applicable because we have no sales to external clients outside Japan.
  - (2) Property, plant and equipment  
Not applicable because none of our property, plant and equipment are located outside Japan.
3. Information by major customer

(Unit: thousands of yen)

Client name / Company name	Net sales
Honda Motor Co., Ltd.	1,051,753

Note: Since our business is in a single segment, names of related segments have been omitted.

FY2024 (Fiscal year ended January 31, 2024)

1. Information by product and service  
Since our business is in a single segment, notes on this matter have been omitted.



2. Information by region

(1) Net sales

Not applicable because we have no sales to external clients outside Japan.

(2) Property, plant and equipment

Not applicable because none of our property, plant and equipment are located outside Japan.

3. Information by major customer

(Unit: thousands of yen)

Client name / Company name	Net sales
Honda Motor Co., Ltd.	1,292,593
Honda R&D Co., Ltd.	1,026,843

Note: Since our business is in a single segment, names of related segments have been omitted.

[Information about impairment loss on non-current assets in each reportable segment]

Not applicable.

[Information about amortization and unamortized balance of goodwill in each reportable segment]

Not applicable.

[Information about gain on bargain purchase in each reportable segment]

Not applicable.

[Information about related parties]

Not applicable.

(Per Share Information)

	FY2023 (Fiscal year ended January 31, 2023)	FY2024 (Fiscal year ended January 31, 2024)
Net assets per share	JPY 380.96	JPY 401.97
Earnings per share	JPY 84.24	JPY 98.99

Notes: 1. Diluted earnings per share are not shown because we have no dilutive shares.

2. The table below shows the bases for calculations of earnings per share.

	FY2023 (Fiscal year ended January 31, 2023)	Y2024 (Fiscal year ended January 31, 2024)
Profit (thousands of yen)	895,148	1,051,817
Amounts not attributable to common shareholders (thousands of yen)	—	—
Profit pertaining to common shares (thousands of yen)	895,148	1,051,817
Average number of common shares outstanding during the period	10,625,544	10,625,474

(Material Post-Balance Sheet Events)

Not applicable.

## (v) Supplementary schedule

## [Statement of property, plant and equipment]

Asset Type	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of period (thousands of yen)	Accumulated depreciation/ amortization at end of period (thousands of yen)	Amortization in period (thousands of yen)	Balance at end of period (thousands of yen)
Property, plant and equipment							
Buildings	109,981	348	18,063	92,265	59,506	4,085	32,758
Structures	1,172	—	1,172	—	—	—	—
Tools, furniture and fixtures	51,188	2,305	5,314	48,178	36,818	4,609	11,360
Land	25,685	—	—	25,685	—	—	25,685
Total property, plant and equipment	188,026	2,653	24,550	166,129	96,325	8,694	69,803
Intangible assets							
Software	127,241	13,632	7,873	133,000	109,676	16,023	23,324
Telephone subscription right	1,654	—	—	1,654	—	—	1,654
Total intangible assets	128,895	13,632	7,873	134,655	109,676	16,023	24,979

## [Statement of bonds]

Not applicable.

## [Statement of borrowings]

Not applicable.

## [Statement of provisions]

Classification	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (spending for purpose) (thousands of yen)	Decrease during period (other) (thousands of yen)	Balance at end of period (thousands of yen)
Allowance for doubtful accounts	6,700	7,400	—	6,700	7,400
Provision for bonuses	165,195	188,499	165,195	—	188,499

Note: "Decrease during period (other)" under allowance for doubtful accounts is the amount updated using the loan loss ratio for general receivables.

## [Statement of asset retirement obligations]

Not applicable.

## (2) Details of Main Assets and Liabilities

## (i) Assets

## (a) Cash and deposits

Classification	Amount (thousands of yen)
Cash	159
Deposits	
Current deposits	4,164,898
Ordinary deposits	50,018
Special deposits	2,535
Time deposits	60,000
Subtotal	4,277,451
Total	4,277,610

## (b) Accounts receivable

## Breakdown by client

Client	Amount (thousands of yen)
Honda Motor Co., Ltd.	225,454
Honda R&D Co., Ltd.	158,878
Nikon Corporation	74,378
Lasertec Corporation	54,512
Terumo Corporation	40,659
Other	686,631
Total	1,240,516

## Accounts receivable accrued, collected, or outstanding

Balance at beginning of period (thousands of yen)	Accrued during period (thousands of yen)	Collected during period (thousands of yen)	Balance at end of period (thousands of yen)	Collection rate (%)	Overdue (days)
(A)	(B)	(C)	(D)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} - \frac{(B)}{365}$
1,129,522	11,121,530	11,010,536	1,240,516	89.9	38.9

Note: The accrued amount includes consumption tax.

## (c) Work in process

Item	Amount (thousands of yen)
Contracting business	5,357
Total	5,357

## (d) Raw materials and supplies

Item	Amount (thousands of yen)
Printed matter	2,974
Quo cards	480
Revenue stamps	1
Total	3,455

## (e) Deferred tax assets

Deferred tax assets totaled JPY 319,608 thousand. Details thereof are stated in “1. Financial Statements and Other Documents Financial Statements Notes (Regarding Tax Effect Accounting).”

## (ii) Liabilities

## (a) Income taxes payable

Classification	Amount (thousands of yen)
Income taxes payable	343,469
Total	343,469

## (b) Provision for retirement benefits

Classification	Amount (thousands of yen)
Retirement benefit liabilities	548,654
Unrecognized actuarial gains and losses	143,007
Total	143,007

## (3) Other

Quarterly financial information for the fiscal year under review

(Cumulative)	Q1	Q2	Q3	Full year
Net sales (thousands of yen)	2,493,648	5,006,636	7,553,937	10,110,524
Profit before income taxes (thousands of yen)	479,100	890,768	1,184,001	1,527,357
Profit (thousands of yen)	333,186	617,721	820,498	1,051,817
Earnings per share (yen)	31.36	58.14	77.22	98.99

(Accounting period)	Q1	Q2	Q3	Q4
Earnings per share (yen)	31.36	26.78	19.08	21.77