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December 9, 2024

## Summary of Non-consolidated Financial Results for the Nine Months Ended October 31, 2024 (Under Japanese GAAP)

Company name: Artner Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 2163  
 URL: <https://www.artner.co.jp/en/>  
 Representative: SEKIGUCHI Sozo, President and CEO  
 Inquiries: HARIGAE Tomonori, Director; Head of the Management Division  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for individual investors)

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

### 1. Non-consolidated financial results for the nine months ended October 31, 2024 (from February 1, 2024 to October 31, 2024)

#### (1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
October 31, 2024	8,255	9.3	1,353	16.0	1,364	16.0	951	15.9
October 31, 2023	7,553	9.6	1,166	25.0	1,176	24.8	820	25.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
October 31, 2024	89.54		—	
October 31, 2023	77.22		—	

#### (2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of						
October 31, 2024	6,587		4,398		66.8	
January 31, 2024	6,114		4,271		69.9	

Reference: Equity As of October 31, 2024: ¥ 4,398 million  
 As of January 31, 2024: ¥ 4,271 million

### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen				
Fiscal year ended January 31, 2024	—	37.50	—	37.50	75.00
Fiscal year ending January 31, 2025	—	40.00	—		
Fiscal year ending January 31, 2025 (Forecast)				40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

### 3. Forecast of non-consolidated financial results for the year ending January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,656	5.4	1,696	11.4	1,700	10.9	1,178	12.1	110.92

Note: Revisions to the forecast of non-consolidated financial results most recently announced: None

**\* Notes**

- (1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of October 31, 2024	10,627,920 shares
As of January 31, 2024	10,627,920 shares

- (ii) Number of treasury shares at the end of the period

As of October 31, 2024	2,479 shares
As of January 31, 2024	2,469 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended October 31, 2024	10,625,443 shares
Nine months ended October 31, 2023	10,625,481 shares

\* Review of the attached quarterly financial statements by certified public accountants or an audit corporation: No

\* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors.

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## 1. Overview of Business Performance and Others

### (1) Overview of business performance during the nine months ended October 31, 2024

During the first nine months of the current fiscal year, Japan saw its economy gradually recover, and this recovery is expected to continue.

Manufacturers in automobile-related industries, our main clients, actively developed electric vehicles, hybrid vehicles, fuel cell vehicles, etc., with the aim of achieving “carbon neutrality” at faster pace than last year. Due to the rising demand for semiconductors for generative AI, there was also strong demand for engineers from manufacturers in industries related to semiconductor manufacturing equipment.

We turned out to have more employees in operative personnel than the same period of the previous year because the number of engineers we have in our engineer dispatching business increased. In addition, the increase is attributable to the facts that the utilization rate remained high as demand for engineers rose, and that newly graduated engineers who joined us in 2024 were assigned to their work ahead of the initial schedule. Moreover, the trend of engineer shortage pushed up the unit price for newly graduated engineers at their first assignments. The strategic rotation of current engineers between clients to improve their work level also led the unit price of engineers to surpass the price in the same period of the previous year. The total work person-hours were at the same level as the same period of the previous year.

The contracting business actively engaged in sales activities. Consequently, we had a larger number of engineers assigned to contracted projects, and they comprised 11.2% of net sales.

In terms of profits, while there were expenses, such as those related to the expansion of a training facility and recruitment-related investments, these costs were absorbed by net sales growth, which led profits to exceed those for the same period of the previous year.

As a result of all this, net sales for the first nine months of the current fiscal year totaled JPY 8,255,112 thousand (up 9.3% year on year), operating profit JPY 1,353,155 thousand (up 16.0% year on year), ordinary profit JPY 1,364,435 thousand (up 16.0% year on year), and profit JPY 951,353 thousand (up 15.9% year on year). Operating margin was 16.4%.

### (2) Overview of financial status during the nine months ended October 31, 2024

#### (i) Assets, liabilities, and net assets

The total assets at the end of the third quarter of the current fiscal year increased JPY 473,678 thousand compared to the end of the previous fiscal year to JPY 6,587,765 thousand.

This is mostly because we recorded an increase of JPY 343,400 thousand in accounts receivable - trade and an increase of JPY 128,660 thousand in deferred tax assets.

Liabilities at the end of the third quarter increased JPY 345,914 thousand compared to the end of the previous fiscal year to JPY 2,188,847 thousand. This is mostly because we recorded an increase of JPY 365,089 thousand in provision for bonuses and an increase of JPY 82,748 thousand in accrued expenses, whereas we also recorded a decrease of JPY 129,032 thousand in accounts payable - other.

Net assets at the end of the third quarter increased JPY 127,764 thousand compared to the end of the previous fiscal year to JPY 4,398,917 thousand. This is mostly because we recorded an increase of JPY 127,881 thousand in retained earnings.

#### (ii) Cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the third quarter of the current fiscal year decreased JPY 25,938 thousand compared to the end of the previous fiscal year to JPY 4,251,672 thousand.

Cash flows for the first nine months of the current fiscal year and factors therein are as stated below.

##### (Net cash provided by (used in) operating activities)

The cash gained as a result of operating activities totaled JPY 834,019 thousand (down JPY 52,154 thousand year on year). This is mostly because we recorded JPY 1,370,634 thousand in profit before income taxes and an increase of JPY 365,089 thousand in provision for bonuses, whereas we also recorded JPY 569,862 thousand in income taxes paid and an increase of JPY 343,400 thousand in trade receivables.

##### (Net cash provided by (used in) investing activities)

The cash used as a result of investing activities totaled JPY 46,153 thousand (up JPY 43,018 thousand year on year). This is mostly because we recorded JPY 47,691 thousand in purchase of property, plant and equipment.

(Net cash provided by (used in) financing activities)

The cash used as a result of financing activities totaled JPY 813,804 thousand (up JPY 529 thousand year on year).

This is mostly because we recorded JPY 813,779 thousand in dividends paid.

(3) Explanation of earnings forecasts and other forward-looking statements

The full-year forecasts of the financial results published on March 14, 2024 remain unchanged.

## 2. Quarterly Financial Statements and Main Notes

### (1) Quarterly non-consolidated balance sheet

(Thousands of yen)

	As of January 31, 2024	As of October 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,277,610	4,251,672
Accounts receivable - trade	1,240,516	1,583,916
Work in process	5,357	7,702
Raw materials and supplies	3,455	2,864
Other	80,714	84,133
Allowance for doubtful accounts	(7,400)	(9,500)
<b>Total current assets</b>	<b>5,600,255</b>	<b>5,920,789</b>
Non-current assets		
Property, plant and equipment	69,803	82,823
Intangible assets	24,979	23,119
Investments and other assets		
Leasehold and guarantee deposits	94,786	108,186
Other	324,262	452,845
<b>Total investments and other assets</b>	<b>419,048</b>	<b>561,032</b>
<b>Total non-current assets</b>	<b>513,831</b>	<b>666,975</b>
<b>Total assets</b>	<b>6,114,087</b>	<b>6,587,765</b>
<b>Liabilities</b>		
Current liabilities		
Income taxes payable	343,469	318,860
Provision for bonuses	188,499	553,588
Other	619,303	608,815
<b>Total current liabilities</b>	<b>1,151,271</b>	<b>1,481,263</b>
Non-current liabilities		
Provision for retirement benefits	691,661	707,584
<b>Total non-current liabilities</b>	<b>691,661</b>	<b>707,584</b>
<b>Total liabilities</b>	<b>1,842,933</b>	<b>2,188,847</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus	168,323	168,323
Retained earnings	3,864,599	3,992,481
Treasury shares	(869)	(894)
<b>Total shareholders' equity</b>	<b>4,270,337</b>	<b>4,398,194</b>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	815	722
<b>Total valuation and translation adjustments</b>	<b>815</b>	<b>722</b>
<b>Total net assets</b>	<b>4,271,153</b>	<b>4,398,917</b>
<b>Total liabilities and net assets</b>	<b>6,114,087</b>	<b>6,587,765</b>

## (2) Quarterly non-consolidated profit and loss statement

(Thousands of yen)

	Nine months ended October 31, 2023	Nine months ended October 31, 2024
Net sales	7,553,937	8,255,112
Cost of sales	4,871,399	5,175,881
Gross profit	2,682,537	3,079,230
Selling, general and administrative expenses	1,516,073	1,726,075
Operating profit	1,166,464	1,353,155
Non-operating income		
Interest income	1	11
Dividend income	161	55
Commission income	427	437
Sales income of training materials	482	605
Dividend income of insurance	7,297	7,702
Subsidy income	783	2,001
Other	1,516	1,645
Total non-operating income	10,670	12,459
Non-operating expenses		
Interest expenses	98	—
Cancellation penalty	960	1,178
Other	13	1
Total non-operating expenses	1,071	1,179
Ordinary profit	1,176,062	1,364,435
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
Profit before income taxes	1,184,001	1,370,634
Income taxes - current	488,948	547,899
Income taxes - deferred	(125,446)	(128,619)
Total income taxes	363,502	419,280
Profit	820,498	951,353

## (3) Quarterly non-consolidated cash flow statement

(Thousands of yen)

	Nine months ended October 31, 2023	Nine months ended October 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,184,001	1,370,634
Depreciation	18,258	18,518
Increase (decrease) in allowance for doubtful accounts	1,700	2,100
Increase (decrease) in provision for bonuses	345,353	365,089
Increase (decrease) in provision for retirement benefits	9,292	15,922
Interest and dividend income	(163)	(67)
Interest expenses	98	—
Gain on sale of non-current assets	—	(6,199)
Loss (gain) on sale of investment securities	(7,938)	—
Decrease (increase) in accounts receivable - other	25	56
Decrease (increase) in trade receivables	(273,238)	(343,400)
Decrease (increase) in inventories	(1,772)	(1,753)
Increase (decrease) in accrued consumption taxes	(32,174)	(10,422)
Increase (decrease) in accounts payable - other	(141,468)	(128,067)
Other, net	121,792	121,403
Subtotal	1,223,766	1,403,814
Interest and dividends received	163	67
Interest paid	(98)	—
Income taxes paid	(337,658)	(569,862)
Net cash provided by (used in) operating activities	886,173	834,019
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,398)	(47,691)
Proceeds from sale of property, plant and equipment	—	28,944
Purchase of intangible assets	(10,009)	(5,697)
Payments of leasehold and guarantee deposits	(54)	(13,663)
Proceeds from refund of leasehold and guarantee deposits	64	263
Proceeds from sale of investment securities	9,231	—
Other, net	30	(8,307)
Net cash provided by (used in) investing activities	(3,135)	(46,153)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	(129)	(24)
Dividends paid	(813,145)	(813,779)
Net cash provided by (used in) financing activities	(813,275)	(813,804)
Net increase (decrease) in cash and cash equivalents	69,762	(25,938)
Cash and cash equivalents at beginning of period	3,975,881	4,277,610
Cash and cash equivalents at end of period	4,045,644	4,251,672

(4) Notes on the quarterly financial statements  
(Notes on the Going Concern Assumption)  
Not applicable

(Notes on Substantial Changes in the Amount of Shareholders' Equity)  
Not applicable

(Notes on the Segment Data)  
Since we have only one reportable segment, notes on this matter have been omitted.