

March 14, 2025

Summary of Non-consolidated Financial Results for the Fiscal Year Ended January 31, 2025 (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
 Telephone: +81-6-6445-7551
 Scheduled date of annual general meeting of shareholders: April 24, 2025
 Scheduled date to commence dividend payments: April 25, 2025
 Scheduled date to file annual securities report: April 24, 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 fiscal year ended January 31, 2025 (from February 1, 2024 to January 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	11,125	10.0	1,810	18.9	1,821	18.9	1,260	19.8
January 31, 2024	10,110	9.4	1,522	27.5	1,532	27.4	1,051	17.5

	Earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
January 31, 2025	118.64	—	28.1	28.5	16.3
January 31, 2024	98.99	—	25.3	26.0	15.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended January 31, 2025: ¥ — million

For the fiscal year ended January 31, 2024: ¥ — million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2025	6,687	4,708	70.4	443.10
January 31, 2024	6,114	4,271	69.9	401.97

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

As of January 31, 2024: ¥ 4,271 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2025	1,180	(49)	(819)	4,588
January 31, 2024	1,126	(5)	(818)	4,277

2. Cash dividends

	Annual dividends per share					Total cash dividends	Payout ratio	Dividend on equity
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended January 31, 2024	—	37.50	—	37.50	75.00	796	75.8	19.2
Fiscal year ended January 31, 2025	—	40.00	—	42.00	82.00	871	69.1	19.4
Fiscal year ending January 31, 2026 (Forecast)	—	42.00	—	42.00	84.00		70.0	

3. Forecast of non-consolidated financial results for the year ending January 31, 2026 (from February 1, 2025 to January 31, 2026)

	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

* Notes

- (1) 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

- (2) Number of issued shares (common shares)

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

As of January 31, 2025	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 January 31, 2025	2,514 shares
As of January 31, 2024	2,469 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended January 31, 2025	10,625,442 shares
Fiscal year ended January 31, 2024	10,625,474 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* 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.

○Contents of the Attached Document

1. Overview of Business Performance and Others	2
(1) Overview of business performance during the current fiscal year	2
(2) Overview of financial status during the current fiscal year	2
(3) Overview of cash flows during the current fiscal year	2
(4) Outlook.....	3
2. Basic Views on the Selection of Accounting Standards.....	3
3. Financial Statements and Main Notes.....	4
(1) Non-consolidated balance sheet	4
(2) Non-consolidated profit and loss statement.....	6
(3) Non-consolidated statements of changes in equity	7
(4) Non-consolidated cash flow statement	9
(5) Notes on the financial statements	10
(Notes on the Going Concern Assumption).....	10
(Equity in Earnings)	10
(Notes on the Segment Data).....	10
(Per Share Information).....	10
(Material Post-Balance Sheet Events).....	10
4. Others.....	10

1. Overview of Business Performance and Others

(1) Overview of business performance during the current fiscal year

This fiscal year has seen the Japanese economy recover gradually. 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 and wage increases by companies 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 unit 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.

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 11.6%.

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 this fiscal year totaled JPY 11,125,970 thousand (up 10.0% year on year), operating profit JPY 1,810,142 thousand (up 18.9% year on year), ordinary profit JPY 1,821,912 thousand (up 18.9% year on year), and profit JPY 1,260,601 thousand (up 19.8% year on year). Operating margin was 16.3%.

(2) Overview of financial status during the current fiscal year

The total assets at the end of this fiscal year increased JPY 573,557 thousand compared to the end of the previous fiscal year to JPY 6,687,644 thousand. This is mostly because we recorded an increase of JPY 311,365 thousand in cash and deposits and an increase of JPY 217,113 thousand in trade receivables.

Liabilities at the end of this fiscal year increased JPY 136,573 thousand compared to the end of the previous fiscal year to JPY 1,979,507 thousand. This is mostly because we recorded an increase of JPY 35,451 thousand in provision for bonuses and an increase of JPY 30,950 thousand in accounts payable - other.

Net assets at the end of this fiscal year increased JPY 436,983 thousand yen compared to the end of the previous fiscal year to JPY 4,708,137thousand. This is mostly because we recorded an increase of JPY 437,129thousand in retained earnings.

(3) Overview of cash flows during the current fiscal year

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of this fiscal year increased JPY 311,365 thousand compared to the end of the previous fiscal year to JPY 4,588,976 thousand. Cash flows for the 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 1,180,473 thousand (up JPY 54,224 thousand year on year). This is mostly because we recorded JPY 1,828,111 thousand in profit before income taxes, whereas we also recorded JPY 569,868 thousand in income taxes paid and JPY 217,113 thousand in trade receivables.

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

The cash used as a result of investing activities totaled JPY 49,976 thousand (up JPY 44,001 thousand year on year). This is mostly because we recorded JPY 47,953 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 819,131 thousand (up JPY 587 thousand year on year). This is mostly because we recorded JPY 819,035 thousand in dividends paid.

(Reference) Indicators related to cash flows

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio (%)	70.5	70.4	71.4	69.9	70.4
Market value-based equity ratio (%)	206.9	181.4	186.7	384.2	293.9
Ratio of cash flows to interest-bearing liabilities (year)	—	—	—	—	—
Interest coverage ratio (times)	—	7,849.9	6,663.8	11,431.7	—

Equity ratio: Equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Ratio of cash flows to interest-bearing liabilities: Interest-bearing liabilities

Operating cash flow Interest coverage ratio: Operating cash flow / Interest payments

Notes: 1. The calculation of market capitalization is based on the number of shares issued, excluding treasury shares.

2. The ratios of cash flows to interest-bearing liabilities are not shown because there are no year-end interest-bearing liabilities.

3. The interest coverage ratios for the fiscal year ended January 2021 and the fiscal year ended January 2025 are not shown because there were no interest payments.

(4) Outlook

Looking ahead, the destabilization of the international situation poses a downside risk to the global economy. However, we project that our strategically important clients, such as automobile-related manufacturers and semiconductor manufacturing equipment-related manufacturers, will further increase their development speed. In regard to the market environment during the fiscal year ending January 31, 2025, we envisage that the full post-pandemic recovery will speed up, and that our strategically critical clients, namely manufacturers in industries related to automobiles and semiconductor manufacturing equipment, will further accelerate their development work. With this market environment, we foresee buoyant demand for engineers we provide will continue.

As a prerequisite, we expect that the number of engineers and the unit price of engineers will increase compared to the previous year, that the utilization rate and the total work person-hours will remain at the same levels, and that the turnover rate will decrease compared to the previous fiscal year.

Based on the above, we expect to post sales and profit growth for the full fiscal year ending January 31, 2026, with net sales of JPY 11,492 million, operating profit of JPY 1,838 million, ordinary profit of JPY 1,838 million, and profit of JPY 1,274 million.

The above forecasts of financial results were created based on information available as of the announcement date of this document. Actual financial and other results may differ substantially from the projections herein due to various factors.

2. Basic Views on the Selection of Accounting Standards

Many of Artner's stakeholders are shareholders, creditors, and clients/partners in Japan, which means we have little need for international funding. Hence, we use the Japanese accounting standards.

3. Financial Statements and Main Notes

(1) Non-consolidated balance sheet

(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
Liabilities		
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
Net assets		
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

(2) 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

(3) 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

(4) Non-consolidated cash flow statement

(Thousands of yen)

	Fiscal year ended January 31, 2024	Fiscal year ended January 31, 2025
Cash flows from operating activities		
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
Cash flows from investing activities		
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)
Cash flows from financing activities		
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

(5) Notes on the financial statements

(Notes on the Going Concern Assumption)

Not applicable

(Equity in Earnings)

Not applicable.

(Notes on the Segment Data)

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

(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 443.10
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.

	Y2024 (Fiscal year ended January 31, 2024)	Y2025 (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.

4. Others

For Changes in Executive Offices, please refer to the "Notice Concerning Changes in Executive Offices and Introduction of the Executive Officer System (employment type)" published on March 14, 2025.