

## [Cover]

[Reported Document]

Internal Control Report

[Clause Serving as Basis]

Article 24-4-4, paragraph (1) of the Financial Instruments and Exchange Act

[Recipient]

Director General of the Kinki Local Finance Bureau

[Submission Date]

April 25, 2024

[Company Name]

Artner Co., Ltd.

[Name and Title of Representative]

SEKIGUCHI Sozo, President and CEO

[Name and Title of Chief Financial Officer]

Not applicable.

[Address of Head Office]

Nakanoshima 3-2-18, Kita-ku, Osaka City

[Location for Public Inspection]

Tokyo Stock Exchange, Inc.

(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo

### 1. Particulars concerning the Fundamental Framework for the Internal Controls over Financial Reports

President and CEO SEKIGUCHI Sozo is responsible for designing and implementing internal controls over Artner's financial reports. He designs and implements internal controls over financial reports according to the fundamental framework for the internal controls over financial reports indicated in "Revisions to the Standards for the Evaluation and Audit of Internal Controls over Financial Reports and to the Implementation Standards for the Evaluation and Audit of Internal Controls over Financial Reports (Written Opinions)" published by the Business Accounting Council.

Internal control is designed in such a way that its basic elements are organically linked to work as one with the aim of achieving objectives within a logical scope. Hence, there is a possibility that internal controls over financial reports may not completely prevent or detect all misrepresentations in financial reporting.

### 2. Particulars concerning the Scope of Evaluation, the Reference Date, and the Procedures for Evaluation

The evaluation of internal controls over financial reports was conducted with January 31, 2024, (the last day of the fiscal year under review) being the reference date. It complies with standards that are generally accepted as fair and appropriate for evaluation of internal controls over financial reports.

In this evaluation, we assessed the internal controls that have a material effect on overall financial reporting (i.e., company-wide internal controls) and, based on the assessment results, we selected the business processes to evaluate. In the evaluation of the business processes, we analyzed these selected processes, identified the main points in terms of control that have a material effect on the reliability of the Company's financial reports, and evaluated how these main points are designed and implemented for control, thereby evaluating the validity of the internal controls.

In regard to the scope of the evaluation of internal controls over financial reports, we determined the essential scope in light of the materiality of the impact on the reliability of Artner's financial reports. We consider the materiality of a monetary and qualitative impact to determine the materiality of the impact on the reliability of our financial reports. Based on the results of the evaluation of company-wide internal control we had conducted, we logically determined the scope of the evaluation of internal controls over business processes.

In regard to the scope of the evaluation of internal controls over business processes, the evaluation covers all our business bases. The evaluation covered the business processes that were gone through to record net sales, accounts receivable, and cost of sales (personnel costs), which are the account titles closely connected to the objectives of our business, at those business bases. We also added business processes connected to significant account titles where material misrepresentations can occur with high possibility, and that involve estimates and projections, to the list of material business processes for evaluation, taking into account the impact on our financial reports.

### 3. Particulars concerning Evaluation Results

After the above evaluations, we decided that our internal controls over financial reports are valid as of the last day of the fiscal year under review.

### 4. Supplementary Particulars

There are no particulars that should be noted.

### 5. Special particulars

There are no special particulars that should be noted.