

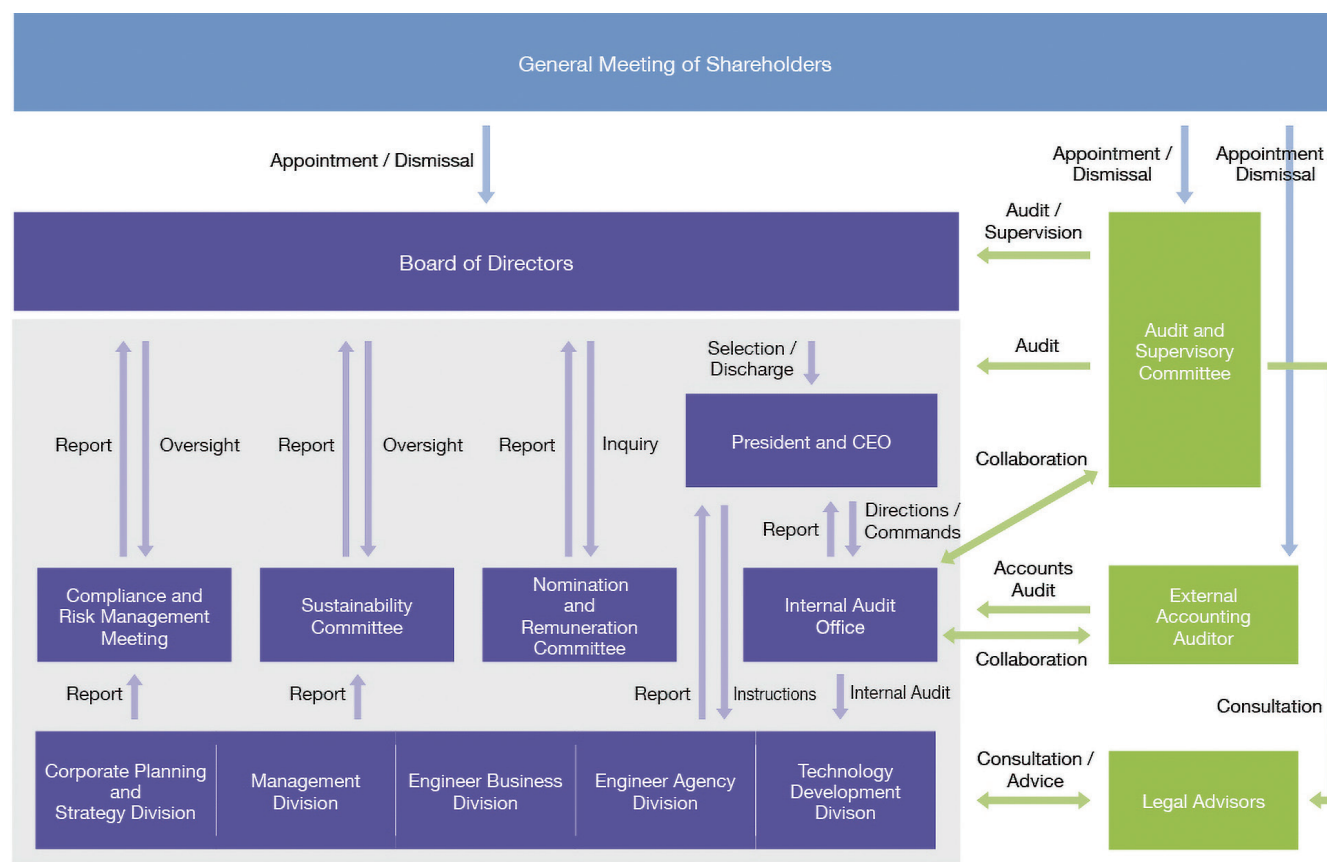
Basic Views

Artner's No.1 business challenge is steadily improving shareholder value over the long term. So in addition to expanding our business and ensuring profitability, we want to grow as a "technical partner" together with our 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, we strive for business efficiency and soundness to help in the sustainable development of the Company.

At Artner, we are highly conscious of our social responsibility as a company, so in addition to strictly observing all applicable laws and regulations, we strive to sustain and develop favorable relationships with shareholders, with our local community, with all of our client companies, and with all employees.

We are committed to further strengthening our 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. In this way, we will constantly improve our business management. Artner also will promptly disclose relevant information both inside and outside the Company and enhance business transparency.

Company Organization and Internal Control System



Overview of the Current Corporate Governance System

The Company has in place the Audit and Supervisory Committee, and has five Directors who are not members of the Audit and Supervisory Committee and three Directors who are members of it.

Board of Directors

The Board of Directors is comprised of six Directors, three of whom are not members of the Audit and Supervisory Committee and three who are members of the Committee.

The Board meets twice a month: at a mid-month business report board meeting, the members deliberate on the Company's monthly business performance; and at a regular month-end board meeting, they deliberate and decide on matters relating to the Company's management plan, as well as significant matters relating to day-do-day business operations.

Compliance and Risk Management Meeting

The Company convenes Compliance and Risk Management Meetings once a month, attended by the President and CEO and other Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Committee, and division and department heads.

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, and draw up the Risk Management Guidelines.

Sustainability Committee

The Company convenes the Sustainability Committee four times a year, attended by the President and CEO and other Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Committee, and division and department heads.

The members hold discussions to promote and manage the progress of issues and initiatives related to sustainability.

Audit and Supervisory Committee

The Audit and Supervisory Committee is comprised of three Outside Directors and 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 a member of the Audit and Supervisory Committee, is composed of four members including the President and CEO and three members of the Audit and Supervisory Committee who are Outside Directors, and will be held at least four times a year.

The Nomination and Remuneration Committee will report to the Board of Directors on the appointment/dismissal and remuneration of Directors 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.

External Accounting Auditor

The Company employs KPMG AZSA LLC as its accounting auditor.

The Company has no conflict of interest with the accounting firm or with the firm's managing partners who conduct accounting audits of the Company.

Activities of the Board of Directors and Committees (FY2024)

< Attendance >

Position	Name	Board of Directors	Compliance and Risk Management Meeting	Sustainability Committee	Audit and Supervisory Committee	Nomination and Remuneration Committee
President and CEO	SEKIGUCHI Sozo	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		4 out of 4 meetings (100% attendance rate)
Director	HARIGAE Tomonori	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	OKUSAKA Kazuya	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	SATO So	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	EGAMI Yoji	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Outside Director and standing member of the Audit and Supervisory Committee	NOMURA Ryuichiro	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)	26 out of 26 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)
Outside Director and member of the Audit and Supervisory Committee	TERAMURA Yasuhiko	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)	26 out of 26 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)
Outside Director and member of the Audit and Supervisory Committee	MORII Shinichiro	30 out of 30 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)	26 out of 26 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)

< Discussion and Resolution Themes >

Board of Directors	Discussions and Resolutions
	General Meeting of Shareholders / Policy for the Mid-Term Business Plan / Corporate planning and strategy / Department policies and business plan for the fiscal year ending January 31, 2026 / Financial results, finances, and dividends / Revisions to the forecast of financial results / Nomination of director candidates and remuneration of directors / Internal controls / Organizational changes and personnel transfers / Rule revisions / Reappointment of the Accounting Auditor(s) / Donations to support organizations / Updating and disclosing ESG data
Compliance and Risk Management Meeting	Discussions
	Performance trends in the manufacturing industry / Competition with other companies in the industry / Effectiveness of education and training / Securing suitable clients for our dispatching business / Regulations on total work person-hours / Securing science and engineering graduates / Securing career engineers / Information management / Laws, regulations, licenses, and permits / Disasters, accidents, etc. / Climate change / M&A / Medium-Term Business Plan, etc.
Sustainability Committee	Discussions
	Policies and goals related to sustainability, including social and environmental issues such as the SDGs and ESG / Formulation of an action plan / Management and evaluation of progress toward goals / Individual measures, etc.
Audit and Supervisory Committee	Discussions
	Audit policy, audit plan, audit methods, assignment of audit duties, etc. / Appointment and dismissal of Accounting Auditor(s) / Appointment, dismissal, and remuneration of directors who are not members of the Audit and Supervisory Committee, etc.
Nomination and Remuneration Committee	Discussions
	Appointment and dismissal of directors / Selection and discharge of the President and CEO / Selection and discharge of representative directors / Remuneration, etc., of directors who are not members of the Audit and Supervisory Committee / Remuneration limits for directors and directors who are members of the Audit and Supervisory Committee / Succession planning (including successor development), etc.

Policy and Process for Appointment or Removal of Director Candidates Who Are Not Members of the Audit and Supervisory Committee

The Nomination and Remuneration Committee deliberates and reports to the Board of Directors on director candidates who are not members of the Audit and Supervisory Committee after an extensive scrutiny of their knowledge, experience, and ability necessary to manage the Company’s business divisions and day-to-day operations. The Board of Directors then nominates the director candidates.

Policy and Process for Appointment or Removal of Director Candidates Who Are Members of the Audit and Supervisory Committee

The Nomination and Remuneration Committee deliberates and reports to the Board of Directors on director candidates who are members of the Audit and Supervisory Committee after an extensive scrutiny of their experience, expertise in corporate financing and accounting, practical knowledge on the Company’s businesses, and general knowledge on corporate management necessary to audit and oversee the performance of duties by directors who are not members of the Audit and Supervisory Committee. The Board of Directors then nominates the director candidates.

Appointment or Removal of the President and CEO

The Board of Directors, which includes three Outside Directors who are members of the Audit and Supervisory Committee, deliberates on the appointment or removal of the President and CEO from office when such need arises, based on the business performance of the Company as well as the job performance of the President and CEO. Regarding future CEO appointments and dismissals, the Nomination and Remuneration Committee, a voluntary advisory board composed of a majority of Independent Directors, shall deliberate and report to the Board of Directors, thereby establishing a structure with high fairness, transparency, and objectivity under appropriate supervision from the Board of Directors.

Succession Plan

The Company recognizes that it is critically important to have in place a succession plan for the President and CEO and other members of the Executive Team. The Board of Directors is responsible for nominating successors to these members from among qualified candidates after an extensive scrutiny of their experience, knowledge, and expertise in recruiting, training, sales, and administrative functions that support the Company’s engineer placement business. Regarding future nominations of successors to the President and CEO, and other members of the Executive Team, the voluntarily established Nomination and Remuneration Committee, composed of a majority of Independent Directors, shall deliberate and make recommendations to the Board of Directors, thereby establishing a structure with high fairness, transparency and objectivity under appropriate supervision from the Board of Directors.

Appointment or Removal of Executive Team Members

The Board of Directors makes a decision upon deliberation of the job performance of the member and other factors.

Status of Outside Directors

The Company has three outside directors, all of whom hold shares of the Company. Apart from this shareholding position, none of the three outside directors have 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 viewpoint, and we believe 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 we not only meet 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.

Risk Management

Summary of Major Risks and Countermeasures

Artner has defined a clear system for managing different risks in which we classify and define management risks, and each responsible division identifies and analyzes the risk situation for each type of risk. Under this system, 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.

Risk	Definition	Countermeasure
Performance trends in the manufacturing industry	Our major clients belong to the manufacturing industry, and we dispatch engineers primarily to their design and development departments. There is a risk that these major clients may 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. There is a risk that significant changes in the business environment may take place for automobile-related manufacturers, which account for a large share of our sales.	We will strengthen measures such as sector rotation and new business development and sales in order to build a client base that is capable of ensuring stable earnings that are not dependent on specific sectors or influenced by specific corporate trends.
Competition with other companies in the industry	There is a risk that competition with other companies may intensify due to market contraction or new entrants in the engineer staffing industry, where we operate our business, and this may result in a fierce price competition.	We will facilitate 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.
Effectiveness of education and training	There is a risk that 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, as well as the risk that we fail to satisfy the requests from clients, and they start to make complaints.	We will support our engineers in improving their skills by providing general, external, basic, customized, and/or career training based on our long-accumulated experience. We will strive to improve the technical and human skills of our staff by holding skill development seminars for all employees and human development training for managers.
Securing suitable clients for our dispatching business	Although we always strive to secure and expand our clients for our engineer dispatching business, there is a risk that we may be unable to find suitable clients that match our engineers and cannot maintain or improve the unit price of engineers and/or utilization rates.	We will secure and expand our business partners by strengthening our 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.
Regulations on total work person-hours	The total work person-hours of our engineers are determined based on the business conditions of the client company. There is a risk that 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.	To compensate for a decrease in the total work person-hours, we will facilitate 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.
Securing science and engineering graduates	We consider science and engineering graduates to be an important managerial resource, and there is a risk that the population of science and engineering graduates may decrease due to the declining birth rate and other factors, making it significantly more difficult to hire talented graduates.	We will attract students by offering a variety of options, including a performance-based salary system, a limited area system, an internal recruitment program, and a job change assistance program.
Securing career engineers	We consider engineers with work experience to be an important managerial resource, and there is a risk that the competition to secure career hires may intensify 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.	We will attract prospective employees by offering a variety of options, including a performance-based salary system, a limited area system, an internal recruitment program, and a job change assistance program.
Information management	There is a risk that information may be leaked to outside parties for some reason, and our social credibility will be damaged. There is a risk that system failures and other problems may be caused by computer viruses, unauthorized access, natural disasters, or other unforeseen events.	We will acquire the "PrivacyMark" and introduce other such measures to properly manage personal information, confidential information, and all other information obtained in the course of business operations. We will take appropriate cybersecurity measures to ensure the stable supply of our services.
Laws, regulations, licenses, and permits	There is a risk that we may violate the Worker Dispatching Act and other relevant laws and regulations, which would hinder the continuity of our business. There is a risk that revisions to relevant laws and regulations may be made that are significantly unfavorable to our business.	We consider compliance with the Worker Dispatching Act and other relevant laws and regulations to be one of our highest priorities, and we will 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. We will take appropriate measures whenever relevant laws and regulations are revised.
Disasters, accidents, etc.	There is a risk that natural disasters, man-made disasters, and other disasters and accidents that significantly exceed our predictions may take place. There is a risk that our business activities may be hindered as a result of the spread of COVID-19 and other infectious diseases.	We will establish a Business Continuity Plan (BCP) and manual to deal with such disasters and accidents in an effort to mitigate the damage.
Climate change	There is a risk that our business activities may be halted or stagnated as a result of our facilities being damaged by natural disasters due to climate change. If a carbon tax is introduced or environmental regulations are tightened as part of the government's efforts to transition to a decarbonized society, there is a risk that we may be unable to offer personnel that meet our clients' demands for engineers committed to carbon neutrality initiatives.	We have announced our support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and have rated climate change as a high-priority issue. We will commit to taking actions and initiatives based on our environmental activity policy with the aim of achieving a more sustainable society.
Mergers and acquisitions	There are risks of significant capital demands and amortization of goodwill, etc. Such M&As may not necessarily generate synergies as expected, and there is a risk that business performance may not progress as expected due to major changes in the business environment or business conditions.	Our 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.
Medium-Term Business Plan	There is a risk that the market environment or economic conditions may change dramatically beyond expectations, and the business environment may not develop as predicted.	We will promote the Medium-Term Business Plan with carbon neutrality as the pillar of our business activities and establish internal systems for recruitment, training, and sales activities.

Compliance

Development of the Internal Control System

The Company has developed an internal control system in accordance with the basic framework of the internal control system established by the Board of Directors.

Compliance and Risk Management Meeting	At Artner, we have implemented 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.
Internal Whistleblowing System	We have 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.
Internal Audits by the Internal Audit Office	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.

Anti-corruption Policy

1. Basic view on preventing corruption	We establish this anti-corruption policy in accordance with the spirit of the United Nations Global Compact.	ment Meeting and the Sustainability Committee. The Board of Directors will be informed of its details and provide supervision.
2. Scope	This policy applies to all officers and employees of Artner. Furthermore, we request all clients affiliated with our businesses and services to understand and support this policy.	5. Whistleblowing system
3. Initiatives to prevent corruption in our business activities	<ul style="list-style-type: none">•Prohibition of bribery•Prohibition of facilitation payments•Prohibition of illegal political contributions•Prohibition of money laundering•Prohibition of insider trading•Prohibition of conflict-of-interest transactions	We will establish a helpline to receive any reports on compliance violations related to anti-corruption and any inquiries, and take steps for relief and remediation upon investigation. We will ensure the confidentiality and the protection of personal information of whistleblowers, and will not treat them disadvantageously based on their reports.
4. Governance	Our initiatives under this policy will be regularly reported to and managed by the Compliance and Risk Manage-	6. Education and training
		We will continuously provide appropriate education and training to all officers and employees to ensure that this policy is integrated into all business activities and is implemented effectively.

Interview with Outside Directors

(left)
TERAMURA Yasuhiko
Director and member of the
Audit and Supervisory Committee

Had worked in corporate transactions, overseas branches, and fund management during his 29 years in banking. Has practical experience in financial accounting, particularly in the area of fund securities. Was later transferred to an international logistics company, where he worked in management for 13 and a half years. Has also been involved in negotiations in the automobile and machinery industries, and M&A. Was made a standing member of the Artner Audit and Supervisory Committee in 2021. Has served as a member of the committee since 2023.

(center)
NOMURA Ryuichiro
Director and standing member of the
Audit and Supervisory Committee

Has worked in corporate transactions, a New York branch, in foreign exchange, and loans during his 30 years in banking. As head of the transfer agent department, he was responsible for investor relations and matters related to stocks and shareholder meetings. Later worked for eight years in management at a real estate company, and as representative of a REIT for a general trading company. Was made a member of the Artner Audit and Supervisory Committee in 2022. Has served as Standing member since 2023.

(right)
MORII Shinichiro
Director and member of the
Audit and Supervisory Committee

Oversaw an entire region as the branch manager of a manufacturing company, and was involved in overall marketing/sales, coordinated with the production and development department, and drew up medium-term regional strategies. Was responsible for developing new business and providing sales advice to client companies. Was made a member of the Artner Audit and Supervisory Committee in 2021.



What do you think about the decision-making process on the Board of Directors, and about how effective its oversight is?

Nomura: There used to be two different types of board meetings: "business report board meetings" for detailed reports of business performance, and "regular board meetings" where we discussed medium- to long-term management strategies. The board provided oversight and functioned as the executive. The introduction of the executive officer system in May 2025 clearly separated the executive and supervisory roles, which has allowed the Board of Directors to focus on oversight and on deciding management policies. We believe that this will allow for more rapid management decisions and will improve decision-making efficiency.

Teramura: We receive materials in advance when making decisions about important matters, and when necessary, the relevant departments provide explanations that give us a deeper understanding when we deliberate the issues at hand. Also, the Outside Directors meet regularly with the President to actively exchange opinions, which are reflected in board meetings, and I think this increases the effectiveness of our oversight.

Morii: Board of Directors meetings are held twice a month and extraordinary board meetings once per quarter, which brings everyone onto the same page in regard to business performance, governance, and the direction the Company is taking.

In light of the report evaluating Board effectiveness in FY2025, where do you feel the Board of Directors could see some improvement?

Nomura: The implementation of a succession plan was identified as an issue. I believe that the introduction of the Executive Officer system will significantly contribute to resolving this issue. Reports on investigations by the Nomination and Remuneration Committee will continue to be delivered to the Board in a timely manner.

Teramura: Other issues identified in the effectiveness evaluation included bringing greater diversity into the Board and revitalizing the strategic discussions that lay out the vision for the Company's future. I believe that the introduction of the Executive Officer system will expand our potential talent pool and will help us achieve greater diversity, including in terms of age and gender. In addition, as we see more of the authority for routine operations delegated elsewhere, I think the Board of Directors will be able to focus more on achieving better oversight and on discussing our long-term vision for the future.

Morii: The effectiveness evaluation helped us recognize the need to incorporate more diverse perspectives into discussions, and to set aside time for a more active exchange of opinions. I feel that we need to promote deeper, more constructive discussions among the directors.

Tell us about the dialogue you have with the Executive Team. Also, what topics have you been discussing recently?

Nomura: Based on my prior experience and knowledge, outside

directors are expected to offer advice from different points of view to help the company grow. I strive for appropriate management by voicing my opinions at the Board of Directors meetings from a neutral, objective standpoint and by leveraging my experience, which differs from that of the Inside Directors.

Teramura: I exchange opinions periodically with the Executive Team and regularly with the President. One topic we have been discussing recently is how to develop management talent with an eye on them succeeding to the Board. We talked about to how to delegate a certain amount of authority to the Executive Officers, and about how to enrich the pool of talent they have below them. Another topic we have discussed is how to retain engineers through better recruitment and measures to stop them leaving. From an engineer's perspective, resigning from a job is not necessarily a negative step on their career paths, and considering the recent rapid expansion of the mid-career recruiting market, the Company needs to implement some defensive measures. We also talked about how to foster a sense of unity among dispatch engineers, and the importance of providing educational opportunities that take into account the aspirations and career paths of each individual.

Morii: I have regular one-on-one meetings with Directors, and we also share our ideas and confirm mutual understanding regarding direction during board meetings. In addition, I can speak frankly with the President about my opinions during social events and meetings of the Nomination and Remuneration Committee, and I feel that we have an environment in which I, as an Outside Director, can speak freely from an objective, neutral perspective.

How would you evaluate the previous Medium-Term Business Plan (FY2023-FY2025)? Please tell us any suggestions you have regarding results, issues, or strategies for future growth.

Nomura: One of the major challenges we had to deal with during the previous medium-term plan was ensuring we complied with the listing maintenance criteria for the Tokyo Stock Exchange (TSE) Prime Market. We were successful there, but we have yet to build a sufficient foundation for sustainable, next-generation growth, so that remains an important issue that we must address. In order to cultivate the next generation of management personnel, the most important thing we need to do is increase employee motivation and invigorate the organization as a whole.

Teramura: In the previous medium-term plan, we prioritized the need to meet the listing maintenance criteria for the TSE Prime Market, and I am happy to say that we were successful. Profits significantly exceeded expectations due to the growing need for engineers, and the President himself engaged in active dialogue with investors while the company increased investor relations activities. I believe this helped eliminate information asymmetry and earn us greater recognition on the market. Our next challenge lies in how to secure highly-skilled engineers. With recruitment growing increasingly competitive, we must focus more on mid-career hires, on the assignment of more diverse talent, and on

implementing thorough measures to prevent employees from quitting.

Morii: Companies throughout the industry are failing to meet engineer recruitment targets, and that remains an issue for us as well since we were unable to significantly increase the number of personnel either through new graduates or mid-career hires. While we didn't meet our target for net sales, we were able to significantly increase profit margins,



and meet our targets for percentage of personnel working on carbon neutral projects, ROE, and payout ratio, which also led to an increase in dividends.

How do you feel about the introduction of the Executive Officer system?

Nomura: I think it is extremely good timing. The clear separation of management and operational execution, with authority delegated to executive officers as heads of their business divisions, will improve decision-making speed and execution. I think this will allow the Board to focus on management policies and oversight, and will lead to stronger corporate governance overall.

Teramura: With longer tenures and aging of the current directors, it is extremely important for us to actively recruit the next generation of talent in order to make the company a sustainable organization. Now that the company is performing well, we can begin appointing individuals in management to Executive Officer positions, and entrust them with the responsibility of managing each division. This will have a significant impact on revitalizing the organizations and cultivating management talent.

Additionally, the delegation of routine operations to Executive Officers gives the Board more free time to improve oversight and fortify internal controls, thereby improving the quality of governance.

Morii: The Executive Officer system will rejuvenate management in each segment, which I hope will lead to new methods and organizational management that is not beholden to old customs. Traditionally, governance and internal controls

have been applied appropriately at each site with management headquarters taking the lead, but I hope that they will become even stronger through this revitalization of the organization.

Please tell us about any challenges remaining regarding achieving sustainable growth through human capital and organizational culture.

Nomura: Our biggest challenge is securing new engineers in this increasingly competitive environment. To address the shortage of personnel, we are expanding our contracting business and working to strengthen collaborations with business partners. In addition, it is urgent that we begin cultivating the talent who will become the next-generation of management. In order to develop employees with the talent for management from a company-wide perspective, I believe we need to give employees more experience by implementing transfers between divisions, something that has never been done before.

Teramura: Every year, it is becoming more difficult to recruit talented new graduates, and due to the declining birth rate, this issue will become increasingly dire in the future. That is why it is essential that we diversify recruitment. We are particularly focused on mid-career hires, but our numbers are still below the planned targets and the majority of recruits are still young. In addition, language barriers and other factors limit the number of foreign-born engineers we can hire. We can address these issues by securing active engineer numbers through expanding our contracting business and collaborations with partner companies, and in the future, I think we need to build an environment in which a more diverse array of talent is able to demonstrate our company's unique technical capabilities.

Morii: I think that we need to gradually improve the structure of each department and regularly rotate personnel between them. We also need to take on the challenge of revitalizing the organization as a whole through bold selection and promotion of young talent. I also believe that we must work steadily towards achieving the six numerical targets for sustainability set out in the Medium-term Business Plan by having each department draw up a concrete action plan, and by sharing those plans with all board members and implementing regular progress reviews.

Please describe any current business challenges faced by Artner, and any measures being taken.

Nomura: The Basic Policy of the new Medium-Term Business Plan is to organize the company such that it becomes the "Top group of high-achieving engineers" in the engineer dispatching industry.

The segment strategies are essential to achieving this, and it is also essential to operate under integrated recruitment, training, and sales strategies. The goal in introducing the Executive Officer system was to build a management structure from a company-wide perspective, and we hope that this will lead to cross-departmental collaboration and will promote original thinking and ingenuity.

Teramura: There is a growing need for development in carbon neutral areas of the automobile industry, and in the semi-

conductor industry due to the emergence of generative AI. Our company policy is to actively respond to the growing need for engineer dispatching in these fields. In order to achieve this, we will need to recruit and train capable personnel, and will need to secure more placements for engineers in these fields. Regarding training in particular, we will begin expanding the contracting business this quarter, and as part of that effort, we will work on cultivating highly-skilled personnel through on-the-job training. Such measures are essential to dramatically increasing the number of high-level engineers at the company, and it is my hope that they will be successful.

Morii: We predict that demand will remain strong for the next five to ten years. The industry has a market of over 1 trillion yen and is crowded with various types of personnel service companies, but we will highlight our status as a group of high-achieving engineers by increasing the percentage of personnel working in high-end areas and by expanding in the contracting field, which will lead to increased use of more diverse talent.

What do you think about our sustainability strategy?

Nomura: The Sustainability Committee provides the Board with regular reports on the progress it has achieved towards reaching its targets. As an Outside Director, I will continue to strive towards resolving the issues we face, while maintaining a strong awareness of the need to maintain a working environment in which all employees have a sense of job satisfaction.

Teramura: As a personnel dispatch company, it is our personnel



who are the source of increased enterprise value, so I think it is perfectly appropriate that our basic sustainability policy aims to encourage "personnel development" and the "happiness of all employees" as goals. Personnel development, or the training of engineers, is the core focus of our business, and combined with our focus on promoting health management in recent years, I believe we have managed to reduce turnover to a certain extent. In addition, having engineers working on projects connected to carbon neutral-



ity has allowed us to contribute to addressing environmental issues, which I believe promotes our sustainability strategy while simultaneously improving enterprise value. In the future, I think that improving employee engagement beyond that related to their work will play an important role in improving employee retention, including among middle management.

Morii: We share our understanding of issues through regular sustainability meetings, and are engaged in numerous other initiatives, including sustainability management and social contributions. We consider talent development and organization building to be important for growth, and have set numerical targets for each goal in the Medium-term Business Plan for us to work towards.

Tell us your expectations for Artner in the future.

Nomura: I hope that the measures laid out in the new Medium-term Business Plan will be implemented surely and steadily, and that all employees will work as one towards achieving its goals. As an Outside Director, regardless of how small my contribution may be, I will do my best to help the company grow.

Teramura: This fiscal year marks the start of a new Medium-Term Business Plan, and we will work to implement management that remains aware of cost of capital and stock price. We successfully met the listing maintenance criteria for the TSE Prime market under the previous plan, and it is hoped that the new plan will solidify that success and lead to an increase in enterprise value. That is one more reason for the company to steadily implement the various measures detailed in the new Medium-term Business Plan one by one. As Outside Directors, we will continue to watch over the steady progress of the company on behalf of all stakeholders.

Morii: I have high hopes for continued growth in the future now that the company has transitioned to a new organizational structure with the introduction of the Executive Officer system. I believe that the company will continue to grow stronger if every employee maintains a sense of urgency and gratitude as they work towards growth each day.

Directors Who Are Not Members of the Audit and Supervisory Committee

As of May 1, 2025



SEKIGUCHI Sozo		President and CEO		In charge of the Corporate Planning and Strategy Division, the Engineer Business Division <Current tenure: 32 years>	
Born December 31, 1964					
June 1983	Joined MEITEC CORPORATION (now MEITEC Group Holdings Inc.)	February 2012	Business Division Appointed Head of the Hyper Artnr Business Division		
April 1988	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)	March 2025	Appointed Head of the Corporate Planning and Strategy Division, Head of the Engineer Business Division		
March 1993	Appointed Director; Head of the Business Planning Office	May 2025	Appointed In charge of the Corporate Planning and Strategy Division, the Engineer Business Division (current)		
February 1998	Appointed Director; Vice President				
February 2002	Appointed President and CEO (current)				
February 2012	Appointed Head of the Hyper Artnr				



HARIGAE Tomonori Managing Director		In charge of the Management Division, the Engineer Agency Business Division <Current tenure: 34 years>	
Born May 24, 1954		May 2008	Appointed Director; Head of the Management Division
April 1978	Joined Toyobo Interior Co., Ltd.		
March 1982	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)	March 2025	Appointed Director; Head of the Management Division, Head of the Engineer Agency Business Division
March 1990	Appointed Head of the Kanto Business Dept.		
March 1991	Appointed Director	April 2025	Appointed Managing Director; Head of the Management Division, Head of the Engineer Agency Business Division
March 1993	Appointed Managing Director; Head of the General Affairs Dept.		
February 2007	Appointed Managing Director; Head of the Management Division	May 2025	Appointed Managing Director; In charge of the Management Division, the Engineer Agency Business Division (current)
May 2008	Appointed Director; Head of the Management Division (current)		



OKUSAKA Kazuya Director		In charge of the Technology Development Division <Current tenure: 21 years>	
Born September 3, 1955		February 2010	Appointed Managing Director; Head of the Business Promotion Division
April 1978	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)	February 2011	Appointed Managing Director; Head of the Engineer Business Division
October 1993	Appointed Head of the No.3 Business Dept.	April 2011	Appointed Director; Head of the Engineer Business Division
February 2002	Appointed Standing Auditor	February 2013	Appointed Director; Head of the Human Resources Division
April 2004	Appointed Managing Director; Head of the Human Resources Dept.	February 2016	Appointed Director; Head of the Engineer Business Division (current)
February 2007	Appointed Managing Director; Head of the Human Resources Division	March 2025	Appointed Director; Head of the Technology Development Division
April 2007	Appointed Managing Director; Head of the Business Management Division	May 2025	Appointed Director; In charge of the Technology Development Division (current)
March 2009	Appointed Managing Director; Head of the Technology Development Division		



NOMURA Ryuichiro		Directors Who Are Members of the Audit and Supervisory Committee As of May 1, 2025	Outside Director / Independent Director <Current tenure: 3 years>
Born February 18, 1956		April 2008	Joined Mizuho Realty Co., Ltd. as Senior Managing Executive Officer
April 1978	Joined Yasuda Trust & Banking Co., Ltd. (now Mizuho Trust & Banking Co., Ltd.)	September 2016	Joined Taiyo House Co., Ltd. as Vice President
May 1999	Appointed Kinshicho Branch Manager	March 2020	Joined Nihon Unist Inc. as Advisor
April 2002	Appointed Hiroshima Branch Manager	August 2020	Joined Marubeni Private Reit Inc. as Executive Officer
April 2004	Appointed Head of the Securities Agency Sales Dept.	July 2022	Joined Artnr Co., Ltd. as Director and member of the Audit and Supervisory Committee
October 2005	Appointed Head of the Solution Sales Dept.		Joined Artnr Co., Ltd. as Director and standing member of the Audit and Supervisory Committee (current)
April 2007	Appointed Executive Officer; Head of the Solution Sales Dept.	April 2023	



TERAMURA Yasuhiko		Director and member of the Audit and Supervisory Committee	Outside Director / Independent Director <Current tenure: 4 years>
Born November 22, 1955		November 2008	Appointed Senior Managing Director
April 1978	Joined The Bank of Yokohama, Ltd.	June 2011	Joined Sagami Transportation & Warehouse Co., Ltd. as Outside Director
December 1997	Appointed New York Branch Manager		
April 2003	Appointed Executive Officer; Head of the Financial Markets Dept.	November 2018	Joined Multitrans, Ltd. as CEO
April 2006	Appointed Managing Executive Officer	April 2021	Joined Artnr Co., Ltd. as Director and standing member of the Audit and Supervisory Committee
June 2006	Joined Kyodo Shinyo Co., Ltd. (now Feed One Co., Ltd.) as Part-time Auditor	April 2023	Joined Artnr Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)
November 2007	Joined Mabuchi Corporation as Managing Director		



MORII Shinichiro		Director and member of the Audit and Supervisory Committee	Outside Director / Independent Director <Current tenure: 4 years>
Born November 28, 1953			
March 1976	Joined Takara Standard Co., Ltd.		Kansai Direct Demand Branch Manager and Chubu Direct Demand Branch Manager
May 2006	Appointed Kansai Direct Demand Branch President	June 2020	Appointed Advisor
		April 2021	Joined Artnr Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)
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;		

Skill Matrix of Executives

Note: The table below does not represent all the experience and expertise possessed by each Director.

Name	Positions and areas of responsibility	Corporate management	Skills	Business strategy	Recruitment and development	Sales	Finance and accounting	Governance
SEKIGUCHI Sozo	President and CEO In charge of the Corporate Planning and Strategy Division, the Engineer Business Division	●		●	●	●	●	
HARIGAE Tomonori	Director and Head of the Management Division In charge of the Management Division, the Engineer Agency Business Division	●			●	●	●	
OKUSAKA Kazuya	Director and Head of the Engineer Business Division In charge of the Technology Development Division	●	●		●	●		
NOMURA Ryuichiro	Outside Director and standing member of the Audit and Supervisory Committee	●				●	●	●
TERAMURA Yasuhiko	Outside Director and member of the Audit and Supervisory Committee	●					●	●
MORII Shinichiro	Outside Director and member of the Audit and Supervisory Committee					●		●

< Reasons for Selecting the Skills in the Skills Matrix >

Corporate management	We believe that competence and experience in engaging in corporate management and important decision-making are critical for the purposes of formulating and executing business strategies and plans in order to achieve sustained growth and increase the medium- and long-term enterprise value, based on our management philosophy of being an Engineer Support Company.
Technologies	We believe that possession of a high level of expertise in the Company's technology fields, along with competence and experience in promoting the growth and self-actualization of engineers, is critical for the purposes of participating in cutting-edge projects at an early stage and shifting careers to growing industry fields.
Business strategy	We believe that competence and experience in discerning medium- and long-term societal changes and guiding the Company's strategy accordingly are critical for the purposes of swiftly grasping the changes in client needs, shifts in employee preferences, and change in the market environment and building a foundation for sustainable and next-generation growth.
Recruitment and development	We believe that competence and experience in maintaining and creating the Company's unique "high value-added engineering group" even as the competition for talent intensifies are critical for the purpose of expanding our business by increasing the number of engineers, their utilization rate, and the unit price of engineers, all three of which are our important management indicators.
Sales	We believe that in-depth knowledge and extensive experience in marketing, and sales are critical for the purposes of maintaining and building a strong client base through selecting and swiftly assigning engineers whose skills level is appropriate for the development needs and plans of our clients and enhancing client satisfaction, alongside conducting efficient and balanced sales activities.
Finance and accounting	We believe that possessing adequate knowledge of finance and accounting, as well as competence and experience in working on financial strategies to enhance enterprise value, is critical for the purposes of striving for transparent and trustworthy financial management, establishing a stable financial base, enhancing enterprise value continuously, and strengthening shareholder returns.
Governance	We believe that adequate knowledge and experience needed to establish frameworks for risk management, compliance, and corporate governance are critical for the purpose of further strengthening our 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.

Executive Officers as of May 1, 2025

Name	Managerial Position	Responsibilities
KUDO Yasushi	Executive Officer	Head of the Engineer Business Division
FUJISHIMA Masahiko	Executive Officer	Head of the Engineer Agency Business Division
WADA Rei	Executive Officer	Head of the Technology Development Division
FUJIOKA Ryo	Executive Officer	Head of the Corporate Planning and Strategy Division
ABEYAMA Takashi	Executive Officer	Head of the Management Division