

Engineer Support Company

Make Value



Q2 FY2025 Financial Summary Supplementary Explanation Material

September 9, 2024



— Create the Future —

ARTNER



Artner Co., Ltd.

<https://www.artner.co.jp/>

1 Financial Summary for Q2 FY2025 **p. 3**

2 Forecast of Financial Results and Dividends for FY2025 **p. 11**

3 Reference **p. 15**

1

Financial Summary for Q2 FY2025

p. 3

2

Forecast of Financial Results and Dividends for FY2025

p. 11

3

Reference

p. 15

Financial Results Highlights for Q2 FY2025

- Net sales up 8.8%, Operating profit up 8.9%, Ordinary profit up 9.0%, Profit up 8.8%. Operating margin 17.6%.

	Q2 FY2024		Q2 FY2025		Change from the previous year (million yen)	Change from the previous year (%)
	Result (million yen)	Percentage (%)	Result (million yen)	Percentage (%)		
Net sales	5,006	100.0	5,447	100.0	441	8.8
Cost of sales	3,115	62.2	3,318	60.9	203	6.5
Gross profit	1,890	37.8	2,129	39.1	239	12.6
SG&A expenses	1,008	20.2	1,168	21.4	160	15.8
Operating profit	882	17.6	960	17.6	78	8.9
Ordinary profit	882	17.6	962	17.7	80	9.0
Profit	617	12.3	671	12.3	54	8.8

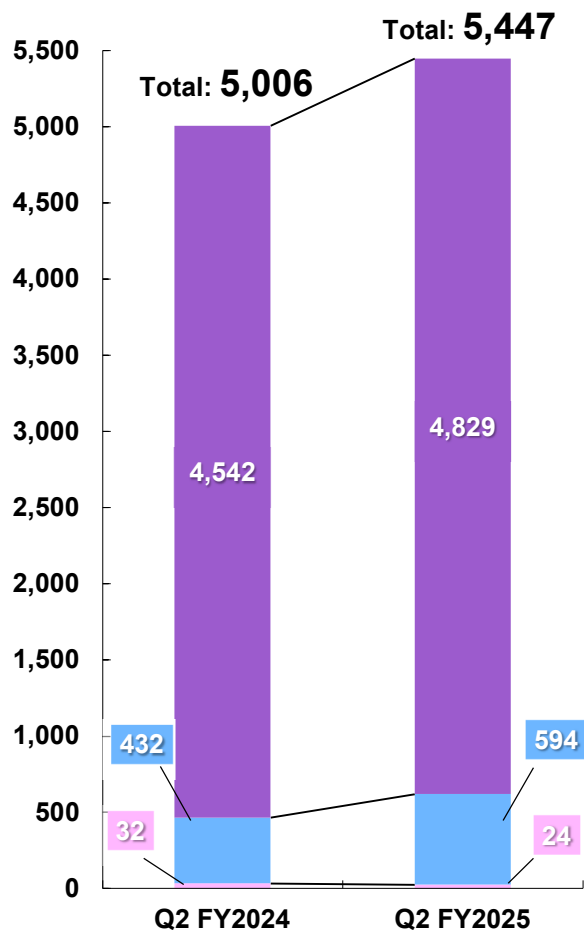
- Number of engineers increased
- Utilization rate remained high
- The number of operative personnel increased
- Unit price of engineers rose

- Expenses were incurred from expanding the learning centers in East Japan (training facilities).
- Recruitment-related investment expenses increased.

Net Sales by Business for Q2 FY2025

■ Engineer dispatching up 6.3% ■ Contracting up 37.4% / Percentage 10.9%

Unit: million yen

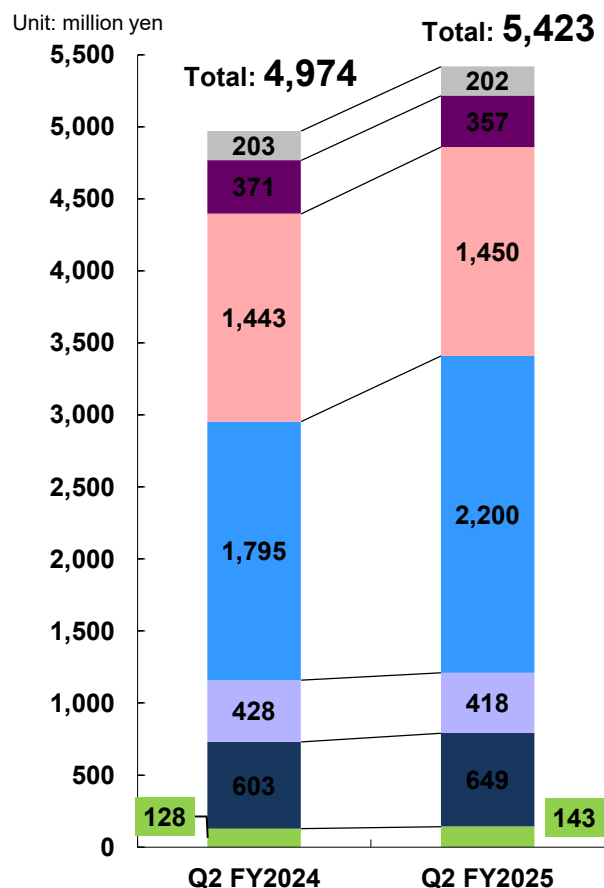


	Q2 FY2024		Q2 FY2025		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Engineer dispatching	4,542	90.7	4,829	88.7	6.3	(2.1)
Contracting	432	8.6	594	10.9	37.4	2.3
Subtotal	4,974	99.4	5,423	99.6	9.0	0.2
Other	32	0.6	24	0.4	(24.9)	(0.2)
Total	5,006	100.0	5,447	100.0	8.8	—

Net Sales by Industry Field for Q2 FY2025

- **Electrical equipment up 0.5%**
- **Transportation equipment up 22.6%**
- **Information and communications up 7.7%**

※Our clients' demand for engineers exceeds the number we can supply. Considering the balance of industry fields, engineers were rotated strategically with the aim of increasing the unit price of engineers and improving the level of their work.



	Q2 FY2024		Q2 FY2025		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Steel, nonferrous materials and metals	203	4.1	202	3.7	(0.8)	(0.4)
Mechanical equipment	371	7.5	357	6.6	(3.7)	(0.9)
Electrical equipment	1,443	29.0	1,450	26.7	0.5	(2.3)
Transportation equipment	1,795	36.1	2,200	40.6	22.6	4.5
Precision equipment	428	8.6	418	7.7	(2.6)	(0.9)
Information and communications	603	12.1	649	12.0	7.7	(0.2)
Miscellaneous	128	2.6	143	2.7	12.4	0.1
Total	4,974	100.0	5,423	100.0	9.0	—

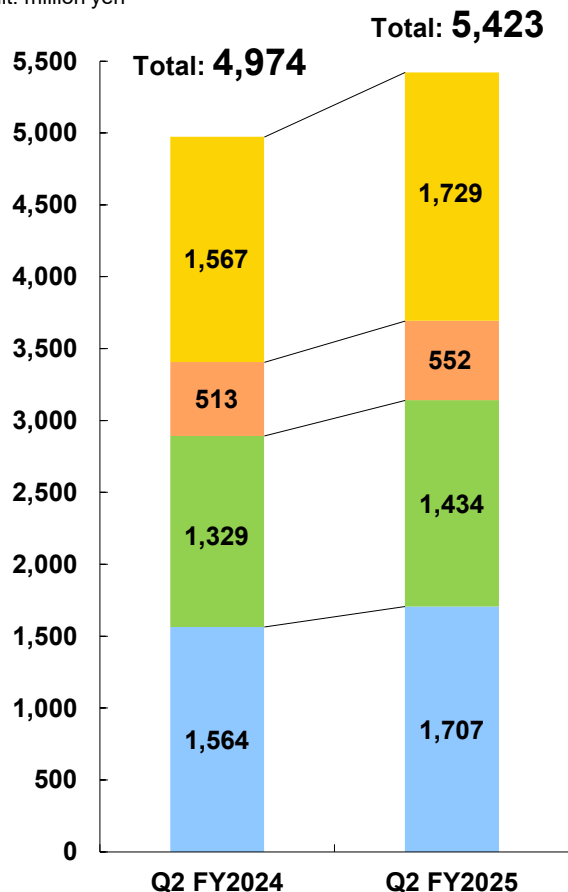
*Excludes sales from "Other" businesses.

<https://www.artner.co.jp/>

Net Sales by Technology Field for Q2 FY2025

- Embedded / Model-Based up **10.3%** ■ IT Solution up **7.7%**
- Electronics up **7.9%** ■ Machinery up **9.1%**

Unit: million yen



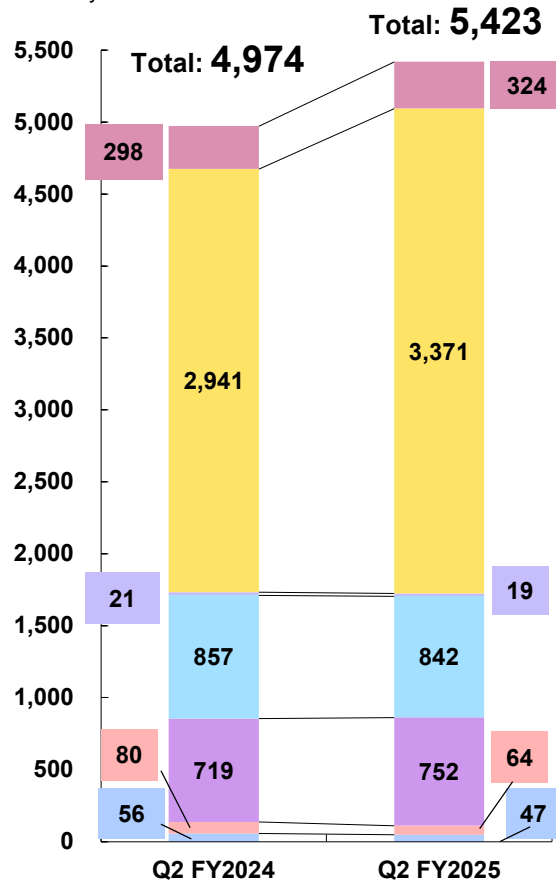
	Q2 FY2024		Q2 FY2025		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Embedded / Model-Based	1,567	31.5	1,729	31.9	10.3	0.4
IT Solution	513	10.3	552	10.2	7.7	(0.1)
Electronics	1,329	26.7	1,434	26.5	7.9	(0.3)
Machinery	1,564	31.5	1,707	31.5	9.1	0.0
Total	4,974	100.0	5,423	100.0	9.0	—

*Excludes sales from "Other" businesses.

Net Sales by Region for Q2 FY2025

■ Kanto up 14.6%
 ■ Tokai down 1.8%
 ■ Kinki up 4.7%

Unit: million yen



	Q2 FY2024		Q2 FY2025		Change from the previous year (%)	Percentage variance (pt)
	Result (million yen)	Ratio (%)	Result (million yen)	Ratio (%)		
Tohoku	298	6.0	324	6.0	8.9	(0.0)
Kanto	2,941	59.1	3,371	62.2	14.6	3.0
Hokuriku	21	0.4	19	0.4	(11.8)	(0.1)
Tokai	857	17.2	842	15.5	(1.8)	(1.7)
Kinki	719	14.5	752	13.9	4.7	(0.6)
Chugoku	80	1.6	64	1.2	(19.0)	(0.4)
Kyushu	56	1.1	47	0.9	(15.7)	(0.3)
Total	4,974	100.0	5,423	100.0	9.0	—

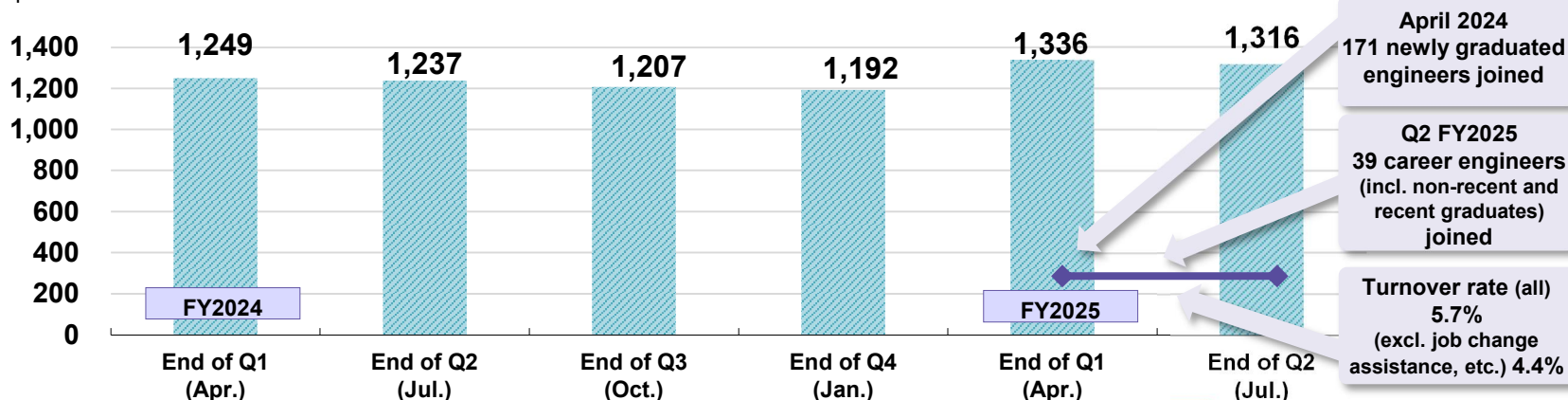
*Excludes sales from "Other" businesses.

<https://www.artner.co.jp/>

Term-end Engineer Count / Utilization Rate for Q2 FY2025

Term-end Engineer Count

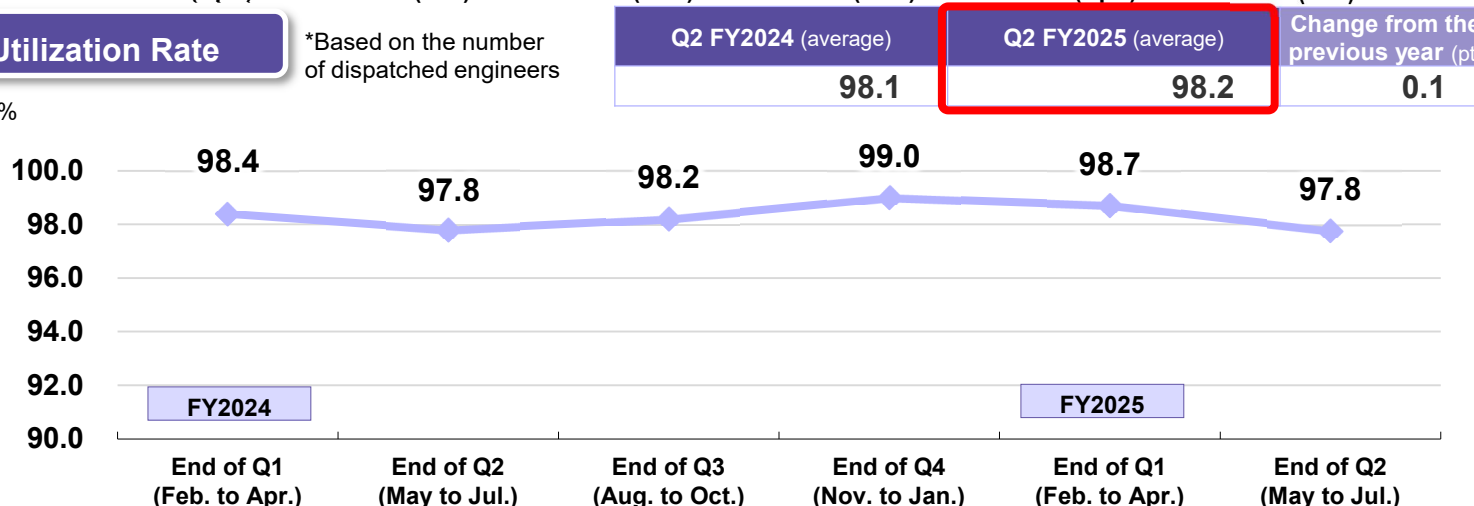
Unit: people



Utilization Rate

*Based on the number of dispatched engineers

Unit: %



*New employees and others who joined the Company mid-year are not included in the utilization rate until after they are dispatched to their assignments.

<https://www.artner.co.jp/>

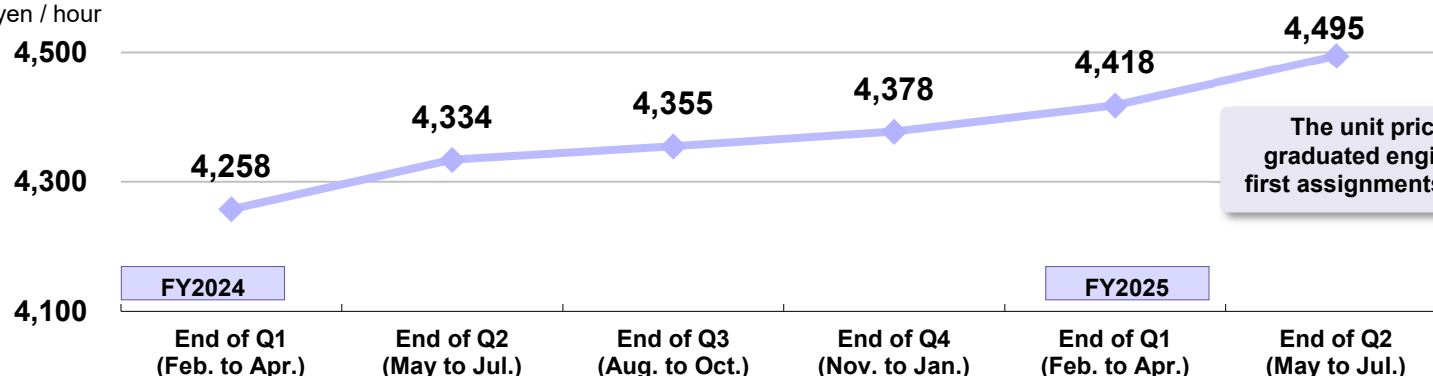
Unit Price of Engineers / Total Work Person-hours for Q2 FY2025

Unit Price of Engineers

Q2 FY2024 (average)	Q2 FY2025 (average)	Change from the previous year (yen)	Change from the previous year (%)
4,296	4,457	161	3.8

*Figures for dispatched engineers *Per person

Unit: yen / hour

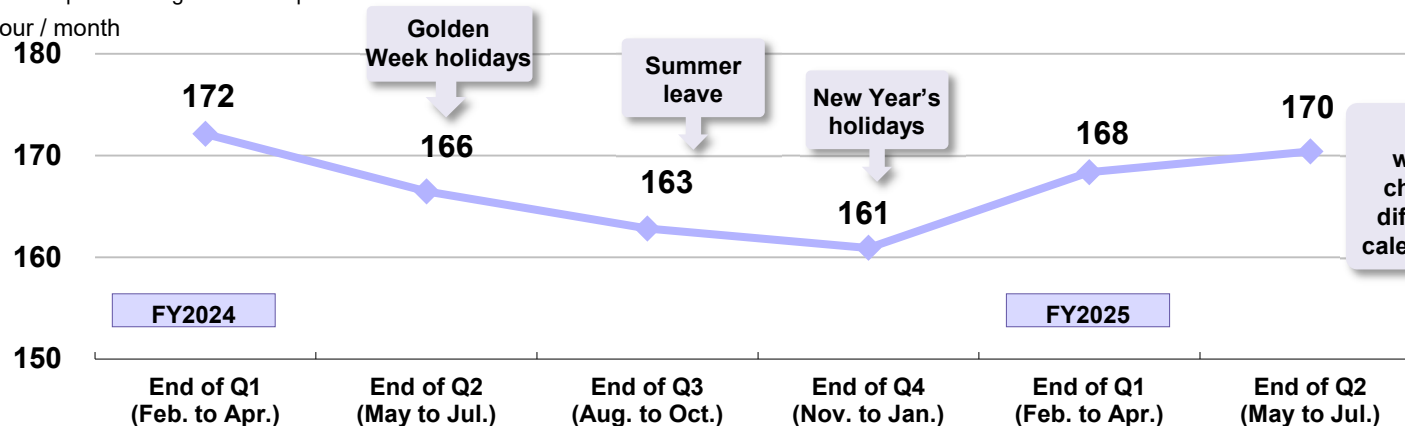


Total Work Person-hours

Q2 FY2024 (average)	Q2 FY2025 (average)	Change from the previous year (h)	Change from the previous year (%)
169	169	0	0.1

*Figures for dispatched engineers *Per person

Unit: hour / month



<https://www.artner.co.jp/>

1 Financial Summary for Q2 FY2025 **p. 3**

2 Forecast of Financial Results and Dividends for FY2025 **p. 11**

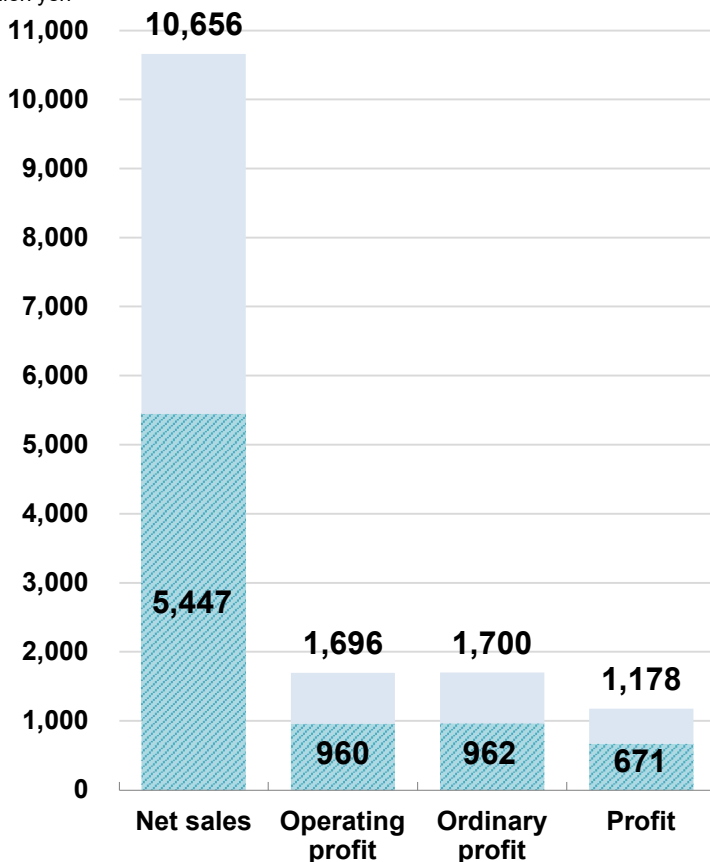
3 Reference **p. 15**

Progress of the Forecast of Financial Results for Q2 FY2025

■ Progress in this Q2 against the full financial year forecast is:

Net sales 51.1%, Operating profit 56.6%, Ordinary profit 56.6%, Profit 57.0%

Unit: million yen



	Q2 FY2025		
	Result (million yen)	Percentage (%)	Progress (%) of the Forecast of financial results for FY2025
Net sales	5,447	100.0	51.1
Operating profit	960	17.6	56.6
Ordinary profit	962	17.7	56.6
Profit	671	12.3	57.0

	Forecast of Financial results for FY2025	
	Full year (million yen)	Percentage (%)
Net sales	10,656	100.0
Operating profit	1,696	15.9
Ordinary profit	1,700	16.0
Profit	1,178	11.1

Forecast of Dividends for FY2025

Payout Ratio

Based on **50%**

FY2025 (forecast) **72.1%**

	Annual dividends per share (yen)			Dividend yield (%)	Payout ratio (%)	Dividend on equity ratio (DOE) (%)
	Second quarter-end	Fiscal year-end	Total			
FY2024	37.50	37.50	75.00	3.39	75.8	19.2
FY2025 (forecast)	40.00	40.00	80.00	4.27	72.1	

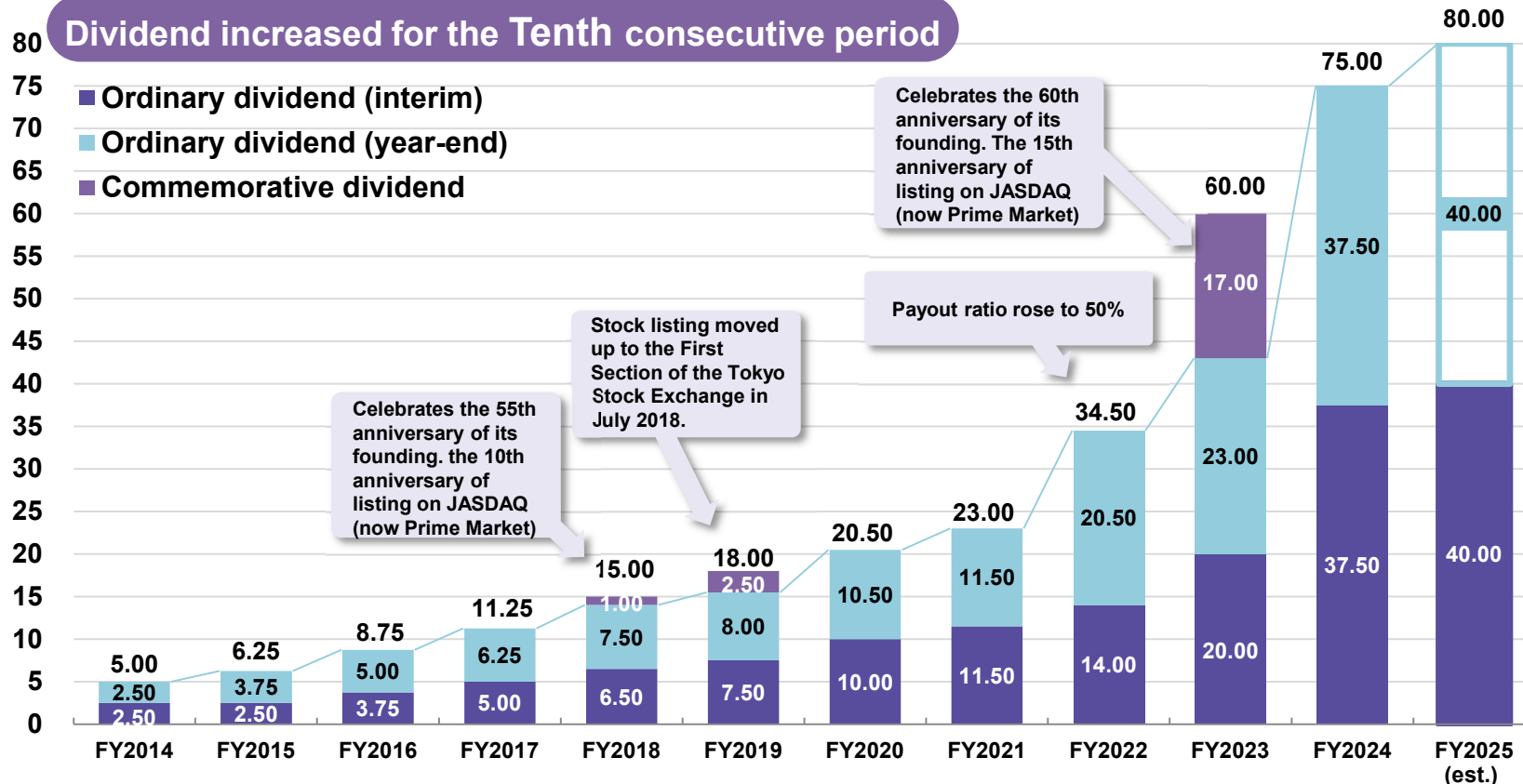
*Dividend yield (%) = individual dividend per share (total) ÷ share price (year-end, closing price) × 100

Closing price at ending of FY2024 (January 31, 2024) 2,211 yen / Closing price at ending of Q2 FY2025 (July 31, 2024) 1,874 yen

Dividend Per Share

- We intend to increase our profit every year and determine a dividend amount that will not fall below the previous year's amount, based on a payout ratio of 50%.

Unit: yen



Dividends per share were retroactively revised to factor in the impact of stock splits conducted as follows.
February 1, 2017 (2-for-1 stock split) • April 1, 2018 (2-for-1 stock split)

<https://www.artner.co.jp/>

1 Financial Summary for Q2 FY2025 **p. 3**

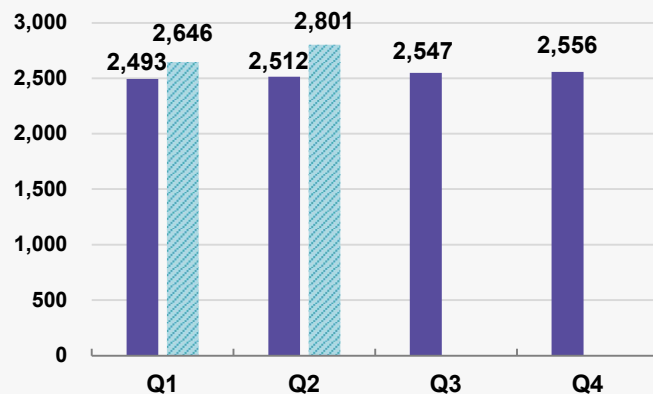
2 Forecast of Financial Results and Dividends for FY2025 **p. 11**

3 Reference **p. 15**

Quarterly (accounting period) Financial Results

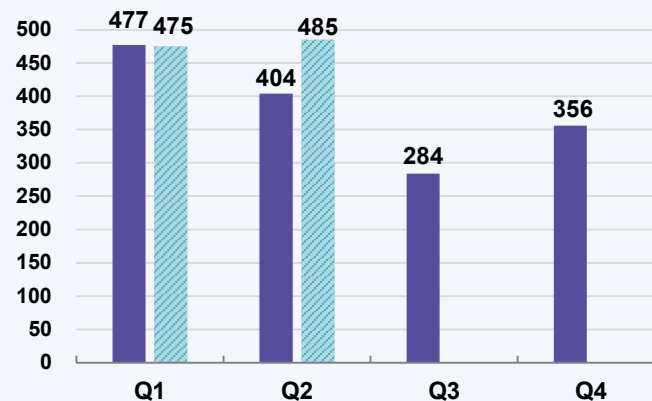
Net sales

■ FY2024 ■ FY2025 Unit: million yen



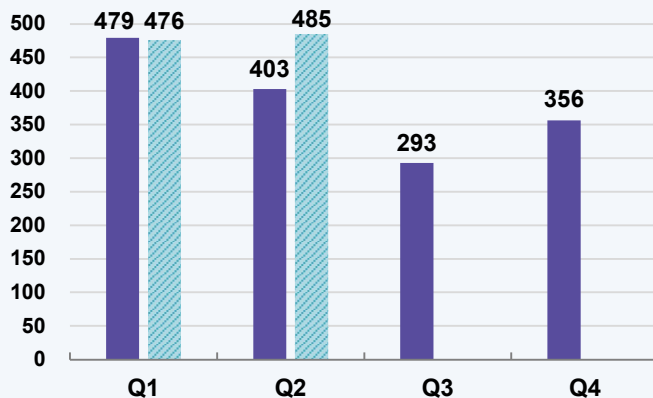
Operating profit

■ FY2024 ■ FY2025 Unit: million yen



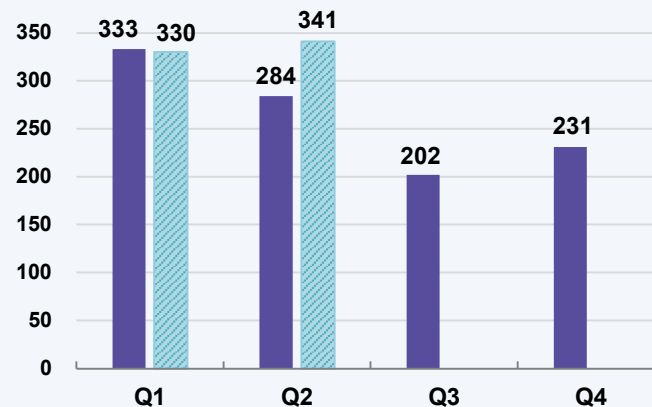
Ordinary profit

■ FY2024 ■ FY2025 Unit: million yen



Profit

■ FY2024 ■ FY2025 Unit: million yen



<https://www.artner.co.jp/>

Quarterly (accounting period) Financial Results, Numerical Data

FY2025

	Q1(Feb. to Apr.)				Q2(May to Jul.)				Q3(Aug. to Oct.)				Q4(Nov. to Jan.)				full-year		
	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(1) (%)	Result (million yen)	Percent -age (%)	YOY (%)
Net sales	2,646	100.0	6.1	24.8	2,801	100.0	11.5	26.3									10,656	100.0	5.4
Cost of sales	1,601	60.5	4.8		1,716	61.3	8.2												
Gross profit	1,044	39.5	8.2		1,084	38.7	17.2												
SG&A expenses	568	21.5	16.8		599	21.4	14.9												
Operating profit	475	18.0	(0.6)	28.0	485	17.3	20.1	28.6									1,696	15.9	11.4
Ordinary profit	476	18.0	(0.6)	28.0	485	17.3	20.4	28.6									1,700	16.0	10.9
Profit	330	12.5	(0.7)	28.1	341	12.2	19.9	28.9									1,178	11.1	12.1

*(1) Quarterly composition of forecast of financial results (full year)

FY2024

	Q1(Feb. to Apr.)				Q2(May to Jul.)				Q3(Aug. to Oct.)				Q4(Nov. to Jan.)				full-year		
	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)	*(2) (%)	Result (million yen)	Percent -age (%)	YOY (%)
Net sales	2,493	100.0	11.7	24.7	2,512	100.0	9.7	24.9	2,547	100.0	7.5	25.2	2,556	100.0	8.8	25.3	10,110	100.0	9.4
Cost of sales	1,528	61.3	10.2	23.3	1,587	63.2	5.6	24.2	1,755	68.9	5.4	26.7	1,699	66.5	5.5	25.9	6,571	65.0	6.5
Gross profit	965	38.7	14.2	27.3	925	36.8	17.6	26.2	791	31.1	12.7	22.4	856	33.5	15.9	24.2	3,539	35.0	15.1
SG&A expenses	487	19.5	4.3	24.2	521	20.8	10.0	25.9	507	19.9	10.2	25.2	500	19.6	4.6	24.8	2,016	19.9	7.3
Operating profit	477	19.2	26.4	31.4	404	16.1	29.2	26.5	284	11.2	17.4	18.7	356	13.9	36.6	23.4	1,522	15.1	27.5
Ordinary profit	479	19.2	26.4	31.3	403	16.1	29.1	26.3	293	11.5	17.2	19.1	356	13.9	36.6	23.3	1,532	15.2	27.4
Profit	333	13.4	26.5	31.7	284	11.3	31.5	27.1	202	8.0	16.9	19.3	231	9.0	(4.4)	22.0	1,051	10.4	17.5

*(2) Quarterly composition of full-year financial results

<https://www.artner.co.jp/>

Handling of This Document

This document is intended to provide information to help you deepen your understanding of the Company, and is not intended to solicit investment in securities issued by the Company.

Although this document has been created carefully to ensure its accuracy, its completeness is not guaranteed.

The Company shall not be held liable for any failure or damage caused by the use of forecast data or information contained in this document.

(Forward-looking statements)

The opinions, forecasts, and other information contained in this document are based on our assessment at the time this document was prepared, and they may include potential risks and uncertainties.

Therefore, actual results may differ from the forward-looking statements in this document due to various factors, such as changes in the business environment.

(Processing of numbers)

As the amounts in the text and figures of this document are rounded down to the nearest unit, the total of breakdowns may not coincide with the official total numbers. In addition, as ratios (%) are rounded to the first decimal place, the total of their breakdown may not add up to 100.0%.