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June 10, 2024

Summary of Non-consolidated Financial Results for the Three Months Ended April 30, 2024 (Under Japanese GAAP)

Company name: Artner Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 2163
 URL: <https://www.artner.co.jp/>
 Representative: SEKIGUCHI Sozo, President and CEO
 Inquiries: HARIGAE Tomonori, Director; Head of the Management Division
 Telephone: +81-6-6445-7551
 Scheduled date to file quarterly securities report: June 12, 2024
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for individual investors)

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

1. Non-consolidated financial results for the three months ended April 30, 2024 (from February 1, 2024 to April 30, 2024)

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

| Three months ended | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|--------------------|-----------------|------|------------------|-------|-----------------|-------|-----------------|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| April 30, 2024 | 2,646 | 6.1 | 475 | (0.6) | 476 | (0.6) | 330 | (0.7) |
| April 30, 2023 | 2,493 | 11.7 | 477 | 26.4 | 479 | 26.4 | 333 | 26.5 |

| Three months ended | Earnings per share | Diluted earnings per share |
|--------------------|--------------------|----------------------------|
| | Yen | Yen |
| April 30, 2024 | 31.13 | — |
| April 30, 2023 | 31.36 | — |

(2) Non-consolidated financial position

| As of | Total assets | Net assets | Equity ratio |
|------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| April 30, 2024 | 6,203 | 4,203 | 67.8 |
| January 31, 2024 | 6,114 | 4,271 | 69.9 |

Reference: Equity As of April 30, 2024: ¥ 4,203 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 | Yen | Yen | Yen | Yen |
| Fiscal year ended January 31, 2024 | — | 37.50 | — | 37.50 | 75.00 |
| Fiscal year ending January 31, 2025 | — | | | | |
| Fiscal year ending January 31, 2025 (Forecast) | | 40.00 | — | 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.)

| Full year | Net sales | | Operating profit | | Ordinary profit | | Profit | | Earnings per share |
|-----------|-----------------|-----|------------------|------|-----------------|------|-----------------|------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| | 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

Note: Only the full-year forecast is shown because Artner manages performance on a fiscal year basis.

*** Notes**

- (1) Adoption of accounting treatment specific to the preparation of quarterly 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 April 30, 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 April 30, 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)

| | |
|-----------------------------------|-------------------|
| Three months ended April 30, 2024 | 10,625,447 shares |
| Three months ended April 30, 2023 | 10,625,524 shares |

* Quarterly financial results reports are exempt from quarterly review 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.

Quarterly non-consolidated financial statements
Non-consolidated balance sheet

(Thousands of yen)

| | As of January 31, 2024 | As of April 30, 2024 |
|---|------------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,277,610 | 4,109,889 |
| Accounts receivable - trade | 1,240,516 | 1,367,401 |
| Work in process | 5,357 | 4,214 |
| Raw materials and supplies | 3,455 | 3,457 |
| Other | 80,714 | 88,441 |
| Allowance for doubtful accounts | (7,400) | (8,200) |
| Total current assets | 5,600,255 | 5,565,205 |
| Non-current assets | | |
| Property, plant and equipment | 69,803 | 109,207 |
| Intangible assets | 24,979 | 27,768 |
| Investments and other assets | | |
| Leasehold and guarantee deposits | 94,786 | 106,350 |
| Other | 324,262 | 394,482 |
| Total investments and other assets | 419,048 | 500,833 |
| Total non-current assets | 513,831 | 637,809 |
| Total assets | 6,114,087 | 6,203,014 |
| Liabilities | | |
| Current liabilities | | |
| Income taxes payable | 343,469 | 228,460 |
| Provision for bonuses | 188,499 | 405,720 |
| Other | 619,303 | 670,367 |
| Total current liabilities | 1,151,271 | 1,304,547 |
| Non-current liabilities | | |
| Provision for retirement benefits | 691,661 | 695,098 |
| Total non-current liabilities | 691,661 | 695,098 |
| Total liabilities | 1,842,933 | 1,999,646 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 238,284 | 238,284 |
| Capital surplus | 168,323 | 168,323 |
| Retained earnings | 3,864,599 | 3,796,902 |
| Treasury shares | (869) | (894) |
| Total shareholders' equity | 4,270,337 | 4,202,615 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 815 | 752 |
| Total valuation and translation adjustments | 815 | 752 |
| Total net assets | 4,271,153 | 4,203,367 |
| Total liabilities and net assets | 6,114,087 | 6,203,014 |

Non-consolidated profit and loss statement

(Thousands of yen)

| | Three months ended April 30, 2023 | Three months ended April 30, 2024 |
|--|--------------------------------------|--------------------------------------|
| Net sales | 2,493,648 | 2,646,075 |
| Cost of sales | 1,528,482 | 1,601,951 |
| Gross profit | 965,166 | 1,044,124 |
| Selling, general and administrative expenses | 487,233 | 568,864 |
| Operating profit | 477,933 | 475,260 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Dividend income | 58 | 7 |
| Commission income | 140 | 146 |
| Sales income of training materials | 384 | 515 |
| Gain on forfeiture of unclaimed dividends | 473 | 483 |
| Other | 110 | 132 |
| Total non-operating income | 1,167 | 1,285 |
| Non-operating expenses | | |
| Cancellation penalty | — | 389 |
| Other | — | 1 |
| Total non-operating expenses | — | 390 |
| Ordinary profit | 479,100 | 476,154 |
| Profit before income taxes | 479,100 | 476,154 |
| Income taxes - current | 217,254 | 215,823 |
| Income taxes - deferred | (71,340) | (70,424) |
| Total income taxes | 145,914 | 145,398 |
| Profit | 333,186 | 330,756 |

Non-consolidated cash flow statement

(Thousands of yen)

| | Three months ended April 30, 2023 | Three months ended April 30, 2024 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 479,100 | 476,154 |
| Depreciation | 5,910 | 5,383 |
| Increase (decrease) in allowance for doubtful accounts | 1,000 | 800 |
| Increase (decrease) in provision for bonuses | 202,763 | 217,221 |
| Increase (decrease) in provision for retirement benefits | 10,723 | 3,436 |
| Interest and dividend income | (58) | (8) |
| Decrease (increase) in accounts receivable - other | (482) | (624) |
| Decrease (increase) in trade receivables | (159,452) | (126,884) |
| Decrease (increase) in inventories | (1,138) | 1,141 |
| Increase (decrease) in accrued consumption taxes | 1,946 | 18,682 |
| Increase (decrease) in accounts payable - other | (58,716) | (92,630) |
| Other, net | 130,316 | 86,680 |
| Subtotal | 611,912 | 589,351 |
| Interest and dividends received | 58 | 8 |
| Income taxes paid | (163,634) | (322,742) |
| Net cash provided by (used in) operating activities | 448,336 | 266,617 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,050) | (35,972) |
| Purchase of intangible assets | (5,143) | (5,697) |
| Payments of leasehold and guarantee deposits | — | (11,827) |
| Proceeds from refund of leasehold and guarantee deposits | 64 | 263 |
| Other, net | (6) | (8,294) |
| Net cash provided by (used in) investing activities | (7,135) | (61,529) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | (75) | (24) |
| Dividends paid | (391,910) | (372,784) |
| Net cash provided by (used in) financing activities | (391,986) | (372,809) |
| Net increase (decrease) in cash and cash equivalents | 49,214 | (167,721) |
| Cash and cash equivalents at beginning of period | 3,975,881 | 4,277,610 |
| Cash and cash equivalents at end of period | 4,025,095 | 4,109,889 |