

September 8, 2025

Summary of Non-consolidated Financial Results for the Six Months Ended July 31, 2025 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 2163
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 Scheduled date to file semi-annual securities report: September 10, 2025
 Scheduled date to commence dividend payments: October 7, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts; for individual investors)

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

1. Non-consolidated financial results for the six months ended July 31, 2025 (from February 1, 2025 to July 31, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2025	5,876	7.9	1,099	14.5	1,101	14.5	770	14.7
July 31, 2024	5,447	8.8	960	8.9	962	9.0	671	8.8

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
July 31, 2025	72.50	—
July 31, 2024	63.23	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
July 31, 2025	7,063	5,032	71.2
January 31, 2025	6,687	4,708	70.4

Reference: Equity As of July 31, 2025: ¥ 5,032 million
 As of January 31, 2025: ¥ 4,708 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2025	—	40.00	—	42.00	82.00
Fiscal year ending January 31, 2026	—	42.00			
Fiscal year ending January 31, 2026 (Forecast)			—	42.00	84.00

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, 2026 (from February 1, 2025 to January 31, 2026)

(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	11,492	3.3	1,838	1.6	1,838	0.9	1,274	1.1	119.94

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 July 31, 2025	10,627,920 shares
As of January 31, 2025	10,627,920 shares

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

As of July 31, 2025	2,557 shares
As of January 31, 2025	2,514 shares

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

Six months ended July 31, 2025	10,625,392 shares
Six months ended July 31, 2024	10,625,444 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 six months ended July 31, 2025

During the first six months of the current fiscal year, although heightened uncertainty was observed in the Japanese economy due to U.S. tariff measures and other factors, our clients' R&D activities continued to progress steadily. As a large proportion of our engineers are assigned to R&D as well as design and development fields, we continued to see strong demand for engineers from automotive manufacturers and semiconductor manufacturing equipment manufacturers.

In the engineer dispatching business, the increase in the number of engineers coupled with utilization rates remaining high as demand for engineers rose caused the number of operative personnel to surpass that in the same period of the previous year. Moreover, along with the trend of wage increases, the rise in the unit price for newly graduated engineers at their first assignments due to the engineer shortage, and the strategic rotation of current engineers between clients to improve their work level also caused the unit price of engineers to rise continuously since the previous period, surpassing the unit price in the same period of the previous year. Also, while average daily total work person-hours were on the same level of those in the same period of the previous year, due to changes in the number of shift days accompanying disparities in the holiday calendar with the previous year caused average monthly total work person-hours to decline over the same period of the previous year.

In the contracting business, aggressive sales activities have led to an increasing number of engineers assigned to contracted projects. Furthermore, by shifting from engineer dispatching to contracting projects in response to client needs, the contracting business's net sales ratio increased to 12.3%.

In terms of profits, while there were expenses related to recruitment investment and IT/DX investment as well as other expenses, these were absorbed by net sales growth, which led to profits exceeding those for the same period of the previous year.

As a result of all this, net sales for the first six months of the current fiscal year totaled JPY 5,876,451 thousand (up 7.9% year on year), operating profit JPY 1,099,793 thousand (up 14.5% year on year), ordinary profit JPY 1,101,506 thousand (up 14.5% year on year), and profit JPY 770,389 thousand (up 14.7% year on year). Operating margin was 18.7%.

(2) Overview of financial status during the six months ended July 31, 2025

(i) Assets, liabilities, and net assets

The total assets at the end of the second quarter of the current fiscal year increased JPY 375,692 thousand compared to the end of the previous fiscal year to JPY 7,063,336 thousand. This is mostly because we recorded an increase of JPY 213,375 thousand in accounts receivable - trade, and an increase of JPY 86,145 thousand in cash and deposits. Liabilities at the end of the second quarter increased JPY 51,426 thousand compared to the end of the previous fiscal year to JPY 2,030,933 thousand. This is mostly because we recorded an increase of JPY 115,839 thousand in deposits received, whereas we also recorded a decrease of JPY 46,194 thousand in accrued consumption taxes.

Net assets at the end of the second quarter increased JPY 324,265 thousand compared to the end of the previous fiscal year to JPY 5,032,403 thousand. This is mostly because we recorded an increase of JPY 324,122 thousand in retained earnings.

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the second quarter of the current fiscal year increased JPY 86,145 thousand compared to the end of the previous fiscal year to JPY 4,675,121 thousand.

Cash flows for the first six 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 607,147 thousand (up JPY 257,071 thousand year on year). This is mostly because we recorded JPY 1,100,309 thousand in profit before income taxes, whereas we also recorded JPY 341,751 thousand in income taxes paid and an increase of JPY 213,375 thousand in trade receivables.

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

The cash used as a result of investing activities totaled JPY 76,401 thousand (up JPY 30,254 thousand year on year). This is mostly because we recorded JPY 76,319 thousand in purchase of property, intangible assets.

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

The cash used as a result of financing activities totaled JPY 444,601 thousand (up JPY 48,279 thousand year on year). This is mostly because we recorded JPY 444,518 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, 2025 remain unchanged.

Currently, the risk of a downward swing in market conditions due to the impact of U.S. trade policy and other factors is growing, and an impact on the performance of clients is envisioned to a considerable degree. However, we believe that societal issues addressed by manufacturers in automobile-related industries, including reducing CO₂ emissions, will fall outside the scope of significant R&D cost cuts. At Artner, due to the high placement ratio of engineers in the R&D and design and development domains, no impact on the company's businesses has manifested itself at this time. This April's revisions in unit prices in agreements with our clients overall, including manufacturers in automobile-related industries, led to higher prices than in the previous year. Additionally, engineer staffing agreements are automatically renewed every three months, and there were almost no visible cases of agreements terminating between the months of April and June, July and September, and October and December. We intend to continue to respond at an early stage while closely monitoring risk.

2. Semi-annual Financial Statements and Main Notes

(1) Semi-annual non-consolidated balance sheet

(Thousands of yen)

	As of January 31, 2025	As of July 31, 2025
Assets		
Current assets		
Cash and deposits	4,588,976	4,675,121
Accounts receivable - trade	1,457,629	1,671,005
Work in process	4,376	9,161
Raw materials and supplies	2,651	2,543
Other	85,769	94,548
Allowance for doubtful accounts	△8,700	△10,000
Total current assets	6,130,702	6,442,379
Non-current assets		
Property, plant and equipment	78,815	79,936
Intangible assets	20,795	89,272
Investments and other assets		
Leasehold and guarantee deposits	111,741	102,867
Other	345,590	348,880
Total investments and other assets	457,331	451,748
Total non-current assets	556,942	620,957
Total assets	6,687,644	7,063,336
Liabilities		
Current liabilities		
Income taxes payable	366,794	356,487
Provision for bonuses	223,950	238,860
Other	672,021	721,044
Total current liabilities	1,262,765	1,316,392
Non-current liabilities		
Provision for retirement benefits	716,741	714,541
Total non-current liabilities	716,741	714,541
Total liabilities	1,979,507	2,030,933
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus	168,323	168,323
Retained earnings	4,301,729	4,625,852
Treasury shares	△965	△1,048
Total shareholders' equity	4,707,371	5,031,411
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	765	991
Total valuation and translation adjustments	765	991
Total net assets	4,708,137	5,032,403
Total liabilities and net assets	6,687,644	7,063,336

(2) Semi-annual non-consolidated profit and loss statement

(Thousands of yen)

	Six months ended July 31, 2024	Six months ended July 31, 2025
Net sales	5,447,543	5,876,451
Cost of sales	3,318,541	3,515,951
Gross profit	2,129,001	2,360,500
Selling, general and administrative expenses	1,168,233	1,260,706
Operating profit	960,768	1,099,793
Non-operating income		
Interest income	3	76
Dividend income	45	50
Commission income	291	280
Sales income of training materials	572	512
Gain on forfeiture of unclaimed dividends	483	789
Other	464	25
Total non-operating income	1,860	1,735
Non-operating expenses		
Cancellation penalty	494	22
Other	1	—
Total non-operating expenses	495	22
Ordinary profit	962,133	1,101,506
Extraordinary income		
Gain on sale of non-current assets	6,199	—
Total extraordinary income	6,199	—
Extraordinary losses		
Loss on retirement of non-current assets	—	1,197
Total extraordinary losses	—	1,197
Profit before income taxes	968,332	1,100,309
Income taxes - current	295,524	332,935
Income taxes - deferred	992	(3,015)
Total income taxes	296,516	329,919
Profit	671,816	770,389

(3) Semi-annual non-consolidated cash flow statement

(Thousands of yen)

	Six months ended July 31, 2024	Six months ended July 31, 2025
Cash flows from operating activities		
Profit before income taxes	968,332	1,100,309
Depreciation	11,926	14,466
Increase (decrease) in allowance for doubtful accounts	1,900	1,300
Increase (decrease) in provision for bonuses	16,850	14,910
Increase (decrease) in provision for retirement benefits	6,765	(2,199)
Interest and dividend income	(49)	(127)
Gain on sale of non-current assets	(6,199)	—
Loss on retirement of non-current assets	—	1,197
Decrease (increase) in accounts receivable - other	(285)	(228)
Decrease (increase) in trade receivables	(318,462)	(213,375)
Decrease (increase) in inventories	1,604	(4,676)
Increase (decrease) in accrued consumption taxes	(34,245)	(46,194)
Increase (decrease) in accounts payable - other	(56,209)	(43,069)
Other, net	80,847	126,461
Subtotal	672,776	948,772
Interest and dividends received	49	127
Income taxes paid	(322,749)	(341,751)
Net cash provided by (used in) operating activities	350,076	607,147
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,691)	(8,942)
Proceeds from sale of property, plant and equipment	28,944	—
Purchase of intangible assets	(5,697)	(76,319)
Payments of leasehold and guarantee deposits	(13,663)	(310)
Proceeds from refund of leasehold and guarantee deposits	263	9,183
Other, net	(8,301)	(13)
Net cash provided by (used in) investing activities	(46,146)	(76,401)
Cash flows from financing activities		
Purchase of treasury shares	(24)	(82)
Dividends paid	(396,297)	(444,518)
Net cash provided by (used in) financing activities	(396,322)	(444,601)
Net increase (decrease) in cash and cash equivalents	(92,392)	86,145
Cash and cash equivalents at beginning of period	4,277,610	4,588,976
Cash and cash equivalents at end of period	4,185,217	4,675,121

(4) Notes on the semi-annual 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.