

## 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, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	4,277,610	4,588,976
Accounts receivable - trade	1,240,516	1,457,629
Work in process	5,357	4,376
Raw materials and supplies	3,455	2,651
Prepaid expenses	45,848	54,805
Accounts receivable - other	573	811
Other	34,292	30,152
Allowance for doubtful accounts	(7,400)	(8,700)
Total current assets	5,600,255	6,130,702
Non-current assets		
Property, plant and equipment		
Buildings	92,265	106,280
Accumulated depreciation	(59,506)	(64,146)
Buildings, net	32,758	42,134
Tools, furniture and fixtures	48,178	81,862
Accumulated depreciation	(36,818)	(48,121)
Tools, furniture and fixtures, net	11,360	33,740
Land	25,685	2,940
Total property, plant and equipment	69,803	78,815
Intangible assets		
Software	23,324	19,141
Telephone subscription right	1,654	1,654
Total intangible assets	24,979	20,795
Investments and other assets		
Investment securities	1,570	1,498
Investments in capital	1,200	1,200
Long-term prepaid expenses	671	673
Deferred tax assets	319,608	340,979
Leasehold and guarantee deposits	94,786	111,741
Other	1,211	1,238
Total investments and other assets	419,048	457,331
Total non-current assets	513,831	556,942
Total assets	6,114,087	6,687,644

(Thousands of yen)

	As of January 31, 2024	As of January 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	272,523	303,474
Accrued expenses	95,003	103,861
Income taxes payable	343,469	366,794
Accrued consumption taxes	210,039	228,338
Deposits received	20,245	21,711
Provision for bonuses	188,499	223,950
Other	21,491	14,635
Total current liabilities	1,151,271	1,262,765
Non-current liabilities		
Provision for retirement benefits	691,661	716,741
Total non-current liabilities	691,661	716,741
Total liabilities	1,842,933	1,979,507
<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	3,814,139	4,251,269
Total retained earnings	3,864,599	4,301,729
Treasury shares	(869)	(965)
Total shareholders' equity	4,270,337	4,707,371
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	815	765
Total valuation and translation adjustments	815	765
Total net assets	4,271,153	4,708,137
Total liabilities and net assets	6,114,087	6,687,644

## (ii) Non-consolidated profit and loss statement

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Net sales	10,110,524	11,125,970
Cost of sales	6,571,185	7,013,019
Gross profit	3,539,339	4,112,950
Selling, general and administrative expenses	2,016,489	2,302,808
Operating profit	1,522,849	1,810,142
Non-operating income		
Interest income	1	28
Dividend income	179	78
Commission income	574	583
Sales income of training materials	518	649
Rental income from land and buildings	302	—
Dividend income of insurance	7,297	7,702
Subsidy income	783	2,001
Other	1,263	2,182
Total non-operating income	10,920	13,225
Non-operating expenses		
Interest expenses	98	—
Cancellation penalty	1,020	1,454
Other	35	1
Total non-operating expenses	1,153	1,455
Ordinary profit	1,532,616	1,821,912
Extraordinary income		
Gain on sale of non-current assets	—	6,199
Gain on sale of investment securities	7,938	—
Total extraordinary income	7,938	6,199
Extraordinary losses		
Loss on retirement of non-current assets	13,197	—
Total extraordinary losses	13,197	—
Profit before income taxes	1,527,357	1,828,111
Income taxes - current	496,775	588,859
Income taxes - deferred	(21,235)	(21,349)
Total income taxes	475,540	567,509
Profit	1,051,817	1,260,601

[Cost of Sales Statement]

		FY2024 (Fiscal year ended January 31, 2024)		FY2025 (Fiscal year ended January 31, 2025)	
Classification	Note number	Amount (thousands of yen)	Ratio (%)	Amount (thousands of yen)	Ratio (%)
I Labor cost	*2	6,341,944	96.5	6,683,966	95.3
II Expenses		230,499	3.5	328,071	4.7
Total manufacturing cost for the period		6,572,443	100.0	7,012,038	100.0
Beginning inventory of work in process		4,099		5,357	
Total		6,576,543		7,017,395	
Ending inventory of work in process		5,357		4,376	
Cost of sales for the period		6,571,185		7,013,019	

FY2024 (Fiscal year ended January 31, 2024)		FY2025 (Fiscal year ended January 31, 2025)	
1. Cost accounting method		1. Cost accounting method	
Job costing based on actual costs		Job costing based on actual costs	
*2 Details are as shown below:		*2 Details are as shown below:	
Travel and transportation	JPY 86,294 thousand	Travel and transportation	JPY 98,184 thousand
Rent	JPY 17,417 thousand	Rent	JPY 16,556 thousand

## (iii) Non-consolidated statements of changes in equity

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
Purchase 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
Purchase 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

Fiscal year ended January 31, 2025

(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	3,814,139	3,864,599
Changes during period							
Dividends of surplus						(823,472)	(823,472)
Profit						1,260,601	1,260,601
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	437,129	437,129
Balance at end of period	238,284	168,323	168,323	10,460	40,000	4,251,269	4,301,729

	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	(869)	4,270,337	815	815	4,271,153
Changes during period					
Dividends of surplus		(823,472)			(823,472)
Profit		1,260,601			1,260,601
Purchase of treasury shares	(96)	(96)			(96)
Net changes in items other than shareholders' equity			(50)	(50)	(50)
Total changes during period	(96)	437,033	(50)	(50)	436,983
Balance at end of period	(965)	4,707,371	765	765	4,708,137

(iv) **Non-consolidated cash flow statement**

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,527,357	1,828,111
Depreciation	24,717	25,114
Increase (decrease) in allowance for doubtful accounts	700	1,300
Increase (decrease) in provision for bonuses	23,304	35,451
Increase (decrease) in provision for retirement benefits	20,016	25,079
Interest and dividend income	(181)	(106)
Interest expenses	98	—
Gain on sale of non-current assets	—	(6,199)
Loss on retirement of non-current assets	13,197	—
Loss (gain) on sale of investment securities	(7,938)	—
Decrease (increase) in accounts receivable - other	(207)	(238)
Decrease (increase) in trade receivables	(110,993)	(217,113)
Decrease (increase) in inventories	(1,025)	1,785
Increase (decrease) in accrued consumption taxes	(11,759)	18,299
Increase (decrease) in accounts payable - other	(8,116)	31,915
Other, net	(5,343)	6,834
Subtotal	1,463,826	1,750,235
Interest and dividends received	181	106
Interest paid	(98)	—
Income taxes paid	(337,660)	(569,868)
Net cash provided by (used in) operating activities	1,126,248	1,180,473
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,398)	(47,953)
Proceeds from sale of property, plant and equipment	—	28,944
Purchase of intangible assets	(12,922)	(5,697)
Payments of leasehold and guarantee deposits	(54)	(17,396)
Proceeds from refund of leasehold and guarantee deposits	144	441
Proceeds from sale of investment securities	9,231	—
Other, net	23	(8,314)
Net cash provided by (used in) investing activities	(5,975)	(49,976)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(129)	(96)
Dividends paid	(818,414)	(819,035)
Net cash provided by (used in) financing activities	(818,544)	(819,131)
Net increase (decrease) in cash and cash equivalents	301,729	311,365
Cash and cash equivalents at beginning of period	3,975,881	4,277,610
Cash and cash equivalents at end of period	4,277,610	4,588,976

[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.

(Accounting Standards to Be Implemented)

(Accounting Standard for Leases, etc.)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)

- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

etc.

(1) Summary

As part of efforts to make Japanese generally accepted accounting principles (GAAP) internationally consistent, the Accounting Standards Board of Japan (ASBJ) considered the development of accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards. As a result, the ASBJ released an accounting standard for leases, etc., which, as its basic policy, is based on the single accounting model of IFRS 16, but adopts only the main provisions of IFRS 16 rather than all the provisions, aiming for a simple and convenient accounting standard that will basically not require any amendments even if a company uses the provisions of IFRS 16 for its non-consolidated financial statements.

For the accounting treatment of lessees, the single accounting model will be applied as the method of allocating lease expenses, in which depreciation charge for right-of-use assets and interest expense on lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease, same as IFRS 16.

(2) Implementation schedule

The Company will implement the standard and guidance starting from the beginning of FY2029.

(3) Impact from the implementation of the Accounting Standard, etc.

We are in the process of assessing the monetary amounts that impact the financial statements from the implementation of the Accounting Standard for Leases, etc.

(Regarding Non-consolidated Balance Sheet)

1. Artner has entered into overdraft agreements with its five banks (six banks in FY2024) in order to ensure efficient financing for working capital. The table below shows the balances of borrowings available for withdrawal according to the agreements.

	FY2024 (As of January 31, 2024)	FY2025 (As of January 31, 2025)
Overdraft limit	JPY 1,450,000 thousand	JPY 1,350,000 thousand
Outstanding borrowing	—	—
Balance	1,450,000	1,350,000

(Regarding Non-consolidated Statement of Income)

\*1 Selling expenses accounted for approximately 7% in FY2024, and 6% in FY2025, and general and administrative expenses 93% in FY2024, and 94% in FY2025.

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

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Salaries and allowances	JPY 670,160 thousand	JPY 770,292 thousand
Travel and transportation	103,230	111,760
Rent	172,051	193,257
Provision for bonuses	27,489	38,499
Retirement benefit expenses	18,476	19,742
Commission paid	220,184	289,858
Depreciation	24,383	24,788
Provision of allowance for doubtful accounts	700	1,300

(Regarding Non-consolidated Statement of Changes in Equity)  
FY2024 (Fiscal year ended 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

Note: The increase of 93 treasury shares (common shares) came from the purchase of shares less than one share unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (thousands of)	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

FY2025 (February 1, 2024 to January 31, 2025)

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 FY2025 (shares)	Increase in shares during FY2025 (shares)	Decrease in shares during FY2025 (shares)	Number of shares at end of FY2025 (shares)
Shares issued				
Common shares	10,627,920	—	—	10,627,920
Total	10,627,920	—	—	10,627,920
Treasury shares				
Common shares	2,469	45	—	2,514
Total	2,469	45	—	2,514

Note: The increase of 45 treasury shares (common shares) came from the purchase of shares less than one share unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (thousands of)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 25, 2024	Common shares	398,454	37.50	January 31, 2024	April 26, 2024
Board of Directors Meeting on September 9, 2024	Common shares	425,017	40.00	July 31, 2024	October 7, 2024

(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 24, 2025	Common shares	446,267	Retained earnings	42.00	January 31, 2025	April 25, 2025

(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

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Cash and deposit account	JPY 4,277,610 thousand	JPY 4,588,976 thousand
Cash and cash equivalents	4,277,610	4,588,976

(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

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	4,277,451	—	—	—
Accounts receivable - trade	1,240,516	—	—	—
Total	5,517,967	—	—	—

FY2025 (As of January 31, 2025)

	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	4,588,877	—	—	—
Accounts receivable - trade	1,457,629	—	—	—
Total	6,046,507	—	—	—

3. Matters concerning the breakdown of financial instruments by each fair value level

4. Notes on the matters have been omitted because they are of little importance.

(Regarding Investment Securities)

1. Available-for-sale securities

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

FY2025 (As of January 31, 2025)

	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	1,498	395	1,103
	Subtotal	1,498	395	1,103
Securities recorded on balance sheet at amount that does not exceed acquisition cost	Stock	—	—	—
	Subtotal	—	—	—
Total		1,498	395	1,103

2. Available-for-sale securities sold

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	—

FY2024 (As of January 31, 2024)

Not applicable.

(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

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Balance of retirement benefit liabilities at beginning of period	JPY 529,360 thousand	JPY 548,654 thousand
Service expenses	51,748	51,479
Interest expenses	9,142	9,475
Actuarial gains and losses incurred	(18,718)	(65,245)
Retirement benefit payments	(22,878)	(11,547)
Balance of retirement benefit liabilities at end of period	548,654	532,815

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

	FY2024 (As of January 31, 2023)	FY2025 (As of January 31, 2025)
Retirement benefit liabilities in non-savings-type plan	JPY 548,654 thousand	JPY 532,815 thousand
Retirement benefit liabilities unfunded	548,654	532,815
Unrecognized actuarial gains and losses	143,007	183,925
Net liabilities and assets recorded on balance sheet	691,661	716,741
Provision for retirement benefits	691,661	716,741
Net liabilities and assets recorded on balance sheet	691,661	716,741

(3) Itemized retirement benefit expenses

	FY2024 (As of January 31, 2024)	FY2025 (As of January 31, 2025)
Service expenses	JPY 51,748 thousand	JPY 51,479 thousand
Interest expenses	9,142	9,475
Actuarial gains and losses processed as expenses	(17,995)	(24,327)
Retirement benefit expenses for defined benefit plan	42,894	36,627

(4) Matters concerning the basis for actuarial calculations

Basis for key actuarial calculations

	FY2024 (As of January 31, 2024)	FY2025 (As of January 31, 2025)
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 64,319 thousand for the previous fiscal year and JPY 68,047 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

	FY2024 (As of January 31, 2024)	FY2025 (As of January 31, 2025)
Deferred tax assets		
Enterprise tax payable	JPY 16,825 thousand	JPY 20,343 thousand
Accrued expenses	14,517	17,250
Provision for bonuses	57,642	68,483
Provision for retirement benefits	211,510	219,179
Allowance for doubtful accounts	2,262	2,660
Impairment loss	4,642	366
Other	12,566	13,032
Total deferred tax assets	319,967	341,316
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(359)	(337)
Total deferred tax liabilities	(359)	(337)
Net deferred tax assets	319,608	340,979

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

Notes have been omitted because, for FY2024 and FY2025, 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.

3. Change in the income tax rate after the closing date

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was promulgated on March 31, 2025, under which a special corporate tax for defense will be imposed starting from fiscal years beginning on or after April 1, 2026. Accordingly, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities will change from 30.6%, which applies to the fiscal year beginning on February 1, 2025, to 31.5% for temporary differences expected to reverse in or after the fiscal year beginning on February 1, 2027. The impact on monetary amounts from the tax rate change is negligible.

(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

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Engineer dispatching services	JPY 9,116,361 thousand	JPY 9,793,858 thousand
Contracting	943,575	1,291,579
Other	50,587	40,532
Revenue generated from contracts with clients	10,110,524	11,125,970
Other revenue	—	—
Net sales to external clients	10,110,524	11,125,970

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

	FY2024	FY2025
Receivables arisen from contracts with clients		
Accounts receivable - trade (beginning balance)	JPY1,129,522 thousand	JPY1,240,516 thousand
Accounts receivable - trade (ending balance)	1,240,516	1,457,629

(Segment Data)

[Segment data]

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

[Related information]

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.

FY2025 (Fiscal year ended January 31, 2025)

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.	1,720,906
Honda R&D Co., Ltd.	1,365,333

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)

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Net assets per share	JPY 401.97	JPY 4443.10
Earnings per share	JPY 98.99	JPY 118.64

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.

	FY2024 (Fiscal year ended January 31, 2024)	FY2025 (Fiscal year ended January 31, 2025)
Profit (thousands of yen)	1,051,817	1,260,601
Amounts not attributable to common shareholders (thousands of yen)	—	—
Profit pertaining to common shares (thousands of yen)	1,051,817	1,260,601
Average number of common shares outstanding during the period	10,625,474	10,625,442

(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	92,265	14,015	—	106,280	64,146	4,639	42,134
Tools, furniture and fixtures	48,178	33,683	—	81,862	48,121	11,302	33,740
Land	25,685		22,745	2,940	—	—	2,940
Total property, plant and equipment	166,129	47,698	22,745	191,082	112,267	15,942	78,815
Intangible assets							
Software	133,000	4,987	—	137,988	118,847	9,171	19,141
Telephone subscription right	1,654	—	—	1,654	—	—	1,654
Total intangible assets	134,655	4,987	—	139,643	118,847	9,171	20,795

## [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	7,400	8,700	—	7,400	8,700
Provision for bonuses	188,499	223,950	188,499	—	223,950

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	98
Deposits	
Current deposits	4,481,896
Ordinary deposits	45,350
Special deposits	1,630
Time deposits	60,000
Subtotal	4,588,877
Total	4,588,976

(b) Accounts receivable

Breakdown by client

Client	Amount (thousands of yen)
Honda Motor Co., Ltd.	309,356
Honda R&D Co., Ltd.	237,709
Nikon Corporation	84,267
Lasertec Corporation	56,228
Terumo Corporation	42,303
Other	727,763
Total	1,457,629

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)	$\frac{(C)}{(A) + (B)} \times 100$	$\frac{(A) + (D)}{2} - \frac{(B)}{366}$
1,240,516	12,238,439	12,021,326	1,457,629	89.2	40.3

Note: The accrued amount includes consumption tax.

(c) Work in process

Item	Amount (thousands of yen)
Contracting business	4,376
Total	4,376

## (d) Raw materials and supplies

Item	Amount (thousands of yen)
Printed matter	2,171
Quo cards	480
Revenue stamps	0
Total	2,651

## (e) Deferred tax assets

Deferred tax assets totaled JPY 340,979 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	366,794
Total	366,794

## (b) Provision for retirement benefits

Classification	Amount (thousands of yen)
Retirement benefit liabilities	532,815
Unrecognized actuarial gains and losses	183,925
Total	716,741

## (3) Other

Quarterly financial information for the fiscal year under review

(Cumulative)	Q1	Q2	Q3	Full year
Net sales (thousands of yen)	2,646,075	5,447,543	8,255,112	11,125,970
Profit before income taxes (thousands of yen)	476,154	968,332	1,370,634	1,828,111
Profit (thousands of yen)	330,756	671,816	951,353	1,260,601
Earnings per share (yen)	31.13	63.23	89.54	118.64

(Accounting period)	Q1	Q2	Q3	Q4
Earnings per share (yen)	31.13	32.10	26.31	29.10

Notes: 1. For the first quarter, a quarterly report has been submitted pursuant to Article 24-4-7, paragraph (1) of the Financial Instruments and Exchange Act.

2. For the third quarter, financial information on the quarter has been prepared in accordance with the rules established by the financial instruments exchange. However, the financial information has not been subject to an interim review.