Annual Securities Report

(Report based on the provision of Article 24, paragraph (1) of the Financial Instruments and Exchange Act)

Fiscal year	From February 1, 2025
(Reporting Period 64)	To January 31, 2026

Artner Co., Ltd.

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

(E05717)

This document is an English translation of the Annual Securities Report filed with the Director-General of the Kinki Local Finance Bureau. It has been prepared for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Contents

[Cover]

[Reported Document]	Annual Securities Report
[Clause Serving as Basis]	Article 24, paragraph (1) of the Financial Instruments and Exchange Act
[Recipient]	Director-General of the Kinki Local Finance Bureau
[Submission Date]	April 22, 2026
[Fiscal Year]	Reporting Period 64 (FY2026) (February 1, 2025 to January 31, 2026)
[Company Name]	Artner Co., Ltd.
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Part I Company Information

I. Overview of the Company

1 Key Financial Data

(1) Key Financial Data

Fiscal Year		FY2022	FY2023	FY2024	FY2025	FY2026
Year end		January 2022	January 2023	January 2024	January 2025	January 2026
Net sales	(thousands of yen)	–	–	–	–	12,046,664
Ordinary profit	(thousands of yen)	–	–	–	–	1,823,883
Profit attributable to owners of parent	(thousands of yen)	–	–	–	–	1,258,741
Comprehensive income	(thousands of yen)	–	–	–	–	1,279,827
Net assets	(thousands of yen)	–	–	–	–	5,223,031
Total assets	(thousands of yen)	–	–	–	–	9,058,062
Net assets per share	(yen)	–	–	–	–	491.56
Earnings per share	(yen)	–	–	–	–	118.47
Diluted earnings per share	(yen)	–	–	–	–	–
Equity ratio	(%)	–	–	–	–	57.7
Return on equity	(%)	–	–	–	–	24.1
Price Earnings Ratio	(times)	–	–	–	–	17.5
Cash flows from operating activities	(thousands of yen)	–	–	–	–	1,415,192
Cash flows from investing activities	(thousands of yen)	–	–	–	–	(1,389,104)
Cash flows from financing activities	(thousands of yen)	–	–	–	–	110,221
Cash and cash equivalents at end of period	(thousands of yen)	–	–	–	–	4,725,285
Number of employees	(people)	–	–	–	–	1,623

Notes: 1. As consolidated financial statements have been prepared since FY2026, figures for the fiscal years prior to this have been omitted.

2. Return on equity for FY2026 has been calculated based on equity at the fiscal year-end due to FY2026 being the first year of consolidation.

3. Diluted earnings per share are not shown because the Company has no dilutive shares.

(2) Key financial data of the reporting company

Fiscal Year		FY2022	FY2023	FY2024	FY2025	FY2026
Year end		January 2022	January 2023	January 2024	January 2025	January 2026
Net sales	(thousands of yen)	8,102,991	9,242,360	10,110,524	11,125,970	11,954,536
Ordinary profit	(thousands of yen)	1,032,341	1,203,054	1,532,616	1,821,912	1,954,835
Profit	(thousands of yen)	728,785	895,148	1,051,817	1,260,601	1,398,394
Share of profit of entities if the equity method were applied	(thousands of yen)	–	–	–	–	–
Capital	(thousands of yen)	238,284	238,284	238,284	238,284	238,284
Total number of shares issued	(shares)	10,627,920	10,627,920	10,627,920	10,627,920	10,627,920
Net assets	(thousands of yen)	3,582,246	4,047,958	4,271,153	4,708,137	5,213,895
Total assets	(thousands of yen)	5,088,983	5,673,188	6,114,087	6,687,644	8,505,444
Net assets per share	(yen)	337.14	380.96	401.97	443.10	490.70
Dividend amount per share	(yen)	34.50	60.00	75.00	82.00	84.00
(Interim dividend per share included therein)	(yen)	14.00	20.00	37.50	40.00	42.00
Earnings per share	(yen)	68.59	84.24	98.99	118.64	131.61
Diluted earnings per share	(yen)	–	–	–	–	–
Equity ratio	(%)	70.4	71.4	69.9	70.4	61.3
Return on equity	(%)	21.7	23.5	25.3	28.1	28.2
Price Earnings Ratio	(times)	12.7	11.8	22.3	15.6	15.7
Payout ratio	(%)	50.3	71.2	75.8	69.1	63.8
Net cash provided by (used in) operating activities	(thousands of yen)	770,935	872,598	1,126,248	1,180,473	–
Net cash provided by (used in) investing activities	(thousands of yen)	33,643	(24,085)	(5,975)	(49,976)	–
Net cash provided by (used in) financing activities	(thousands of yen)	(270,037)	(426,831)	(818,544)	(819,131)	–
Cash and cash equivalents at end of period	(thousands of yen)	3,554,199	3,975,881	4,277,610	4,588,976	–
Number of employees	(people)	1,180	1,276	1,321	1,397	1,474
Total Shareholder Return	(%)	104.7	126.5	275.8	243.5	278.9
(Comparison index: TOPIX total return index)	(%)	107.0	114.6	151.7	169.7	222.5
Highest stock price	(yen)	939	1,084	2,441	2,631	2,258
Lowest stock price	(yen)	773	814	989	1,468	1,524

Notes: 1. Shares of profit of entities if the equity method were applied for the fiscal years prior to FY2026 are not shown because the Company does not have an affiliate.

2. As consolidated financial statements have been prepared since FY2026, FY2026 figures for share of profit of entities if the equity method were applied, net cash provided by (used in) operating activities, net cash provided by (used in) investing activities, net cash provided by (used in) financing activities, and cash and cash equivalents at end of period have been omitted.

3. Diluted earnings per share are not shown because the Group has no dilutive shares.
4. The highest and lowest stock prices refer to those that were quoted in the Prime Market of the Tokyo Stock Exchange on or after April 4, 2022. Prices posted any time earlier were in the First Section of the Tokyo Stock Exchange.
5. The dividend amount per share for FY2023 includes the commemorative dividend of JPY 17 for the Company's 60th anniversary of establishment and the 15th anniversary of listing on JASDAQ (now Prime Market).
6. Of the dividend amount per share of JPY 84 for FY2026, the year-end dividend of JPY 42 is subject to resolution at the Ordinary General Meeting of Shareholders scheduled for April 23, 2026.
7. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of FY2023, and thus it is reflected in the figures for the key financial data for FY2023 and thereafter.

2 History

In August 1953, Sekiguchi Kogyo Co., Ltd. was established as a manufacturer of gloves for industrial use, and as a blueprint printing business. In the late 1950s, as Japan began to enjoy the economic boom, the company decided to switch to design creation and tracing services for design drawings. Sekiguchi Kogyo and the family of SEKIGUCHI Sozo, current President and CEO, made investments as capital, and in September 1962, Osaka Technology Center Co., Ltd., which is currently Artner, was established.

The timeline below shows how the business of Osaka Technology Center Co., Ltd. has developed.

Month and Year	Event
September 1962	Sekiguchi Kogyo Co., Ltd. and the family of current President and CEO SEKIGUCHI Sozo invest 300,000 yen as capital to establish Osaka Technology Center Co., Ltd. to start the main business of design creation and design drawing services.
June 1964	Headquarters (current Osaka headquarters) move to Fukushima Ward, Osaka City.
March 1980	Headquarters move to Kita Ward, Osaka City.
November 1986	The Company launches its specified worker dispatching business as the Worker Dispatching Business Act was enforced.
April 1998	The Company changes its trade name from Osaka Technology Center Co., Ltd. to Artner Co., Ltd.
December 2003	The Company obtains its license for general worker dispatching business.
February 2004	The Company obtains its license for the paid employment agency business.
	The Company establishes two headquarters in Osaka and Tokyo. The Tokyo headquarters opens in Minato Ward, Tokyo.
October 2007	Company stock listed on JASDAQ.
February 2010	The Tokyo headquarters move to Kohoku Ward, Yokohama City.
April 2010	With the merger between the JASDAQ Securities Exchange and the Osaka Securities Exchange (OSE), the Company lists its stock on the OSE JASDAQ. The learning centers open in Suita, Osaka, for centralized management of education and training for newly graduated engineers.
February 2011	The Company goes through reorganization to open business offices (in Utsunomiya, Yokohama, Nagoya, and Osaka) under the Engineer Business Division. The Human Resources Business Department and the Hyper Artner Business Department are established under the Human Resources Business Division.
February 2012	The Hyper Artner Business Department is renamed the Hyper Artner Business Division.
February 2013	The Engineer Agency Business Division is established.
July 2013	With the integration of the Tokyo Stock Exchange (TSE) and the OSE, the Company lists its stock on the TSE JASDAQ (Standard).
February 2016	The Company integrates its business divisions to reorganize them into the Engineer Business Division and Human Resources Business Division. The Engineer Business Department and the Hyper Artner Business Department are established under the Engineer Business Division. The Technology Development Department and Engineer Agency Business Department are established under the Human Resources Business Division.
October 2017	Stock listing moved to the Second Section of the Tokyo Stock Exchange.
February 2018	The Engineer Business Department and the Hyper Artner Business Department under the Engineer Business Division are disbanded. The High Value Group, the Wide Value Group, the Product Value Group, and the Contracting Group are established under the Engineer Business Division.
July 2018	Stock listing moved up to the First Section of the Tokyo Stock Exchange.
January 2019	The recruitment, education, and sales departments are integrated into learning centers (current learning centers in West Japan) and relocated to a different part of Suita.
March 2020	The learning centers in East Japan open in Kohoku Ward, Yokohama City.
February 2022	The Human Resources Business Division is disbanded to divide its organizational functions into the Engineer Agency Business Division and the Technology Development Division. The Staffing Service Group, the Career Hire Group, and the New Graduate Recruitment Group are established under the Engineer Agency Business Division.
April 2022	With the reorganization of the TSE Sections, the Company's listed stock moves to the Prime Market of the Tokyo Stock Exchange.
September 2025	The Company acquires the shares of CLIP SOFT Corporation (currently a consolidated subsidiary)
December 2025	The Company acquires the shares of JOUHOU GIKEN, Ltd. (currently a consolidated subsidiary)

3 Business Fields

The Group consists of the Company (Artner Co., Ltd.) and two consolidated subsidiaries, and conducts the engineer dispatching business, contracting business, and other businesses.

(1) Engineer dispatching and contracting businesses

Currently, the Group offers design engineer dispatching services as its primary business. The Group has offices in Utsunomiya, Yokohama, Hamamatsu, Nagoya, and Osaka.

In the engineer dispatching business, the Group's design engineers provide technical services in the fields of software (e.g., development of software embedded in IoT devices and of application software for a network system), electronics (e.g., design of a circuit board at the heart of a device or instrument; reliability assessment), and machinery (design of how a machine works using 2D/3D CAD), among others, thereby assisting client companies' design and development teams.

The Group also operates a contracting business that offers design and development services outsourced by client companies.

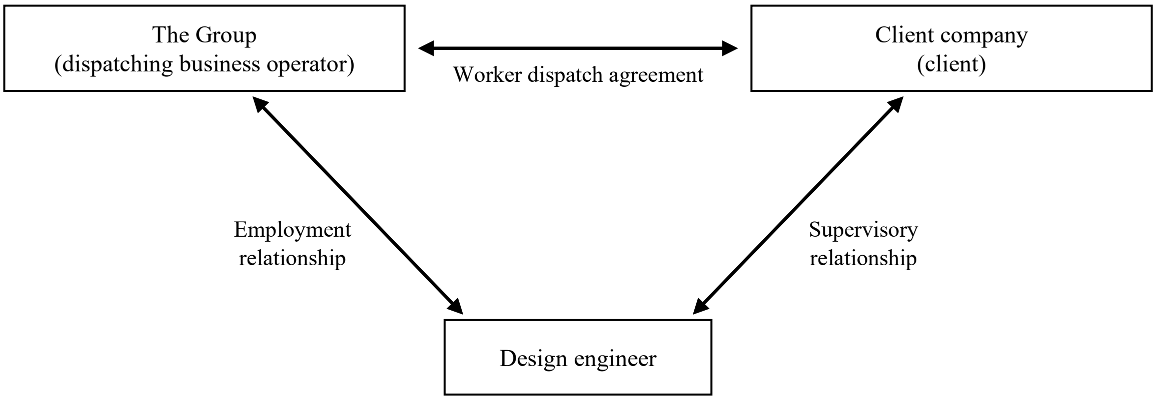
(2) Types of contracts with client companies

The Group executes worker dispatch agreements and service agreements with client companies to conduct its business. While the Group's business is based mostly on worker dispatch agreements executed with client companies, the Group also signs service agreements with some client companies.

(i) Worker dispatch agreement

A worker dispatch agreement is signed between the Group (dispatching business operator) as the employer of a design engineer and a client company (client) as the user of the engineer's services. The design engineer engages in work at the client company under the supervision of the client in accordance with the agreement.

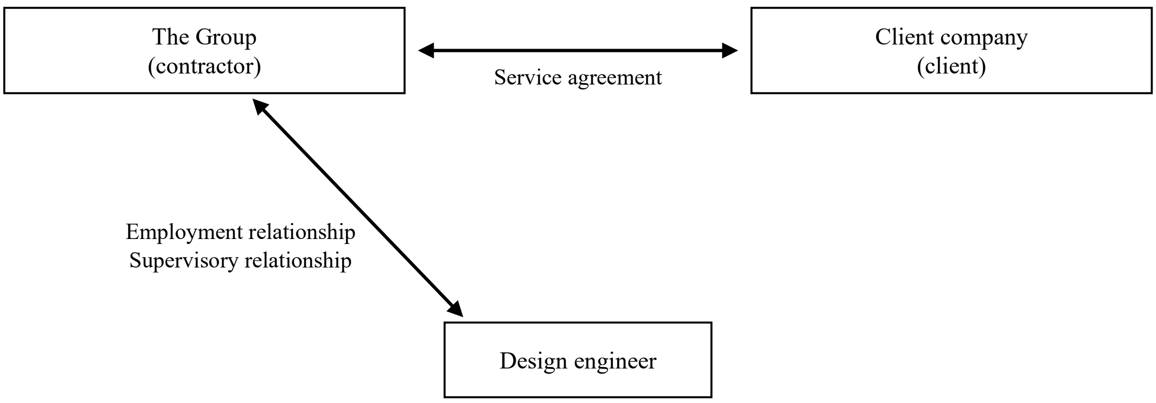
The figure below is a graphic representation of the relationships between the Group (dispatching business operator), a client company (client), and a design engineer (dispatched worker).



(ii) Service agreement

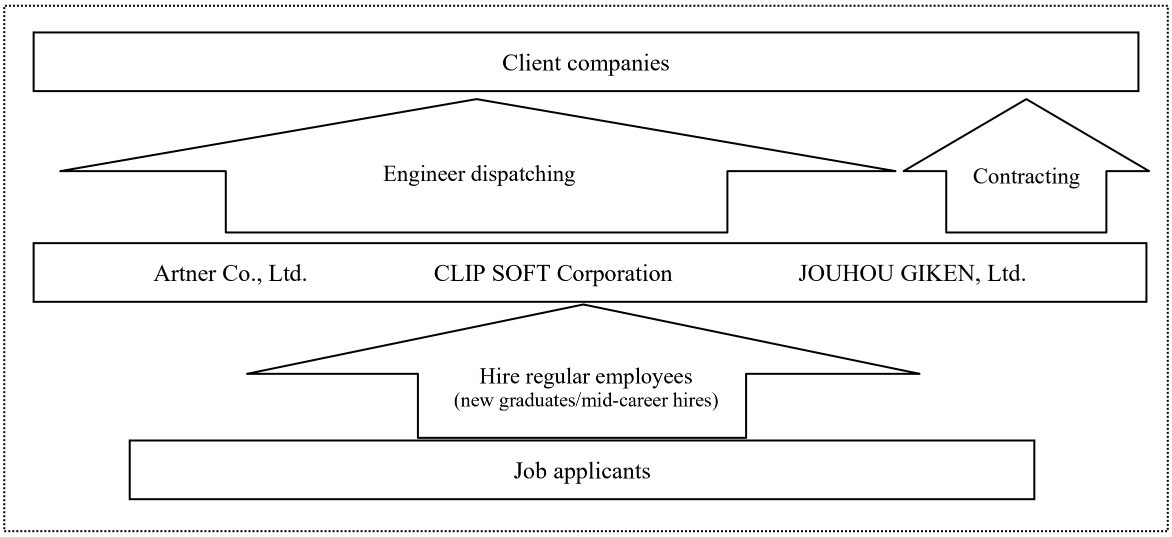
Under a service agreement, a client company outsources work to the Group, who takes full responsibility for giving instructions on the work and managing the design engineer's labor, among other tasks, in order to deliver completed work to the client.

The figure below is a graphic representation of the relationships between the Group (contractor), a client company (client), and a design engineer.



[Systematic diagram of Artner's business]

The figure below graphically shows how the business stated above is structured.



4 Information about the Affiliates

Name	Address	Share capital	Main business activities	The Company's ratio of voting rights	Relationship
(Consolidated subsidiaries)					
CLIP SOFT Corporation	Hamamatsu City, Shizuoka Prefecture	JPY 15,000 thousand	Engineer Dispatching Business Contracting Business	100%	Interlocking Board Members
JOUHOU GIKEN, Ltd.	Utsunomiya City, Tochigi Prefecture	JPY 10,000 thousand	Engineer Dispatching Business Contracting Business	100%	Interlocking Board Members

5 Employees

(1) Consolidated basis

As of January 31, 2026

Number of employees (people)
1,623

Notes: 1. The number of employees refers to the number of working personnel.

2. Since the Group has only one reportable segment, the number of employees sorted by segment has been omitted.

(2) State of the reporting company

As of January 31, 2026

Number of employees (people)	Average age (years old)	Average years of service (years)	Average annual wage (yen)
1,474	30.7	6.8	4,638,691

Notes: 1.The number of employees refers to the number of working personnel.

2. The average annual wage includes bonuses and nonstandard wages.

(3) Labor union

Artner's labor union is named Artner Workers' Union, which has 1,306 members as of January 31, 2026. The superior body it belongs to is UA ZENSEN. The Company's consolidated subsidiaries do not have labor unions.

The Company has stable labor-management relations

(4) Share of female workers in managerial positions, usage rate of childcare leave by male workers, and wage differences between male and female workers

(i) Reporting company

FY2026 (February 1, 2025 to January 31, 2026)				
Share of female workers in managerial positions (%) Note 1.	Usage rate of childcare leave by male workers (%) Note 2.	Wage differences between male and female workers (%) Note 1, 3.		
		All workers	Workers in regular employment	Workers in irregular employment
5.4	81.8	90.6	95.6	58.6

Notes: 1. The percentage has been calculated pursuant to provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The usage rate of childcare leave as provided in Article 71-6, item (i) of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) has been calculated pursuant to provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

3. The wage differences between male and female workers presented are the ratios of wages for women to wages for men. Workers are categorized into three types, namely all workers, workers in regular employment, and workers in irregular employment (employees re-hired after retirement, permanent contract employees, and non-permanent contract employees). There is no gender-based difference in wages in the Company's wage plan and system. The differences shown above come from the ratio of women in managerial positions and differences in job categories.

(ii) Consolidated subsidiaries

Information concerning consolidated subsidiaries has been omitted because it is not subject to the disclosure obligation under the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015) and the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

II. Business Conditions

1 Management Policy, Business Environment, and Issues to be Addressed

The Group's management policy, business environment, and issues to address are as described below.

Please note that the statements about the future in the text are judgments the Group made at the end of the fiscal year ended January 31, 2026.

(1) Management policy

Based on the Company's management philosophy of being an Engineer Support Company, the Company is committed to serving as a technical partner that contributes to the sustainable growth of client companies. This basic stance, developed over many years, has built up a lot of trust and achievements, establishing the Company's firm position as a pioneer in the industry. The Company will continue to expand its corporate value by promoting management that will win the support and approval of its clients, shareholders, employees, and all other members of society.

(2) Corporate planning and strategy

(Guiding principle for the Medium-Term Business Plan)

"Build a foundation for sustainable and next-generation growth"

"Make Value for 2025 to 2029"

(Priority measures for the Medium-Term Business Plan)

(i) Promote strategies by segment

- Increase workforce allocation in high-end fields with a focus on carbon neutrality projects
- Enhance work assignment levels through OJT in contracting projects

(ii) Promote diversity and inclusion in talent management

- Strategically shift to contracting to adapt to the changes in the business environment
- Utilize workers of retirement age, women, and foreign workers (overseas students) as personnel
- Utilize and organize partner companies

(iii) Explore new business and revenue opportunities

- Evolve into a comprehensive technical service company through M&A and alliances

(3) Objective indicators for assessing the achievement status of management goals, etc.

In the engineer dispatching business, the Group's main business, the Group is working to increase the added value of its engineers by enhancing the recruitment and training of engineers and strategically assigning them to growth and high value-added fields, while also striving to improve the efficiency of its business operations by maintaining a high utilization rate. The Group has positioned the operating margin as an important management target, which the Group uses as an objective indicator for assessing the progress made in these areas.

(4) Business environment

Regarding the Japanese economy during the current consolidated fiscal year, although there was concern over the effects of US trade policy, particularly on the automotive industry, R&D efforts of client companies trended steadily. As a large proportion of the Group's engineers are assigned to R&D as well as design and development fields, the Group continued to see strong demand for engineers from automotive-related manufacturers and semiconductor manufacturing equipment manufacturers, just as it had during the previous period.

Looking ahead, the destabilization of the international situation continues to pose a downside risk to the global economy. However, the Group's strategically important clients, such as automotive-related manufacturers and semiconductor manufacturing equipment manufacturers, are expected to increase their development speed through proactive investment in key areas under the national government's growth strategy.

(5) Business and financial issues that should be prioritized

The Group's main business, which is the engineer dispatching business, consists of a cycle of recruitment, training, sales, and support activities. The Group must address the following issues for future business expansion.

(Recruitment activities)

The Group views securing and increasing the number of talented engineers as an essential requirement for the expansion of the Group's business. Therefore, the Group will strive to secure high-quality talents that meet the market needs by implementing measures such as improving its recruitment criteria, securing recruitment opportunities, hiring diverse and inclusive talents, optimizing the composition of engineers by field and business domain, and optimizing the composition of new graduate and career hires.

With regard to the recruitment of new graduates, the Group will conduct company information sessions and interviews, etc., either online or in person, for students in order to secure participants in the selection process. The Group will also regularly provide detailed follow-ups to universities and prospective employees, and hold get-togethers for prospective employees in an effort to increase the percentage of prospective employees who join the Company.

(Training activities)

The Group will improve the skills of its engineers by providing general, external, basic, customized, and/or career training based on its long-accumulated experience.

In addition, the Group will strive to improve the technical and human skills of its employees by holding skill development seminars for all employees and human development training for managers.

(Sales activities)

The Group will secure and expand its business partners by strengthening its new business development and sales capabilities, utilizing online conferencing tools, and making proposals for the selection of engineers, team dispatching, and organization of contracting services in response to client needs.

In addition, the Group will negotiate with client companies to assign and place appropriate engineers for improved business terms and conditions, such as an increase in the unit price of engineers.

(Support activities)

Through regular interviews with engineers, including online meetings, the Group will strive to improve the retention rate by providing guidance and advice according to the engineers' wishes and actual conditions, and by providing dedicated counselors for improved mental health and motivation.

2 Approach to and Efforts toward Sustainability

The Group's approach to and efforts toward sustainability are as stated below.

Please note that the statements about the future in the text are judgments the Group made at the end of the fiscal year ended January 31, 2026.

(1) Sustainability in general

Artner's basic approach to promoting sustainability activities is to support the growth and self-actualization of engineers based on the Company's management philosophy of being an "Engineer Support Company that supports our engineers' dreams," while seeking to maximize corporate value, contribute to the resolution of social issues through its business activities, and build a foundation for sustainable growth and growth for the next generation. Based on this approach, the Company has established the following Basic Sustainability Policy as well as a human rights policy, procurement policy, and other policies to clarify the principles and direction of its corporate activities. In addition, considering stakeholder interests and social issues, as well as their impact on the Company's business management, the Company has identified eight materiality topics (material issues) that should be prioritized and is engaging in effective management practices and business activities to resolve these issues.

To ensure that the Group's sustainability initiatives are accessible to all stakeholders, the Group provides information in its Annual Report, on its sustainability website, and through other means.

Basic sustainability policy

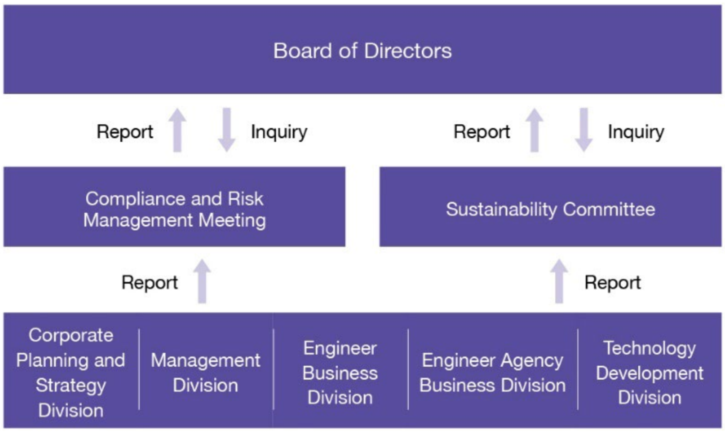
Cultivating people	To foster engineers to support manufacturing industries.
Employee happiness	To provide a workplace environment that makes the work of all employees meaningful and fulfilling.
Corporate governance	To sustain and develop positive relationships with all stakeholders, while strictly abiding by all applicable laws and regulations.
Contributing to society	To make a positive contribution to society through business, to help build a better and more prosperous world.

(i) Governance

Artner sees sustainability issues, including social and environmental issues such as the recent SDGs and ESG, as key management issues, and has established the Sustainability Committee to serve as a structure to promote sustainability management. Under the direct supervision of the Board of Directors, the Committee is responsible for establishing sustainability policies, targets, and action plans, managing and evaluating progress toward these targets, deliberating on individual measures, and reporting to the Board of Directors.

The Committee, chaired by the President and CEO, is composed mainly of Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Audit and Supervisory Committee, and division heads and managers, and is held four times a year.

Structure for promoting sustainability



(ii) Strategy

The Company's materiality topics (material issues) are determined through the following process.

a. Identify the issues

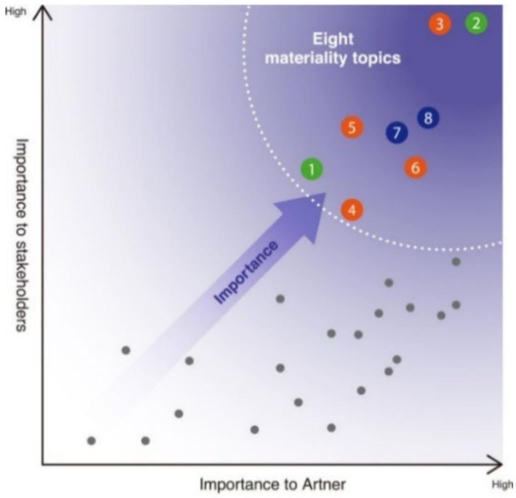
The Company analyzed potential materiality topics based on various international standards, ESG-related external evaluations, and requirements from society including stakeholders. Thirty-one topics were identified.

b. Prioritize the issues

The identified issues were assessed by conducting internal and external stakeholder surveys in terms of their expectation and requirement levels for Artner, and then prioritized by two criteria: "importance to stakeholders" and "importance to Artner."

c. Validate and determine the material issues

Selected and prioritized issues were reviewed in the Sustainability Committee for validation to finalize Artner's eight materiality topics.



Eight materiality topics
(relevant ESG issues)

Environmental	1 Improve energy efficiency and reduce energy usage 2 Contribute to carbon neutrality through business activities
Social	3 Resolve social issues by creating jobs 4 Respect human rights 5 Promote diversity and inclusion 6 Develop and secure promising talents
Governance	7 Strengthen corporate governance 8 Promote compliance management

(iii) Risk management

In addition to clarifying the system for the overall management of various risks, the Company classifies and defines each business risk by type and has the department in charge of each type of risk monitor and analyze the risk situation. The Company also has a system in place for the overall management of various types of risks through the Compliance and Risk Management Meeting, where the Company clarifies and monitors the management and countermeasures for each type of risk.

(iv) Indicators and targets

The Company has categorized the eight materiality topics (material issues) into three areas (Environment, Social, and Governance), and set and monitor KPIs and targets for each issue. These indicators and targets are deliberated on and evaluated by the Sustainability Committee, then reported to the Board of Directors by the President and CEO, who chairs the Sustainability Committee. The Company reviews these materiality topics (material issues), indicators, and targets as necessary, based on the business environment and awareness of the issues.

(2) Climate Change

In recent years, the social environment has continued to change on a global scale, and addressing social issues, such as initiatives based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), has become an important item on the management agenda. The Company regards addressing climate change as a material issue and has made carbon neutrality a pillar of its business activities in its Medium-Term Business Plan (FY2026–FY2030). The Company will continue to strategically prioritize markets linked to carbon neutrality, such as electric vehicle (EV), hybrid vehicles (HVs), fuel cell vehicle (FCV), automated driving, and semiconductor-related markets, and will focus on recruitment, education, and sales for these markets. Moreover, by having the Company's engineers participate in carbon neutrality-related technology development projects such as these, the Company will advance the development of these technologies and support their widespread use in the market, thereby contributing to the realization of carbon neutrality.

In July 2022, the Company announced its support for the recommendations from the Task Force of Climate-related Financial

Disclosures (TCFD). The Company will disclose information in a manner consistent with the recommendations published by the TCFD, with the aim of achieving a sustainable society.

(i) Governance

As the Company has rated climate change as a high-priority issue, the Company has established the Sustainability Committee as a special committee for discussing sustainability-related issues including climate change. This Committee is established directly under the Board of Directors, and reports and submits the topics it discusses to the Board, which then deliberates and makes decisions on them. The content of such discussions will be disclosed externally and reflected in the Company's management policies and various initiatives.

The Committee, chaired by the President and CEO, is composed mainly of Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Audit and Supervisory Committee, and division heads and managers, and is held four times a year. The Committee promotes and manages the status of sustainability issues and initiatives, including those related to climate change.

The topics deliberated in the Committee are reported to the Board of Directors. The Board then deliberates and adopts the resolutions on important risks and opportunities related to climate change, gives instructions on how to deal with them, and supervises the progress of such initiatives.

(ii) Strategy

In April 2022, the Company's Sustainability Committee conducted a climate change scenario analysis based on the recommendations from the TCFD. For this analysis, the Company identified key risks and opportunities related to climate change and conducted a qualitative evaluation of their impact. The Company's first scenario analysis, which covered the Company's main business area of engineer dispatching, used two scenarios (the 4°C scenario and a combination of the 1.5°C and 2°C scenarios) to examine the impact of climate change in the year 2030. The Company extracted risks and opportunities, and the degree of impact on its business activities was evaluated on a three-point scale of large, medium, and small.

Regarding the financial impact of climate change on its business, the Company considers the risk of climate change to be low, as it is primarily engaged in engineer dispatching services in Japan and does not need to own production facilities or other equipment.

Summary of scenario analysis results (risks and opportunities)

Short-term: Impact is apparent in less than 3 years; Medium-term: Impact is apparent in 3 years to less than 10 years (up to around 2030); Long-term: Impact is apparent in 10 years or later

Based on financial impact – Large: Impact is clearly large; Medium: Degree of impact is unknown; Small: Impact is clearly small; -: No impact is expected.

Large category	Medium category	Small category	Timeframe	Consideration: risks	Evaluation (risks)	Consideration:opportunities	Evaluation (opportunities)
Transition (1.5 and 2°C scenarios)	Policies and regulations	Carbon price (carbon tax)	Short- to long-term	The Company's main business is the dispatching of engineers, and it has offices and training facilities to meet the needs of client companies. Therefore, if a carbon tax is introduced, there is a risk that overhead costs will increase with the use of electricity.	Medium	–	–
		Renewable energy policy	Short- to long-term	There is a risk that expenditures will increase if the price of renewable energy rises due to the promotion of renewable energy policies resulting in an increased demand for renewable energy.	Medium	–	–

	Energy-saving policy	Short- to long-term	The Company uses leased office space for its business and training facilities. There is a risk that the conversion of normal office buildings into net-zero energy buildings (ZEBs) will lead to an increase in expenditures because the cost of developing ZEBs will be added to the rent or the tenant fee.	Medium	–	–
Technology	Advances in low-carbon technologies	Short- to long-term	The Company's main customers are in the automotive industry, which requires the Company to provide engineers who can develop products related to low-carbon technologies. If the Company is slower than its competitors to respond to these technologies, the Company's engineers' skills may be considered obsolete and the demand for the dispatch of engineers may shrink, resulting in decreased sales. If new technologies need to be incorporated, costs for information gathering and training may increase.	Large	A low-carbon society may be promoted, which will lead to an increase in the demand for products using low-carbon technologies. In such a case, the Company's sales may increase due to an increased demand for the dispatch of engineers to its existing clients and new clients.	Large
Market	Change in demand for important products	Short- to long-term	The Company's main customers are in the automotive industry, which requires the Company to provide engineers who can develop products related to low-carbon technologies. If the Company is slower than its competitors to respond to these technologies, the Company's engineers' skills may be considered obsolete and the demand for the dispatch of engineers may shrink, resulting in decreased sales. If new technologies need to be incorporated, costs for information gathering and training may increase.	Medium	Since the Company's main customers belong to the automotive industry, actively attracting engineers who can deal with the design and development processes that support the shift to zero-emission vehicles (ZEVs) may lead to increased demand for the dispatch of engineers, which could result in higher sales. The advancement of low-carbon technologies has accelerated the speed of development of low-carbon business. Enhancing its recruitment and training systems as well as its services to meet the increasing number of requests from clients could lead to increased sales. If extreme weather conditions increase, along with a rising demand for seasonal products such as air conditioning	Large

						products that can deal with higher/lower outdoor temperatures, this may lead to the manufacturers' increased demand for the development of HVAC equipment, resulting in growing demands for the dispatching of engineers and increased sales.	
	Reputation	Change in reputation from customers	Short- to long-term	The momentum for decarbonization is growing throughout the supply chain. Clients may require their suppliers to reduce emissions and disclose relevant information. In particular, the automotive industry, which accounts for a major part of the Company's customer base, is making much progress in this area than other industries. If the Company's efforts are deemed insufficient, there is a risk that the Company's reputation will be damaged, leading to a decrease in sales. In addition, significant costs may be required to address these issues.	Large	As the entire supply chain of the automotive industry is making an effort to reduce emissions, if the Company becomes recognized as a leader in addressing climate change issues, this could lead to increased sales.	Large
		Change in reputation of the Company's employees		–	–	If the Company's environmental initiatives and the track record for dispatching engineers who have low-carbon skills are highly regarded by job seekers, the Company's image may improve, which could serve as an advantage over other companies in recruiting talents.	Large
		Change in reputation from investors	Short- to long-term	The trend toward decarbonization may require investors to consider factors such as the decarbonization efforts and GHG emissions of companies that they invest in before making decisions, which may incur additional costs.	Medium	If factors such as environmental initiatives and GHG emissions become more important in making investment decisions, and if investors see that the Company's environmental efforts are advanced, this may lead to a rise in the stock price and an inflow of investment capital.	Medium

Physical impact (4°C scenario)	Acute	Intensifying extreme weather events (typhoons, torrential rains, landslides, storm surges, etc.)	Long-term	If client companies are adversely affected by increased natural disasters causing operation downtime, etc., the Company's sales may decrease due to reduced demand for engineers as a result of R&D budget cutbacks. Also, in the event that the Company's offices and training facilities are affected by such disasters, costs for recovery and relocation may be incurred.	Large	–	–
	Chronic	Increased average temperature	Long-term	Rising average temperatures will increase the use of air conditioning, which may increase costs at all its business and training facilities.	Small	If rising outdoor temperatures increase the need for safer and more comfortable indoor temperatures, the manufacturers' demand for developing HVAC equipment will increase, which may result in an increased demand for the dispatching of the Company's engineers and increased sales.	Medium

(iii) Risk management

At the Compliance and Risk Management Meeting, the Company identifies risks that need to be addressed among various risks such as climate change, sets priorities for responding to such risks, and manages progress on an ongoing basis. The topics discussed in the Meeting are reported and submitted to the Board of Directors, which then deliberates and makes decisions on such topics.

(iv) Indicators and targets

The Company calculates its greenhouse gas (GHG) emissions as shown below.

The Company's goal for FY2051 is to achieve net zero GHG emissions

Greenhouse gas (GHG) emissions

unit: tCO2

Indicator	Description	Result		Target
		FY2025	FY2026	
scope1	Use of fuel for rent-a-cars	20.9	22.1	Net zero
scope2	Use of electricity at the Company's locations	133.2	119.8	
scope3	Purchased goods and services; employee commuting, business travel, etc.	1,471.8	1,780.4	

*Due to the difficulty of providing a unified statement for the entire Group, only information for the submitting company, which operates the Group's main businesses, is stated

(3) Human Capital

Artner's Management Philosophy is "Engineer Support Company: We support our engineers' dreams," and the Company's Purpose is to "support the growth and self-actualization of engineers, who are Japan's world-class assets." As they embody, the Company has promoted its business as a corporation that exists for the sake of engineers' growth while always asking itself what it can do for them. The Company believes that creating value for the engineers themselves will, in turn, create value for Artner. The Company also believes that talent is the Company's greatest business asset, and that talent development and organizational development are key areas essential to the Company's growth.

(i) Governance

Artner has established a Sustainability Committee to maximize the value of its human capital. The Committee is composed mainly of Directors who are not members of the Audit and Supervisory Committee (including the President and CEO), Directors who are Audit and Supervisory Committee members, as well as division heads and managers. The Committee is held four times a year. At each meeting, the members hold discussions to promote and manage the progress of issues and initiatives related to human capital. The Director/Head of the Management Division serves as the overall supervisor and the Management Division's General Affairs and Human Resources Group functions as the Health and Productivity Management Promotion

Office to plan, operate, and promote different health-related initiatives. The Board of Directors oversees sustainability matters, including occupational health and safety, and deliberates on key issues such as respect for human rights, the promotion of diversity and inclusion, and talent development and retention.

(ii) Strategy

The Company believes that supporting the growth and self-actualization of engineers, who are Japan's world-class assets, and creating value for the engineers themselves will, in turn, create value for Artner. The Company considers its engineers to be not only assets of Artner, but also shared assets of Japan, and the Company nurtures engineers as a platform to support their growth and self-actualization based on its policy on talent development. Amid a rapidly changing work environment and mindset, driven by talent mobility and diversity, the Company will strive to promote the happiness of working engineers and create a new model for "life as an engineer."The Company is also committed to providing a satisfying work environment and supporting the growth and self-actualization of each and every one of its staff members, as stated in its basic sustainability policy: "aiming for the happiness of all employees." The Company's main business, which is the engineer dispatching business, consists of a cycle of recruitment, training, sales, and support activities. The Company must address the following issues for future business expansion.

(Recruitment activities)

The Company views securing and increasing the number of talented engineers as an essential requirement for the expansion of the Company's business.

Therefore, the Company will strive to secure high-quality talents that meet the market needs by implementing measures such as improving its recruitment criteria, securing recruitment opportunities, hiring diverse and inclusive talents, optimizing the composition of engineers by field and business domain, and optimizing the composition of new graduate and career hires.

With regard to the recruitment of new graduates, the Company will conduct company information sessions and interviews, etc., either online or in person, for students in order to secure participants in the selection process. The Company will also regularly provide detailed follow-ups to universities and prospective employees, and hold get-togethers for prospective employees in an effort to increase the percentage of prospective employees who join the Company.

(Training activities)

The Company is building a "T-shaped specialist education system," a system for improving the skills of each and every engineer, in which the horizontal axis represents specialized knowledge and work skills, and the vertical axis represents general education and communication capabilities. Through this system, the Company will strive to enable new employees and workers with little or no experience to participate in cutting-edge projects at an early stage and shift their careers to growing industry fields. In addition, the Company will strive to improve the technical and human skills of its employees by holding skill development seminars for all employees and human development training for managers.

(iii) Risk management

At Artner, the Compliance and Risk Management Meeting identifies human capital risks and opportunities, and monitors their progress. Risks and opportunities that may have a significant impact on investors' decisions include the following.

(Effectiveness of education and training)

The Company strives to improve the skills of its engineers by providing training programs that have been developed based on many years of experience. However, if the training does not turn out to be as effective as expected and the unit price of engineers does not increase due to low customer satisfaction, and/or if the Company fails to satisfy the requests from clients and they start to make complaints, the Company's financial status and business performance may be affected.

Conversely, if engineers' skill improvement raises client satisfaction and client ratings, the unit price of engineers may increase and its competitiveness in the industry may elevate, creating opportunities for corporate growth.

(Securing science and engineering graduates)

The Company considers science and engineering graduates to be an important managerial resource, but if the population of science and engineering graduates were to decrease due to the declining birth rate and other factors, making it significantly more difficult to hire talented graduates, the Company's financial status and business performance may be affected.

Conversely, the Company hopes to resonate with students by highlighting the Company's recruitment method—it hires talent to meet the requirements of their intended destination, provide them with education and training as engineers, and only then assign them to projects—as well as the fact that Artner is a job-based employment company that emphasizes their skills, and that they will be able to quickly advance their careers while gaining experience in a variety of fields. By acquiring and training outstanding talent, the Company can expect to maintain and strengthen a stable earnings base.

(Securing career engineers)

The Company considers engineers with work experience to be an important managerial resource. However, if the competition to secure career hires intensifies due to a shortage of engineers who wish to change jobs as a result of booming design and development activities in the manufacturing industry, making it significantly more difficult to hire talented career engineers, the Company's financial status and business performance may be affected.

Conversely, the Company hopes to resonate with job seekers by highlighting the Company's recruitment method—it hires talent to meet the requirements of their intended destination, provide them with education and training as engineers, and only then assign them to projects—as well as the fact that Artner is a job-based employment company that emphasizes their skills, and that they will be able to quickly advance their careers while gaining experience in a variety of fields. By acquiring and training outstanding talent, the Company can expect to maintain and strengthen a stable earnings base.

(iv) Indicators and targets

The Company has established indicators and targets to evaluate the effectiveness of human capital initiatives in line with its Medium-Term Business Plan. The targets the Company sets are reviewed according to changes in the external environment and its progress made on human capital measures.

Indicators	KPI	Result for FY2026	Target
Talent development	Average hours of annual training per employee (engineer)	86.6 hours	Same level each year
	Average cost of annual training per employee (engineer)	73,000 yen	Same level each year
	Percentage of employees who have received talent development training	79.6 %	Same level each year
	Percentage of employees who have received harassment training	100.0%	100.0%
Work engagement	Work engagement score (Measurement method: New Brief Job Stress Questionnaire)	2.6	2.7
Mobility	Number of new graduates (engineer)	154	210(FY2028)
	Number of career hires (engineer)	87	120(FY2027)
	Term-end engineer count	1,315	2,100 (FY2030)
	turnover rate (engineer) *Excluding retirement and turnover via the Company's assistance program to change jobs	8.9%	Under 10.0%
	Recruitment cost(engineer)	JPY 0.54 billion	JPY 0.76 billion (FY2030)
Diversity	Share of female employees (engineers)	4.9 %	10.0% or more
	Share of female employees (administration)	37.0 %	Increase on an ongoing basis
	Share of female employees (engineers) among new employees	9.1 %	Increase on an ongoing basis
	Share of female employees (administration) among new employees	50.0 %	Increase on an ongoing basis
	Share of female employees in managerial positions	5.4 %	Increase on an ongoing basis
	Share of female directors	0.0%	30.0% or more (FY2031)
	Wage difference between male and female employees (overall)	Male 100.0%:Female 90.6 %	Narrow the difference
	Wage difference between male and female employees (engineers)	Male 100.0%:Female 94.8 %	Narrow the difference
	Wage difference between male and female employees (administration)	Male 100.0%:Female 72.8 %	Narrow the difference
	Usage rate of childcare leave (male employees)	81.8 %	30.0% or more
	Usage rate of childcare leave (female employees)	100 %	80.0% or more
Health/Safety	Presenteeism	92.3 %	100%
	Absenteeism	0.9%	0.0%
	Number of occupational accidents	7	None
	Occupational accident-related fatality rate	0.0%	0.0%
	Downtime due to occupational accidents	8 hours	0 hours

	Percentage that received health and safety training, attendance rate	100.0%	100.0%
Compliance	Number of serious human rights issues	None	None
	Number of discrimination incidents	None	None
	Percentage of employees who have received compliance training	100.0%	100.0%
	Percentage of employees who have received information security training	100.0%	100.0%

*Due to the difficulty of providing a unified statement for the entire Group, only information for the submitting company, which operates the Group's main businesses, is stated.

To achieve the targets, the Company is specifically making the following efforts.

(Talent development/Work engagement/Mobility)

Artner will strive to improve the skills of its engineers by providing general, external, basic, customized, and/or career training based on its long-accumulated experience, such as the "human skill enhancement seminar" and "technological capability booster lectures" that help develop leadership skills. In addition, the Company will strive to improve the technical and human skills of its employees by holding skill development seminars for all employees and human development training for managers.

Specifically, the Company facilitates the improvement of all engineers' skill levels through educational programs and training curricula segmented by business field, with the aim of promoting the assignment of engineers to upstream business areas where the unit price of engineers is likely to be higher. This has resulted in more engineers being assigned to upstream business areas, leading to an increase in the unit price of engineers and to the operating margin exceeding the target. In addition, due to the revamping of its business model (establishment of four business divisions), engineers have been more attracted to the Company, and the turnover rate has been lower compared to before the revamping.

For the development of next-generation leaders, the Company regularly conducts manager training.

The Company established the Nomination and Remuneration Committee as an advisory board to the Board of Directors, whose chair and a majority of the members are independent outside directors. The committee deliberates on the nomination of the President and CEO, directors (not members of the Audit and Supervisory Committee), directors (members of the Audit and Supervisory Committee), and executive officers (hereinafter collectively referred to as "officers, etc." in this paragraph). By doing so, the Company seeks to leverage the knowledge and advice of outside directors, ensure the objectivity and transparency of the nomination process for officers, etc., enhance the supervisory function of the Board of Directors, and further strengthen its corporate governance.

The Nomination and Remuneration Committee meets at least four times a year to deliberate and evaluate the continuation or replacement of candidates and reports the results to the Board of Directors.

- Talent retention

The Company strives to increase motivation and improve the retention rate by holding regular interviews with engineers, including online meetings, and providing guidance and advice according to the engineers' wishes and actual conditions. In addition, the Company provides access to dedicated counselors for mental health care who help its engineers find answers to various problems they face.

(Diversity)

- Promotion of active participation of women

To help establish an employment environment that enables the active participation of women and permits employees to achieve a better work-life balance, Artner has formulated a General Employers Action Plan, based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children. The Company is working to increase the number of female employees in managerial positions and improve the childcare leave and nursing care leave utilization rate.

- Payment of fair wages

Artner's wage system does not pay different wages based on gender. However, due to the higher proportion of male employees in high-ranking positions, the overall wage difference between male and female employees was 100.0% (male): 90.6% (female) in FY2026. To narrow this gap, the Company is working to increase the ratio of female employees in managerial positions through training and other measures for female employees.

- Promotion of diversity

The Company believes that promoting workplace diversity and giving all employees the opportunity to demonstrate their full potential will lead to innovation and value creation. In September 2011, the Company established the Diversity Promotion Office (now Diversity Team) as a department focused on people with disabilities. This department promotes the employment of people with disabilities as well as the creation of a fulfilling workplace. The Company strives to foster an inclusive company culture, through measures such as diversity training, LGBTQ study meetings, and activities to promote an understanding of gender equality by all employees.

(Health/Safety)

- Occupational safety and health

By considering the occupational health and safety of its employees, Artner strives to enhance corporate value and create an organization where all the employees can work safely and with peace of mind.

In addition, because the Company believes that the ability of its employees to work in good health and with peace of mind will result in the well-being of all the employees and reflection within the company, the Company promotes employee health management and health promotion initiatives.

- Risks related to potential hazards involved in labor

The Company strives to prevent accidents and reduce the risk of accidents occurring by providing health and safety education for employees when they join the company and when they are assigned to clients.

- Employee benefits offered

The Company has established the Employee Stock Ownership Association, a system that allows employees to build their assets without a significant commitment through the purchase of company stocks. Funds to purchase company stocks are deducted from employee salaries and bonuses for non-burdensome, planned investments, with the Company paying out subsidies depending on how much money was contributed in a month.

- Stance on the labor union

The Company will respect the rights of employees to form and join labor unions, to bargain collectively, and to participate in peaceful assembly of their own volition, as well as their rights to withhold such participation. Artner's labor union is named Artner Workers' Union. The superior body it belongs to is UA ZENSEN.

(Compliance)

- Human rights

In line with the principles of the United Nations Global Compact, Artner has established a human rights policy and prohibits forced labor, slavery or labor trafficking, and child labor. In addition, the Company has established a mechanism for human rights due diligence in line with the United Nations' Guiding Principles on Business and Human Rights, and will identify negative impacts on human rights and work toward preventing and mitigating them, continuously assess the effectiveness of its efforts, and make appropriate disclosures. There have been zero consultations about discrimination during the current fiscal year.

- Social risks in supply chains

Artner recognizes that human rights initiatives are required not only by the Company, but also by its supply chain. The Company has therefore established a procurement policy and will comply with laws and regulations and respect basic human rights as a responsible member of society. The Company shares its approach to human rights with its suppliers and strives to identify human rights risks in the supply chain as part of its procurement process.

3 Business and Other Risks

Of the matters regarding business conditions and financial information included in the Annual Securities Report, those that may have a material impact on investors are stated below. Please note that the statements about the future in the text are judgments the Group made at the end of the fiscal year ended January 31, 2026.

(Performance trends in the manufacturing industry)

The Group's major clients belong to the manufacturing industry, and the Group dispatches engineers primarily to their design and development departments. If these major clients were to reduce their capital investments, R&D costs, and the use of external engineers due to economic recession and other factors in the countries or regions in which they operate, the Group's financial status and business performance may be affected. In addition, if significant changes in the business environment take place for automotive-related manufacturers, which account for a large share of the Group's sales, the Group's financial status and business performance may be affected.

(Competition with other companies in the industry)

If competition with other companies intensifies due to market contraction or new entrants in the engineer dispatching industry, where the Group operates its business, and this results in a fierce price competition, the Group's financial status and business performance may be affected.

(Effectiveness of education and training)

The Group strives to improve the skills of its engineers by providing training programs that have been developed based on many years of experience. However, if the training does not turn out to be as effective as expected and the unit price of engineers does not increase due to low customer satisfaction, and/or if the Group fails to satisfy the requests from clients and they start to make complaints, the Group's financial status and business performance may be affected.

(Securing suitable clients for the Group's dispatching business)

Although the Group always strives to secure and expand its clients for its engineer dispatching business, if the Group is unable to find suitable clients that match its engineers and cannot maintain or improve the unit price of engineers and/or utilization rates, the Group's financial status and business performance may be affected.

(Regulations on total work person-hours)

The total work person-hours of the Group's engineers is determined based on the business conditions of the client company. If the revisions to relevant laws and regulations generate a larger pressure against long working hours, which may result in a significant decrease in the total work person-hours of engineers, the Group's financial status and business performance may be affected.

(Securing science and engineering graduates)

The Group considers science and engineering graduates to be an important managerial resource, but if the population of science and engineering graduates were to decrease due to the declining birth rate and other factors, making it significantly more difficult to hire talented graduates, the Group's financial status and business performance may be affected.

(Securing career engineers)

The Group considers engineers with work experience to be an important managerial resource. However, if the competition to secure career hires intensifies due to a shortage of engineers who wish to change jobs as a result of booming design and development activities in the manufacturing industry, making it significantly more difficult to hire talented career engineers, the Group's financial status and business performance may be affected.

(Information management)

By introducing measures such as acquiring the "PrivacyMark," the Group has been committed to properly managing personal information, confidential information, and all other information obtained in the course of its business operations. However, if such information is leaked to outside parties for some reason, the Group's social credibility will be damaged, and the Group's financial status and business performance may be affected. In addition, although the Group takes appropriate security measures to ensure the stable supply of its services, system failures and other problems may be caused by computer viruses, unauthorized access, natural disasters, or other unforeseen events, and in such cases, the Group's financial status and business performance may be affected.

(Laws, regulations, licenses, and permits)

The following laws and regulations apply for each of the Group's business categories:

(i) Worker dispatching business

Engineer Dispatching Business, which is the Group's main business, is carried out under the license from the Minister of Health, Labour and Welfare as described below, based on the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers (hereinafter referred to as "Worker Dispatching Act")

Name	License name	Supervisory authority	License number	Licensed date	Expiration date
Artner Co., Ltd.	Worker dispatching business	Ministry of Health, Labour and Welfare	派27-020513	December 1, 2003	November 30, 2026
CLIP SOFT Corporation	Worker dispatching business	Ministry of Health, Labour and Welfare	派22-300796	March 1, 2018	February 28, 2031
JOUHOU GIKEN, Ltd.	Worker dispatching business	Ministry of Health, Labour and Welfare	派09-010004	August 1, 1987	July 31, 2029

Note: The prefix "派" (Ha) in the licence numbers above is the prefix assigned by the Minister of Health, Labour and Welfare to a worker dispatching business licence. The numbers are shown in their original Japanese form so that they can be verified against the Ministry's database.

The Group considers compliance with the Worker Dispatching Act and relevant laws and regulations to be one of its highest priorities, and strives to maintain a legal compliance system by monitoring compliance with laws and regulations via internal audits and by regularly confirming compliance with laws and regulations at different meetings. However, in the unlikely event that the Group violates such laws and regulations, which would hinder the continuity of its business, the Group's financial status and business performance may be affected. In addition, Article 14 of the Worker Dispatching Act stipulates that if a dispatching business operator falls under any of the disqualification grounds provided in Article 6 of the Worker Dispatching Act (main possible grounds: if the Group is sentenced to imprisonment or more, or is sentenced to a fine for violating the Labor Standards Act, the Worker Dispatching Act, the Employment Security Act or other labor-related laws, or the Health Insurance Act, the Employment Insurance Act or other laws, or for committing a crime under the Penal Code, the Immigration Control and Refugee Recognition Act or other laws, and five years have not passed from the date on which the execution of the sentence is completed or the sentence is no longer executed; or if the Group becomes an adult guardian or a person under curatorship, or goes bankrupt and has not had its rights restored, etc.) or violates the Worker Dispatching Act and the Employment Security Act, the business operator shall be ordered to have its business license canceled or its operations suspended. However, there are no such disqualification grounds applicable to the Group at this time. However, in the unlikely event that the Group violates such laws and regulations and is ordered to have its business license canceled or its operations suspended, it may become difficult to continue its business, and the Group's financial status and business performance may be affected.

The Worker Dispatching Act and other relevant laws and regulations are being revised from time to time by means of adding modifications in response to changes in the labor environment, social conditions, and other factors.

The Group takes appropriate measures whenever such laws and regulations are revised. However, if any such revisions made are significantly unfavorable to the Group's business, the Group's financial status and business performance may be affected depending on the details of the revised laws and regulations.

(ii) Paid employment agency business

The Group's paid employment agency business is conducted under the license from the Minister of Health, Labour and Welfare as described below, based on the Employment Security Act:

Name	License name	Supervisory authority	License number	Licensed date	Expiration date
Artner Co., Ltd.	Paid employment agency business	Ministry of Health, Labour and Welfare	27-ユ-020355	February 1, 2004	January 31, 2027
JOUHOU GIKEN, Ltd.	Paid employment agency business	Ministry of Health, Labour and Welfare	09-ユ-300005	June 1, 2004	May 31, 2027

Note: The prefix "ユ" (Yu) in the licence numbers above is the prefix assigned by the Minister of Health, Labour and Welfare to a fee-charging employment placement business licence. The numbers are shown in their original Japanese form so that they can be verified against the Ministry's database.

Article 32-9 of the Employment Security Act stipulates that if a provider of paid employment placement services (including its executives in case of a company) falls under any of the disqualification grounds as a paid employment agency business (if the Group is sentenced to imprisonment or more, or is sentenced to a fine for violating the Labor Standards Act, the Employment Security Act, the Worker Dispatching Act, or other labor-related laws, or for committing a crime under the Penal Code, the Immigration Control and Refugee Recognition Act or other laws, and five years have not passed from the date on which the execution of the sentence is completed or the sentence is no longer executed; or if the Group becomes an adult guardian or a person under curatorship, or goes bankrupt and has not had its rights restored, etc.), or violates the Employment Security Act and the Worker Dispatching Act, the service provider shall be ordered to have its business license canceled or its operations suspended. However, there are no such disqualification grounds applicable to the Group at this time. However, in the unlikely event that the Group violates such laws and regulations and is ordered to have its business license canceled or its operations suspended, it may become difficult to continue its business, and the Group's financial status and business performance may be affected. In addition, if such laws and regulations are revised in the future and if any such revisions made are significantly unfavorable to the Group's business, the Group's financial status and business performance may be affected.

(Disasters, accidents, etc.)

The Group has established a manual to deal with natural disasters, man-made disasters, and other disasters and accidents (hereinafter referred to as "Disasters, etc.") in an effort to minimize the damage. However, if any Disasters, etc. that significantly exceed its prediction take place, the Group's financial status and business performance may be affected. In addition, in the event that the Group's business activities are hindered as a result of the spread of COVID-19 infections and other factors, the Group's financial status and business performance may be affected.

(Climate change)

In the event that the Group's business activities are halted or stagnated as a result of its facilities being damaged by natural disasters due to climate change, the Group's financial status and business performance may be affected. In addition , if a carbon tax is introduced or environmental regulations are tightened as part of the government's effort to transition to a decarbonized society, and if the Group is unable to offer personnel who meet its clients' demands for engineers committed to carbon neutrality initiatives, the Group's financial status and business performance may be affected.

(Mergers and acquisitions)

The Group has a policy of conducting mergers and acquisitions (M&A) to acquire new areas of expertise and technology with an aim to increase sales and revenues through expanding the scale of its business. The Group's M&As are implemented after thorough consideration of the risks involved by conducting preliminary research through detailed due diligence on market trends and client needs, as well as the financial status and contractual relationships of the target company. However, M&As may result in significant capital demands and amortization of goodwill, etc. In addition, such M&As may not necessarily generate synergies as expected by the Group. If the business performance does not progress as expected due to major changes in the business environment or business conditions, goodwill impairment losses or valuation losses on shares may arise, and the Group's financial status and business performance may be affected. Also, when a new business that the Group has not been engaged in previously is added to its portfolio through M&As, additional risk factors specific to that business domain will emerge.

(Medium-Term Business Plan)

In March 2025, the Group announced its new Medium-Term Business Plan “Build a foundation for sustainable and next-generation growth — Make Value for 2025 to 2029,” which concludes in the fiscal year ending January 31, 2030, and has been promoting specific measures accordingly. However, as the Medium-Term Business Plan is based on the outlook of the market environment and economic conditions at the time the plan was formulated, there is a possibility that the numerical business targets may not be achieved in the event that the market environment or economic conditions change dramatically beyond expectations and the business environment does not develop as predicted.

4 Management Analysis of Financial Status, Business Performance and Cash Flows

(1) Overview of business performance and other conditions

As the Group has been preparing consolidated financial statements since the current consolidated fiscal year, comparative analyses with the previous consolidated fiscal year and with the end of the previous consolidated fiscal year have been omitted.

The Group's financial status, business performance, and cash flows (hereinafter referred to as "financial performance and other conditions") for the fiscal year ended January 31, 2026, are summarized as below.

(i) Overview of operating results during the current fiscal year

Regarding the Japanese economy during the current consolidated fiscal year, although there was concern over the effects of US trade policy, particularly on the automotive industry, R&D efforts of client companies trended steadily. As a large proportion of the Group's engineers are assigned to R&D as well as design and development fields, the Group continued to see strong demand for engineers from automotive-related manufacturers and semiconductor manufacturing equipment manufacturers, just as it had during the previous period.

(Engineer dispatching business)

The number of operative personnel increased due to an increase in the number of engineers as well as a sustained high utilization rate amid rising demand for engineers and the accelerated assignment of newly graduated engineers who joined the Group in 2025 to their work ahead of the initial schedule. Moreover, the trend of wage increases by companies and engineer shortages pushed up the unit price for newly graduated engineers at their first assignments. Strategic placements in growth fields and high value-added fields also led to a rise in the unit price of engineers.

(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.

In terms of profits, while there were recruitment investment, IT/DX investment, and training equipment investment as well as other expenses, these were absorbed by net sales growth, leading to an increase in all profits.

As a result of all this, the Group's financial status and business performance for this fiscal year are as stated below.

a. Overview of financial status during the current fiscal year

Total assets at the end of the current consolidated fiscal year came to JPY 9,058,062 thousand.

Total liabilities at the end of the current consolidated fiscal year came to JPY 3,835,030 thousand.

Total net assets at the end of the current consolidated fiscal year came to JPY 5,223,031 thousand.

b. Business performance

For the current consolidated fiscal year, net sales came to JPY 12,046,664 thousand, operating profit to JPY 1,821,714 thousand, ordinary profit to JPY 1,823,883 thousand, and profit attributable to owners of parent to JPY 1,258,741 thousand. Operating margin was 15.1%.

(ii) Cash flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the current consolidated fiscal year came to JPY 4,725,285 thousand.

Cash flows for the current consolidated 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 1,415,192 thousand. This is mostly because the Group recorded JPY 1,820,591 thousand in profit before income taxes, among others, whereas the Group also recorded JPY 637,723 thousand in income taxes paid.

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

The cash used as a result of investing activities totaled JPY 1,389,104 thousand. This is mostly because the Group recorded JPY 1,315,518 thousand in payments for the acquisition of shares of subsidiaries that entailed changes in scope of consolidation, among others.

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

The cash gained as a result of financing activities totaled JPY 110,221 thousand. This is mostly because the Group recorded JPY 1,000,000 thousand in proceeds from long-term borrowings, among others, whereas the Group also recorded JPY 887,697 thousand in dividends paid.

(iii) Records of production, orders received, and sales

a. Record of production

A record of production has been omitted because the mainstay of the Group's business consists of software, electronics, and machine engineer dispatching services, which, based on the nature of services provided, are not fit to be presented for a production record.

b. Record of orders received

A record of orders received has been omitted because orders received are almost equal to sales in terms of monetary amounts due to how the Group's business works.

c. Record of sales

Sales results by business category for this fiscal year are as shown below.

Business Category	FY2026 (Fiscal year ended January 31, 2026)	
	Amount (thousands of yen)	YoY (%)
Engineer Dispatching Business	10,377,653	–
Contracting Business	1,615,896	–
Other businesses	53,113	–
Total	12,046,664	–

Notes: 1. Since the Group has only one reportable segment, the figures are sorted by business category.

2. The table below shows sales results sorted by major client and percentages they make up of overall sales for the current consolidated fiscal year.

Client	FY2026 (Fiscal year ended January 31, 2026)	
	Amount (thousands of yen)	Percentage (%)
Honda Motor Co., Ltd.	2,064,750	17.1
Honda R&D Co., Ltd.	1,602,048	13.3

(2) Analysis and discussion of the state of business performance and other conditions from the perspective of the management

The management of Artner understands, analyzes, and discusses the Group's business performance and other conditions as stated below.

Please note that the statements about the future in the text are judgments made at the end of the consolidated fiscal year ended January 31, 2026.

(i) Understanding, analysis, and discussion of the state of financial status and business performance

a. Financial status

Total assets at the end of the current consolidated fiscal year came to JPY 9,058,062 thousand. This mainly breaks down into cash and deposits of JPY 4,728,888 thousand, accounts receivable - trade of JPY 1,789,787 thousand, and goodwill of JPY 1,519,366 thousand. Total liabilities at the end of the current consolidated fiscal year came to JPY 3,835,030 thousand. This mainly breaks down into long-term borrowings of JPY 928,028 thousand, provision for retirement benefits for directors (and other officers) of JPY 545,600 thousand, and accounts payable - other of JPY 542,775 thousand. Total net assets at the end of the current consolidated fiscal year came to JPY 5,223,031 thousand. This mainly breaks down into capital of JPY 238,284 thousand and retained earnings of JPY 4,667,939 thousand.

b. Business performance

(Net sales)

In the engineer dispatching business, the number of operative personnel increased due to an increase in the number of engineers as well as a sustained high utilization rate amid rising demand for engineers and the accelerated assignment of newly graduated engineers who joined the Group in 2025 to their work ahead of the initial schedule. Moreover, the trend of wage increases by companies and engineer shortages pushed up the unit price for newly graduated engineers at their first assignments. Strategic placements in growth fields and high value-added fields also led to a rise in the unit price of engineers. 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. As a result of the above, for the current consolidated fiscal year, net sales came to JPY 12,046,664 thousand.

(Operating profit, ordinary profit, and profit)

In terms of profits, while there were recruitment investment, IT/DX investment, and training equipment investment as well as other expenses, these were absorbed by net sales growth, leading to an increase in all profits. As a result of the above, for the current consolidated fiscal year, operating profit to JPY 1,821,714 thousand, ordinary profit to JPY 1,823,883 thousand, and profit attributable to owners of parent to JPY 1,258,741 thousand.

c. Factors that may have a material impact on business performance

In regard to factors that may have a material impact on business performance, the Group is aware that its business environment, business fields, how it operates its businesses, and a variety of risk factors may have a material impact on the Group's business performance, as stated in "II. Business Conditions 3. Business and Other Risks."

Therefore, while keeping an eye on market trends at all times, the Group plans to strengthen its internal management structure, hire and retain talented employees, and offer services designed to match market needs, thereby diversifying and reducing risks that may have a material impact on the Group's business performance and taking appropriate actions.

d. Objective indicators for assessing management policies, corporate planning and strategies, and the achievement status of management goals

The Group has positioned the operating margin as an important management target, which it uses as an objective indicator for assessing management policies, corporate planning and strategies, and the achievement status of management targets from a profitability perspective. In addition to maintaining a high utilization rate, the unit price of engineers rose due to strategic placement in growth and high value-added fields. In terms of profits, while there were recruitment investment, IT/DX investment, and training equipment investment as well as other expenses, these were absorbed by net sales growth. As a result, operating margin was 15.1% for the current consolidated fiscal year.

(ii) Analysis and discussion of cash flows and information regarding sources of capital and liquidity of funds

The Group's state of cash flows for the fiscal year ended January 31, 2026 is as stated in "(1) Summary of business performance and other conditions (ii) Cash flows."

The cash the Group has demand for is primarily to cover personnel expenses for engineers the Group dispatches to client companies. As a rule, the Group allocates its own funds to working capital, funds for equipment, and other required funds. Yet the Group also turns to borrowings from a bank to raise capital if the situation demands.

(iii) Significant accounting estimates and assumptions used in the estimates

The Group prepares its consolidated financial statements based on accounting standards that are generally accepted as fair and appropriate in Japan. In preparing the consolidated financial statements, the Group has used estimates and assumptions that may impact the reported amounts of assets, liabilities, earnings, and expenses. However, results may turn out to differ from these estimates and assumptions.

The significant accounting estimates and assumptions used in preparing the consolidated financial statements are as stated in "V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements Notes (Significant Accounting Estimates)."

5 Important Contracts

The Company resolved, at the meeting of its Board of Directors held on September 8, 2025, to acquire all the shares of CLIP SOFT Corporation (hereinafter referred to as "CLIP SOFT") and make it a subsidiary of the Company. A share transfer agreement was also concluded on the same date. Further details are as stated in "V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements Notes (Regarding Business Combination)."

Moreover, at the meeting of its Board of Directors held on December 8, 2025, the Company resolved to acquire all the shares of JOUHOU GIKEN, Ltd. and make it a subsidiary of the Company. A share transfer agreement was also concluded on the same date. Further details are as stated in "V. Financial Information 1. Consolidated Financial Statements, etc. (1) Consolidated Financial Statements Notes (Regarding Business Combination)."

6 R&D Activities

Not applicable.

III. Facilities and Equipment

1 Overview of Capital Investments and Others

No important capital investments were made during the consolidated fiscal year.
No important facilities/equipment were/was retired or sold during the consolidated fiscal year, either.

2 Major Facilities

The table below shows the Group's major facilities.

Since the Group has only one reportable segment, figures sorted by segment have been omitted.

(1) The Reporting Company

As of January 31, 2026

Office (Location)	Description	Carrying amount					Number of employees (people)
		Buildings and structures (thousands of yen)	Tools, furniture, and fixtures (thousands of yen)	Software (thousands of yen)	Other (thousands of yen)	Total (thousands of yen)	
Osaka headquarters (Kita Ward, Osaka City)	Headquarters	797	3,396	17,009	31,571	52,774	29
Yokohama Office of Tokyo headquarters, Learning centers in East Japan, (Kohoku Ward, Yokohama City)	Headquarters, business office, training facilities	27,398	18,007	21,606	39,142	106,154	60
Nagoya office (Nakamura Ward, Nagoya City)	Business office and technical center	583	1,550	–	5,895	8,029	5
Utsunomiya office (Utsunomiya City, Tochigi Prefecture)	Business office and technical center	2,994	1,673	–	5,315	9,983	13
Learning centers in West Japan (Suita City, Osaka Prefecture)	Training facilities and business office	5,594	4,350	10,371	17,337	37,653	32

Notes: 1. The above offices are leased facilities. What these buildings contain are mostly furnishings.

2. "Others" in the carrying amount are leasehold and guarantee deposits.

3. The numbers of employees are those of staff members working at these offices. They do not include engineers assigned to client companies.

4.Other than the above, the Company owns land containing unutilized assets that is worth JPY 2,940 thousand (733 m2 in Kamigori, Ako District, Hyogo Prefecture; 550 m2 in Kita Ward, Kobe City).

5. Other than the above, major facilities leased from others are as shown in the table below.

As of January 31, 2026

Office (Location)	Description	Leased areas (m^2)	Annual rent (thousands of yen)
Osaka headquarters (Kita Ward, Osaka City)	Leased building	536.61	29,881
Learning centers in East Japan, Yokohama Office of Tokyo headquarters (Kohoku Ward, Yokohama City)	Leased building	1,120.39	36,954
Nagoya office (Nakamura Ward, Nagoya City)	Leased building	125.98	5,895
Utsunomiya office (Utsunomiya City, Tochigi Prefecture)	Leased building	196.91	5,315
Learning centers in West Japan (Suita City, Osaka Prefecture)	Leased building	795.88	26,873

(2) Domestic subsidiaries

Notes on this matter have been omitted because they are of little importance.

3 Plans for Installation, Retirement, etc. of Facilities

(1) Installation of new important facilities

Not applicable.

(2) Retirement of important facilities

Not applicable.

IV. State of the Reporting Company

1 The Company's Shares

(1) Total number of shares

(i) Total number of shares

Type	Total number of authorized shares (shares)
Common shares	36,000,000
Total	36,000,000

(ii) Total number of shares issued

Type	Number of shares issued - year-end (As of January 31, 2026)	Number of shares issued - submission date (As of April 22, 2026)	Financial instruments exchange where the Company is listed or Registered/Authorized financial instruments firms association	Definition
Common shares	10,627,920	10,627,920	Prime Market of the Tokyo Stock Exchange	Number of shares per share unit: 100 shares
Total	10,627,920	10,627,920	–	–

(2) Stock acquisition rights

(i) Stock option plans

Not applicable.

(ii) Rights plans

Not applicable.

(iii) Other stock acquisition rights

Not applicable.

(3) Status of corporate bond certificates, etc. with share options subject to exercise value change

Not applicable.

(4) Total number of shares issued and capital

Date	Change in the total number of shares issued (shares)	Balance of total shares issued (shares)	Change in capital (thousands of yen)	Balance of capital (thousands of yen)	Change in legal capital surplus (thousands of yen)	Balance of legal capital surplus (thousands of yen)
As of April 1, 2018 (Notes)	5,313,960	10,627,920	–	238,284	–	168,323

Note: A 2-for-1 stock split was carried out.

(5) Details by shareholder

As of January 31, 2026

Classification	Shareholder and shares held (number of shares per unit: 100)								Shares less than one share unit (shares)
	National and local governments	Financial institutions	Financial instruments business operators	Other corporations	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders (people)	–	5	16	78	49	26	13,378	13,552	–
Number of shares owned (units)	–	2,826	1,068	28,643	7,591	161	64,069	104,358	192,120
Ratio of shares owned (%)	–	2.71	1.02	27.45	7.27	0.15	61.40	100.00	–

Note: Of the 2,557 treasury shares, 25 units are included in the figures under "Individuals and others" and 57 shares in those under "Shares less than one share unit."

(6) Major shareholders

As of January 31, 2026

Name / Company name	Address	Number of shares owned (shares)	The number of shares owned as a proportion of the total number of issued shares (excluding treasury stock)
Sekiguchi Kogyo Co., Ltd.	3-20, Nangocho, Nishinomiya City, Hyogo	2,126,000	20.00
Artner Employee Stock Ownership Association	3-2-18, Nakanoshima, Kita-ku, Osaka City	822,648	7.74
Osaka Small and Medium Business Investment and Consultation Co., Ltd.	3-3-23, Nakanoshima, Kita-ku, Osaka City	480,000	4.51
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AG FUND 2024-09 (LIMITED OT FINANC IN RESALE RSTRCT) (Standing Proxy: Citibank, N.A., Tokyo Branch)	2-2-2 OTEMACHI, CHIYODA-KU, TOKYO, JAPAN (6-27-30 Shinjuku, Shinjuku-ku, Tokyo)	207,100	1.94
Ueda Yagi Tanshi Co., Ltd.	2-4-2 Koraibashi, Chuo-ku, Osaka City	191,100	1.79
STATE STREET BANK AND TRUST COMPANY 505044 (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo, Shinagawa Intercity A)	150,000	1.41
HARIGAE Tomonori	Tsukuba City, Ibaraki	140,840	1.32
OKUSAKA Kazuya	Kishiwada City, Osaka	115,380	1.08
IZUMO Hiroyuki	Kita-ku, Osaka City	92,000	0.86
JAPAN SECURITIES FINANCE CO., LTD.	1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo	79,400	0.74
Total	–	4,404,468	41.45

Notes: 1. The Large Shareholding Report (Change Report) made available for public inspection as of February 6, 2026 states that FMR LLC held the following shares as of January 31, 2026. However, as the Company is unable to confirm the actual number of shares owned as of January 31, 2026, this shareholder is not included in “Major shareholders” above. The details of the said Large Shareholding Report (Change Report) are as follows.

Name / Company name	Address	Number of stock certificates, etc. owned	The proportion of stock certificates, etc. owned
FMR LLC	245 SUMMER STREET BOSTON, MA 02210 U.S.A.	644,554	6.06

(7) Voting rights

(i) Shares issued

As of January 31, 2026

Classification	Number of shares (shares)	Number of voting rights	Definition
Non-voting shares	–	–	–
Shares with restricted voting rights (e.g., treasury shares)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (e.g., treasury shares)	Common shares: 2,500	–	–
Shares with full voting rights (other)	Common shares: 10,433,300	104,333	–
Shares less than one share unit	Common shares: 192,120	–	–
Total number of shares issued	10,627,920	–	–
Voting rights held by all shareholders	–	104,333	–

Note: The figure for "Shares less than one share unit" includes 57 treasury shares less than one share unit owned by Artner.

(ii) Treasury shares

As of January 31, 2026

Shareholder name / Company name	Address of shareholder	Number of shares held in the shareholder's name (shares)	Number of shares held in others' name (shares)	Total shares owned (shares)	Ratio of shares owned as a proportion of the total number of issued shares (%)
Artner Co., Ltd.	Nakanoshima 3-2-18, Kita Ward, Osaka City	2,500	–	2,500	0.02
Total	–	2,500	–	2,500	0.02

2 Acquisition of Treasury Shares

Type of shares: Acquisition of common shares under Article 155, item (iii) and item (vii) of the Companies Act

(1) Acquisition of shares based on a resolution at the General Meeting of Shareholders: Not applicable.

(2) Acquisition of shares based on a resolution by the Board of Directors:

Acquisition in accordance with the provision of Article 156 of the Companies Act, as applied by replacing terms pursuant to the provision of Article 165, paragraph (3) of said Act

Classification	Number of shares (shares)	Total amount (yen)
Resolution at Board of Directors meeting (March 13, 2026) (Repurchase period: From March 16, 2026 to April 30, 2026)	30,000	50,000,000
Treasury shares acquired before the fiscal year	–	–
Treasury shares acquired during the fiscal year	–	–
Total number and total value of residual shares subject to resolution	–	–
Unexercised ratio as of January 31, 2026 (%)	–	–
Treasury shares acquired during the period	25,700	50,000,000
Unexercised ratio as of the filing date (%)	14.3	–

(3) Acquisition of shares not based on a resolution at the General Meeting of Shareholders or by the Board of Directors:

Classification	Number of shares (shares)	Total amount (yen)
Treasury shares acquired during the fiscal year	43	82,775
Treasury shares acquired during the period	–	–

Note: The treasury shares acquired during the period do not include shares less than one share unit purchased during the period between April 1, 2026, and the date of submission of this Annual Securities Report.

(4) Acquired treasury shares disposed of/held

Classification	Fiscal year ended January 31, 2026		Acquisition period	
	Number of shares (shares)	Total value of shares for disposition (yen)	Number of shares (shares)	Total value of shares for disposition (yen)
Acquired treasury shares placed for subscription	–	–	–	–
Acquired treasury shares retired	–	–	–	–
Acquired treasury shares transferred for merger, share exchange, share delivery, or company split	–	–	–	–
Other	–	–	–	–
Number of treasury shares held	2,557	–	28,257	–

Note: The number of treasury shares held during the period does not include that of shares less than one share unit purchased or sold during the period between April 1, 2026, and the date of submission of this Annual Securities Report.

3 Dividend Policy

In terms of profit distribution, Artner comprehensively considers future business developments, earnings, the management environment, as well as the strengthening of its management foundations, and positions the supply of stable dividends to its shareholders as a top-priority management task. Moreover, with the Company's policy to maintain a 50% payout ratio, the Company has set as its basic approach to distribute dividends that are at least at the same amount as the previous year and continue to increase.

While taking into account earnings trends and other factors, Artner's basic policy calls for the biannual distribution of retained earnings in the form of interim and year-end dividends. The distributions of retained earnings are decided by the general shareholders meeting in the case of the year-end dividend and by the Board of Directors in the case of the interim dividend. Artner's Articles of Incorporation specify that the Company may pay out dividends of surplus by resolutions of the Board of Directors pursuant to Article 459, paragraph (1) of the Companies Act.

The Company plans to pay a dividend of 84 yen per share for this fiscal year (including an interim dividend of 42 yen) in accordance with the above policy. This makes the payout ratio for this fiscal year 63.8%.

Internal reserves are set aside to address projected future changes in the management environment and invest efficiently in enriching the Company’s pool of human resources, etc.

The table below shows the dividends of surplus for this fiscal year.

Date of resolution	Total amount of dividends (thousands of yen)	Dividend per share (yen)
Resolution by the Board of Directors on September 8, 2025	446,265	42.00
Resolution at the Ordinary General Meeting of Shareholders scheduled for April 23, 2026	446,265	42.00

4 Corporate Governance

(1) Overview of corporate governance

(i) Basic views on corporate governance

1. Artner's No.1 business challenge is steadily improving shareholder value over the long term. So in addition to expanding the Company's business and ensuring profitability, the Company wants to grow as a "technical partner" together with client companies in various industries, as a collective of engineers focused on developing more and more advanced levels of technical expertise. At the same time, with a constant awareness of what society needs most, and a desire to create a demand for it, the Company strives for business efficiency and soundness to help in the sustainable development of the Company.

The Company is highly conscious of its social responsibility as a company, so in addition to strictly observing all applicable laws and regulations, the Company strives to sustain and develop favorable relationships with shareholders, with the local community, with all client companies, and with all employees.

2. The Company is committed to further strengthening its internal control and risk management efforts through the application of business management systems (including internal control systems) to enable flexible adaptation to changes in the business environment. Artner also will promptly disclose relevant information both inside and outside the company and enhance business transparency.

(ii) Overview of Artner's corporate governance framework and why this framework is used

Artner is a company with an audit and supervisory committee, an organizational design defined by the Companies Act. The Company has in place the following bodies in the framework.

(Board of Directors)

The Board of Directors, chaired by Representative Director, President and CEO SEKIGUCHI Sozo, is composed of six members, including three Directors who are not members of the Audit and Supervisory Committee (SEKIGUCHI Sozo, HARIGAE Tomonori, and OKUSAKA Kazuya) and three Outside Directors who are members of the Committee (NOMURA Ryuichiro, TERAMURA Yasuhiko, and MORII Shinichiro). The Board meets twice a month. The board members deliberate and decide on matters relating to the Company's monthly business performance and its business plan, as well as significant matters relating to day-to-day business operations.

The Board of Directors met 32 times in this fiscal year. The attendance of each Director was as follows.

Position	Name	Attendance
Representative Director, President and CEO	SEKIGUCHI Sozo	32/32 (Attendance rate 100%)
Director	HARIGAE Tomonori	32/32 (Attendance rate 100%)
Director	OKUSAKA Kazuya	32/32 (Attendance rate 100%)
Director	SATO So	2/7(Attendance rate 29%)
Director	EGAMI Yoji	2/7(Attendance rate 29%)
Outside directors and standing member of the Audit and Supervisory Committee	NOMURA Ryuichiro	32/32 (Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	TERAMURA Yasuhiko	32/32 (Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	MORII Shinichiro	32/32 (Attendance rate 100%)

Note: Messrs. Sato and Egami resigned from their positions as directors upon the expiration of their terms of office at the conclusion of the Ordinary General Meeting of Shareholders held on April 24, 2025. Accordingly, the Board of Directors meetings referred to herein are those held prior to their resignation.

(Audit and Supervisory Committee)

The Audit and Supervisory Committee, chaired by Standing Audit and Supervisory Committee member NOMURA Ryuichiro, is composed of three Audit and Supervisory Committee members who are outside directors. The committee meets twice a month. Directors who are members of the committee also attend board meetings and other important internal meetings. The committee provides impartial and independent oversight of the Company's corporate management, based on the audit standards as well as the audit policy and plans established by the committee.

(Nomination and Remuneration Committee)

The Nomination and Remuneration Committee, chaired by Audit and Supervisory Committee member TERAMURA Yasuhiko, is composed of four members including the President and CEO and three members of the Audit and Supervisory Committee who are outside directors. The Nomination and Remuneration Committee will deliberate and report to the Board of Directors on the following matters in order to enhance the fairness and objectivity of the decision-making process of nominating and determining the remuneration of Directors as well as enhancing corporate governance. The Committee meets at least four times a year.

- Matters relating to the appointment and dismissal of Directors
- Matters relating to the succession plan
- Matters relating to the nomination policy and the evaluation criteria for "abilities, qualifications, experience, and values" based on the nomination policy
- Matters relating to the appropriateness of the remuneration level of Directors
- Matters relating to the basic policy on the remuneration of Directors and the policy for determining the remuneration for each individual

The Nomination and Remuneration Committee met five times during this fiscal year. The attendance of each Director was as follows.

Position	Name	Attendance
Representative Director, President and CEO	SEKIGUCHI Sozo	5/5 (Attendance rate 100%)
Outside directors and standing member of the Audit and Supervisory Committee	NOMURA Ryuichiro	5/5 (Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	TERAMURA Yasuhiko	5/5 (Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	MORII Shinichiro	5/5 (Attendance rate 100%)

(Compliance and Risk Management Meeting)

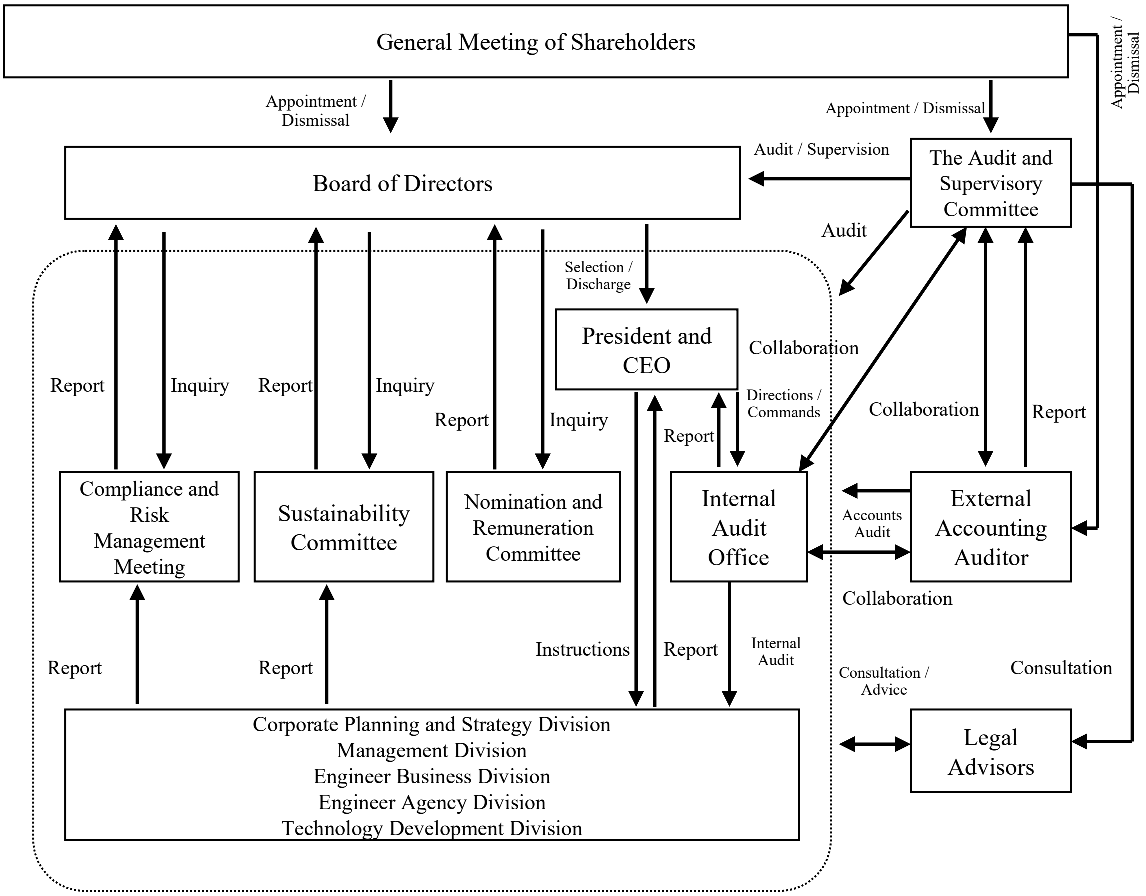
The Compliance and Risk Management Meeting, chaired by the President and CEO, is composed mainly of Heads of Divisions and Departments in addition to six directors. The meeting is held monthly. In these meetings, members discuss policies and actions to ensure that all officers and employees of the Company abide by laws and the Company's Articles of Incorporation, draw up the Risk Management Guidelines, and have established a framework for the integrated management of the various risks.

(Sustainability Committee)

The Sustainability Committee, chaired by the President and CEO, is composed mainly of Heads of Divisions and Departments in addition to six directors. The committee meets four times a year. At each meeting, the members hold discussions to promote and manage the progress of issues and initiatives related to sustainability.

Artner currently uses this framework because the mutual supervision of business operations by directors works well, as do the audits and supervision of the Board of Directors by the Audit and Supervisory Committee.

The chart below shows the Company's bodies and how internal control works.



(iii) Other matters regarding corporate governance

a. Design of the Internal Control System

Artner has designed its internal control system in accordance with the following basic policies on the internal control system that has been established by the Board of Directors.

b. System to ensure that directors and employees execute their duties in compliance with applicable laws and regulations and the Company's Articles of Incorporation. The Company has implemented

1) the Compliance and Risk Management Meeting, chaired by the President and CEO, as part of a system aimed at thoroughly educating employees regarding all applicable laws and regulations and the Articles of Incorporation, and also ensuring such compliance.

2) The Company has set up an internal whistleblowing system, under which directors, employees, and other people engaged in work for the Company can report corruption or wrongdoing to the Whistleblowing Committee, which has a duty of confidentiality. It is prohibited to subject persons who submit whistleblower reports using the system to any disadvantageous treatment as a result of such reporting. The system is designed to ensure the effectiveness of whistleblowing to prevent or quickly detect violations of applicable laws and regulations.

3) The Internal Audit Office, operating independently of other divisions that execute business practices, conducts internal audits. Through such audits, it verifies the appropriateness and effectiveness of the internal management system of each division, and by promoting the improvement of the systems, it ensures that all employees lawfully execute their duties.

c. System to ensure the appropriateness of financial reporting

1) Directors and employees ensure the appropriateness of financial reporting by executing their duties in compliance with the "Basic Framework of Internal Control Related to Financial Reporting."

2) Directors and employees smoothly operate the system to ensure the appropriateness of financial reporting.

3) The Internal Audit Office audits the operation of the system to ensure the appropriateness of financial reporting.

d. System to store and manage information relating to the execution of duties by directors

1) Information and documents relating to the execution of duties by directors are appropriately stored and managed in accordance with the "Document Management Rules," other applicable rules and regulations, and related information management system manuals.

2) The Internal Audit Office conducts internal audits to confirm that this information and related documents are appropriately stored and managed.

e. Rules and system to manage the risk of loss

1) The Company has formulated guidelines, "Structure to Conduct Risk Management," to define a clear system for managing different risks.

2) The Company has classified and defined management risks in accordance with these policies, and each responsible division identifies and analyzes the risk situation for each type of risk. The Company has set up a system in which the various kinds of risks are managed through the Compliance and Risk Management Meeting. Management and countermeasures for each type of risk are clarified and managed in the meeting.

3) The Internal Audit Office, which is directly overseen by the President and CEO, is responsible for audits in accordance with an internal audit plan. The office examines the method and details of audit implementation and revises the audit method as and when needed.

f. System to ensure that directors execute their duties efficiently

1) Board of Directors meetings are held twice a month, as the basis of a system to ensure that Directors execute their duties efficiently. Extraordinary board meetings are also held as and when needed. The scope of authority of the Board of Directors is clearly defined in the "Board of Directors Rules."

2) To ensure efficient business management by the directors, the Company has formulated "Organizational Rules," "Administrative Authority Rules," "Division of Duties Rules," "Division of Duties (Administrative Authority) Statement," and other internal rules.

g. System to ensure appropriate business practices in a corporate group consisting of companies, parent companies, and subsidiaries

For the various procedures and management structure related to subsidiaries of Artner and its other affiliates, the Company has set forth "Affiliate Management Rules" through which it has put a structure in place to facilitate the streamlining of work related to subsidiaries, the optimization of the management of that work, and the overall business development of the Group.

1) The main division in charge of affiliates shall manage the business of subsidiaries as well as dispatch Directors to ascertain that business in accordance with the situation and report to the Board of Directors pursuant to the "Affiliate Management Rules."

2) In the "Affiliate Management Rules," matters for consultation with subsidiaries, matters for reporting by subsidiaries, etc. are set forth through which the main division in charge of subsidiaries shall receive reports from those subsidiaries and report to the Board of Directors as appropriate.

3) In addition to providing advice, guidance and so forth to subsidiaries on various structures, rules, etc. with respect to compliance with laws and regulations, the management of loss risk, the ensuring of appropriateness of financial reporting, an efficient duty execution structure, and other main internal control items, efforts shall be made to put an internal control system in place for the Group through means such as implementing education and training for subsidiaries.

h. Matters relating to employees who assist with the duties of the Audit and Supervisory Committee, independence of such employees from other directors who are not members of the committee, and ensuring the effectiveness of the committee's instructions to such employees

1) If requested by the Audit and Supervisory Committee, an employee can be appointed to assist with the duties of the committee.

2) The appointment or dismissal, reassignment, and performance evaluation of such employees require the approval of the Audit and Supervisory Committee.

3) If the Audit and Supervisory Committee requests the appointment of an employee to assist with its work, the appointment of a suitable employee to assist with the work needed by the committee is made in consultation with the committee. The appointment is made with the prior approval of the committee, and with an assurance of independence. To ensure the effectiveness of the instructions of the Audit and Supervisory Committee to the applicable employee, the employee works exclusively for the committee, without being assigned any other work.

i. System to enable directors who are not members of the Audit and Supervisory Committee and employees to report to the Audit and Supervisory Committee

1) Directors who are members of the Audit and Supervisory Committee attend meetings of the Board of Directors and other important meetings and receive reports on the state of business practice execution from other directors who are not members of the committee.

2) Directors who are members of the Audit and Supervisory Committee are able to view important internal decision request circulars, written decisions, and reports that are not discussed at the important meetings mentioned above, and they also

receive explanation of the contents of such documents as and when needed.

3) Directors or employees should report to the Audit and Supervisory Committee any of the following: a risk that may significantly harm the company; misconduct relating to execution of duties by directors who are not members of the Audit and Supervisory Committee; significant violation of an applicable law, regulation, or the Articles of Incorporation; reports relating to the state of internal audits; facts reported based on the internal whistleblowing system; and any other matter requested for the purposes of the Audit and Supervisory Committee.

j. System to ensure that persons who make whistleblower reports to the Audit and Supervisory Committee are not subjected to any disadvantageous treatment as a result of such reporting

In accordance with internal rules, it is prohibited to subject persons who submit whistleblower reports using the system to disadvantageous treatment in retaliation for whistleblowing.

k. Matters relating to policies concerning procedures for prepayment or reimbursement of expenses arising from the execution of duties by the Audit and Supervisory Committee members or other processing of expenses or monetary obligations arising from the execution of such duties

The procedures for prepayment or reimbursement of expenses arising from the execution of duties by members of the Audit and Supervisory Committee or other processing of expenses or monetary obligations arising from the execution of such duties are carried out appropriately through applications made by members of the Audit and Supervisory Committee.

l. Other systems to ensure that audits of the Audit and Supervisory Committee are effectively conducted

1) The President and CEO and the Head of the Internal Audit Office strive to enable sufficient opportunities for consultation with the Audit and Supervisory Committee members to examine the establishment of a suitable working environment for the committee, in order to ensure the effectiveness of audits.

2) To ensure the effectiveness of audits by the Audit and Supervisory Committee, the committee members demand that the President and CEO and the Board of Directors strive to make continuous improvements to the auditing system.

3) The Internal Audit Office, which is the internal auditing department of the Company, and the division responsible for oversight of compliance and risk management meet regularly with the Audit and Supervisory Committee to exchange opinions regarding issues to be addressed.

4) If the Audit and Supervisory Committee deems it necessary to appoint legal advisors or other external advisors when conducting an audit, such advisors can be appointed.

m. Basic approach to the exclusion of antisocial forces

1) To fulfill its obligations of corporate social responsibility and to protect the Company, any relations with antisocial forces are cut off.

2) In the event that the Company is subjected to any unreasonable demands by antisocial forces, the Company responds resolutely by legal means.

3) The Company sets up a "System for Cutting off Relations with Antisocial Forces" based on the manual for dealing with antisocial forces.

4) In preparation for unreasonable demands by antisocial forces, the Company is building close partnerships with an external specialized agency, and in the event that the Company is subjected to an unreasonable demand by antisocial forces, the Company will consult with the agency regarding how to respond, or request a response from the agency.

5) Under no circumstances does the Company, for the sake of convenience, respond by engaging in behind-the-scenes dealing with or providing money to antisocial forces.

6) The Company regularly informs directors and employees of its "System for Cutting off Relations with Antisocial Forces" and promotes awareness of it.

n. Internal system for exclusion of antisocial forces

1) Under the Head of the Management Division, the General Affairs Group, as department responsible for exclusion of antisocial forces, strives to prevent the Company from being subjected to any unreasonable demands from such forces.

2) The Company has concluded advisory agreements with a legal advisor and retired police officers, and collaborates with a specialized agency.

3) In collaboration with the Head of the Management Division, the General Affairs Group receives guidance and advice from the legal advisor as circumstances demand, and maintains a database of information on antisocial forces. As and when needed, the group also reports the details of such information to the Board of Directors. Based on the information, each division and the Compliance and Risk Management Meetings examine approaches to the exclusion of antisocial forces.

4) The Company distributes a manual for dealing with antisocial forces to all employees and promotes awareness of it.

5) The General Affairs Group raises awareness of issues relating to the exclusion of antisocial forces regularly at internal training sessions.

o. Risk management framework

Artner is aware that risk management is critical to its business. The Company also acknowledges that risk management related to compliance with laws and regulations as well as internal rules is particularly important. To ensure the risk is fully managed, the Company has set up the Compliance and Risk Management Meeting. To properly manage personal information, the Company uses a personal information protection management system that conforms to the Personal Information Protection Management Systems -- Requirements (JIS Q 15001). The Company has also set up an internal whistleblowing system in order to prevent violations of laws and regulations and avoid risks, thereby developing and enhancing its risk management framework.

p. Agreements limiting liability

q. Directors

Artner has an agreement in place that limits the liability for damages specified in Article 423, paragraph (1) of the Companies Act with each director (non-Executive Director) pursuant to Article 427, paragraph (1) of the said Act. The limit of liability based on the agreement is an amount prescribed by laws and regulations.

r. Accounting Auditor

Artner has an agreement in place that limits the liability for damages specified in Article 423, paragraph (1) of the Companies Act with KPMG AZSA LLC who is the Company's Accounting Auditor pursuant to Article 427, paragraph (1) of the said Act. The limit of liability based on the agreement is an amount prescribed by laws and regulations.

s. Summary of a directors and officers liability insurance policy

Artner has a directors and officers liability insurance (D&O Insurance) policy in place with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act. The insured persons covered by this policy are directors and executive officers of the Company and the directors and auditors of subsidiaries of the Company, and they do not pay the insurance premiums. To provide a summary, this insurance policy, together with the special clauses, shall cover damages that may arise when an insured director assumes liabilities as a result of the execution of his duties or due to claims brought against him for being held responsible for the consequences of his action. However, the policy has an exclusion that the insurance company contends precludes coverage, such as liabilities incurred as a result of an unlawful act that an insured individual willfully and knowingly commits.

t. Number of directors

Artner specifies in its Articles of Incorporation that it shall have up to ten directors (excluding directors who are members of the Audit and Supervisory Committee) and up to five directors who are members of the Audit and Supervisory Committee.

u. Election of directors

Artner specifies in its Articles of Incorporation that resolutions on the election of directors shall be made with the approval of a majority of the votes of the shareholders who are present and hold at least one-third of the total votes of the shareholders who are entitled to exercise such rights.

The Articles of Incorporation also prescribes that no cumulative voting shall be allowed on the resolutions of the election of directors.

v. Resolutions that may be passed by the Board of Directors instead of the General Meeting of Shareholders and reasons thereof

w. Acquisition of treasury shares

Artner's Articles of Incorporation specify that the Company may acquire its treasury shares following a resolution by the Board of Directors, pursuant to Article 165, paragraph (2) of the Companies Act. The purpose of this provision is to acquire treasury shares through market transactions or by other means so that the Company is able to carry out flexible capital policies to adapt to change of the business environment.

x. Organ deciding dividends of surplus

Artner specifies in its Articles of Incorporation that, to ensure flexible capital policies and dividend policies, the Company's Board of Directors may resolve on the matters such as dividends of surplus prescribed in the items under Article 459, paragraph (1) of the Companies Act, unless otherwise provided for in laws and regulations.

y. Release from liability of directors

Artner specifies in its Articles of Incorporation that, pursuant to Article 426, paragraph (1) of the Companies Act, the Company's Board of Directors, instead of the General Meeting of Shareholders, may resolve to release directors (including former directors) from their liability related to the acts defined in Article 423, paragraph (1) of the said Act to the extent legally permissible. The purpose of this provision is to provide an environment that enables directors to fulfill their expected role as they perform their duties by achieving their full potential.

z. Release from liability of Accounting Auditors

Artner specifies in its Articles of Incorporation that, pursuant to Article 426, paragraph (1) of the Companies Act, the Company's Board of Directors, instead of the General Meeting of Shareholders, may resolve to release an Accounting Auditor (or a former Accounting Auditor) from their liability related to the acts defined in Article 423, paragraph (1) of the said Act to the extent legally permissible. This provision has been set in the wake of the enforcement of the Companies Act that has made accounting auditors subject to shareholder derivative suits, so that a balance is kept between the Company's directors and Accounting Auditor.

aa. Requirements for special resolutions at the General Meeting of Shareholders

Artner specifies in its Articles of Incorporation that, regarding the requirement for a special resolution at the General Meeting of Shareholders as prescribed in Article 309, paragraph (2) of the Companies Act, the resolution is adopted if shareholders with at least one-third of the total votes of the shareholders who are entitled to exercise their right to vote are present, and at least two-thirds of the votes approve the resolution. The purpose of this provision is to ensure the smooth running of the General Meeting of Shareholders by relaxing the quorum of the General Meeting of Shareholders for a special resolution.

(2) Directors

(i) List of Directors

The status of the Directors as of the submission date (April 22, 2026) is as follows.

Males: 6, Females: - (ratio of women among the Directors: -%)

Title	Name	Date of birth	Career summary	Terms of office	Number of shares owned (shares)
Representative Director, President and CEO	SEKIGUCHI Sozo	December 31, 1964	June 1983: Joined MEITEC CORPORATION (now MEITEC Group Holdings Inc.) April 1988: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) March 1993: Appointed Director; Head of the Business Planning Office February 1998: Appointed Director; Vice President February 2002: Appointed President and CEO (current) February 2012: Appointed Head of the Hyper Artner Business Division March 2025: Appointed Head of the Corporate Planning and Strategy Division, Head of the Engineer Business Division May 2025: In charge of the Corporate Planning and Strategy Division and the Engineer Business Division (current) September 2025: CLIP SOFT Corporation Representative Director (current) December 2025: JOUHOU GIKEN, Ltd. Representative Director (current)	Note 3	8,607
Managing Director In charge of the Management Division, the Engineer Agency Business Division	HARIGAE Tomonori	May 24, 1954	April 1978: Joined Toyobo Interior Co., Ltd. March 1982: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) March 1990: Appointed Head of the Kanto Business Dept. March 1991: Appointed Director March 1993: Appointed Managing Director; Head of the General Affairs Dept. February 2007: Appointed Managing Director; Head of the Management Division May 2008: Appointed Director; Head of the Management Division March 2025: Appointed Director; Head of the Management Division, Head of the Engineer Agency Business Division April 2025: Appointed Managing Director; Head of the Management Division, Head of the Engineer Agency Business Division May 2025: Appointed Managing Director; In charge of the Management Division, the Engineer Agency Business Division (current) September 2025: CLIP SOFT Corporation Director (current)	Note 3	146,153
Director In charge of the Technology Development Division	OKUSAKA Kazuya	September 3, 1955	April 1978: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) October 1993: Appointed Head of the No.3 Business Dept. February 2002: Appointed Standing Auditor April 2004: Appointed Managing Director; Head of the Human Resources Dept. February 2007: Appointed Managing Director; Head of the Human Resources Division April 2007: Appointed Managing Director; Head of the Business Management Division March 2009: Appointed Managing Director; Head of the Technology Development Division February 2010: Appointed Managing Director; Head of the Business Promotion Division February 2011: Appointed Managing Director; Head of the Engineer Business Division April 2011: Appointed Director; Head of the Engineer Business Division February 2013: Appointed Director; Head of the Human Resources Business Division February 2016: Appointed Director; Head of the Engineer Business Division March 2025: Appointed Director; Head of the Technology Development Division May 2025: Appointed Director; In charge of the Technology Development Division (current) December 2025: JOUHOU GIKEN, Ltd. Director (current)	Note 3	147,385

Director (Audit and Supervisory Committee member)	NOMURA Ryuichiro	February 18, 1956	April 1978: Joined Yasuda Trust & Banking Co., Ltd. (now Mizuho Trust & Banking Co., Ltd.) May 1999: Appointed Kinshicho Branch Manager April 2002: Appointed Hiroshima Branch Manager April 2004: Appointed Head of the Securities Agency Sales Dept. October 2005: Appointed Head of the Solution Sales Dept. April 2007: Appointed Executive Officer; Head of the Solution Sales Dept. April 2008: Joined Mizuho Realty Co., Ltd. as Senior Managing Executive Officer September 2016: Joined Taiyo House Co., Ltd. as Vice President March 2020: Joined Nihon Unist Inc. as Advisor August 2020: Joined Marubeni Private Reit Inc. as Executive Officer July 2022: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current) December 2025: Joined JOUHOU GIKEN, Ltd. as Audit & Supervisory Board Member (current)	Note 4	745
Director (Audit and Supervisory Committee member)	TERAMURA Yasuhiko	November 22, 1955	April 1978: Joined The Bank of Yokohama, Ltd. December 1997: Appointed New York Branch Manager April 2003: Appointed Executive Officer; Head of the Financial Markets Dept. April 2006: Appointed Managing Executive Officer June 2006: Joined Kyodo Shiryo Co., Ltd. (now Feed One Co., Ltd.) as Part-time Auditor November 2007: Joined Mabuchi Corporation as Managing Director November 2008: Appointed Senior Managing Director June 2011: Joined Sagami Transportation & Warehouse Co., Ltd. as Outside Director November 2018: Joined Multitrans, Ltd. as CEO April 2021: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)	Note 4	2,364
Director (Audit and Supervisory Committee member)	MORII Shinichiro	November 28, 1953	March 1976: Joined Takara Standard Co., Ltd. May 2006: Appointed Kansai Direct Demand Branch President April 2011: Appointed Executive Officer; Kansai Direct Demand Branch President April 2013: Appointed Managing Executive Officer; Kansai Direct Demand Branch President April 2019: Appointed Managing Executive Officer; Kansai Direct Demand Branch Manager and Chubu Direct Demand Branch Manager June 2020: Appointed Advisor April 2021: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)	Note 4	1,364
Total					306,618

Notes: 1. The numbers of shares owned are as of January 31, 2026. Additionally, the numbers of shares owned are real holdings that contain each owner’s equity in the Artner Officer Stocks Society, including shares less than one unit.

2. Messrs. Nomura, Teramura, and Morii are outside directors.

3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on April 24, 2025

4. Two years from the conclusion of the Ordinary General Meeting of Shareholders held on April 24, 2025

5. The Company has introduced an executive officer system in order to separate management decision-making and supervisory functions from business execution functions and to ensure prompt business execution.

(ii) At the Ordinary General Meeting of Shareholders scheduled to be held on April 23, 2026, the Company proposed the "Election of three Directors who are not members of the Audit and Supervisory Committee." If this proposal is approved, the Directors of the Company and their terms of office shall be as follows.

Males: 6, Females: - (ratio of women among the Directors: -%)

Title	Name	Date of birth	Career summary	Terms of office	Number of shares owned (shares)
Representative Director, President and CEO	SEKIGUCHI Sozo	December 31, 1964	June 1983: Joined MEITEC CORPORATION (now MEITEC Group Holdings Inc.) April 1988: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) March 1993: Appointed Director; Head of the Business Planning Office February 1998: Appointed Director; Vice President February 2002: Appointed President and CEO (current) February 2012: Appointed Head of the Hyper Artner Business Division March 2025: Appointed Head of the Corporate Planning and Strategy Division, Head of the Engineer Business Division May 2025: In charge of the Corporate Planning and Strategy Division and the Engineer Business Division (current) September 2025: CLIP SOFT Corporation Representative Director (current) December 2025: JOUHOU GIKEN, Ltd. Representative Director (current)	Note 3	8,607
Managing Director In charge of the Management Division, the Engineer Agency Business Division	HARIGAE Tomonori	May 24, 1954	April 1978: Joined Toyobo Interior Co., Ltd. March 1982: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) March 1990: Appointed Head of the Kanto Business Dept. March 1991: Appointed Director March 1993: Appointed Managing Director; Head of the General Affairs Dept. February 2007: Appointed Managing Director; Head of the Management Division May 2008: Appointed Director; Head of the Management Division March 2025: Appointed Director; Head of the Management Division, Head of the Engineer Agency Business Division April 2025: Appointed Managing Director; Head of the Management Division, Head of the Engineer Agency Business Division May 2025: Appointed Managing Director; In charge of the Management Division, the Engineer Agency Business Division (current) September 2025: CLIP SOFT Corporation Director (current)	Note 3	146,153
Director In charge of the Technology Development Division	OKUSAKA Kazuya	September 3, 1955	April 1978: Joined Osaka Technology Center Co., Ltd. (previous name of the Company) October 1993: Appointed Head of the No.3 Business Dept. February 2002: Appointed Standing Auditor April 2004: Appointed Managing Director; Head of the Human Resources Dept. February 2007: Appointed Managing Director; Head of the Human Resources Division April 2007: Appointed Managing Director; Head of the Business Management Division March 2009: Appointed Managing Director; Head of the Technology Development Division February 2010: Appointed Managing Director; Head of the Business Promotion Division February 2011: Appointed Managing Director; Head of the Engineer Business Division April 2011: Appointed Director; Head of the Engineer Business Division February 2013: Appointed Director; Head of the Human Resources Business Division February 2016: Appointed Director; Head of the Engineer Business Division March 2025: Appointed Director; Head of the Technology Development Division May 2025: Appointed Director; In charge of the Technology Development Division (current) December 2025: JOUHOU GIKEN, Ltd. Director (current)	Note 3	147,385

Director (Audit and Supervisory Committee member)	NOMURA Ryuichiro	February 18, 1956	April 1978: Joined Yasuda Trust & Banking Co., Ltd. (now Mizuho Trust & Banking Co., Ltd.) May 1999: Appointed Kinshicho Branch Manager April 2002: Appointed Hiroshima Branch Manager April 2004: Appointed Head of the Securities Agency Sales Dept. October 2005: Appointed Head of the Solution Sales Dept. April 2007: Appointed Executive Officer; Head of the Solution Sales Dept. April 2008: Joined Mizuho Realty Co., Ltd. as Senior Managing Executive Officer September 2016: Joined Taiyo House Co., Ltd. as Vice President March 2020: Joined Nihon Unist Inc. as Advisor August 2020: Joined Marubeni Private Reit Inc. as Executive Officer July 2022: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current) December 2025: Joined JOUHOU GIKEN, Ltd. as Audit & Supervisory Board Member (current)	Note 4	745
Director (Audit and Supervisory Committee member)	TERAMURA Yasuhiko	November 22, 1955	April 1978: Joined The Bank of Yokohama, Ltd. December 1997: Appointed New York Branch Manager April 2003: Appointed Executive Officer; Head of the Financial Markets Dept. April 2006: Appointed Managing Executive Officer June 2006: Joined Kyodo Shiryo Co., Ltd. (now Feed One Co., Ltd.) as Part-time Auditor November 2007: Joined Mabuchi Corporation as Managing Director November 2008: Appointed Senior Managing Director June 2011: Joined Sagami Transportation & Warehouse Co., Ltd. as Outside Director November 2018: Joined Multitrans, Ltd. as CEO April 2021: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)	Note 4	2,364
Director (Audit and Supervisory Committee member)	MORII Shinichiro	November 28, 1953	March 1976: Joined Takara Standard Co., Ltd. May 2006: Appointed Kansai Direct Demand Branch President April 2011: Appointed Executive Officer; Kansai Direct Demand Branch President April 2013: Appointed Managing Executive Officer; Kansai Direct Demand Branch President April 2019: Appointed Managing Executive Officer; Kansai Direct Demand Branch Manager and Chubu Direct Demand Branch Manager June 2020: Appointed Advisor April 2021: Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)	Note 4	1,364
Total					306,618

Notes: 1. The numbers of shares owned are as of January 31, 2026. Additionally, the numbers of shares owned are real holdings that contain each owner's equity in the Artner Officer Stocks Society, including shares less than one unit.

2. Messrs. Nomura, Teramura, and Morii are outside directors.

3. One year from the conclusion of the Ordinary General Meeting of Shareholders held on April 23, 2026

4. Two years from the conclusion of the Ordinary General Meeting of Shareholders held on April 24, 2025

5. The Company has introduced an executive officer system in order to separate management decision-making and supervisory functions from business execution functions and to ensure prompt business execution.

(i) Status of Outside Directors

Artner has three outside directors, all of whom hold shares of the Company. Apart from this shareholding position, none of the three outside directors has any vested interests in the Company, including personal, capital, or business relationships.

Each outside director plays a role in ensuring that highly effective audits are conducted, from an objective and neutral view point, and the Company believes that the current system satisfactorily fulfills its management monitoring and advisory functions. The three outside directors are designated as independent directors as defined by the Tokyo Stock Exchange and they are registered with the exchange.

Although the Company does not have any specific standards or policies regarding independence for the appointment of outside directors, when making such appointments the Company not only meets the regulatory requirements established by the Companies Act, but also take into account the Tokyo Stock Exchange's criteria for ensuring the independence of independent directors.

Mutual cooperation between supervision or audits by outside directors and internal audits, audits by Audit and Supervisory Committee members, and accounting audits; relations with the internal control department

Artner has three outside directors, and they are directors who are members of the Audit and Supervisory Committee.

The Head of the Internal Audit Office and the Audit and Supervisory Committee consult with each other and exchange information and views when preparing their annual audit plans and creating audit reports. This enables them to share information and conduct audits efficiently.

The Internal Audit Office and the Audit and Supervisory Committee exchange information and views with an external accounting auditor of record in order to have a common understanding of issues subject to audits and other relevant matters.

They also seek professional advice and guidance from the Accounting Auditor as needed.

(3) Audits

a. Internal audits and audits by the Audit and Supervisory Committee

An internal audit is conducted by the Internal Audit Office, which consists of one Head and one member, in accordance with the internal audit plan approved by the President and CEO. The audit examines whether the Company's departments perform their operations in compliance with laws and regulations and other rules. It also reviews the consistency of these operations with the management policy, along with the validity of operational efficiency. Moreover, as the Company's effort to ensure the effectiveness of internal audits, the Company has established a framework that enables direct reporting at Compliance and Risk Management Meetings (convened once a month) attended by the President and CEO and other Directors, Directors who are members of the Audit and Supervisory Committee, and division and department heads. Artner is a company with an audit and supervisory committee. The Audit and Supervisory Committee consists of three outside directors (one full-time director and two part-time directors). Outside Director NOMURA Ryuichiro has decades of experience in a financial institution and has engaged in the management of other companies. His knowledge of finance and accounting is considerable. Outside Director TERAMURA Yasuhiko has decades of experience in a financial institution and has been on the management teams of other companies. His knowledge of finance and accounting is considerable. Outside Director MORII Shinichiro has worked in key posts (e.g., branch manager) as an Executive Officer. His knowledge of finance and accounting is considerable. The Internal Audit Office also gives each division the advice necessary for business improvement and greater operational efficiency, and reports the audit results to the President and CEO.

The Audit and Supervisory Committee met 26 times during this fiscal year. The attendance of each Audit and Supervisory Committee member was as follows.

Position	Name	Attendance
Outside directors and standing member of the Audit and Supervisory Committee	NOMURA Ryuichiro	26/26 (Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	TERAMURA Yasuhiko	26/26(Attendance rate 100%)
Outside directors and member of the Audit and Supervisory Committee	MORII Shinichiro	26/26 (Attendance rate 100%)

As its specific tasks, the Audit and Supervisory Committee develops the audit policies and plans, and reviews the legitimacy of execution of duties by directors, the legitimacy of financial statements and business reports, etc., and the competence of the Accounting Auditor. Directors who are members of the Audit and Supervisory Committee attend board meetings and other important meetings to offer their opinions as necessary. They also regularly meet with the President and CEO as a means to audit the legitimacy and validity of execution of duties by directors (excluding directors who are members of the Audit and Supervisory Committee).

Activities of full-time Audit and Supervisory Committee members include communication with and information gathering from directors and others in relevant posts, creation and enhancement of the audit environment, and perusal of documents about important managerial decisions, in accordance with the audit policies and plans set forth by the Audit and Supervisory Committee.

(i) Accounting Audits

a. Accounting firm name

KPMG AZSA LLC

b. Continuous audit period

21 years

c. Certified public accountants who performed the service

NAKAHATA Takahide (Designated Limited Liability and Engagement Partner)

KOMATSUNO Satoru (Designated Limited Liability and Engagement Partner)

d. Assistants in the audit service

14 certified public accountants and 27 others serve as assistants in Artner's accounting audit service.

e. Policy and reason for selection of the audit firm

The Audit and Supervisory Committee consults the Practical Guidelines for Auditors regarding Accounting Auditor Evaluation and Selection Criteria published by the Japan Audit & Supervisory Board Members Association, and conducts a comprehensive review to select an Accounting Auditor. In this process, the committee ensures that the accounting firm has independence as an Accounting Auditor and a proper quality management framework, which covers misconduct risk; that the firm has in place an audit framework designed for the size and business of the Company; and that the audit plan and cost are practical and fair. The Audit and Supervisory Committee has selected KPMG AZSA LLC as the Company's Accounting Auditor because it decided that the firm has all these elements to conduct proper accounting audits of the Company. The

Audit and Supervisory Committee will also dismiss the Accounting Auditor based on the consent of all Audit and Supervisory Committee members if any of the items of Article 340, paragraph (1) of the Companies Act applies to the Accounting Auditor.

f. Evaluation of the Accounting Auditor by Audit and Supervisory Committee members and the Audit and Supervisory Committee

The Audit and Supervisory Committee consults the Practical Guidelines for Auditors regarding Accounting Auditor Evaluation and Selection Criteria published by the Japan Audit & Supervisory Board Members Association, and evaluates the Accounting Auditor from all angles, such as the quality management framework the Auditor has developed and how it operates, of the independence and expertise the Auditor has, among others, to determine that the Auditor is qualified.

(ii) Details of audit fees

a. Audit fees for certified public accountants

Fiscal year ended January 31, 2025	
Fees for audit services (thousands of yen)	Fees for non-audit service (thousands of yen)
20,000	–

Classification	Fiscal year ended January 31, 2026	
	Fees for audit services (thousands of yen)	Fees for non-audit service (thousands of yen)
Reporting company	23,000	23,877
Consolidated subsidiaries	–	–
Total	23,000	23,877

Non-audit services at the Company consist of work related to financial and tax due diligence.

b. Fees for an organization in the same network to which the certified public accountants belong

Not applicable.

c. Details of other fees based on important audit services

Not applicable

d. Policy for determining audit fees

Artner's policy for determining fees for an audit by certified public accountants is that the Company reviews the audit plan, details of the audit, and the audit schedule, among others, presented by the Accounting Auditor and receives approval from the Audit and Supervisory Committee to decide on proper fees.

e. Reason for the approval of the Audit and Supervisory Committee given to fees for the Accounting Auditor and other relevant fees

The Audit and Supervisory Committee reviewed the policy, contents, and the basis for calculation of estimates shown in the audit plan, which would constitute grounds for fees paid to the Accounting Auditor. Then the committee received and examined required reports about the contents submitted by relevant internal departments, and determined that the policy, contents, and the basis were all fair for an accounting audit of Artner. Hence, the committee approved the fees for the Accounting Auditor.

(4) Remuneration for directors

(i) Policies for determining remuneration for directors and calculation methods

The remuneration of directors consists of a basic remuneration and a performance-linked bonus. The upper limits of the remuneration established by resolution at the general meeting of shareholders held on April 27, 2017, are JPY 200 million per year for directors who are not members of the Audit and Supervisory Committee and JPY 30 million per year for directors who are members of the Committee. As of the conclusion of that general meeting of shareholders, there were five directors who were not members of the Audit and Supervisory Committee and three directors who were members of the Committee.

The Board of Directors and the Audit and Supervisory Committee are responsible for deliberating and determining the remuneration of the Directors, which is composed of a fixed remuneration and performance-linked remuneration. The remuneration of directors who are not members of the Audit and Supervisory Committee is determined solely by the Board of Directors, whereas the remuneration of the Audit and Supervisory Committee members is determined by deliberation among the members of the Committee.

How to determine the policy for determining the remuneration for each individual is set forth in the rules concerning the remuneration of directors, resolved by the Board of Directors.

The Board of Directors receives reports that are deliberated by the Nomination and Remuneration Committee based on the policy for determining the remuneration and within the range of the total amount resolved by the General Meeting of Shareholders, so the Board of Directors deems that the content of the report is in line with the said policy.

The policy for determining the percentage of the amount of remuneration for each individual shall be decided based on the reports that are deliberated by the Nomination and Remuneration Committee, comprehensively taking into account the role and contribution status of each director as well as business performance.

The basic remuneration is determined based on the amount established for each director position, with the Company's business performance, relative weight against employee salaries, and remuneration levels at other companies taken into consideration.

However, if it is not appropriate to pay a remuneration calculated in such a manner due to a significant decline in the Company's business performance or other factors, the Company reserves the right to reduce the amount of basic remuneration.

The metric for performance-linked bonuses is calculated using a formula based on the Company's annual profit, as this is judged to be the most reasonable way to measure the performance of directors. For the fiscal year ended January 31, 2026, the target metrics for performance-linked bonuses had been set at JPY 1,274 million, and the result was JPY 1,369 million.The processes that the Board of Directors and the Audit and Supervisory Committee went through to determine the remuneration of directors for the fiscal year ended January 31, 2026, are summarized as follows:

With regard to the remuneration for directors who are not members of the Audit and Supervisory Committee, the amount of basic remuneration was determined by resolution of the Board of Directors on April 26, 2018, and has since remained unchanged. The amount of a performance-linked bonus for each director was determined by resolution of the Board of Directors on January 20, 2026.

With regard to the remuneration for directors who are members of the Audit and Supervisory Committee, the amount of basic remuneration was determined by deliberation among the members of the Committee on April 26, 2018, and has since remained unchanged. The amount of a performance-linked bonus for each director was determined by deliberation among the members of the Committee on January 20, 2026.

(ii) Total amount of remuneration by type of director, amount by type of remuneration, and the number of corresponding directors

Type of Director	Total amount of remuneration (thousands of yen)	Amount by type of remuneration (thousands of yen)		Number of corresponding directors
		Basic remuneration	Performance- linked bonus	
Directors who are not members of the Audit and Supervisory Committee or outside directors	102,314	77,169	25,144	5
Director and member of the Audit and Supervisory Committee but are not outside directors	–	–	–	–
Outside directors	25,635	23,400	2,235	3

Note: The above table includes two Directors who resigned as of the end of the 63rd Ordinary General Meeting of Shareholders held on April 24, 2025.

(iii) Total amount of remuneration for each director

The Company has omitted providing information here as no directors were paid remuneration of JPY 100 million or more.

(5) Shares held

(i) Criteria for and definitions of the classifications of shares for investment

Artner defines shares held to gain profits from fluctuations in the value of the stocks or by receiving dividends as shares solely for investment purposes, and any other shares held as shares for non-investment purposes, and classifies the shares it holds accordingly.

(ii) Shares held for non-investment purposes

a. Policy on holding shares for non-investment purposes; approach for examining the rationality of holding those shares; details of the board review concerning the advisability of holding each of the stocks Artner has the policy that it holds shares in enterprises after considering from all angles whether the shareholding will help the Company continue to grow and raise its medium- to long-term corporate value. The Company reviews these enterprises' future outlook and stock prices, and discusses the validity of the shareholding at board meetings. The Company also reduces the number of shares that no longer serve the purpose of holding them.

a. Number of stocks and amount recorded on the balance sheet

	Number of stocks (stocks)	Total amount recorded on the balance sheet (thousands of yen)
Unlisted shares	–	–
Shares other than unlisted shares	4	1,376

(Stocks that increased in the number of shares during the fiscal year under review)

	Number of stocks (stocks)	Total acquisition value associated with increase in number of shares (thousands of yen)	Reason for increase in number
Unlisted shares	–	–	–
Shares other than unlisted shares	–	–	–

(Stocks that decreased in the number of shares during the fiscal year under review)

	Number of stocks (stocks)	Total sale value associated with decrease in number of shares (thousands of yen)
Unlisted shares	–	–
Shares other than unlisted shares	1	482

b. Information regarding the numbers of specific shares for investment and of deemed shares held sorted by stock, and the amounts recorded on the balance sheet

Specific shares for investment

Stock	Fiscal year ended January 31, 2026	Fiscal year ended January 31, 2025	Purpose of shareholding, summary of business tie-ups etc., quantitative effect of shareholding, and reason for increase in number of shares	Artner's shares held
	Number of shares (shares)	Number of shares (shares)		
	Amount recorded on balance sheet (thousands of yen)	Amount recorded on balance sheet (thousands of yen)		
Copro-Holdings. Co., Ltd.	400	200	The Company holds the shares to collect information about industry trends and other relevant matters.	No
	430	332		
MEITEC Group Holdings Inc.	100	100	The Company holds the shares to collect information about industry trends and other relevant matters.	No
	345	301		
Abist Co., Ltd.	100	100	The Company holds the shares to collect information about industry trends and other relevant matters.	No
	338	305		
Alps Giken Co., Ltd.	100	100	The Company holds the shares to collect information about industry trends and other relevant matters.	No
	262	248		
TechnoPro Holdings, Inc.	–	100	The Company sold all shares after examining the rationality of holding them	No
	–	310		

Notes: Although it is a challenge to describe a quantitative effect of a shareholding, the Company has examined economic rationality and validity of holding the shares to ensure that the Company holds these shares for the purposes that are in line with the Company's policy on shareholdings.

Deemed shares held

Not applicable.

(iii) Shares held solely for investment purposes

Not applicable

V. Financial Information

1 Approach for Preparing Consolidated and Non-Consolidated Financial Statements

(1) Artner prepares its consolidated financial statements in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(i) Artner prepares its financial statements in accordance with the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of 1963, hereinafter referred to as the "Financial Statements Regulation"). Since the Company is a special company submitting financial statements, the preparation is done pursuant to the provisions of Article 127 of the Financial Statements Regulation.

(ii) As the current consolidated fiscal year (February 1, 2025, to January 31, 2026) is the first fiscal year that the Company has prepared consolidated financial statements, the Company has not performed comparisons with the previous consolidated fiscal year for the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement.

2 Audit Certification

Artner had its consolidated financial statements for the fiscal year (from February 1, 2025 to January 31, 2026) and its non-consolidated financial statements for the fiscal year (from February 1, 2025 to January 31, 2026) audited by KPMG AZSA LLC in accordance with Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

3 Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements

Artner makes special efforts to ensure the appropriateness of its consolidated financial statements. More specifically, the Company has joined the Financial Accounting Standards Foundation to keep itself updated in order to maintain a correct understanding of accounting standards and other rules, thereby preparing to take the right actions when any changes are made to these standards and rules.

1 Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

(i) Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2026
Assets	
Current assets	
Cash and deposits	4,728,888
Accounts receivable - trade	1,789,787
Work in process	7,775
Raw materials and supplies	6,105
Prepaid expenses	73,320
Other	58,414
Allowance for doubtful accounts	(9,687)
Total current assets	6,654,604
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	55,128
Machinery, equipment and vehicles, net	3,300
Tools, furniture and fixtures, net	32,463
Land	2,940
Total property, plant and equipment	*1 93,832
Intangible assets	
Goodwill	1,519,366
Software	48,986
Software in progress	72,600
Other	1,727
Total intangible assets	1,642,680
Investments and other assets	
Investment securities	61,621
Deferred tax assets	473,152
Leasehold and guarantee deposits	111,541
Other	20,629
Total investments and other assets	666,945
Total non-current assets	2,403,458
Total assets	9,058,062

(Thousands of yen)

	As of January 31, 2026
Liabilities	
Current liabilities	
Current portion of long-term borrowings	108,742
Accounts payable - other	542,775
Accrued expenses	176,806
Income taxes payable	316,162
Accrued consumption taxes	230,083
Provision for bonuses	269,433
Other	229,586
Total current liabilities	1,873,590
Non-current liabilities	
Long-term borrowings	928,028
Provision for retirement benefits for directors (and other officers)	545,600
Retirement benefit liability	487,812
Total non-current liabilities	1,961,440
Total liabilities	3,835,030
Net assets	
Shareholders' equity	
Share capital	238,284
Capital surplus	168,323
Retained earnings	4,667,939
Treasury shares	(1,048)
Total shareholders' equity	5,073,498
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	745
Remeasurements of defined benefit plans	148,787
Total accumulated other comprehensive income	149,533
Total net assets	5,223,031
Total liabilities and net assets	9,058,062

(ii) Consolidated Statements of Income and Comprehensive Income

(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended January 31, 2026
Net sales	*1 12,046,664
Cost of sales	7,473,158
Gross profit	4,573,506
Selling, general and administrative expenses	*2 2,751,791
Operating profit	1,821,714
Non-operating income	
Interest income	215
Dividend income	80
Commission income	548
Sales income of training materials	651
Dividend income of insurance	1,805
Gain on forfeiture of unclaimed dividends	1,702
Other	242
Total non-operating income	5,247
Non-operating expenses	
Interest expenses	1,514
Cancellation penalty	1,563
Total non-operating expenses	3,078
Ordinary profit	1,823,883
Extraordinary income	
Gain on sale of investment securities	371
Total extraordinary income	371
Extraordinary losses	
Loss on retirement of non-current assets	1,197
Loss on sale of non-current assets	2,465
Total extraordinary losses	3,662
Profit before income taxes	1,820,591
Income taxes - current	571,661
Income taxes - deferred	(9,811)
Total income taxes	561,849
Profit	1,258,741
Profit attributable to owners of parent	1,258,741

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended January 31, 2026
Profit	1,258,741
Other comprehensive income	
Valuation difference on available-for-sale securities	(20)
Remeasurements of defined benefit plans, net of tax	21,106
Total other comprehensive income	* 21,085
Comprehensive income	1,279,827
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,279,827

(iii) Consolidated statement of changes in equity Fiscal year ended January 31, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	238,284	168,323	4,301,729	(965)	4,707,371
Changes during period					
Dividends of surplus			(892,532)		(892,532)
Profit attributable to owners of parent			1,258,741		1,258,741
Purchase of treasury shares				(82)	(82)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	366,209	(82)	366,126
Balance at end of period	238,284	168,323	4,667,939	(1,048)	5,073,498

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	765	127,681	128,447	4,835,818
Changes during period				
Dividends of surplus				(892,532)
Profit attributable to owners of parent				1,258,741
Purchase of treasury shares				(82)
Net changes in items other than shareholders' equity	(20)	21,106	21,085	21,085
Total changes during period	(20)	21,106	21,085	387,212
Balance at end of period	745	148,787	149,533	5,223,031

(iv) Consolidated cash flow statement

(Thousands of yen)

	Fiscal year ended January 31, 2026
Cash flows from operating activities	
Profit before income taxes	1,820,591
Depreciation	29,857
Amortization of goodwill	8,237
Increase (decrease) in allowance for doubtful accounts	702
Increase (decrease) in provision for bonuses	11,154
Increase (decrease) in provision for retirement benefits for directors (and other officers)	750
Increase (decrease) in retirement benefit liability	(45,003)
Interest and dividend income	(296)
Interest expenses	1,514
Loss on retirement of non-current assets	1,197
Loss (gain) on sale of non-current assets	2,465
Loss (gain) on sale of investment securities	(371)
Decrease (increase) in accounts receivable - other	136
Decrease (increase) in trade receivables	(121,646)
Decrease (increase) in inventories	(4,137)
Increase (decrease) in accrued consumption taxes	(23,506)
Increase (decrease) in accounts payable - other	197,023
Other, net	176,950
Subtotal	2,055,620
Interest and dividends received	296
Interest paid	(2,999)
Income taxes paid	(637,723)
Net cash provided by (used in) operating activities	1,415,192
Cash flows from investing activities	
Purchase of property, plant and equipment	(8,942)
Proceeds from sale of property, plant and equipment	4,454
Purchase of intangible assets	(78,079)
Payments of leasehold and guarantee deposits	(1,719)
Proceeds from refund of leasehold and guarantee deposits	10,249
Proceeds from sale of investment securities	477
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (1,315,518)
Other, net	(26)
Net cash provided by (used in) investing activities	(1,389,104)
Cash flows from financing activities	
Proceeds from long-term borrowings	1,000,000
Repayments of long-term borrowings	(1,998)
Purchase of treasury shares	(82)
Dividends paid	(887,697)
Net cash provided by (used in) financing activities	110,221
Net increase (decrease) in cash and cash equivalents	136,309
Cash and cash equivalents at beginning of period	4,588,976
Cash and cash equivalents at end of period	*1 4,725,285

[Notes]

(Material matters that form the basis for preparing consolidated financial statements)

1.Matters concerning the scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries2 companies

Names of consolidated subsidiaries CLIP SOFT Corporation, JOUHOU GIKEN, Ltd.

(2) Changes to the scope of consolidation

In the current consolidated fiscal year, Artner acquired all of the shares of CLIP SOFT Corporation and JOUHOU GIKEN, Ltd. to include them in the scope of consolidation.

2.Matters concerning the application of equity method

Not applicable.

3.Matters concerning the fiscal year of consolidated subsidiaries

The fiscal year-ends for CLIP SOFT Corporation and JOUHOU GIKEN, Ltd. are November 30 and December 31, respectively. In preparing consolidated financial statements, the Company has used the financial statements as of that date, making the necessary adjustments for material transactions that occurred between that date and the consolidated fiscal year-end.

4. Matters concerning the accounting policy

(1)Basis and method for valuation of material assets

(i) Available-for-sale securities

- Securities other than shares that do not have a market value

Fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method)

- Shares that do not have a market value

Moving-average cost method

(ii) Inventories

Mainly cost method based on the specific identification method (with the amount shown on balance sheet written down as profitability declines)

(2)Method for depreciation of material depreciable assets

(i) Property, plant and equipment

Declining balance method. (Note: straight-line method for buildings (excluding facilities attached to the buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016) Service life of the assets is mostly as shown below:

Buildings and structures 3 - 24 years

Tools, furniture and fixtures 3 - 15 years

(ii) Intangible assets

Straight-line method. For software for internal use, calculation is based on usable life within Artner (5 years).

(3)Recognition criteria for material provisions

(i) Allowance for doubtful accounts

To make allowances for the non-payment of receivables, the historical default rate is used for general receivables; and receivables designated as potentially irrecoverable are determined by reviewing actual collectability on an individual claim basis to record the estimated amount that is deemed irrecoverable.

(ii) Provision for bonuses

To make allowances for the payment of bonuses to employees, the amount that should be paid in the consolidated fiscal year under review is recorded, out of the estimated payment to be made in the following consolidated fiscal year.

(iii) Provision for retirement bonuses for Directors

To make allowances for the payment of retirement bonuses for Directors, consolidated subsidiaries have recorded the amount to be paid at the end of the consolidated fiscal year under review in accordance with internal rules.

(4) Method of accounting treatment for retirement benefits

To make allowances for the payment of retirement benefits, this is recorded based on the estimate for retirement benefit liabilities as of the end of the consolidated fiscal year under review.

(Method for attributing estimated retirement benefit payments to the period)

When calculating retirement benefit liabilities, the method for attributing estimated benefit payments to the period that lasts until the end of the consolidated fiscal year under review is as per the benefit formula basis.

(Method for processing actuarial gains and losses as expenses)

Actuarial gains and losses are treated as expenses in the consolidated fiscal year following the fiscal year in which they arise. The amount is proportionally divided using the straight-line method over a certain number of years (five years) that is within the average number of employees' remaining service years at the time the differences emerge each consolidated fiscal year.

(5) Significant recognition criteria for revenue and expenses

(i) Engineer dispatching

Artner assigns its engineers to client companies based on worker dispatch agreements to offer services over the terms of the agreements. The Group judges that the Group's obligation is fulfilled with the passing of engineers' hours of operation, and thus the Group recognizes revenue based on the engineers' records of operation during the term.

(ii) Contracting

The Group receives contracts from client companies for design and development, along with other relevant work. The Group ensures that completed work is delivered or operations are performed according to the Group's instructions pursuant to each agreement with a client. The Group recognizes revenue upon completion of the client's inspection or of operations performed, as the Group judges that its obligation is fulfilled then.

(6) Method and period for amortization of goodwill

Goodwill is amortized on a straight-line basis over the period (10 years) during which its benefits are expected to be realized.

(7) Cash included in the statement of Consolidated cash flow

The cash included in the statement of cash flows consists of cash on hand, savings available for withdrawal at any time, and short¬term investments that can easily be converted into cash, have only a limited risk of price fluctuations, and are redeemed within three months from the date of acquisition.

(Significant accounting estimates)

Valuation of goodwill

(1) Amount recognized on consolidated financial statements for consolidated fiscal year under review

	Fiscal year ended January 31, 2026
Goodwill	JPY 1,519,366 thousand

(2) Information concerning material accounting estimates for identified items

The goodwill was recognized upon the acquisition of all shares of CLIP SOFT Corporation and JOUHOU GIKEN, Ltd. Regarding goodwill, the Group reviews whether there are any indications of impairment. If such indications are identified, the Group calculates undiscounted future cash flow over the remaining amortization period of the goodwill based on the Group's business plan and compares them with the carrying amount to determine whether an impairment loss should be recognized. If the Group determines that it is necessary to recognize an impairment loss, the Group writes down said goodwill to the recoverable amount and recognizes the resulting decrease as an impairment loss. In the consolidated fiscal year under review, the Group determined that there were indications of impairment due to a relatively large portion of acquisition costs being allocated to goodwill. However, since the undiscounted future cash flow exceeded the carrying amount of the non-current assets within the asset group that includes goodwill, the Group has determined that it is unnecessary to recognize an impairment loss. Estimates of future cash flow are based on the Group's business plan and rely on key assumptions such as staffing plans and unit prices related to net sales. Should changes arise in key assumptions due to factors such as future changes in the market environment, the amount of goodwill reported in the consolidated financial statements for the following consolidated fiscal year could be materially impacted.

(Accounting Standards to Be Implemented)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024) etc

(1) Summary

As part of efforts to make Japanese generally accepted accounting principles (GAAP) internationally consistent, the Accounting Standards Board of Japan (ASBJ) considered the development of accounting standards for leases in which assets and liabilities are recognized for all leases of lessees, taking into account international accounting standards. As a result, the ASBJ released an accounting standard for leases, etc., which, as its basic policy, is based on the single accounting model of IFRS 16, but adopts only the main provisions of IFRS 16 rather than all the provisions, aiming for a simple and convenient accounting standard that will basically not require any amendments even if a company uses the provisions of IFRS 16 for its non-consolidated financial statements.

For the accounting treatment of lessees, the single accounting model will be applied as the method of allocating lease expenses, in which depreciation charge for right-of-use assets and interest expense on lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease, same as IFRS 16.

(2) Implementation schedule

The Company will implement the standard and guidance starting from the beginning of FY2029.

(3) Impact from the implementation of the Accounting Standard, etc.

The Group is in the process of assessing the monetary amounts that impact the Consolidated financial statements from the implementation of the Accounting Standard for Leases, etc.

(Regarding Consolidated Balance Sheet)

*1 Accumulated depreciation of property, plant and equipment

	FY2026 (As of January 31, 2026)
Accumulated depreciation of property, plant and equipment	JPY 198,963 thousand

2 Artner has entered into overdraft agreements with its five banks in order to ensure efficient financing for working capital. The table below shows the balances of borrowings available for withdrawal at the end of the fiscal year ended January 31, 2026 according to the agreements.

	FY2026 (As of January 31, 2026)
Overdraft limit	JPY 1,350,000 thousand
Outstanding borrowing	–
Balance	1,350,000

(Regarding Consolidated Statement of Income)

*1 Revenue generated from contracts with clients

The stated amount of net sales is not broken down into revenue generated from contracts with clients and other revenues. The amount of revenue generated from contracts with clients is as stated in “Notes (Regarding Revenue Recognition) 1. Disaggregation of revenue generated from contracts with clients.”

*2 The table below shows the main item of selling, general and administrative expenses, and the amounts thereof.

	FY2026 (Fiscal year ended January 31, 2026)
Salaries and allowances	JPY 853,636 thousand
Provision for bonuses	36,954
Retirement benefit expenses	15,114
Commission paid	543,471
Provision of allowance for doubtful accounts	702

(Regarding Consolidated statement of comprehensive income)

* Reclassification adjustments, income taxes and tax effects relating to other comprehensive income

	FY2026 (Fiscal year ended January 31, 2026)
Valuation difference on available-for-sale securities:	
Amount that arose in the current year	JPY 360 thousand
Reclassification adjustment amount	(376)
Before income taxes and tax effects	(15)
Income taxes and tax effects	(4)
Valuation difference on available for sale securities	(20)
Remeasurements of defined benefit plans, net of tax:	
Amount that arose in the current year	84,979
Reclassification adjustment amount	(51,791)
Before income taxes and tax effects	33,187
Income taxes and tax effects	(12,081)
Remeasurements of defined benefit plans, net of tax	21,106
Total other comprehensive income	21,085

(Regarding Consolidated Statement of Changes in Equity) FY2026(Fiscal year ended January 31, 2026)

1.Matters concerning the type and total number of shares issued, and the type and total number of treasury shares

	Number of shares at beginning of FY2026 (shares)	Increase in shares during FY2026 (shares)	Decrease in shares during FY2026 (shares)	Number of shares at end of FY2026 (shares)
Shares issued				
Common shares	10,627,920	–	–	10,627,920
Total	10,627,920	–	–	10,627,920
Treasury shares				
Common shares	2,514	43	–	2,557
Total	2,514	43	–	2,557

Note: The increase of 43 treasury shares (common shares) came from the purchase of shares less than one share unit.

2. Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends(thousands of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on April 24, 2025	Common shares	446,267	42.00	January 31, 2025	April 25, 2025
Board of Directors Meeting on September 8, 2025	Common shares	446,265	42.00	July 31, 2025	October 7, 2025

(2) Dividends with a record date in the fiscal year under review and an effective date in the following fiscal year.

The following matters are scheduled to be submitted as agenda items for the Ordinary General Meeting of Shareholders to be held on April 23, 2026.

Resolution	Type of shares	Total amount of dividends (thousands of yen)	Source of funds for dividends	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders on April 23, 2026	Common shares	446,265	Retained earnings	42.00	January 31, 2026	April 24, 2026

(Regarding Consolidated cash flow statement)

*1 Relationship between cash and cash equivalents at the end of the period and the amount for the account title shown in the consolidated balance sheet

	FY2026 (Fiscal year ended January 31, 2026)
Cash and deposit account	JPY 4,728,888 thousand
Time deposits with maturities of more than three months	(3,602)
Cash and cash equivalents	4,725,285

*2 Major components of assets and liabilities of consolidated subsidiaries acquired by purchase of shares in the fiscal year ended January 31, 2026

The breakdown of the assets and liabilities at the time of initial consolidation of CLIP SOFT Corporation through the purchase of shares as well as the relationship between the acquisition cost of shares and the expenditures for the acquisition (net) are as follows.

Current assets	JPY 161,676 thousand
Non-current assets	50,547
Goodwill	329,515
Current liabilities	(35,980)
Non-current liabilities	(107,760)
Purchase value of subsidiary shares	398,000
Cash and cash equivalents of subsidiary	(99,638)
Expenditures for the acquisition, net	298,361

The breakdown of the assets and liabilities at the time of initial consolidation of JOUHOU GIKEN, Ltd. through the purchase of shares as well as the relationship between the acquisition cost of shares and the expenditures for the acquisition (net) are as follows.

Current assets	JPY 783,607 thousand
Non-current assets	254,926
Goodwill	1,198,088
Current liabilities	(145,397)
Non-current liabilities	(467,100)
Purchase value of subsidiary shares	1,624,125
Cash and cash equivalents of subsidiary	(606,967)
Expenditures for the acquisition, net	1,017,157

(Regarding Lease Transactions)

Notes on this matter have been omitted because they are of little importance.

(Regarding Financial Instruments)

1.Matters concerning financial instruments

(1) Policy on financial instruments

The Group limits its fund management to short-term deposits or any equivalents, for fund procurement, the Group procures the necessary funds mainly through bank loans in accordance with its business plan.

(2) Description of financial instruments, risks involved therein, and risk management framework

Accounts receivable are exposed to clients' credit risk. The Group mitigates this risk in line with its credit management policy.

(3) Supplementary explanations about matters concerning the fair values of financial instruments

Variable factors are taken into account when the fair value of a financial instrument is calculated. Hence, the value may fluctuate when different prerequisites are used.

2.Matters concerning the fair values of financial instruments

The amounts calculated for the consolidated balance sheet and fair value, along with differences between them, are as shown in the table below. Notes on cash, deposits, accounts receivable, and accounts payable - other have been omitted because they are in cash, and because their fair value approximates carrying amounts as they are paid/made in a short term.

FY2026 (As of January 31, 2026)

	Amount recorded on consolidated balance sheet(thousands of yen)	Fair value (thousands of yen)	Difference (thousands of yen)
Long-term borrowings (includes current portion)	1,036,770	1,036,770	–

Notes: 1. Planned redemption amounts after the closing date for monetary claims

FY2026 (As of January 31, 2026)

	Within 1 year (thousands of yen)	More than 1 year, within 5 years (thousands of yen)	More than 5 years, within 10 years (thousands of yen)	More than 10 years (thousands of yen)
Cash and deposits	4,728,888	–	–	–
Accounts receivable - trade	1,789,787	–	–	–
Total	6,518,675	–	–	–

2. The scheduled repayment amounts after the closing date for long-term loans payable

FY2026 (As of January 31, 2026)

	Within 1 year (thousands of yen)	More than 1 year, within 2 years (thousands of yen)	More than 2 year, within 3 years (thousands of yen)	More than 3 year, within 4 years (thousands of yen)	More than 4 year, within 5 years (thousands of yen)	More than 5 years (thousands of yen)
Long-term borrowings	108,742	107,976	107,976	107,976	104,020	500,080

3.Matters concerning the breakdown of financial instruments by each fair value level

The Group classifies the fair value of financial instruments into the following three levels in accordance with the observability and materiality of the inputs used to calculate the fair value.

Level 1 fair value: Fair value calculated using inputs related to the calculation of observable fair value that are market prices for the asset or liability being valued as formed in an active market

Level 2 fair value: Fair value calculated using inputs related to the calculation of observable fair value other than Level 1 inputs

Level 3 fair value: Fair value calculated using inputs related to the calculation of unobservable fair value

When using multiple inputs that materially affect the calculation of fair value, the Group classifies the fair value as the level with the lowest priority in the calculation of fair value among the levels to which those inputs individually belong.

(1) Financial instruments carried on the consolidated balance sheet at fair value: Not applicable.

(2) Financial instruments other than those recorded on the consolidated balance sheets at fair value

FY2026 (As of January 31, 2026)

Classification	Fair value (thousands of yen)			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (includes current portion)	–	1,036,770	–	1,036,770

(Note) Explanation of valuation techniques used to calculate fair value and inputs related to the calculation of fair value

Long-term borrowings(includes current portion)

With regard to fair value, for financial instruments with variable interest rates, as they reflect market interest rates in the short term, their fair value is considered to be nearly equal to their carrying amount. For that reason, the Group uses said carrying amount and classifies the fair value as Level 2. For financial instruments with fixed rates, fair value is calculated after discounting the total amount of principal and interest using the interest rate assumed for cases in which a similar new loan is taken out. The Group classifies the resulting fair value as Level 2.

(Regarding Investment Securities)

1.Available-for-sale securities

FY2026 (As of January 31, 2026)

	Type	Amount recorded on consolidated balance sheet (thousands of yen)	Acquisition cost (thousands of yen)	Difference (thousands of yen)
Securities recorded on consolidated balance sheet at amount that exceeds acquisition cost	(1) Stock (2) Investment trusts	1,376 –	288 –	1,087 –
	Subtotal	1,376	288	1,087
Securities recorded on consolidated balance sheet at amount that does not exceed acquisition cost	(1) Stock (2) Investment trusts	54,563 5,682	54,563 5,682	– –
	Subtotal	60,245	60,245	–
Total		61,621	60,534	1,087

2.Available-for-sale securities sold

FY2026 (As of January 31, 2026)

Type	Sold at (thousands of yen)	Total gain on sale (thousands of yen)	Total loss on sale (thousands of yen)
Stock	482	371	–

(Regarding Retirement Benefits)

1.Summary of the retirement benefit plan used

Artner uses the defined benefit retirement lump sum payment plan and the defined contribution pension plan to pay retirement benefits to its employees. In addition, some of the Company’s consolidated subsidiaries participate in the Smaller Enterprise Retirement Allowance Mutual Aid (SERAMA) Scheme, and have adopted optional defined contribution pension plans.

2. Defined benefit plan

(1) Reconciliation of the beginning and ending balances of retirement benefit liabilities

	FY2026 (As of January 31, 2026)
Balance of retirement benefit liabilities at beginning of period	JPY 532,815 thousand
Service expenses	47,460
Interest expenses	9,201
Actuarial gains and losses incurred	(84,979)
Retirement benefit payments	(16,685)
Balance of retirement benefit liabilities at end of period	487,812

(2) Reconciliation of the ending balance of retirement benefit liabilities and the provision for retirement benefits recorded on the balance sheet

	FY2026 (As of January 31, 2026)
Retirement benefit liabilities in non-savings-type plan	JPY 487,812 thousand
Net liabilities and assets recorded on consolidated balance sheet	487,812
Liabilities for retirement benefits	487,812
Net liabilities and assets recorded on consolidated balance sheet	487,812

(3) Itemized retirement benefit expenses

	FY2026 (As of January 31, 2026)
Service expenses	JPY 47,460 thousand
Interest expenses	9,201
Actuarial gains and losses processed as expenses	(51,791)
Retirement benefit expenses for defined benefit plan	4,870

(4) Remeasurements of defined benefit plans, net of tax

The breakdown of items recorded as remeasurements of defined benefit plans, net of tax (before income taxes and tax effect deduction) is as follows:

	FY2026 (As of January 31, 2026)
Actuarial gains and losses incurred	JPY 33,187 thousand

(5) Remeasurements of defined benefit plans

The breakdown of items recorded as remeasurements of defined benefit plans (before income taxes and tax effect deduction) is as follows:

	FY2026 (As of January 31, 2026)
Unrecognized actuarial gains and losses	JPY 217,113 thousand

(6) Matters concerning the basis for actuarial calculations

Basis for key actuarial calculations

	FY2026 (As of January 31, 2026)
Discount rate	3.5%

3.Defined contribution plan

The Group's required contributions to the defined contribution plan were JPY 73,770 thousand for the fiscal year under review.

(Regarding Tax Effect Accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by main cause

	FY2026 (As of January 31, 2026)
Deferred tax assets	
Enterprise tax payable	JPY 18,599 thousand
Accrued expenses	22,969
Provision for bonuses	83,387
Provision for retirement bonuses for Directors	187,299
Liabilities for retirement benefits	153,455
Allowance for doubtful accounts	2,874
Other	17,611
Total deferred tax assets	486,197
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(13,044)
Total deferred tax liabilities	(13,044)
Net deferred tax assets	473,152

2.Statutory effective tax rate and main causes of the difference from the income tax burden rate after the application of tax effect accounting

Notes have been omitted because, the difference between the statutory effective tax rate and the income tax burden rate after the application of tax effect accounting is five-hundredths or less of the statutory effective tax rate.

3.Adjustment of deferred tax assets and deferred tax liabilities due to changes in income tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025, under which a special corporate tax for defense will be imposed starting from fiscal years beginning on or after April 1,

2026. Accordingly, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities for temporary differences expected to reverse in or after the fiscal year beginning on February 1, 2027 has changed from 30.6% to 31.5%. The impact of this tax rate change is negligible.

(Regarding Business Combination)

Business combinations through acquisition

• CLIP SOFT Corporation

1.Overview of business combination

(1) Name and business of acquiree

Name of acquiree: CLIP SOFT Corporation

Business activities: Development of embedded software, such as for automotive instrument panels, and staffing business

(2) Main reason business combination was conducted

In the Company's Medium-Term Business Plan released on March 14, 2025, the Company is promoting its business activities to achieve its evolution into a comprehensive technical service company through M&As and alliances, while exploring new business and revenue opportunities as one of its Basic Measures. CLIP SOFT, headquartered in Hamamatsu City, Shizuoka, has development experience accumulated over time and advanced technical prowess. It engages in the development of embedded software, such as for automotive instrument panels, as well as staffing services. With CLIP SOFT becoming a subsidiary, Artner will expand its services in the IT industry (including commissioned system development and embedded software), which is expected to continue growing in the future, and will strive to further enhance its corporate value.

(3) Business combination date

September 26, 2025 (Share acquisition date)

August 31, 2025 (Deemed acquisition date)

(4) Legal form of business combination

Acquisition of shares in exchange for cash

(5) Name of company following combination

No change.

(6) Ratio of voting rights acquired

100%

(7) Main basis for determining acquiring company

This is due to the Company's acquisition of shares in exchange for cash.

2.Period for which business performance of acquiree is included in consolidated financial statements

September 1, 2025 to November 30, 2025

3.Acquisition cost of acquiree and breakdown by type of consideration

Consideration for acquisition	JPY 398,000 thousand
Acquisition cost	398,000

4.Description and amounts of main acquisition-related expenses

Remuneration and commissions paid to advisors JPY 45,571 thousand

5.Amount of goodwill incurred, cause of incurrence, and method and period for amortization

(1) Amount of goodwill incurred

JPY 329,515 thousand

(2) Cause of incurrence

This is mainly future excess earnings potential expected from future business expansion.

(3) Method and period for amortization

Straight-line amortization over 10 years

6.Assets and liabilities acquired on business combination date and main breakdown thereof

Current assets	JPY 161,676 thousand
Non-current assets	50,547
Total assets	212,224
Current liabilities	35,980
Non-current liabilities	107,760
Total liabilities	143,740

7.The estimated amount and calculation method of the impact of the business combination on the consolidated profit and loss statement for the fiscal year ended January 31, 2026, assuming the business combination was completed on the beginning date of the consolidated fiscal year

Notes on this matter have been omitted because they are of little importance.

• JOUHOU GIKEN, Ltd.

1.Overview of business combination

(1) Name and business of acquiree

Name of acquiree JOUHOU GIKEN, Ltd

Business Transportation equipment design and research and development support business

(2) Main reason business combination was conducted

In the Company's Medium-Term Business Plan released on March 14, 2025, the Company is promoting its business activities to achieve its evolution into a comprehensive technical service company through M&As and alliances, while exploring new business and revenue opportunities as one of its Basic Measures. The target company is a company that was established predominantly by engineers who had originally worked at an aircraft component manufacturer. The company has produced a large number of capable engineers who are active on the frontlines of cutting-edge technological development in the automotive, aerospace, and other industries. In making JOUHOU GIKEN, Ltd. the Company's subsidiary, the Company will endeavor to expand the Group's services in the automotive and aerospace industries as the Company strives to further improve its corporate value.

(3) Business combination date

December 26, 2025 (Share acquisition date)

December 31, 2025 (Deemed acquisition date)

(4) Legal form of business combination

Acquisition of shares in exchange for cash

(5) Name of company following combination

No change.

(6) Ratio of voting rights acquired

100%

(7) Main basis for determining acquiring company

This is due to the Company's acquisition of shares in exchange for cash

2.Period for which business performance of acquiree is included in consolidated financial statements

As December 31, 2025 is established as the deemed acquisition date and only the balance sheet of the acquiree has been consolidated for the consolidated fiscal year under review, the business performance of the acquiree is not included

3.Acquisition cost of acquiree and breakdown by type of consideration

Consideration for acquisition	JPY 1,624,125 thousand
Acquisition cost	1,624,125

4.Description and amounts of main acquisition-related expenses

Remuneration and commissions paid to advisors JPY 96,831 thousand

5.Amount of goodwill incurred, cause of incurrence, and method and period for amortization

(1) Amount of goodwill incurred

JPY 1,198,088 thousand

(2) Cause of incurrence

This is mainly future excess earnings potential expected from future business expansion.

(3) Method and period for amortization

Straight-line amortization over 10 years

6.Assets and liabilities acquired on business combination date and main breakdown thereof

Current assets	JPY 783,607 thousand
Non-current assets	254,926
Total assets	1,038,533
Current liabilities	145,397
Non-current liabilities	467,100
Total liabilities	612,497

7.The estimated amount and calculation method of the impact of the business combination on the consolidated profit and loss statement for the fiscal year ended January 31, 2026, assuming the business combination was completed on the beginning date of the consolidated fiscal year

Notes on this matter have been omitted because they are of little importance.

(Regarding Asset Retirement Obligation)

Notes on this matter have been omitted because they are of little importance.

(Regarding Revenue Recognition)

1.Disaggregation of revenue generated from contracts with clients

Since the Group only has one reportable segment, the breakdown of revenue generated from contracts with clients is as follows:

(Unit: thousands of yen)

	Fiscal year ended January 31, 2026
Engineer dispatching	10,377,653
Contracting	1,615,896
Other	53,113
Revenue generated from contracts with clients	12,046,664
Other revenue	–
Net sales to external clients	12,046,664

2.Basic information for understanding revenue generated from contracts with clients

Basic information for understanding revenue is as provided in 1. Notes on material matters that form the basis for preparing consolidated financial statements 4. Matters concerning the accounting policy (5) Significant recognition criteria for revenue and expenses.

3.Information about the relationship between the satisfaction of performance obligations under contracts with clients and cash flows from these contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with clients that exist at the end of the fiscal year ended January 31, 2026

(1) Balance of contracts

As the balance of contracts of the Company and its consolidated subsidiaries consists of receivables arisen from contracts with clients, it is presented as accounts receivable - trade in the consolidated balance sheet. There are no contract assets or contract liabilities. Furthermore, in the fiscal year ended January 31, 2026, no revenue was recognized from performance obligations that were satisfied or partially satisfied in prior periods.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to the remaining performance obligations and the period over which revenue is expected to be recognized has been omitted, since the initial expected contractual period with the client is one year or less. Furthermore, there are no material amounts of consideration arising from contracts with clients that are not included in the transaction price.

(Segment Data)

[Segment data]

Since the Group has only one reportable segment, notes on this matter have been omitted.

[Related information]

FY2026 (Fiscal year ended January 31, 2026)

1.Information by product and service

Since the Group's business is in a single segment, notes on this matter have been omitted.

2.Information by region

(1) Net sales

Not applicable because the Group has no sales to external clients outside Japan

(2) Property, plant and equipment

Not applicable because none of the Group's property, plant and equipment are located outside Japan.

3.Information by major customer

(Unit: thousands of yen)

Client name / Company name	Net sales
Honda Motor Co., Ltd.	2,064,750
Honda R&D Co., Ltd.	1,602,048

Note: Since the Group's business is in a single segment, names of related segments have been omitted.

[Information about impairment loss on non-current assets in each reportable segment]

Not applicable.

[Information about amortization and unamortized balance of goodwill in each reportable segment]

Not applicable.

[Information about gain on bargain purchase in each reportable segment]

Not applicable.

[Information about related parties]

Not applicable.

(Per Share Information)

	Fiscal year ended January 31, 2026
Net assets per share	JPY 491.56
Earnings per share	JPY 118.47

Notes: 1. Diluted earnings per share are not shown because the Company has no dilutive shares.

2. The table below shows the bases for calculations of earnings per share.

	Fiscal year ended January 31, 2026
Profit attributable to owners of parent (thousands of yen)	1,258,741
Amounts not attributable to common shareholders (thousands of yen)	–
Profit attributable to owners of parent pertaining to common shares (thousands of yen)	1,258,741
Average number of shares outstanding during the period	10,625,378

(Material Post-Balance Sheet Events)

(Purchase of Treasury Shares)

The Company resolved at the meeting of its Board of Directors held on March 13, 2026, matters relating to the purchase of treasury shares pursuant to Article 156 of the Companies Act as applied by substitution pursuant to Article 165, paragraph (3) of such Act

1.Reason for purchasing treasury shares

Artner purchases treasury shares in order to facilitate the enhancement of shareholder returns and the improvement of capital efficiency as well as to execute flexible capital policies that contribute to the enhancement of corporate value over the medium to long term.

2.Description of matters relating to purchase

Type of shares to be purchased	Common shares
Total number of shares that may be purchased	30,000 shares (upper limit) (Ratio to the total number of issued shares (excluding treasury shares): 0.28%)
Total purchase value of shares	50,000,000 yen (upper limit)
Purchase period	March 16, 2026 to April 30, 2026
Purchase method	Market purchase on the Tokyo Stock Exchange

(v) Consolidated supplementary schedule

[Statement of bonds]

Not applicable.

[Statement of borrowings]

Classification	Balance at beginning of period (thousands of yen)	Balance at end of period (thousands of yen)	Average interest rate(%)	Maturity date
Current portion of long-term loans payable	–	108,742	2.42	–
Long-term borrowings (excluding current portion)	–	928,028	2.50	2027 - 2036
Other interest-bearing debt	–	–	–	–
Total	–	1,036,770	–	–

(Notes) 1. The average interest rate represents the weighted-average rate applicable to the year-end balance of loans payable.

2. The table below shows the aggregate annual maturities of long-term loans payable (excluding the current portion) within five years after the consolidated balance sheet date.

	More than 1 year, within 2 years (thousands of yen)	More than 2 year, within 3 years (thousands of yen)	More than 3 year, within 4 years (thousands of yen)	More than 4 year, within 5 years (thousands of yen)
Long-term borrowings	107,976	107,976	107,976	104,020

[Statement of asset retirement obligations]

The amounts of asset retirement obligations at the beginning and the end of the fiscal year ended January 31, 2026 are one percent or less of the total liabilities and net assets at the beginning and the end of the fiscal year ended January 31, 2026, and as such have been omitted.

(2) Other

Semi-annual financial information for the fiscal year ended January 31, 2026

	Six months ended July 31, 2025	Fiscal year ended January 31, 2026
Net sales (thousands of yen)	–	12,046,664
Profit before income taxes (thousands of yen)	–	1,820,591
Profit attributable to owners of parent (thousands of yen)	–	1,258,741
Earnings per share (yen)	–	118.47

(Note) As the Company began preparing consolidated financial statements from the fiscal year ended January 31, 2026, information for the six months ended July 31, 2025 is not shown.

2 Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

(i) Non-consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Assets		
Current assets		
Cash and deposits	4,588,976	3,993,786
Accounts receivable - trade	1,457,629	1,578,897
Work in process	4,376	6,108
Raw materials and supplies	2,651	5,109
Prepaid expenses	54,805	53,851
Other	30,964	58,319
Allowance for doubtful accounts	(8,700)	(9,400)
Total current assets	6,130,702	5,686,674
Non-current assets		
Property, plant and equipment		
Buildings	42,134	39,619
Tools, furniture and fixtures	33,740	29,993
Land	2,940	2,940
Total property, plant and equipment	78,815	72,553
Intangible assets		
Software	19,141	48,986
Software in progress	–	72,600
Other	1,654	1,654
Total intangible assets	20,795	123,240
Investments and other assets		
Investment securities	1,498	1,376
Investments in subsidiaries and affiliates	–	2,164,527
Deferred tax assets	340,979	351,046
Leasehold and guarantee deposits	111,741	103,264
Other	3,111	2,761
Total investments and other assets	457,331	2,622,976
Total non-current assets	556,942	2,818,770
Total assets	6,687,644	8,505,444

(Thousands of yen)

	As of January 31, 2025	As of January 31, 2026
Liabilities		
Current liabilities		
Current portion of long-term loans payable	–	99,984
Accounts payable - other	303,474	540,648
Accrued expenses	103,861	116,571
Income taxes payable	366,794	294,651
Accrued consumption taxes	228,338	201,737
Provision for bonuses	223,950	241,104
Other	36,346	191,910
Total current liabilities	1,262,765	1,686,606
Non-current liabilities		
Long-term borrowings	–	900,016
Provision for retirement benefits	716,741	704,925
Total non-current liabilities	716,741	1,604,941
Total liabilities	1,979,507	3,291,548
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	4,251,269	4,757,131
Total retained earnings	4,301,729	4,807,591
Treasury shares	(965)	(1,048)
Total shareholders’ equity	4,707,371	5,213,150
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	765	745
Total valuation and translation adjustments	765	745
Total net assets	4,708,137	5,213,895
Total liabilities and net assets	6,687,644	8,505,444

(ii) Non-consolidated Statements of Income

(Thousands of yen)

	FY2025 (Fiscal year ended January 31, 2025)	FY2026 (Fiscal year ended January 31, 2026)
Net sales	11,125,970	11,954,536
Cost of sales	7,013,019	7,410,461
Gross profit	4,112,950	4,544,074
Selling, general and administrative expenses	*1 2,302,808	*1 2,591,490
Operating profit	1,810,142	1,952,583
Non-operating income		
Interest income	28	205
Dividend income	78	80
Other	13,118	4,951
Total non-operating income	13,225	5,237
Non-operating expenses		
Interest expenses	–	1,421
Other	1,455	1,563
Total non-operating expenses	1,455	2,985
Ordinary profit	1,821,912	1,954,835
Extraordinary income		
Gain on sale of non-current assets	6,199	–
Gain on sale of investment securities	–	371
Total extraordinary income	6,199	371
Extraordinary loss		
Loss on retirement of non-current assets	–	1,197
Total extraordinary loss	–	1,197
Profit before income taxes	1,828,111	1,954,009
Income taxes - current	588,859	565,686
Income taxes - deferred	(21,349)	(10,071)
Total income taxes	567,509	555,615
Profit	1,260,601	1,398,394

[Cost of Sales Statement]

Classification	Note number	FY2025 (Fiscal year ended January 31, 2025) Amount (thousands of yen)	FY2025 Ratio (%)	FY2026 (Fiscal year ended January 31, 2026) Amount (thousands of yen)	FY2026 Ratio (%)
1. Labor cost		6,683,966	95.3	6,999,787	94.4
2.Expenses	*2	328,071	4.7	412,406	5.6
Total manufacturing cost for the period		7,012,038	100.0	7,412,194	100.0
Beginning inventory of work in process		5,357		4,376	
Total		7,017,395		7,416,570	
Ending inventory of work in process		4,376		6,108	
Cost of sales for the period		7,013,019		7,410,461	

FY2025 (Fiscal year ended January 31, 2025)	FY2026 (Fiscal year ended January 31, 2026)
1 Cost accounting method Job costing based on actual costs *2 Details are as shown below: Travel and transportation JPY 98,184 thousand Rent JPY 16,556 thousand	1 Cost accounting method Job costing based on actual costs *2 Details are as shown below: Travel and transportation JPY 104,240 thousand Rent JPY 11,870 thousand

(iii) Non-consolidated Statements of Changes in Equity

FY2025 (Fiscal year ended January 31, 2025)

(Unit: thousands of yen)

	Shareholders' equity						
		Capital surplus		Retained earnings			
					Other retained earnings		
	Share capital	Legal capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
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

FY2026 (Fiscal year ended January 31, 2026)

(Unit: thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
					Other retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	238,284	168,323	168,323	10,460	40,000	4,251,269	4,301,729
Changes during period							
Dividends of surplus						(892,532)	(892,532)
Profit						1,398,394	1,398,394
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	–	–	–	–	–	505,861	505,861
Balance at end of period	238,284	168,323	168,323	10,460	40,000	4,757,131	4,807,591

	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	(965)	4,707,371	765	765	4,708,137
Changes during period					
Dividends of surplus		(892,532)			(892,532)
Profit		1,398,394			1,398,394
Purchase of treasury shares	(82)	(82)			(82)
Net changes in items other than shareholders' equity			(20)	(20)	(20)
Total changes during period	(82)	505,779	(20)	(20)	505,758
Balance at end of period	(1,048)	5,213,150	745	745	5,213,895

[Notes]

(Significant Accounting Policies)

(1) Basis and method for valuation of securities

Shares of subsidiaries

Moving-average cost method

Available-for-sale securities

Securities other than shares that do not have a market value

Fair value method (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method)

(2) Basis and method for valuation of inventories

(i) Work in process

Cost method based on the specific identification method (with the amount shown on balance sheet written down as profitability declines)

(ii) Supplies

Cost method based on the specific identification method (with the amount shown on balance sheet written down as profitability declines)

(3) Depreciation method for non-current assets

(i) Property, plant and equipment

Declining balance method (note: straight-line method for buildings (excluding facilities attached to the buildings) acquired on or after April 1, 1998, and for facilities attached to buildings and for structures acquired on or after April 1, 2016)

Service life of the assets is mostly as shown below:

Buildings: 3 - 24 years

Tools, furniture and fixtures: 3 - 15 years

(ii) Intangible assets

Straight-line method. For software for internal use, calculation is based on usable life within the Company (5 years).

(4) Recognition criteria for provisions

(i) Allowance for doubtful accounts

To make allowances for the non-payment of receivables, the historical default rate is used for general receivables; and receivables designated as potentially irrecoverable are determined by reviewing actual collectability on an individual claim basis to record the estimated amount that is deemed irrecoverable.

(ii) Provision for bonuses

To make allowances for the payment of bonuses to employees, the amount that should be paid in the fiscal year under review is recorded, out of the estimated payment in the following fiscal year.

(iii) Provision for retirement benefits

To make allowances for the payment of retirement benefits to employees, this is recorded based on the estimate for retirement benefit liabilities as of the end of the fiscal year under review.

(i) Method for attributing estimated retirement benefit payments to the period

When calculating retirement benefit liabilities, the method for attributing estimated benefit payments to the period that lasts until the end of the fiscal year under review is as per the benefit formula basis.

(ii) Method for processing actuarial gains and losses as expenses

Actuarial gains and losses are treated as expenses in the fiscal year following the fiscal year in which they arise. The amount is proportionally divided using the straight-line method over a certain number of years (five years) that is within the average number of employees’ remaining service years at the time the differences emerge each fiscal year.

(5) Recognition criteria for revenue and expenses

(a) Engineer dispatching services

Artner assigns its engineers to client companies based on worker dispatch agreements to offer services over the terms of the agreements. The Company judges that its obligation is fulfilled with the passing of engineers’ hours of operation, and thus the Company recognizes revenue based on engineers’ records of operation during the term.

(b) Contracting

Artner receives contracts from client companies for design and development, along with other relevant work. The Company ensures that completed work is delivered or operations are performed according to the Company’s instructions pursuant to each agreement with a client. The Company recognizes revenue upon completion of the client’s inspection or of operations performed, as the Company judges that its obligation is fulfilled then.

(Significant Accounting Estimates)

Valuation of shares of subsidiaries

Amount recognized on financial statements for the fiscal year under review: shares of subsidiaries JPY 2,164,527 thousand

Information concerning material accounting estimates for identified items

Shares of subsidiaries are recorded at the acquisition cost of the shares of CLIP SOFT Corporation and JOUHOU GIKEN, Ltd. As these shares of subsidiaries are shares that do not have a market value, a valuation loss is recognized if their substantial value declines significantly and no recovery is expected. For the fiscal year under review, the Company determined that it was unnecessary to recognize a valuation loss because the substantial value, which reflects excess earning power, had not declined significantly. The evaluation of excess earning power is based on the Company’s business plan and relies on key assumptions such as staffing plans and unit prices related to net sales. Should changes arise in key assumptions due to factors such as future changes in the market environment, the amount of shares of subsidiaries reported in the financial statements for the following fiscal year could be materially impacted.

(Changes in the Method of Presentation)

(Changes in the method of presentation due to the application of Article 127 of the Financial Statements Regulation and the exemption from notes in line with the simplification of non-consolidated disclosure)

As Artner has come to prepare consolidated financial statements from the fiscal year under review, Artner, as a special company submitting financial statements, prepares the balance sheet, the statement of income, the statement of changes in equity, the statement of property, plant and equipment and the statement of provisions based on the forms prescribed in Article 127, paragraph (1) of the Financial Statements Regulation. In addition, the notes listed in each item of Article 127, paragraph (2) of the Financial Statements Regulation have been changed to the notes on the matters listed in each item of the Regulation on Corporate Accounting.

(Regarding Non-consolidated Balance Sheet)

1. Artner has entered into overdraft agreements with its five banks in order to ensure efficient financing for working capital. The table below shows the balances of borrowings available for withdrawal according to the agreements.

	FY2025 (As of January 31, 2025)	FY2026 (As of January 31, 2026)
Overdraft limit	JPY 1,350,000 thousand	JPY 1,350,000 thousand
Outstanding borrowing	–	–
Balance	1,350,000	1,350,000

(Regarding Non-consolidated Statement of Income)

*1 Selling expenses accounted for approximately 6% in FY2025, and 6% in FY2026, and general and administrative expenses 94% in FY2025, and 94% in FY2026.

The table below shows the main item of selling, general and administrative expenses, and the amounts thereof.

	FY2025 (Fiscal year ended January 31, 2025)	FY2026 (Fiscal year ended January 31, 2026)
Salaries and allowances	JPY 770,292 thousand	JPY 852,440 thousand
Travel and transportation	111,760	122,507
Rent	193,257	198,477
Provision for bonuses	38,499	36,954
Retirement benefit expenses	19,742	15,114
Commission paid	289,858	400,976
Depreciation	24,788	29,481
Provision of allowance for doubtful accounts	1,300	700

(Regarding Investment Securities)

Shares of subsidiaries (carrying amount on the balance sheet: JPY 2,164,527 thousand) are shares that do not have a market value, and therefore the note on their fair value is omitted.

(Regarding Tax Effect Accounting)

(1) Breakdown of deferred tax assets and deferred tax liabilities by main cause

	FY2025 (As of January 31, 2025)	FY2026 (As of January 31, 2026)
Deferred tax assets		
Enterprise tax payable	JPY 20,343 thousand	JPY 18,599 thousand
Accrued expenses	17,250	19,856
Provision for bonuses	68,483	73,729
Provision for retirement benefits	219,179	221,781
Allowance for doubtful accounts	2,660	2,874
Impairment loss	366	377
Other	13,032	14,168
Total deferred tax assets	341,316	351,388
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(337)	(342)
Total deferred tax liabilities	(337)	(342)
Net deferred tax assets	340,979	351,046

(2) Statutory effective tax rate and main causes of the difference from the income tax burden rate after the application of tax effect accounting

For FY2025, notes have been omitted because the difference between the statutory effective tax rate and the income tax burden rate after the application of tax effect accounting was 5/100 or less of the statutory effective tax rate. The breakdown for FY2026 is as follows: statutory effective tax rate 30.6%; (adjustments) entertainment expenses and other items permanently non-deductible 0.5%; dividends received and other items permanently excluded from income (0.0)%; per capita inhabitant tax 0.1%; tax credits under the wage increase promotion tax system (2.0)%; effect of change in tax rate (0.3)%; other (0.4)%; income tax burden rate after the application of tax effect accounting 28.4%.

(3) Change in the income tax rate after the closing date

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was promulgated on March 31, 2025, under which a special corporate tax for defense will be imposed starting from fiscal years beginning on or after April 1, 2026. Accordingly, the statutory effective tax rate used for calculating deferred tax assets and deferred tax liabilities will change from 30.6%, which applies to the fiscal year beginning on February 1, 2025, to 31.5% for temporary differences expected to reverse in or after the fiscal year beginning on February 1, 2027. The impact on monetary amounts from the tax rate change is negligible.

(Regarding Business Combination)

Business combinations through acquisition: The same information is stated in the Notes to Consolidated Financial Statements (Regarding Business Combination), and therefore this note is omitted.

(Regarding Revenue Recognition)

Basic information for understanding revenue generated from contracts with clients is the same as that stated in the Notes to Consolidated Financial Statements (Regarding Revenue Recognition), and therefore this note is omitted.

(Material Post-Balance Sheet Events)

The same information is stated in the Notes to Consolidated Financial Statements (Material Post-Balance Sheet Events), and therefore this note is omitted.

(iv) Supplementary schedule

[Statement of property, plant and equipment]

Asset Type	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (thousands of yen)	Balance at end of period (thousands of yen)	Accumulated depreciation/ amortization at end of period (thousands of yen)	Depreciation/amortization in period (thousands of yen)	Net balance at end of period (thousands of yen)
Property, plant and equipment Buildings	106,280	2,809	1,057	108,032	68,413	4,498	39,619
Tools, furniture and fixtures	81,862	6,132	–	87,995	58,001	9,880	29,993
Land	2,940	–	–	2,940	–	–	2,940
Total property, plant and equipment	191,082	8,942	1,057	198,967	126,414	14,378	72,553
Intangible assets Software	137,988	45,629	31,551	152,066	103,079	15,412	48,986
Software in progress	–	72,600	–	72,600	–	–	72,600
Other	1,654	–	–	1,654	–	–	1,654
Total intangible assets	139,643	118,229	31,551	226,320	103,079	15,412	123,240

[Statement of provisions]

Classification	Balance at beginning of period (thousands of yen)	Increase during period (thousands of yen)	Decrease during period (spending for purpose) (thousands of yen)	Decrease during period (other) (thousands of yen)	Balance at end of period (thousands of yen)
Allowance for doubtful accounts	8,700	9,400	–	8,700	9,400
Provision for bonuses	223,950	241,104	223,950	–	241,104

Note: "Decrease during period (other)" under allowance for doubtful accounts is the amount updated using the historical default rate for general receivables.

(2) Details of Main Assets and Liabilities

Since the Company prepares consolidated financial statements, this information is omitted.

(3) Other

Not applicable.

VI. Overview of Shareholder Services at the Reporting Company

Fiscal year	February 1 to January 31
Ordinary General Meeting of Shareholders	In April
Record date	January 31
Record dates for dividends of surplus	January 31 and July 31
Number of shares per share unit	100 shares
Purchase and sale of shares less than one share unit	
Place of trade	6-3, Fushimi-machi 3-Chome, Chuo-ku, Osaka, Japan Osaka Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation
Shareholder registry administrator	4-5, Marunouchi 1-Chome, Chiyoda-ku, Tokyo, Japan Mitsubishi UFJ Trust and Banking Corporation
Agency office	-
Trading fee	None
How public notice is issued	The Company issues an electronic public notice. However, if an accident or any other unavoidable reason prohibits the Company from issuing an electronic public notice, such a notice will be posted in the Nikkei (the Nihon Keizai Shimbun) newspaper. Public notices are posted on the Company's website as shown below: https://www.artner.co.jp
Benefits for shareholders	Not applicable.

Notes: 1. Pursuant to provisions in the Company's Articles of Incorporation, shareholders of shares less than one share unit do not hold any rights other than the rights listed in the items of paragraph (2) of Article 189 of the Companies Act, the right to demand according to Article 166, paragraph (1) of the Companies Act, the entitlement to the allotment of the shares for subscription and to the allotment of the share options for subscription in accordance with the number of shares they hold, and the right to demand the sale of shares less than one share unit.

2. Shares less than one share unit recorded in special accounts are purchased and sold at branches of Mizuho Trust & Banking across Japan.

VII. Reference Information about the Reporting Company

1 Information about the Parent Company, etc. of the Reporting Company

The Company does not have a parent company, etc. as specified in Article 24-7, paragraph (1) of the Financial Instruments and Exchange Act.

2 Other Reference Information

The Company submitted the following documents during the period from the start date of the fiscal year under review to the date of submission of the Annual Securities Report.

(1) Annual Securities Report, documents attached thereto, and confirmation letter

Fiscal year (FY2024) (from February 1, 2024 to January 31, 2025): Submitted to Director-General of the Kinki Local Finance Bureau on April 24, 2025

(2) Internal control report and documents attached thereto

Submitted to Director-General of the Kinki Local Finance Bureau on April 24, 2025

(3) Semiannual report and confirmation letter

(FY2025, first six months) (from February 1, 2025 to July 31, 2025): Submitted to Director-General of the Kinki Local Finance Bureau on September 10, 2025

(4) Extraordinary report

Submitted to Director-General of the Kinki Local Finance Bureau on April 25, 2025

This extraordinary report is based on Article 19, paragraph (2), item (ix)-2 (result of exercising voting rights at a General Meeting of Shareholders) of the Cabinet Office Order on Disclosure of Corporate Affairs.

Submitted to Director-General of the Kinki Local Finance Bureau on December 8, 2025

This extraordinary report is based on Article 19, paragraph (2), item (viii)-2 (determination on acquisition of subsidiary) of the Cabinet Office Order on Disclosure of Corporate Affairs.

(5) Report on Repurchase

Reporting period (from March 1, 2026 to March 31, 2026): Submitted to Director-General of the Kinki Local Finance Bureau on April 14, 2026

Part II Information about the Reporting Company's Guarantor, etc.

Not applicable.

Independent Auditor's Report and Internal Control Audit Report

April 22, 2026

To the Board of Directors of Artner Co., Ltd.

KPMG AZSA LLC

Osaka Office

NAKAHATA Takahide, Designated Limited Liability and Engagement Partner, Certified Public Accountant

KOMATSUNO Satoru, Designated Limited Liability and Engagement Partner, Certified Public Accountant

<Consolidated Financial Statement Audit>

Opinion

To execute audit certification pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we audited Artner Co., Ltd.'s consolidated financial statements for the consolidated fiscal year (from February 1, 2025 to January 31, 2026) shown in "Financial Information," namely the consolidated balance sheet, consolidated profit and loss statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, material matters that form the basis for preparing consolidated financial statements, other notes, and consolidated supplementary schedule.

We acknowledge that the above consolidated financial statements comply with the business accounting standards that are generally accepted as fair and appropriate in Japan to present fairly, in all material respects, Artner's and its consolidated subsidiaries' financial status as of January 31, 2026 as well as their business performance and cash flows for the consolidated fiscal year that ended on the same date.

Basis for Opinion

We conducted the audit in accordance with auditing standards that are generally accepted as fair and appropriate in Japan. Our responsibilities under these standards are described in the Responsibilities of the Auditor in a Consolidated Financial Statement Audit. We are independent of the Company and its consolidated subsidiaries pursuant to relevant ethics required of professionals in Japan (including regulations applied to financial statement audits of public interest entities), and we fulfill other ethical responsibilities we have as an auditor. We are certain that we have obtained sufficient and appropriate evidence that serves as the basis for our opinions.

Key Audit Matters

Key audit matters refer to matters that the professional auditor judged to be of special significance in the consolidated financial statement audit for the fiscal year under review. Those particulars were addressed while we audited all consolidated financial statements and formed our opinions. We are not to express our opinions about each of these particulars.

Appropriateness of judgment regarding whether the recognition of goodwill impairment is necessary	
Key audit matters and reasons for the decision	How the matter was addressed in the audit
The goodwill of JPY 1,519,366 thousand recorded on the consolidated balance sheet for the fiscal year ended January 31, 2026 represents the goodwill arising from the acquisition of control of CLIP SOFT Corporation and JOUHOU GIKEN, Ltd., as stated in "Notes (Significant Accounting Estimates)." The Company has identified indicators of impairment, given the relatively large amount allocated to goodwill within the acquisition cost of the business combination. However, since the total undiscounted future cash flows from the asset group including goodwill exceed the carrying amount of the asset group, the Company has determined that recognition of goodwill impairment is unnecessary. The estimates of undiscounted future cash flows used in this judgement are based on the business plan prepared by management. These estimates include key assumptions regarding net sales, such as personnel plans and unit prices, and therefore involve estimation uncertainties. For these reasons, we deemed it particularly important to examine the appropriateness of the judgment regarding the necessity of recognizing goodwill impairment during the consolidated financial statement audit for the fiscal year under review, and thus this issue constitutes a major particular to consider in the audit.	We mainly took the course of action stated below to examine the appropriateness of the judgment regarding the need to recognize goodwill impairment. (1) Evaluation of internal control We evaluated the effectiveness of the development and operation of internal controls related to determining the need to recognize impairment losses. (2) Evaluation of the appropriateness of estimates of undiscounted future cash flows To evaluate whether the key assumptions included in the business plan that form the basis of the estimates of undiscounted future cash flows are appropriate, we asked management about the basis for these assumptions, and mainly took the course of action stated below. • We compared the number of headcount additions and hourly rates in the personnel plan related to net sales with actual trends, confirmed their consistency with forecast reports from third-party organizations obtained independently by us, and evaluated their appropriateness. • We examined the progress with initiatives to increase headcount in the personnel plan, and evaluated the feasibility of achieving them.

Accuracy of net sales from the engineer dispatching business	
Key audit matters and reasons for the decision	How the matter was addressed in the audit
Artner Co., Ltd. (hereinafter referred to as the “Company”) had net sales of JPY 11,954,536 thousand, of which JPY 10,343,727 thousand was attributable to the engineer dispatching business, accounting for 86 percent of consolidated net sales of JPY 12,046,664 thousand. As stated in “Notes (Significant Accounting Policies for Preparation of Consolidated Financial Statements) 4. Accounting policies (5) Accounting policy for recognition of significant revenues and expenses,” the Company decided that, in the engineer dispatching business, its obligation is fulfilled with the passing of engineers’ hours of operation, and thus it recognizes sales based on engineers’ records of operation during the term. Once the services are judged to have been rendered, the Company multiplies the unit price prescribed by the contract with the client (hereinafter referred to as the “price of a contract”) by the hours worked by the assigned engineer, and records the calculated figure as sales. When sales from the engineer dispatching business are recorded, there is a risk of recording wrong figures for sales mostly for the following reasons: • The Company enters into individual agreements with each client that specifies the price of a contract and billable hours based on the level of the engineer’s skills, and these terms differ between engineers. • The staff in charge of entering sales figures in the information system calculates billable hours out of the total hours worked based on the terms of each agreement, and the data the staff have to process are enormous. For these reasons, we judged that it was particularly important to examine the accuracy of net sales from the engineer dispatching business during the consolidated financial statement audit for the fiscal year under review, and thus this issue constitutes a major particular to consider in the audit.	We mainly took the course of action stated below to examine the accuracy of sales from the engineer dispatching business. (1) Evaluation of internal control We evaluated the validity of the design and implementation of the Company’s internal controls in connection with the process of recording sales from the engineer dispatching business. We focused particularly on the following during evaluation: - Control on sales calculated based on the unit price specified in each agreement with a client and billable hours worked by the assigned engineer. The department in charge of entering sales figures confirms the accuracy of calculated sales, and the control and sales department approves and reports this account receivable. - When there is any difference in the payment of the receivable, the accounting department checks the rationality of the cause of the difference. (2) Examination of the accuracy of sales figures We carried out audit procedures that include the following in order to examine whether sales from the engineer dispatching business are accurately recorded. - We identified transactions that were potentially wrong in their recorded sales figures based on a comparative analysis of the unit price and hours worked, etc. of each engineer, and recalculated those figures based on the contract price specified in each agreement and the hours worked approved by the clients. We confirmed that the re-calculated figures were the same as the sales figures calculated by the Company. - Clients who had been extracted by statistical means were asked to complete and return a balance confirmation letter pertaining to accounts receivable. We obtained the completed letters directly from the clients to check them against the book balance. - We perused reports pertaining to year-end differences in payments the Company had received and confirmed that there were no significant differences in payments.

Other Information

Other information refers to information other than the consolidated financial statements, financial statements, and their auditor’s reports included in the Annual Securities Report.

Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the designing and implementation of the process of reporting other information. Our opinions on the consolidated financial statements do not cover other information, and we are not to express our opinions on such information. In a consolidated financial statement audit, we are responsible for reading all the content of other information and, in this process of perusal, examining whether there are any material inconsistencies between the content of other information and the consolidated financial statements or the knowledge we had acquired during the audit. We are also responsible for paying attention to any signs of material errors in the content of other information, other than those material inconsistencies. If we judge, based on the work we have done, that other information contains any material errors, we are required to report the fact. Other information in this Annual Securities Report does not contain any issues we should report.

Responsibilities of management and the Audit and Supervisory Committee for consolidated financial statements

Management is responsible for preparing and presenting fairly consolidated financial statements in accordance with business accounting standards that are generally accepted as fair and appropriate in Japan. This includes designing and implementing internal control that management has decided is essential to prepare and present fairly consolidated financial statements that contain no material misstatements due to a fraud or error.

When preparing consolidated financial statements, management is responsible for evaluating as to whether it is appropriate to prepare consolidated financial statements according to the going concern assumption, and, if matters concerning the going concern must be disclosed in accordance with business accounting standards that are generally accepted as fair and appropriate in Japan, management is also responsible for disclosing those matters.

The Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the designing and implementation of the process of financial reporting

Responsibilities of the auditor in a consolidated financial statement audit

The auditor is, based on the audit it has conducted, responsible for obtaining a reasonable assurance as to whether the Company's consolidated financial statements as a whole contain any material misstatements due to a fraud or error, and for expressing its opinions on the consolidated financial statements in the auditor's report from an independent viewpoint. A misrepresentation may occur due to a fraud or error. It may influence decisions made by users of the consolidated financial statements on its own or when it is added up, and when such influence is likely, a misrepresentation is judged to be material.

The auditor makes professional judgments throughout an audit in accordance with auditing standards that are generally accepted as fair and appropriate in Japan, and conducts the following with professional skepticism:

• Identify and assess the risk of material misstatements due to a fraud or error. Plan and implement audit procedures designed to manage the risk of material misstatement. The auditor selects and applies audit procedures at its own discretion. Also obtain sufficient and appropriate evidence that serves as the basis for the auditor's opinions.

• Although expressing an opinion about the effectiveness of internal control is not the objective of a consolidated financial statement audit, the auditor reviews internal control associated with audits in order to plan appropriate audit procedures that are suitable for the situation when it conducts risk assessment.

• Assess the accounting policies adopted by the management and the appropriateness of how the policies are applied, along with the rationality of accounting estimates made by the management and the validity of relevant notes.

• Draw conclusions about whether it is appropriate that the management prepares consolidated financial statements as the going concern assumption, and, based on audit evidence that has been obtained, whether material uncertainty is noted in connection with an event or circumstance that would raise material doubt on the going concern assumption. If there is material uncertainty related to going concern assumption, call for attention thereto in notes for the consolidated financial statements in the auditor's report is required. If making a note on the material uncertainty for the consolidated financial statements is inappropriate, the auditor is expected to present an opinion with exclusions on the consolidated financial statements. Conclusions drawn by the auditor are based on audit evidence obtained by the date of the auditor's report. Depending on future events and circumstances, the entity may become unable to continue as a going concern.

• Evaluate as to whether the presentation of the consolidated financial statements and the notes therein comply with the accounting standards that are generally accepted as fair and appropriate in Japan. Also evaluate as to whether the presentation, structure, and contents of the consolidated financial statements including relevant notes, and the consolidated financial statements, present fairly the transactions and accounting events that serve as bases.

• We plan and conduct an audit of consolidated financial statements in order to obtain sufficient and appropriate audit evidence concerning the Company's and its consolidated subsidiaries' financial information that forms the basis of our opinion expressed on the consolidated financial statements. The auditor is responsible for giving directions on, overseeing, and reviewing the audit of the Company's consolidated financial statements. The auditor bears sole responsibility for the audit opinion.

The auditor reports to the Audit and Supervisory Committee the planned audit scope and schedule, significant audit findings that include material deficiencies in internal control identified during the audit, and other matters required by the auditing standards. The auditor also reports to the Audit and Supervisory Committee the fact that it has complied with relevant ethics in Japan required of a professional regarding independence, matters that may reasonably be thought to influence the independence of the auditor, and measures taken to eliminate obstructions or safeguards applied to reduce obstructions to an acceptable level, if any. The auditor determines that the matters discussed with the Audit and Supervisory Committee and judged to be of special significance in the consolidated financial statement audit for the consolidated fiscal year under review are key audit matters, and states these particulars in the audit report accordingly. However, these matters are not included in the auditor's report if laws and regulations prohibit the publication thereof, or if, in extremely rare circumstances, the auditor decides against stating the matters in the auditor's report because adverse consequences of doing so would reasonably be expected to outweigh the public interest.

<Audit of Internal Control>

Opinion

To execute audit certification pursuant to Article 193-2, paragraph (2) of the Financial Instruments and Exchange Act, we audited Artner Co., Ltd.'s internal control report that was current as of January 31, 2026. We acknowledge that the above internal control report, in which the Company presents the validity of its internal controls over the financial reports as of January 31, 2026, complies with the standards for the evaluation of internal controls over financial reporting that are generally accepted as fair and appropriate in Japan to adequately present, in all material respects, the results of the evaluation of internal controls over financial reports.

Basis for Opinion

We audited the Company's internal control in accordance with standards that are generally accepted as fair and appropriate in Japan for an audit of internal controls over financial reports. Our responsibilities under these standards for an audit of internal controls over financial reports are described in the Auditor's Responsibilities for the Audit of Internal Control. We are independent of the Company pursuant to relevant ethics required of professionals in Japan, and we fulfill other ethical responsibilities we have as an auditor. We are certain that we have obtained sufficient and appropriate evidence that serves as the basis for our opinions.

Responsibilities of management and the Audit and Supervisory Committee for an internal control report

Management is responsible for designing and implementing internal controls over financial reports in order to prepare and present fairly the Company's internal control report in accordance with standards that are generally accepted as fair and appropriate in Japan for evaluation of internal controls over financial reports. The Audit and Supervisory Committee is responsible for overseeing and verifying how the Company's internal controls over financial reports is designed and implemented. There is a possibility that internal controls over financial reports may not completely prevent or detect all misrepresentations in financial reporting.

Responsibilities of the auditor in the audit of internal control

The auditor is, based on the audit of internal control it has conducted, responsible for obtaining a reasonable assurance as to whether the Company's internal control report contains any material misstatements, and for expressing its opinions on the internal control report in the auditor's report on internal control from an independent viewpoint. The auditor makes professional judgments throughout an audit in accordance with standards that are generally accepted as fair and appropriate in Japan for an audit of internal controls over financial reports, and conducts the following with professional skepticism: - Follow the audit procedures for obtaining audit evidence for the results of the evaluation of the Company's internal controls over financial reports in the internal control report. The procedures for the audit of internal control are selected and applied at the auditor's discretion based on the materiality of the impact on the reliability of the Company's financial reporting. - Examine the overall presentation of the Company's internal control report, including statements made by management about the scope of the evaluation of internal controls over financial reports, assessment procedures, and assessment results. - Plan and carry out the audit of internal control to obtain sufficient and appropriate audit evidence for the results of the evaluation of the Company's internal controls over financial reports in the Company's internal control report. The auditor is responsible for giving directions on, overseeing, and reviewing the audit of the Company's internal control report. The auditor reports to the Audit and Supervisory Committee the planned scope of the audit of internal control along with the audit schedule, the results of the audit of internal control, material deficiencies identified in internal control that should be disclosed, the results of rectification of these deficiencies, and other matters required by the standards for an audit of internal control. The auditor also reports to the Audit and Supervisory Committee the fact that it has complied with relevant ethics in Japan required of a professional regarding independence, matters that may reasonably be thought to influence the independence of the auditor, and measures taken to eliminate obstructions or safeguards applied to reduce obstructions to an acceptable level, if any.

<Information related to fees>

the amounts of fees for audit services and for non-audit service for the Company paid to our audit firm and parties that belong to the same network as our audit firm are shown in (3) Audits under Corporate Governance included in "State of the Reporting Company."

Interest

We and our engagement partners do not have any interest in the Company and its consolidated subsidiaries that should be indicated herein according to the Certified Public Accountants Act of Japan.

END

Notes: 1. The Company (the company that has submitted the Annual Securities Report) retains the original of the auditor's report stated above.

2. XBRL data are outside the audit scope.

Independent Auditor's Report

April 22, 2026

To the Board of Directors of Artner Co., Ltd.

KPMG AZSA LLC
Osaka Office
NAKAHATA Takahide, Designated Limited Liability and Engagement Partner, Certified Public Accountant
KOMATSUNO Satoru, Designated Limited Liability and Engagement Partner, Certified Public Accountant

Financial Statement Audit

Opinion

To execute audit certification pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, we audited Artner Co., Ltd.'s financial statements for FY2026 (reporting period 64; from February 1, 2025 to January 31, 2026) shown in "Financial Information," namely the balance sheet, statement of income, statement of changes in equity, significant accounting policies, other notes, and supplementary schedule.

We acknowledge that the above financial statements comply with the business accounting standards that are generally accepted as fair and appropriate in Japan to present fairly, in all material respects, Artner's financial status as of January 31, 2026 as well as its business performance for the fiscal year that ended on the same date.

Basis for Opinion

We conducted the audit in accordance with auditing standards that are generally accepted as fair and appropriate in Japan. Our responsibilities under these standards are described in the Responsibilities of the Auditor in a Financial Statement Audit. We are independent of the Company pursuant to relevant ethics required of professionals in Japan (including provisions applicable to financial statement audits of public interest entities) , and we fulfill other ethical responsibilities we have as an auditor. We are certain that we have obtained sufficient and appropriate evidence that serves as the basis for our opinions.Key Audit Matters

Key audit matters refer to matters that the professional auditor judged to be of special significance in the financial statement audit for the fiscal year under review. Those particulars were addressed while we audited all financial statements and formed our opinions. We are not to express our opinions about each of these particulars.

Appropriateness of valuation of shares of subsidiaries	
Key audit matters and reasons for the decision	How the matter was addressed in the audit
The JPY 2,164,527 thousand in shares of subsidiaries recorded on the balance sheet for the fiscal year ended January 31, 2026 represents the acquisition cost of CLIP SOFT Corporation and JOUHOU GIKEN, Ltd., as stated in "Notes (Significant Accounting Estimates)." Since these affiliate shares do not have a market price, the Company records an impairment loss when valuing them if the intrinsic value has significantly decreased and there are no prospects for recovery. As the effective value reflecting excess earnings potential has not declined significantly during the fiscal year ended January 31, 2026, the Company has determined that it is not necessary to recognize a valuation loss. The examination of whether excess earnings potential has been impaired in relation to this valuation includes management's estimation elements based on future business plans, similar to the goodwill recorded on the consolidated balance sheet. For these reasons, we judged that it was particularly important to examine the appropriateness of the valuation of shares of subsidiaries during the financial statement audit for the fiscal year under review, and thus this issue constitutes a major particular to consider in the audit.	We mainly took the course of action stated below to examine the accuracy of valuation of shares of subsidiaries. (1) Evaluation of internal control We evaluated the effectiveness of the development and operation of internal controls related to the valuation of shares of subsidiaries. (2) Examining the rationality of net asset value that reflects excess earnings potential The excess earnings potential included in the shares of subsidiaries is recorded as goodwill on the consolidated financial statements. Therefore, since this is basically the same as the course of action taken by the auditor for major particular to consider in the audit, "Appropriateness of judgment regarding whether the recognition of goodwill impairment is necessary," described in the audit report of the consolidated financial statements, specific details on the course of action by the auditor have been omitted.

Accuracy of net sales from the engineer dispatching business
Since this is the same as the major particular to consider in the audit (Accuracy of net sales from the engineer dispatching business) described in the audit report for the consolidated financial statements, these details have been omitted.

Other Information

Other information refers to information other than the consolidated financial statements, financial statements, and their auditor's reports included in the Annual Securities Report. Management is responsible for preparing and disclosing other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the designing and implementation of the process of reporting other information. Our opinions on the financial statements do not cover other information, and we are not to express our opinions on such information.

In a financial statement audit, we are responsible for reading all the content of other information and, in this process of perusal, examining whether there are any material inconsistencies between the content of other information and the financial statements or the knowledge we had acquired during the audit. We are also responsible for paying attention to any signs of material errors in the content of other information, other than those material inconsistencies.

If we judge, based on the work we have done, that other information contains any material errors, we are required to report the fact. Other information in this Annual Securities Report does not contain any issues we should report.

Responsibilities of management and the Audit and Supervisory Committee for financial statements

Management is responsible for preparing and presenting fairly financial statements in accordance with business accounting standards that are generally accepted as fair and appropriate in Japan. This includes designing and implementing internal control that management has decided is essential to prepare and present fairly financial statements that contain no material misstatements due to a fraud or error.

When preparing financial statements, management is responsible for evaluating as to whether it is appropriate to prepare financial statements according to the going concern assumption, and, if matters concerning the going concern must be disclosed in accordance with business accounting standards that are generally accepted as fair and appropriate in Japan, management is also responsible for disclosing those matters.

The Audit and Supervisory Committee is responsible for overseeing the execution of duties by directors in the designing and implementation of the process of financial reporting.

Responsibilities of the auditor in a financial statement audit

The auditor is, based on the audit it has conducted, responsible for obtaining a reasonable assurance as to whether the Company's financial statements as a whole contain any material misstatements due to a fraud or error, and for expressing its opinions on the financial statements in the auditor's report from an independent viewpoint. A misrepresentation may occur due to a wrongful act or errors. It may influence decisions made by users of the financial statements on its own or when it is added up, and when such influence is likely, a misrepresentation is judged to be material. due to a wrongful act or errors, and for expressing its opinions on the financial statements in the auditor's report from an independent viewpoint. A misrepresentation may occur due to a fraud or error. It may influence decisions made by users of the financial statements on its own or when it is added up, and when such influence is likely, a misrepresentation is judged to be material.

The auditor makes professional judgments throughout an audit in accordance with auditing standards that are generally accepted as fair and appropriate in Japan, and conducts the following with professional skepticism:

- Identify and assess the risk of material misstatements due to a fraud or error. Plan and implement audit procedures designed to manage the risk of material misstatement. The auditor selects and applies audit procedures at its own discretion. Also obtain sufficient and appropriate evidence that serves as the basis for the auditor's opinions.
- Although expressing an opinion about the effectiveness of internal control is not the objective of a financial statement audit, the auditor reviews internal control associated with audits in order to plan appropriate audit procedures that are suitable for the situation when it conducts risk assessment.
- Assess the accounting policies adopted by the management and the appropriateness of how the policies are applied, along with the rationality of accounting estimates made by the management and the validity of relevant notes.
- Draw conclusions about whether it is appropriate that the management prepares financial statements as the going concern assumption, and, based on audit evidence that has been obtained, whether material uncertainty is noted in connection with an event or circumstance that would raise material doubt on the going concern assumption. If there is material uncertainty related to going concern assumption, call for attention thereto in notes for the financial statements in the auditor's report is required. If making a note on the material uncertainty for the financial statements is inappropriate, the auditor is expected to present an opinion with exclusions on the financial statements. Conclusions drawn by the auditor are based on audit evidence obtained by the date of the auditor's report. Depending on future events and circumstances, the entity may become unable to continue as a going concern.
- Evaluate as to whether the presentation of the financial statements and the notes therein comply with the accounting standards that are generally accepted as fair and appropriate in Japan. Also evaluate as to whether the presentation, structure, and contents of the financial statements including relevant notes, and the financial statements, present fairly the transactions and accounting events that serve as bases.

The auditor reports to the Audit and Supervisory Committee the planned audit scope and schedule, significant audit findings that include material deficiencies in internal control identified during the audit, and other matters required by the auditing standards.

The auditor also reports to the Audit and Supervisory Committee the fact that it has complied with relevant ethics in Japan required of a professional regarding independence, matters that may reasonably be thought to influence the independence of the auditor, and measures taken to eliminate obstructions or safeguards applied to reduce obstructions to an acceptable level, if any.

The auditor determines that the matters discussed with the Audit and Supervisory Committee and judged to be of special significance in the financial statement audit for the fiscal year under review are key audit matters, and states these particulars in the audit report accordingly. However, these matters are not included in the auditor's report if laws and regulations prohibit the publication thereof, or if, in extremely rare circumstances, the auditor decides against stating the matters in the auditor's report because adverse consequences of doing so would reasonably be expected to outweigh the public interest.

<Information related to fees>

Information related to remuneration is included in the audit report of the consolidated financial statements.

Interest

We do not have any interest in the Company that should be indicated herein according to the Certified Public Accountants Act of Japan.

END

Notes: 1. The Company (the company that has submitted the Annual Securities Report) retains the original of the auditor's report stated above.

2. XBRL data are outside the audit scope.

[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 22, 2026
[Company Name]	Artner Co., Ltd.
[Company Name in English]	ARTNER CO., LTD.
[Name and Title of Representative]	SEKIGUCHI Sozo, Representative Director, 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

Representative Director, President and CEO SEKIGUCHI Sozo is responsible for designing and implementing internal controls over the financial reports of the Company and its consolidated subsidiaries (hereinafter collectively referred to as "the Group"). 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, 2026, (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, the Company assessed the internal controls that have a material effect on overall financial reporting on a consolidated basis (i.e., company-wide internal controls) and, based on the assessment results, the Company selected the business processes to evaluate. In the evaluation of the business processes, the Company analyzed these selected processes, identified the main points in terms of control that have a material effect on the reliability of 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, the Company determined the essential scope in light of the materiality of the impact on the reliability of the Group's financial reports. The Company considers the materiality of a monetary and qualitative impact and the likelihood of its occurrence to determine the materiality of the impact on the reliability of financial reports. Based on the results of the evaluation of company-wide internal controls conducted for the Company, the Company logically determined the scope of the evaluation of internal controls over business processes. However, the two consolidated subsidiaries are not included in the scope of the company-wide internal control evaluation because their impact on the reliability of financial reporting has been deemed negligible.

In regard to the scope of the evaluation of internal controls over business processes, given that the Group primarily operates the engineer dispatching business, the Company considers net sales to be the most appropriate indicator of the scale of business activities. Given the effectiveness of company-wide internal controls, business locations accounting for approximately two-thirds of consolidated net sales for the fiscal year ended January 31, 2026 have been designated as important business bases. The evaluation covered the business processes that were gone through to record net sales related to sales generation activities, accounts receivable, and cost of sales (personnel costs), which are the account titles closely connected to the objectives of the Group's business, at the selected business bases.

The Company also added business processes connected to significant account titles where material misstatements 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 financial reports.

3 Particulars concerning Evaluation Results

After the above evaluations, the Company decided that the Group's internal controls over financial reports are valid as of the last day of the fiscal year under review.

4 Supplementary Particulars

The Company is planning to change its core systems after the last day of the fiscal year under review. This change may have a significant impact on the evaluation of the effectiveness of the Group's internal controls over financial reports in the following fiscal year and beyond.

5 Special particulars

There are no special particulars that should be noted.