

## Financial Statements

## Balance Sheet

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,975,881	4,277,610
Accounts receivable - trade	1,129,522	1,240,516
Work in process	4,099	5,357
Raw materials and supplies	3,689	3,455
Prepaid expenses	30,788	45,848
Accounts receivable - other	365	573
Other	23,610	34,292
Allowance for doubtful accounts	(6,700)	(7,400)
<b>Total current assets</b>	<b>5,161,256</b>	<b>5,600,255</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	109,981	92,265
Accumulated depreciation	(72,934)	(59,506)
<b>Buildings, net</b>	<b>37,046</b>	<b>32,758</b>
Structures	1,172	-
Accumulated depreciation	(1,172)	-
<b>Structures, net</b>	<b>0</b>	<b>-</b>
Tools, furniture and fixtures	51,188	48,178
Accumulated depreciation	(33,494)	(36,818)
<b>Tools, furniture and fixtures, net</b>	<b>17,693</b>	<b>11,360</b>
Land	25,685	25,685
<b>Total property, plant and equipment</b>	<b>80,424</b>	<b>69,803</b>
<b>Intangible assets</b>		
Software	25,715	23,324
Telephone subscription right	1,654	1,654
<b>Total intangible assets</b>	<b>27,370</b>	<b>24,979</b>
<b>Investments and other assets</b>		
Investment securities	10,099	1,570
Investments in capital	1,250	1,200
Long-term prepaid expenses	563	671
Deferred tax assets	296,162	319,608
Leasehold and guarantee deposits	94,876	94,786
Other	1,185	1,211
<b>Total investments and other assets</b>	<b>404,137</b>	<b>419,048</b>
<b>Total non-current assets</b>	<b>511,932</b>	<b>513,831</b>
<b>Total assets</b>	<b>5,673,188</b>	<b>6,114,087</b>

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - other	279,675	272,523
Accrued expenses	82,074	95,003
Income taxes payable	179,813	343,469
Accrued consumption taxes	221,798	210,039
Deposits received	17,700	20,245
Unearned revenue	37	-
Provision for bonuses	165,195	188,499
Other	7,290	21,491
<b>Total current liabilities</b>	<b>953,585</b>	<b>1,151,271</b>
<b>Non-current liabilities</b>		
Provision for retirement benefits	671,645	691,661
<b>Total non-current liabilities</b>	<b>671,645</b>	<b>691,661</b>
<b>Total liabilities</b>	<b>1,625,230</b>	<b>1,842,933</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	238,284	238,284
<b>Capital surplus</b>		
Legal capital surplus	168,323	168,323
<b>Total capital surplus</b>	<b>168,323</b>	<b>168,323</b>
<b>Retained earnings</b>		
Legal retained earnings	10,460	10,460
<b>Other retained earnings</b>		
General reserve	40,000	40,000
Retained earnings brought forward	3,585,798	3,814,139
<b>Total retained earnings</b>	<b>3,636,258</b>	<b>3,864,599</b>
Treasury shares	(739)	(869)
<b>Total shareholders' equity</b>	<b>4,042,126</b>	<b>4,270,337</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	5,832	815
<b>Total valuation and translation adjustments</b>	<b>5,832</b>	<b>815</b>
<b>Total net assets</b>	<b>4,047,958</b>	<b>4,271,153</b>
<b>Total liabilities and net assets</b>	<b>5,673,188</b>	<b>6,114,087</b>

## Profit and Loss Statement

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net sales	9,242,360	10,110,524
Cost of sales	6,168,503	6,571,185
Gross profit	3,073,856	3,539,339
Selling, general and administrative expenses	1,879,747	2,016,489
Operating profit	1,194,108	1,522,849
Non-operating income		
Interest income	1	1
Dividend income	284	179
Commission income	574	574
Sales income of training materials	593	518
Rental income from land and buildings	408	302
Dividend income of insurance	6,870	7,297
Subsidy income	594	783
Other	1,130	1,263
Total non-operating income	10,457	10,920
Non-operating expenses		
Interest expenses	130	98
Cancellation penalty	1,330	1,020
Other	49	35
Total non-operating expenses	1,511	1,153
Ordinary profit	1,203,054	1,532,616
Extraordinary income		
Gain on sale of investment securities	-	7,938
Total extraordinary income	-	7,938
Extraordinary losses		
Loss on retirement of non-current assets	0	13,197
Total extraordinary losses	0	13,197
Profit before income taxes	1,203,054	1,527,357
Income taxes - current	348,034	496,775
Income taxes - deferred	(40,127)	(21,235)
Total income taxes	307,906	475,540
<b>Profit</b>	<b>895,148</b>	<b>1,051,817</b>

## Cash Flow Statement

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,203,054	1,527,357
Depreciation	25,922	24,717
Increase (decrease) in allowance for doubtful accounts	700	700
Increase (decrease) in provision for bonuses	23,745	23,304
Increase (decrease) in provision for retirement benefits	92,111	20,016
Interest and dividend income	(285)	(181)
Interest expenses	130	98
Loss on retirement of non-current assets	0	13,197
Loss (gain) on sale of investment securities	-	(7,938)
Decrease (increase) in accounts receivable – other	970	(207)
Decrease (increase) in trade receivables	(118,368)	(110,993)
Decrease (increase) in inventories	(3,200)	(1,025)
Increase (decrease) in accrued consumption taxes	18,531	(11,759)
Increase (decrease) in accounts payable – other	24,139	(8,116)
Other, net	4,945	(5,343)
Subtotal	1,272,396	1,463,826
Interest and dividends received	285	181
Interest paid	(130)	(98)
Income taxes paid	(399,953)	(337,660)
Net cash provided by (used in) operating activities	872,598	1,126,248
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,042)	(2,398)
Purchase of intangible assets	(7,099)	(12,922)
Payments of leasehold and guarantee deposits	(10,154)	(54)
Proceeds from refund of leasehold and guarantee deposits	238	144
Proceeds from sale of investment securities	-	9,231
Other, net	(26)	23
Net cash provided by (used in) investing activities	(24,085)	(5,975)
Cash flows from financing activities		
Purchase of treasury shares	-	(129)
Dividends paid	(426,831)	(818,414)
Net cash provided by (used in) financing activities	(426,831)	(818,414)
Net increase (decrease) in cash and cash equivalents	421,681	301,729
Cash and cash equivalents at beginning of period	3,554,199	3,975,881
<b>Cash and cash equivalents at end of period</b>	<b>3,975,881</b>	<b>4,277,610</b>

## 11-Year financial Summary

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>■ Operating Results (million yen)</b>											
Net sales	3,856	4,287	4,761	5,153	5,765	6,331	7,002	7,174	8,102	9,242	10,110
Gross profit	1,238	1,418	1,580	1,802	2,039	2,298	2,540	2,731	2,800	3,073	3,539
Operating profit	188	336	431	553	681	785	886	887	1,010	1,194	1,522
Ordinary profit	193	341	432	564	690	794	893	910	1,032	1,203	1,532
Profit before income taxes	192	338	427	564	690	792	893	913	1,057	1,203	1,527
Profit	118	210	276	363	480	540	613	628	728	895	1,051
Cash flows from operating activities	77	512	307	192	471	612	591	899	770	872	1,126
Cash flows from investing activities	8	(15)	(3)	(15)	(25)	(75)	(42)	(30)	33	(24)	(5)
Cash flows from financing activities	(233)	(123)	(79)	(105)	(134)	(169)	(215)	(232)	(270)	(426)	(818)
Free cash flows	85	497	304	177	446	537	549	869	803	848	1,121
<b>■ Financial Position (million yen)</b>											
Total assets	1,385	1,830	2,102	2,289	2,763	3,264	3,801	4,432	5,088	5,673	6,114
Net assets	995	1,153	1,357	1,616	1,963	2,333	2,728	3,123	3,582	4,047	4,271
<b>■ Per Share Data (yen)</b>											
Earnings per share	11.20	19.83	26.02	34.22	45.27	50.91	57.73	59.16	68.59	84.24	98.99
Net assets per share	93.67	108.51	127.78	152.10	184.81	219.59	256.77	293.93	337.14	380.96	401.97
Dividend per share	5.00	6.25	8.75	11.25	15.00	18.00	20.50	23.00	34.50	60.00	75.00
* Earnings per share and net assets 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)											
<b>■ Management Indicators (%)</b>											
Equity ratio	71.8	63.0	64.6	70.6	71.1	71.5	71.8	70.5	70.4	71.4	69.9
Return on equity (ROE)	12.1	19.6	22.0	24.4	26.9	25.2	24.2	21.5	21.7	23.5	25.3
Return on assets (ROA)	13.2	21.2	22.0	25.7	27.3	26.3	25.3	22.1	21.7	22.4	26.0
Gross margin	32.1	33.1	33.2	35.0	35.4	36.3	36.3	38.1	34.6	33.3	35.0
Operating margin	4.9	7.9	9.1	10.7	11.8	12.4	12.7	12.4	12.5	12.9	15.1

Non-financial Data (KPIs, Targets, and Results)

Category	ID	Item	KPI	Target	FY2022	FY2023	FY2024	
Environmental	1	Improve energy efficiency and reduce energy usage	Greenhouse gas (GHG) emissions (Scope 1 and Scope 2)		Net zero (FY2051)	97.3 tCO2 (FY2022)	91.3 tCO2 (FY2023)	98.7 tCO2 (FY2024)
			Greenhouse gas (GHG) emissions (Scope 1 and Scope 2) per unit of net sales		-	0.0120 (tCO2 / million yen) (FY2022)	0.0101 (tCO2 / million yen) (FY2023)	0.0097 (tCO2 / million yen) (FY2024)
			Energy consumption (crude oil equivalent)		Reduction on an ongoing basis	48.7 (kl/year) (FY2022)	49.9 (kl/year) (FY2023)	48.2 (kl/year) (FY2024)
			Energy consumption (crude oil equivalent) per unit of net sales		-	0.0060 (kl / million yen) (FY2022)	0.0054 (kl / million yen) (FY2023)	0.0048 (kl / million yen) (FY2024)
			Reduction rate of copy paper used		Reduction on an ongoing basis	14.5% reduction (FY2022)	5.9% reduction (FY2023)	6.2% reduction (FY2024)
	2	Contribute to carbon neutrality through business activities	Share of engineers placed in carbon neutrality projects among all engineers		50.0% (FY2025)	41.3% (FY2022)	46.1% (FY2023)	48.3% (FY2024)
Social	3	Resolve social issues by creating jobs	Share of carbon neutrality recruitment targets for new graduates and career hires		55.0% (FY2025)	40.1% (FY2022)	50.0% (FY2023)	46.1% (FY2024)
	4	Respect human rights	Number of serious human rights issues		None	None (FY2022)	None (FY2023)	None (FY2024)
			Number of discrimination incidents		None	None (FY2022)	None (FY2023)	None (FY2024)
			Percentage of employees who have received harassment training		100.0%	100.0% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
			Number of inquiries to harassment helpline		Appropriate response to inquiries	None (FY2022)	None (FY2023)	1 (FY2024)
	5	Promote diversity and inclusion	Percentage of the Company's former employees who used job change assistance program		1.7% (FY2025)	0.8% (FY2022)	1.7% (FY2023)	2.3% (FY2024)
			Share of regular employees hired mid-career		-	2.0% (FY2022)	4.8% (FY2023)	7.7% (FY2024)
			Number of employees		-	1,180 (as of January 31, 2022)	1,276 (as of January 31, 2023)	1,321 (as of January 31, 2024)
			Number of temporary employees (average)		-	10 (FY2022)	16 (FY2023)	24 (FY2024)
	6	Develop and secure promising talents	Average hours of annual training per employee (engineer)		Same level each year	163.9 hours (FY2022)	81.2 hours (FY2023)	73.2 hours (FY2024)
			Average cost of annual training per employee (engineer)		Same level each year	63,000 yen (FY2022)	62,000 yen (FY2023)	54,000 yen (FY2024)
			Percentage of employees who have received talent development training		Same level each year	89.1% (FY2022)	84.8% (FY2023)	87.4% (FY2024)
			Turnover rate (engineers) *Excluding retirement and turnover via the Company's assistance program to change jobs		7.1% (FY2025)	10.3% (FY2022)	7.7% (FY2023)	8.3% (FY2024)
			Turnover rate (engineers)		8.8% (FY2025)	11.3% (FY2022)	9.6% (FY2023)	10.9% (FY2024)
			Payment related to regional and social contribution		-	2,000,000 yen (FY2022)	2,000,000 yen (FY2023)	2,000,000 yen (FY2024)
	Governance	7	Strengthen corporate governance	Appointment ratio of Independent Directors		One-third or more	37.5% (as of January 31, 2022)	37.5% (as of January 31, 2023)
Number of Outside Directors				-	3 (as of January 31, 2022)	3 (as of January 31, 2023)	3 (as of January 31, 2024)	
Ratio of Outside Directors in the Nomination and Remuneration Committee				Majority	75.0% (as of January 31, 2022)	75.0% (as of January 31, 2023)	75.0% (as of January 31, 2024)	
Remuneration of Outside Directors				-	22,000,000 yen (FY2022)	24,000,000 yen (FY2023)	25,000,000 yen (FY2024)	
Number of Directors				-	8 (as of January 31, 2022)	8 (as of January 31, 2023)	8 (as of January 31, 2024)	
Board of Directors				Number of meetings held	-	30 times (FY2022)	31 times (FY2023)	30 times (FY2024)
				Attendance rate	-	99.2% (FY2022)	98.8% (FY2023)	99.6% (FY2024)
				Attendance rate of Independent Directors	-	97.8% (FY2022)	96.8% (FY2023)	100.0% (FY2024)
Compliance and Risk Management Meeting				Number of meetings held	-	12 times (FY2022)	12 times (FY2023)	12 times (FY2024)
				Attendance rate	-	96.9% (FY2022)	99.0% (FY2023)	100.0% (FY2024)
				Attendance rate of Independent Directors	-	91.7% (FY2022)	97.3% (FY2023)	100.0% (FY2024)
Sustainability Committee				Number of meetings held	-	4 times (FY2022)	4 times (FY2023)	4 times (FY2024)
				Attendance rate	-	93.8% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
				Attendance rate of Independent Directors	-	83.4% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
Audit and Supervisory Committee				Number of meetings held	-	25 times (FY2022)	26 times (FY2023)	26 times (FY2024)
				Attendance rate	-	100.0% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
				Attendance rate of Independent Directors	-	100.0% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
Nomination and Remuneration Committee				Number of meetings held	-	-	4 times (FY2023)	4 times (FY2024)
				Attendance rate	-	-	100.0% (FY2023)	100.0% (FY2024)
				Attendance rate of Independent Directors	-	-	100.0% (FY2023)	100.0% (FY2024)
Evaluation of the effectiveness of the Board of Directors				Once	Once	Once	Once	
8		Promote compliance management	Percentage of employees who have received compliance training		100.0%	100.0% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
			Percentage of employees who have received information security training		100.0%	100.0% (FY2022)	100.0% (FY2023)	100.0% (FY2024)
			Number of major compliance violations		None	None (FY2022)	None (FY2023)	None (FY2024)
			Number of major information security incidents		None	None (FY2022)	None (FY2023)	None (FY2024)
			Number of inquiries to whistleblowing helpline		Appropriate response to inquiries	None (FY2022)	None (FY2023)	None (FY2024)
			Number of major dispositions related to corruption		None	None (FY2022)	None (FY2023)	None (FY2024)
			Number of instances where employees were fined for corruption, etc.		None	None (FY2022)	None (FY2023)	None (FY2024)



Company Data

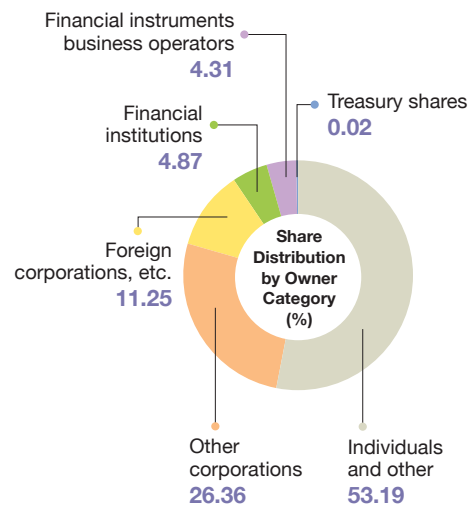
As of January 31, 2024

Stock Data

Fiscal Year-End	January 31
Ordinary General Meeting of Shareholders	April
Record dates for dividends of surplus	January 31 and July 31 (when interim dividends are provided)
Number of shares per share unit	100 shares

Total number of authorized shares	36,000,000 shares
Number of shares issued	10,627,920 shares
Number of tradable shares	74,145 units
Number of shareholders	15,051
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-Chome, Chiyoda-ku, Tokyo 100-8212, Japan

Share Distribution by Owner Category



Major Shareholders

Name	Number of Shares Held	Ratio (%)*
Sekiguchi Kogyo Co., Ltd.	2,126,000	20.00
Artner Employee Stock Ownership Association	808,148	7.60
Osaka Small and Medium Business Investment and Consultation Co., Ltd.	480,000	4.51
The Master Trust Bank of Japan, Ltd. (Trust Account)	285,900	2.69
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) (Standing Proxy: MUFG Bank, Ltd.)	243,439	2.29
JPMorgan Securities Japan Co., Ltd.	203,547	1.91
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 (Standing Proxy: Settlement and Clearing Services Division, Mizuho Bank, Ltd.)	180,000	1.69
THE BANK OF NEW YORK MELLON 140040 (Standing Proxy: Settlement and Clearing Services Division, Mizuho Bank, Ltd.)	166,259	1.56
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE (Standing Proxy: MUFG Bank, Ltd.)	151,138	1.42
HARIGAE Tomonori	140,840	1.32
Total	4,785,271	45.03

\* The number of shares owned as a proportion of the total number of issued shares (excluding treasury stock).

Stock Price Changes (February 3, 2014 – January 31, 2024)



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
FY high (yen)	243	399	466	1,153	1,341	1,058	1,102	930	1,080	2,404
FY low (yen)	133	175	210	398	566	671	527	774	820	994

\*Artner's stock price and TOPIX, shown as line graphs, are both indexed to 100 as of February 3, 2014.  
\*Stock prices 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)

Company Overview As of January 31, 2024

Name	Artner Co., Ltd.
Founded	September 18, 1962
Representative	President and CEO SEKIGUCHI Sozo
Share listing	Prime Market of the Tokyo Stock Exchange (Securities code: 2163)
General Meeting of Shareholders	Held in Osaka
Capital	¥238,284,320
Headquarters	Tokyo headquarters Sumitomo Fudosan Realty and Development Shin-Yokohama Building 5F, 2-5-5 Shin-Yokohama, Kohoku Ward, Yokohama City 222-0033  Osaka headquarters Sumitomo Nakanoshima Building 2F, 3-2-18 Nakanoshima, Kita Ward, Osaka City 530-0005
Business bases	Yokohama, Osaka, Utsunomiya, Nagoya
Learning centers	East Japan, West Japan
Business fields	1) Software 2) Electronics 3) Machinery Basic research, design, and development in the above fields, as well as tasks relating to them
Number of employees	1,321
License Number	Worker Dispatching Business (派27-020513) Paid Employment Agency Business (27-工-020355)

(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.