

December 8, 2022

Summary of Non-consolidated Financial Results for the Nine Months Ended October 31, 2022 (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: December 12, 2022
 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 Nine Months Ended October 31, 2022 (from February 1, 2022 to October 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2022	6,891	14.9	933	13.2	942	12.0	653	8.7
October 31, 2021	5,996	11.2	824	23.0	841	21.9	601	25.8

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
October 31, 2022	61.48	—
October 31, 2021	56.56	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
October 31, 2022	5,563	3,805	68.4
January 31, 2022	5,088	3,582	70.4

Reference: Equity As of October 31, 2022: ¥ 3,805 million
 As of January 31, 2022: ¥ 3,582 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, 2022	—	14.00	—	20.50	34.50
Fiscal year ending January 31, 2023	—	20.00	—		
Fiscal year ending January 31, 2023 (Forecast)				19.00	39.00

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, 2023 (from February 1, 2022 to January 31, 2023)

(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	8,798	8.6	1,147	13.6	1,150	11.4	797	9.4	75.01

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 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: Yes
 - (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, 2022	10,627,920 shares
As of January 31, 2022	10,627,920 shares

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

As of October 31, 2022	2,376 shares
As of January 31, 2022	2,376 shares

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

Nine months ended October 31, 2022	10,625,544 shares
Nine months ended October 31, 2021	10,625,544 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 sheets

(Thousands of yen)

	As of January 31, 2022	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	3,554,199	3,665,086
Notes and accounts receivable - trade	1,011,154	1,271,704
Work in process	950	5,835
Raw materials and supplies	3,637	3,443
Other	51,712	41,743
Allowance for doubtful accounts	△6,000	△7,600
Total current assets	4,615,653	4,980,214
Non-current assets		
Property, plant and equipment	82,431	82,765
Intangible assets	37,143	31,640
Investments and other assets		
Leasehold and guarantee deposits	84,959	94,935
Other	268,796	373,832
Total investments and other assets	353,755	468,767
Total non-current assets	473,330	583,172
Total assets	5,088,983	5,563,387
Liabilities		
Current liabilities		
Income taxes payable	232,197	221,649
Provision for bonuses	141,450	378,473
Other	553,556	499,554
Total current liabilities	927,204	1,099,676
Non-current liabilities		
Provision for retirement benefits	579,533	657,983
Total non-current liabilities	579,533	657,983
Total liabilities	1,506,737	1,757,660
Net assets		
Shareholders' equity		
Share capital	238,284	238,284
Capital surplus	168,323	168,323
Retained earnings	3,171,444	3,394,372
Treasury shares	△739	△739
Total shareholders' equity	3,577,312	3,800,240
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,933	5,486
Total valuation and translation adjustments	4,933	5,486
Total net assets	3,582,246	3,805,726
Total liabilities and net assets	5,088,983	5,563,387

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Net sales	5,996,665	6,891,658
Cost of sales	3,822,373	4,556,951
Gross profit	2,174,292	2,334,706
Selling, general and administrative expenses	1,350,111	1,401,513
Operating profit	824,181	933,193
Non-operating income		
Interest income	1	1
Dividend income	236	231
Commission income	450	432
Sales income of training materials	609	568
Dividend income of insurance	6,048	6,870
Subsidy income	10,022	594
Other	1,727	1,431
Total non-operating income	19,095	10,130
Non-operating expenses		
Interest expenses	98	130
Cancellation penalty	1,596	1,177
Other	227	0
Total non-operating expenses	1,922	1,308
Ordinary profit	841,354	942,014
Extraordinary income		
Gain on sale of non-current assets	25,523	—
Total extraordinary income	25,523	—
Extraordinary losses		
Loss on retirement of non-current assets	78	0
Total extraordinary losses	78	0
Profit before income taxes	866,798	942,014
Income taxes - current	343,622	393,657
Income taxes - deferred	△77,848	△104,905
Total income taxes	265,773	288,752
Profit	601,025	653,262

Non-consolidated statements of cash flows

(Thousands of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Cash flows from operating activities		
Profit before income taxes	866,798	942,014
Depreciation	21,340	19,311
Increase (decrease) in allowance for doubtful accounts	1,200	1,600
Increase (decrease) in provision for bonuses	169,803	237,023
Increase (decrease) in provision for retirement benefits	53,807	78,450
Interest and dividend income	△237	△232
Interest expenses	98	130
Gain on sale of non-current assets	△25,523	—
Decrease (increase) in accounts receivable - other	△379	1,102
Decrease (increase) in trade receivables	△191,760	△260,550
Decrease (increase) in inventories	△2,543	△4,691
Increase (decrease) in accrued consumption taxes	△12,050	△9,933
Increase (decrease) in accounts payable - other	△26,085	△141,159
Other, net	53,465	94,782
Subtotal	907,934	957,847
Interest and dividends received	237	232
Interest paid	△98	△130
Income taxes paid	△320,814	△399,945
Net cash provided by (used in) operating activities	587,259	558,004
Cash flows from investing activities		
Purchase of property, plant and equipment	△4,015	△7,042
Proceeds from sale of property, plant and equipment	43,779	—
Purchase of intangible assets	△3,566	△7,099
Payments of leasehold and guarantee deposits	△64	△10,154
Proceeds from refund of leasehold and guarantee deposits	133	179
Other, net	△19	△19
Net cash provided by (used in) investing activities	36,248	△24,137
Cash flows from financing activities		
Dividends paid	△265,792	△422,979
Net cash provided by (used in) financing activities	△265,792	△422,979
Net increase (decrease) in cash and cash equivalents	357,715	110,887
Cash and cash equivalents at beginning of period	3,019,657	3,554,199
Cash and cash equivalents at end of period	3,377,373	3,665,086